

CITY OF
BENSON MINNESOTA
CITIZENS ADVISORY PANEL

Minutes
Citizens Advisory Panel
March 20, 2003

Members present: Allen Saunders, Carolyn Lee, Leroy Noreen, Renee Hayden, Barry Jungwirth, Ray Millett, and Jan Lundebrek
Members absent: Bruce Holgate, Steve Verhelst, Brian McNeill, and Bill Lee
Present:
Fibrowatt: Terry Walmsley and Greg Langmo
City: City Manager Rob Wolfington and Marge Scheffler
Other: William Dineen

The meeting was called to order at 6:40 p.m.

Approve August 27, 2002 and November 6, 2002 CAP Minutes

It was moved by Lundebrek, seconded by C. Lee and carried unanimously to approve the August 27, 2002 and November 6, 2002 CAP minutes as written.

New Member Considerations

Terry Walmsley informed the panel that he will be taking over Anne Martinez's responsibilities for CAP. He said there is one vacancy on CAP and asked if there was anyone that found it difficult to continue as a member on CAP. There was a consensus that the CAP group was beneficial and no one expressed the need to come off. Pastor Dave Andert and Sandy Fossen were names that were mentioned for possible membership. Terry said that if they were both interested in participating he thought that would be okay.

There was a discussion about the recent lull in the project and the public perception that the project may be dead. Member Millett brought up doing special newspaper columns or possibly a newsletter informing the public about the project.

Review of the Final Air Permit Proceedings

Terry Walmsley mentioned that the project is now in phase two which is the financing and construction phase; phase three will be the operational phase. Terry said he was working with the USEPA in late December on the construction and operation air permit. There was nothing new on the construction part of the permit but there were a few compliance issues with the operation permit that needed to be worked out. The MPCA and USEPA asked Fibrominn to include additional ways than just the continuous monitors to show compliance with all of the permit conditions. By including some additional testing and showing how existing monitors can be

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used for other pollutants, EPA and PCA agreed that the permit was complete. The permit was finalized on January 3 2003 and approved by both the USEPA and the MPCA.

Terry handed out a copy of the final Air Emission Permit to each member and a fact sheet of General Conditions in Air Permits. There was a brief discussion about the air permit.

Ash Processing, Value Added Opportunities

The initial plan was to temporarily store the ash on the site and find purchasers for the ash. There is now interest in further processing the ash and possibly granulating the ash. Fibrominn is working with a company to build a processing plant on the site. The processing company would probably store the processed ash here and then ship the final product elsewhere for distribution. This would be a separate facility and could possibly create as many as 12 additional jobs. Fibrominn is hopeful an announcement regarding the processing plant will be made in the next month or two.

Terry Walmsley met again with the MPCA to make sure that he understands the ash utilization permit. He expressed that everything is going well.

Project Update, Construction

With the delay in receiving the air permit, Fibrominn had time to re-evaluate the project. Terry Walmsley informed the panel that they are not going to use a wet cooling tower as originally planned and are now going to use an air-cooled condenser. This change may cut water use to only about 10% of the water they originally thought they would need. This cost savings because of the re-evaluation will help to offset some of the additional costs due to the air permit delay.

Fibrominn has had the opportunity to look at the layout of the plant. The stack will stay in the same location but some of the other structures may be in different locations. A ditch needs to be relocated and after the geotech work is completed the grading can begin. The site is 87 acres with the project using about one-third of it. The wetland issue is done with the paperwork needing to be finalized. The big items for the project will be the turbine generator, structural steel and the boiler. When does the stack get constructed? Because of the size of the crane used to construct the stack, they don't want to construct the stack when other construction is going on so it makes sense to construct it first. Terry Walmsley said he would like to put pictures of the construction on the web site to show the progress of the project.

Greg Langmo said he had talked to Carl Strickler and could mention that Fibrominn anticipates picking the groundbreaking date within 60 to 90 days.

Financing for the project may be approached differently than initially thought. They are now looking at private financing for the project. Greg Langmo mentioned that Carl Strickler told him that Fibrominn is in active discussion with four parties for the financing of the project.

The City Manager briefed the panel on the Governor's proposed JOBZ program for greater Minnesota. This new program would create ten 5,000 acre tax free zones. Benson is looking into

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this concept and it makes sense to construct the plant in one of these zones and rent the land to Fibrominn.

Topics for Next Meeting, Questions/Concerns

There was no mention about when the next meeting will be held.

Fibrominn has hired a firm to begin the process to hire a plant manager. Operators would not be hired until a month or two before the plant is operational. It may take up to six months to fully turn the plant over to Fibrominn from SNC.

About a month ago, Fibrominn received an extension to their contract with Xcel.

Member Carolyn Lee said people have been asking her when the groundbreaking will be and she found that answer out this evening, but what is the biggest publicity thing – the groundbreaking or the opening of the plant? The City Manager said he felt the opening of the plant will be big. Greg Langmo said the Governor has asked to be notified when the groundbreaking will be held; he has expressed great interest in this project.

The City Manager said that Sue Pirsig, GROW executive director, told him that Case Tyler has announced to their employees that they are bringing in a new line (cotton picker).

Member Saunders asked about employment opportunities? Greg Langmo said they are talking about manning the office on a part-time basis.

Member Millett asked about their experience with labor unions. He was told that they have made a construction commitment to hire union laborers.

The panel was informed that Carl Strickler and a major investor may be in Benson next week to look over Benson and to meeting with the Steering Committee.

The meeting was adjourned at 7:58 p.m.