**SOUTH DAKOTA DEPARTMENT OF AGRICULTURE**

**VALUE ADDED FINANCE AUTHORITY**

**MINUTES OF THE PUBLIC HEARING and MEETING**

**November 29th, 2018**

The South Dakota Value Added Finance Authority (VAFA) board held its regularly scheduled meeting on Thursday, November 29th, 2018, at the SDDA Conference Room, Third Floor, Foss Building, 523 East Capitol Avenue, Pierre, South Dakota and via teleconference.

Board Members Present: Board Members Absent:

Bob Hull, Chairman

Mark Gross, Vice Chairman

Jim Doolittle

Chuck Jepson

Nathan Jensen

Jim Schmidt

Marcia Hendrickson

Staff Present:

Terri LaBrie, Executive Director VAFA, Kimberly Sturm, SDDA Grant and Loan Specialist

Others Present: Bryan Sanderson, Business Development Director SDDA, Derek Little, First Dakota National Bank, John Archer, Tech V, Bruce Schroder, Tech V, Bob Mercer, Reporter, Joan Trygstad, Webster, Cheri Rath, Hydrogreen

**Call to Order:** Chairman Hull opened the meeting at 8:02 a.m. CT and asked for roll call. A quorum was present.

**Agenda:** Chairman Hull asked for any additions to the agenda. Ms. LaBrie mentioned the Public Hearings for Karl Schenk #6-0033 and Seven Pigs #6-0035 will be moved to the December 20th meeting.

A motion to approve the agenda was made by Mark Gross and seconded by Jim Schmidt. Motion passed by unanimous roll call vote.

**Conflict of Interest: Board member, Nathan Jensen, has indicated and provided staff with a conflict of interest disclosure on agenda item number 8. Nathan will abstain from voting and will discuss the conflict during that time.**

**Minutes:** A motion to approve the minutes dated October 25th, 2018 was made by Mark Gross and seconded by Marcia Hendrickson. Motion passed by unanimous roll call vote.

**Jeffrey Thayer #2-0088 Public Hearing and Resolution B:** Ms. LaBrie informed the board a Notice of Public Hearing was published in the Britton Journal on November 7th, 2018 for a Beginning Farmer Bond for Jeffrey Thayer. Jeffrey Thayer has applied for a Beginning Farmer Bond in the amount of $122,200 to finance the purchase of approximately 42 acres in Marshall County. No written public comments were received by staff. No oral comments were made at the hearing for or against the project. Ms. LaBrie mentioned the bond was contract for deed at 2.75% for 20 years. Ms. LaBrie recommended the board approve the bond and pass Resolution B.

A motion to approve staff recommendation and pass Resolution B was made by Jim Doolittle, and seconded by Mark Gross. Motion passed by unanimous roll call vote.

**Seven Pigs LLC, #6-0034 Union Co. Public Hearing and Resolution B:** Ms. LaBrie informed the board a Notice of Public Hearing was published in the Beresford Republic on November 8th, 2018 for a Livestock Nutrient Management Bond for Seven Pigs, LLC. Greg Popkes has applied for a Livestock Nutrient Management Bond in the amount of $329,000 to finance the solid waste disposal expenses relating to the construction of a 2400 head wean to finish hog confinement building in Union County. No written public comments were received by staff. No oral comments were made at the hearing for or against the project. Ms. LaBrie mentioned the bond purchaser was First Dakota National Bank with a 4.67% per annum from the Loan Date until 5 years after closing and will be adjusted every 5 years to be equal to .58% of the announced prime rate of Wall Street Journal Prime. Ms. LaBrie recommended the board approve the bond and pass Resolution B.

A motion to approve staff recommendation and pass Resolution B was made by Marcia Hendrickson, and seconded by Chuck Jepson. Motion passed by unanimous roll call vote with Nathan Jensen abstaining.

**Tech V #2007.04.AG Extension Request:** John Archer and Bruce Schroder from Tech V were on the line to discuss the need for a 90 day extension. John mentioned they had a few conversations with Southern California Gas Company and Easy Energy Systems and determined they were unable to develop their process to a level where their technology would be useful for them. John also mentioned they are currently working with the Sioux Falls Mayor Chief of Staff to discuss the upgrade of their waste water facility using the Tech V process. They are requesting a 90 day extension to explore that avenue. Ms. LaBrie recommended the Board approve the 90 day extension.

A motion to approve staff recommendation was made by Chuck Jepson and seconded by Jim Doolittle. Motion passed by unanimous roll call vote.

**CLR #2015.01.AG Extension Request:** Ms. LaBrie mentioned CLR is requesting a 9 month extension to draw the remaining $9,050. CLR would like additional time to evaluate and watch the agricultural and renewable fuels market. CLR continues to work with potential partners for the biodiesel project. Ms. LaBrie recommended the Board approve a final 9 month extension.

A motion to approve staff recommendation was made by Mark Gross and seconded by Jim Schmidt. Motion passed by unanimous roll call vote.

**Purity Seeds #2008.01.AG Extension Request:** Ms. LaBrie mentioned Wanda Bethke of Purity Seeds is requesting the continuation of her adjusted payment schedule for an additional 12 months. Ms. LaBrie mentioned Wanda has been making consistent payments and feels this would benefit her operation at this time. Ms. LaBrie recommended the Board approve the adjusted payment schedule for an additional 12 months.

A motion to approve staff recommendation was made by Jim Schmidt and seconded by Marcia Hendrickson. Motion passed by unanimous roll call vote.

**Hydrogreen #2016.01.AG Extension Request:** Cheri Rath was on the line representing Hydrogreen, and requested a 12 month extension to draw the remaining $100,000 and secure their patents. Cheri gave the board a brief update on the company’s efforts as well as the time it takes to secure a patent. Ms. LaBrie recommended the Board approve the extension.

A motion to approve staff recommendation was made by Chuck Jepson and seconded by Jim Schmidt. Motion passed by unanimous roll call vote.

**Executive Director Report:** Ms. LaBrie informed the board she presented the 2018 VAFA Annual Report to the Interim Bonding Committee. She also congratulated Bob Hull, Mark Gross, Chuck Jepson and Marcia Hendrickson on their reappointment to the VAFA Board.

The next VAFA meeting is scheduled for December 20th, 2018 via conference call.

A motion to adjourn was made by Jim Schmidt and seconded by Nathan Jensen. Motion passed by unanimous roll call vote and the meeting adjourned at 8:33 a.m. CT.

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Bob Hull, VAFA Chairman Date