

THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS



Department of Agricultural Resources

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FARM TECHNOLOGY REVIEW COMMISSION

Meeting Minutes

Thursday, March 4, 2010.

10.00 AM to 1:00PM Massachusetts Department of Agricultural Resources (MDAR),
101 University Drive, Suite C4, Amherst, MA 01002

Commission Members Present:

Dennis Buckley, Designee, Department of Revenue

James Cooper, Dairy Farmer Licensed as a Producer Dealer

Mark Duffy, Dairy Farmer, Massachusetts Association of Dairy Farmers

Gerard Kennedy, Designee, Department of Agricultural Resources

Ed Kunce, Designee, Department of Environmental Protection

Peter Melnik, Dairy Farmer, Massachusetts Cooperative of Milk Producers Federation

Roy Petrie, Designee, Department of Public Health

Carter Wall, Executive Director, Renewable Energy Division, Massachusetts Clean Energy Center

Others in attendance:

Gerry Palano

MDAR

Brad Mitchell

Farm Bureau

Sean Bowen

MDAR

Judy Gillan

New England Small Farm

Jessica Burgess

MDAR

Institute

ITEM 1: Introductions and Commission Updates

Gerard Kennedy called the meeting to order at 10:05 AM. The members of the Farm Technology Review Commission (FTRC) and the public introduced themselves and were welcomed. Kennedy noted that Roy Petrie is the new designee to the Commission for DPH. He acknowledged the contributions of Ellen Fitzgibbons to the Commission and to the Dairy Task Force, thanked her for her work on the Commission and expressed the hope that she would continue to support the efforts of the Commission and the regulatory review sub-committee as its work unfolded.

Kennedy indicated that he would like to use this meeting as an opportunity to review the progress that has been made within the Commission over the past few months and ensure that the Commission is moving in the right direction given that a report is due to the Legislature and Governor's office by April. Because Carter Wall had to leave early, he proposed that the agenda be rearranged to allow for this discussion to take place while Ms. Wall was present. Item 5 on the agenda (Review and Update of Regulatory Streamlining) was switched with Item 6 (Review of Commission Direction and April Report).

ITEM 2: VOTE: Minutes from January 27, 2010

Mark Dufy motioned to approve the minutes with a second from Ms. Wall. Kennedy stated that the minutes were detailed and contained a list of action items that he would like to ensure that the Commission addresses in the meeting when they review the Commission Direction.

ITEM 3: DISCUSSION: Review of taxation issues and progress update *Dennis Buckley*

Dennis Buckley provided an update on the following action Items:

- The Commission should continue to explore the possibilities for an exemption from sales tax for a specific piece of equipment such as a truck, including equipment purchase that is a percentage of business revenues or "primarily for agricultural use".
- Mr. Buckley indicated that he would have staff analyze whether changing the definition of livestock in the tax code would hurt the farmers or benefit them.

Mr. Buckley stated that DOR economists reviewed the issue of exemptions that agricultural operations get for FY 2009 and 2010. In 2010 there was 10 million dollars in foregone sales taxes collections that were directly due to agricultural exemptions. There is a website link which breaks down the forgone taxes for various agricultural subgroups: http://www.mass.gov/bb/h1/fy11h1/tax_11/items/htax3308.htm

The economists then examined what would be the implications of a partial exemption for front end loaders or back-hoes in cases where a farmer uses the back hoe for agriculture and other non-agricultural uses such as digging a foundation for a house. There has been a court case which was similar to this issue relative to the use of equipment. The tax in that case was a little over \$350,000 and with interest the taxpayer was looking for a little over a million dollars back. The taxpayer lost at the

Appellate Tax Board and the Appeals Court upheld that decision. The tax base lined up behind them waiting for the decision was worth a potential 8.5 million dollars in returned sales taxes.

An exemption carved out for the agricultural industry would lead to 4 to 5 million dollars per year in foregone sales tax, not including foregone taxes in the past three years which farmers might be able to get back should the exemption be retroactive. The economists will break it down and come up with the figures but it would ultimately require a legislative fix. He stated that manufacturers have been lobbying for years through several different national and state groups including the Associated Industries of Massachusetts to get a “primarily” into the statute with no success.

A potential avenue might be to narrow the issue down to specific sectors such as dairy farmers or nurseries and they could try to break the cost down. However, in the current economy it might not be the best time to advance the issue.

That being the case there was some good news regarding a question about dairy farmers who lose money and then sell a cow. Under the tax code, a cow and livestock is a capital asset. Federally, you just net everything together. In MA we tax income from trades, businesses, and wages as one part of income. Then there is capital gains. Then there is a third type of income and usually you do not get to offset one type of income with a loss in another. The exception is that if you are in a trade or business and have a loss, you can offset the capital gain that is related to that trade or business. Farmers should be aware that when they have a loss in dairy farming and they sell a cow, that the capital gain is directly related to the trade or business and you do get to bring over that loss and offset the capital gain. If anyone has questions, then a form can be completed to amend the tax returns.

Mark Duffy asked why a farm truck that is used exclusively in agriculture is subject to sales tax. Under the tax code a truck is either equipment that is used on a farm and it is exempt or when the farmer registers the truck the farmer is registering a motor vehicle, not a piece of farm equipment, and the registry will want its 6.25% sales tax.

There are ways to structure your business legally to pay less taxes. For example a construction company sets up a corporation to buy their equipment and they say it is for resale. What this means is that they are leasing it to a related tax entity. When they register it there is no sales tax because it is purchased for resale. Every month or every job they rent it to the related entity that actually does construction. For farmers, however, when you rent it to yourself as a farmer, farmers do not pay a tax anyway.

All the tax topics that he discusses are related to state taxes only. Federal code is different. And depending on how you organize your enterprise, there may be implications for you at the federal level. Gerry Palano inquired if renewable energy installations – wind, solar- on farms - are sales tax exempt. Mr. Buckley replied that he thought that it was the case if the installations are for the exclusive use in manufacturing or agriculture under Chapter 64H Sec 6. He also stated that the way the statute and the sales tax exemption is worded, you could have a farm stand growing fruits and vegetables in the backyard or raising cattle or chickens. In the front you have a retail store or farms stand. DOR takes the position that there are two trades of businesses going on here. One is agriculture. The other is retail just like the five and dime down the street. And if that wind turbine is used to heat or cool the retail store, it isn't exclusively used in agriculture. That's currently DOR's position based on some court decisions of what it means to be exclusively used in manufacturing, agriculture and things like that.

Mr. Palano went on to say that this is in conflict with other statutes such as MGL C 40a Sec 3, and MGL C 128 1a which allow farm stands and considers them to be agriculture. He asked if this could be further clarified.

According to Mr. Buckley, where you have a solar collector that is powering an irrigation pump, then the pump is being used exclusively in agriculture. If a lot of the power is being used to heat or cool the farm stand or retail store, then it loses its status as exclusively for agriculture. If an exemption of this nature were to apply to the farm stand, large retail stores selling produce would view such an exemption as an opportunity for their stores and would segregate the produce selling part of their store.

The key to securing a sales tax exemption is to very narrowly define the exemption to an area that clearly shows that you are primarily engaged in agriculture. Mr Buckley went on to say that if agricultural stakeholders can define exactly it is that they are looking to exempt, DOR can estimate the resulting loss in revenue.

Carter Wall asked if this is something that should be in the Commission report. Kennedy replied that it should be and at the very least it should be reviewed given the implications, particularly for net metering.

DOR will say that if you have more electricity than you generate and you sell it DOR will collect sales tax. Carter Wall asked if there were implications for net metering. She explained that the farms can assign net metering credits for the excess power generated to the farm down the street. The farm develops a contract with the farm. The utility puts the credit on their bill and then the utility will pay the farmer. Mr. Buckley said that he would look into the implications of tax law for net metering. He said that the current trend with this administration is not to make tax breaks. Instead they target. They have given out money recently for a Life Sciences credit. In this scenario there is not an exemption in the statute because you apply. Farmers could say that there should be a targeted credit for open space. Place a cap on it. The dairy tax credit is capped at 4 million dollars. An example might be that farmers need a credit for agriculture for growing corn or putting in an anaerobic digester.

Mark Duffy asked if the equipment itself would be tax exempt. Peter Melnik asked how the sales tax on the parts of a digester project would be assessed. There is a tank that specifically involved in digesting manure. It would seem that the only part of the equipment that is taxable would be the generator. Mr. Buckley responded that it is not that simple. The Department is going to say that the tank and generator are useless until you hook it all up and start the generator. The parts are useless unless you have the system working. This is similar to the PV system discussed earlier. The thread running through all of this is that the statutes use the word “exclusively”, which means for nothing else.

The exemptions being sought are in MGL C. 64 H which is sales tax and MGL C64i which is the use tax. The agricultural exemptions are in MGL C64H Sec 6. Sections (r) and (s).

Kennedy asked if there is value in having a group get together to flesh out these issues. Carter Wall stated that there is value to having MDAR provide guidance to the agricultural community on state taxation implications as they relate to net metering. Mr. Buckley stated that DOR has an outreach arm that is happy to talk to any groups that DAR can recommend.

She went on to say that there might be something for the Commission to look into if there is way to craft a recommendation to the Legislature regarding a clarification where there are gaps such as in net metering or other areas. Mr. Buckley stated that they would draft proposed legislation for the Commission if needed. The Commission would like to work on clarifying the issues that have been raised and list them.

Kennedy mentioned that there were a number of questions raised in the last meeting that suggested confusion around the application of the sales tax exemptions for agricultural purposes. Mr. Buckley said that there are two ways that a farmer can assure auditors that the vehicle is for exclusive use in agriculture: There is an Exempt Certificate which the farmer provides to the dealer to state that the vehicle is for the exclusive use in agriculture. The farmer can also request a rebate.

Action Item: Mr. Buckley said that he would look into the implications of tax law for net metering.

Action Item: Kennedy stated that DAR should work with DOR to review the issue of how taxation relates to renewable energy and other areas of diversification such as composting for farms.

Kennedy introduced Roy Petre from the Department of Public Health. Mr Petre is senior policy and regulatory analyst for the Bureau of Environmental Health at the Department of Public Health. He has worked for the Department for about 30 years in childhood lead poisoning prevention, and on legislative and regulatory functions for the nine programs in the Bureau of Environmental Health. Of primary interest here, is the Food Protection Program, which has responsibility for just that: the security and safety of food in the Commonwealth; inspection of, among other things, restaurants and other food facilities. Milk is an area that they have oversight in and dairy production. Very sensitive to these issues. Keenly aware of the situation that many farmers find themselves in and want to do everything possible to cooperate to make things easier. At the same time, obvious primary considerations for public health and food safety, so have to be very careful in how they approach issues.

ITEM 4: DISCUSSION: Review and Update of Energy Related Issues

Energy Related Action Items from the January 27 meeting included:

- Carter Wall to clarify the extent to which the 10% discount for Group Purchasing applies to energy bills. Does it apply to the supply side only or the total bill?
- A subgroup will meet to discuss anaerobic digesters as a stand-alone topic and identify what the barriers and opportunities are, the educational need and the regulatory issues.
- MDAR to work with MassDEP and MRET to identify opportunities for outreach on energy issues to local groups such as Building Inspectors and Boards of Health.
- Ms. Wall to put out a Request for Information (RFI) from the Trust to get some ideas on how to proceed with the idea of an Ag Power option on utility bills?
- Explore pilot funding for a study on geothermal or biomass thermal heating for greenhouses – in conjunction with UMass?
- MDAR to coordinate with Farm Bureau and member organizations around their needs and the types of energy efficiency programs they would like to see. Can the FTRC highlight these new technologies on farms and bring them to the attention of the utilities

An action item from the previous meeting was for Ms. Wall to clarify the extent to which the 10% discount for Group Purchasing applies to energy bills. Does it apply to the supply side only or the total bill?

Gerry Palano clarified that the Farm Energy Discount Program for farms started in 1997 as part of deregulation and in that deregulation was a provision that farms would enjoy a 10% discount on both electricity and natural gas bills. At the same time, that act separated generation from distribution and transmission. Therefore, it allowed free market competition for all of us to be able to pick who we want to buy the energy component of electricity and natural gas from.

As it pertains to the discount, farms that elect to stay with the distribution company and purchase energy from them will enjoy a ten percent discount on both the energy and the distribution side. So it's on the whole bill. Farms that purchase their energy from a retail energy provider different from the distribution and transmission company will only get the ten percent on the distribution side. Municipal light and power departments provide ten percent for the whole bill.

The best advice for a farm is if a retail provider gives you a call and wants you to switch from the call provider, is to make sure that you've got ten percent, you know what your existing rate is and use that as you negotiate. The default rate that you receive gets updated every six months and the distribution and transmission companies have to get approval from DPU every six months for their rates. So they can't tell you the rate you have now will necessarily be longer than the six months, as with the default provider's rate which would be proposed for the next one, two or even five years, but your default provider can at least tell you here's what it is today with your ten percent.

Mr. Palano stated that the benefits of group purchasing might pertain more to bio-fuels. Carter Wall indicated that one thing the Farm Bureau could do that is very effective is publish prices. The DOER does this statewide for oil. Once a month they survey heating oil prices and they post it on their website. That's very effective because you can go to that website and then you go to your vendor and

say, “Hey, you know, according to the state the average price this month is X. How come you’re not offering me that?” Market knowledge is a very powerful thing.

The Mass Oil Consumers Alliance is mainly a Boston area group that engages in group negotiating as opposed to group buying. They negotiate a price with the oil dealers and you get that price. The contract is directly between you and the oil dealer but you get that negotiated price. That might be something to look into. Ms Wall also stated that in terms of the natural gas and electricity, we will do a great public service if we publicize the ten percent discount through the Farm Energy Discount Program. She stated that the Commission’s recommendation should be that we publicize that the discount is available so that people can take that into account in their decision-making.

An action item from the previous meeting was that Ms. Wall would put out a Request for Information (RFI) from The Trust to get some ideas on how to proceed with the idea of an Ag Power option on utility bills. She stated that there are a lot of pieces to setting up something like that. You have to get somebody to run it. You have to get the utilities to sign onto it. We have things like that already in other parts of the state such as “Green Star” for National Grid.

The Mass Energy Consumer’s Alliance is an enterprise that has a really big program where it goes out and markets programs of this nature and has an agreement with the utility. The utility collects the money, sends it to them, but they do all the administration and so forth. You could definitely do something like that, but, again, you’d have to find somebody to run it.

Ms Wall addressed the other action items from the previous meeting saying that the other things that we talked about are also concrete things that they are working on through a proposed subgroup to explore interim suggestions. Among the items were exploring the specific efficiency needs of agricultural enterprises. Brad Mitchell of the Farm Bureau indicated that he is happy to help with a survey.

Judy Gillan of NESFI asked if energy related issues come forward, would they ever move into the purview of this commission, for example biochar. Kennedy stated that every meeting needs to have a section that’s devoted to public input, so that the people that are attending the meeting have an opportunity for input. So it’s an appropriate item to bring up for the Commission to consider. There may not be a complete understanding of the biochar issue so perhaps, in a future meeting it might be possible to educate the Commission around biochar

Kennedy questioned Wall on the subgroup on AD. No formal meetings or discussions at this stage.

Action Item: Educate the agricultural community about:

- options relative to group energy purchasing particularly as they relate to the electric portion of the bill, not so much the non-electric portion
- the Farm Energy Discount

Action Item: Coordinate subgroup to review energy issues.

ITEM 5: DISCUSSION: Review of Commission Direction and April Report

At this point the Commission reviewed the status of the Dairy Farmer Taskforce Recommendations. Kennedy said that a number of the recommendations have been either fully or partially implemented.

Recommendation 1. The ability of farmers to use viability funds on farms, has been addressed through the APR Improvement Program (AIP) which is in a pilot phase. There are ten farms participating. It's moving forward. See website: <http://www.mass.gov/agr/programs/aip/index.htm>
(Consider recommendation fully addressed)

Recommendation 2. The state tax credit allowing such credit to include all excise tax on animals, machinery and equipment was addressed by Section Two of the Dairy Farm Preservation Act, where voters of a city or town may approve a referendum. Eight towns have passed such a referendum.
(Consider recommendation fully addressed)

Recommendation 3. The recommendation that milk room waste or milk waste generated on a farm shall be treated in the same manner as other animal waste has been partially addressed through the MOA with DEP. We're coming up on our one year anniversary of a memorandum of agreement with DEP around that issue. **(Consider recommendation partially addressed)**

Recommendation 4: Farm net metering for agriculture and net meeting for wind, solar, and agricultural energy installations took effect last year. **(Consider recommendation fully implemented)**

Recommendation 5: Regulatory issues concerning small temporary slaughtering facilities, including site assignment and regulatory requirements, was a recommendation that came out of the taskforce. There's quite a complex regulatory structure that deals with these issues. The issue of looking at four legged access to slaughtering facilities is something that the Commission could review, at the very least.

Recommendation 6: This recommendation involves the preemption of municipalities from regulating agricultural activities. Kennedy remarked that some of the Commission members thought this may have made too strong a statement.

Roy Petrie indicated that, from his work with local health departments, that number six is one that causes concerns. Mr Petrie stated that there are genuine issues here on the local level. Boards of Health have to be able to address issues that affect public health. One bill that he has seen would introduce language that is presently in Massachusetts law in the zoning statutes, putting parameters on the restriction of agriculture. There's a move to have that placed in public health law in a direct way to influence or intimidate Boards of Health and it's coupled with a local bylaw whereby at property transfer, new residents would have to sign a very strongly worded acknowledgement of farming activities and essentially saying that they won't ever raise an issue.

These are some of the statutory examples. In terms of Boxford, there's another bill that would rescind regulations that were recently promulgated to update regulation -- regulations governing stables that were first promulgated in 1990 and were in real need of updating. The bill would repeal those and put all future regulations for the Board of Health before town meeting for a vote. Those are very strong

actions and they're real issues here.

Kennedy asked how the Commission wished to proceed on this issue.

Ed Kunce stated one of the things that would help better understand the issue is what were the drivers – what were the case studies that drove this to be such a visible issue and so strongly worded? Usually there's obviously some underlying example. When we get legislative things to change our regulations or statutes, there are always the poster child case studies that people will use. And a lot of times where there's smoke there's fire. But you don't need to get the heavy hammer out to solve a problem. You might be able to be a little more surgical in how you deal with the problem. So we should look at what were some of the things here that have been chronic problems but don't throw "the baby out in the wash water".

A discussion ensued around the Tewksbury pig farm issue. Kennedy stated the Tewksbury issue might be something that we can report on to the Commission at some point because MDAR did, through the Agricultural Environment Enhancement Program, fund an odor mitigation system that has been apparently very effective in dealing with the odor issues.

Ed Kunce stated new technologies that have to go through a state level review process can make local officials more ready to accept it. Local officials, for example conservation commissions, frequently refer to state rules and regulations when confronted with a challenging new technology. For technologies such as digesters or photo processing facilities, local officials can be surprised by the number of hoops these technologies may have to go through at the state or federal level.

Peter Melnik stated that he is on the Deerfield Ag Commission. In Deerfield, in 1950, there were probably a couple of hundred farms and now there are twenty. So Boards of Selectmen, Boards of Health, they're very far removed from -- one or two generations removed from- an agricultural community. So the education is really important. On wetlands, there are normal ag practices. It would be helpful, and we discussed this before, to have an equivalent for "normal agricultural technologies".

Recommendation 7 refers to grants or low interest loans to farmers for capital improvements. There's a farm link program that's been discussed, a low interest farm loan program to offer four or five year loans up to \$500,000. There's a potential funding mechanism but the state's got to be in better financial position. Mr. Palano added that it is important to ensure continued funding of the Massachusetts Farm Energy Program which to date has been funded through grants from our office and USDA which aren't necessarily annually renewed.

And as much as farmers may get tax incentives, grants, rebates... that money doesn't show up until commissioning of the project. How is the farmer going to build it? So there's a need to get that loan and a pretty nice low interest that can bridge that point until the balance of the mortgage can be financed also. So there is a need for both bridge financing as well as long-term lending.

Recommendation 8: exempts multipurpose Equipment vehicles from sales tax and was addressed today. However an additional layer to that is the clarification of the sales tax as it applies to renewable energy.

Recommendation 9: regarding estimated income has been clarified. There are exemptions in the tax code for this. **(Consider recommendation addressed)**

Recommendation 10: Amendment of MGL C.59 Sec 8A to allow corporations to enjoy the same excise tax exemptions allowed to other persons would require a statutory change because the statute defines who is entitled to the exemptions. This exempts items from the personal property tax levied by the cities and towns. Considerable resistance would be expected from the Mass Municipal Association and the 351 cities and towns because such a change would impact on the ability of cities and towns to raise taxes.

Recommendation 11: Re-establishing a Dairy Commission. Mark Duffy stated that his understanding is at one time there was a dairy commission. So the FTRC should understand what the Commission did

Recommendation 12 : proposes that silage leachate is exempt from state regulations if disposed of pursuant to NRCS best management practices. This is an issue that could be folded into the regulatory sub-group agenda.

A discussion on the date of issuance of the report and the need to vote on the final report ensued. Kennedy indicated that he could probably have something out by the 19th and then the comments back sometime maybe by the 26th. He said that, there's nothing in the legislation that requires the Commission to vote on the report

Mr. Kuncle stated that why don't you see what the draft on the 19th looks like and if it raises a lot of serious comments then we probably should delay the submittal of this document by two weeks. We can have a meeting to discuss the comments. But if on the 19th the draft looks like everybody's okay about it, then why do you need a meeting? It was agreed that Kennedy would get the draft out on the 19th.

At this point Carter Wall left the meeting.

An action Items from the previous meeting relative to this issue was:

- Interagency work group, with members of the Commission, to look at the items for which MassDEP currently does not have any guidance and to prioritize the waste streams, or activities, for which there appear to be regulatory barriers. While being sensitive to the resource constraints of the agency, identify which are the ones we should deal with next and which model is the best one to deal with the issue. Also look at the barriers to the implementation of local slaughtering facilities.

Kennedy delivered a short presentation on the regulatory challenges for local agriculture relative to resource management, waste water regulatory oversights.

Ed Kunce went on to discuss two major areas the Regulatory Review group has focused on. One is to clarify the exemption for the land application of manure in either a liquid or solid form. The regulatory language isn't that clear and has raised concern about its legality. So MassDEP wants to clarify that and make it very explicit.

The other area that MassDEP wants to clarify is situations where a tank stores manure and mixes it with either clean water or waste side streams to make a liquid material that could be land applied. MassDEP would like to understand the liquid side streams that are likely to be mixed with the manure and for land application without a groundwater discharge permit. MassDEP has asked MDAR to work with the farming community to find what are the most frequent or largest volume or the highest priority waste streams that would be used to be mixed with manure.

It is important for MassDEP to understand how waste is managed on farms because of the need to put together a background document. So if it appears that they are relaxing a regulation, there has to be technical justification that was actually based on some substance. So, number one, the milk house pilot may give us some data, but also if we can get NRCS folks to try to get their network to get some information. Because, MassDEP can start the regulatory process and as soon as someone perceives it as a lessening of the standards without any technical justification, it can become a real challenge.

At MassDEP there have been two meetings internally since the last time the FTRC got together and one meeting with the subgroup. So people are putting some time into this and want to get as much of this stuff captured if they are going to invest effort into making a change.

Now, MassDEP has lost 120 people since August and is down to the lowest level staffing level since the 1980s. Staff are being reassigned though staff that have been working on this issue have agreed that they're going to find some time to keep working on this. They are seeing this as an opportunity to fix some longstanding problems.

In advancing the issue through the regulatory process and securing the necessary support, key players here include MDAR and NRCS. Getting NRCS to provide some technical data is going to be a key factor for MassDEP to be able to develop a substantive, defensible, technical support document

Regarding the milk house waste water pilot project, DEP is definitely looking forward to take the lessons learned on the first project where there might have been an over investment in some of the design and tankage and, maybe find a way to shrink down some of that investment so that the second pilot need not be so extensive.

The solid waste master plan update is an activity that will be happening this Spring. In it MassDEP would like to set up a streamlined regulatory process that will encourage people to develop recycling outlets for the use of products made from waste organics. MassDEP sees the farming community as a big partner in that. He questioned if the Commission could review the master plan and as a Commission provide comments on it. Kennedy said that he would look into it.

MOTION: Mark Duffy made a motion that the Commission send a letter to NRCS requesting support and participation in future meetings

Seconded by Roy Petre

Vote: Unanimously Approved

Action Item: Request participation from NRCS on regulatory issues by sending letter to the state District Conservationist, Chris Clarke

ITEM 7: OTHER ITEMS FOR DISCUSSION

Massachusetts Health Officers Association Meeting Update:

An action item from the January 27 meeting was:

- Ed Kunce to contact the Mass Health Officers Association to gauge the extent of their interest level in hosting a session on energy and agricultural issues at their annual meeting.

Ed Kunce provided an update on his contact with the Mass Health Officers Association to gauge the extent of their interest in hosting a session on energy and agricultural issues at their annual meeting. He passed out a draft proposal and sought comment from the Commission.

He views this session as an opportunity to educate on what some of the common renewable energy and waste recycling projects at farming operations and it would include traditional, as well as the newer and evolving practices. Review some of the key best management practices, particularly those prepared by NRCS, as well as regulatory requirements. Highlight some of the emerging technologies that may see broader use in the Massachusetts farming community and then review a case study involving renewable energy, organics recycling and land application.

Mr. Kunce suggested a regulatory representative could be somebody from DEP. A farming representative. Academic or NRCS. A high tech perceived neutral party and then we'd get someone from local government that represents a health department that's had a good experience in working with a farming operation.

The meeting is at the end of October. Peter Melnik volunteered to be the farm representative and even

to talk about our project, because it really fits right into a lot of these issues with technology, energy, waste streams.

Action Item: Review proposal for Mass Health Officers Association annual meeting and provide comments

Agricultural Innovation Center Grants:

An action item from the January 27 meeting was:

- A review of the status of the Agricultural Innovation Center grants by MDAR.

Kennedy stated that Mark Duffy had requested more information on the Agricultural Innovation Center grant. AIC was a program that ran for three years, 2007 through 2009 was the one of the first victim in MDAR of the state budget cuts. It was a two million dollar program. And Mark Duffy had requested that we review some of these grants and provide a status update as possibly a way for us to forge a direction after our April report gets submitted.

Kennedy presented a list of the technology related grants. There were other grants that were marketing related and he said that MDAR staff are working currently to determine what the status is of these grants. He suggested that the Commissioners review the list of the grants and identify any that are of particular interest and then we could prioritize those for getting a status update.

Action Item: Commissioners to review and prioritize AIC grants

Discussion ensued around the next full meeting. The Commission decided to meet on April 14 in the Southeast region possibly at DEP Lakeville or the Cranberry Station in Wareham

The meeting adjourned at 1PM with a motion from Mr. Duffy and a second from Mr. Petrie.

SUMMARY OF ACTION ITEMS:

Action Item: Mr. Buckley said that he would look into the implications of tax law for net metering.

Action Item: Kennedy stated that DAR should work with DOR to review the issue of how taxation relates to renewable energy and other areas of diversification such as composting for farms.

Action Item: Educate the agricultural community about :

- options relative to group energy purchasing particularly as they relate to the electric portion of the bill, not so much the non-electric portion
- the Farm Energy Discount

Action Item: Coordinate subgroup to review energy issues.

Action Item: Finalize report for distribution to the Commission

Action Item: Review proposal for Mass Health Officers Association annual meeting and provide comments .

Action Item: Request participation from NRCS on regulatory issues by sending letter to the state District Conservationist, Chris Clarke

Action Item: Commissioners to review and prioritize AIC grants

DRAFT