Chairman Reitz called the meeting to order at 9:00 a.m.

Members present: Senator David Luechtefeld; Representatives Mike Bost, Brandon, Roger Eddy, Phelps and Dan Reitz; Mr. Phil Gonet, Mr. Joseph Angleton and Dr. Samuel Goldman (by telephone).

Members absent: Senators Dianna Demuzio, John Jones and Gary Forby.

The agenda was approved unanimously on a motion by Senator Luechtefeld, seconded by Representative Bost.

Minutes of the December 17, 2008, meeting was approved unanimously on a motion by Mr. Angleton, seconded by Mr. Gonet.

Review of the Sterling Energy, LLC Proposal (CCRB #35):
Mr. Mead described the review process, explaining that three external reviewers read the proposal and submitted comments and follow-up questions. Those questions, along with questions generated by the Coal Research Center’s own review were submitted to Sterling Energy. He stated that his recommendations were based on the proposal, the external reviews and Sterling Energy’s responses to the follow-up questions.

Mr. Mead discussed the strengths and weaknesses of the proposed project. He noted that the Water Cooled Oscillating Grate could significantly improve the operations of particular small boiler types and that such boilers were in use in Illinois coal market areas. He stressed the potential for this technology to make the use of coal-biomass mixtures in such boilers, noting however that such a demonstration not part of the proposed project. He also noted that details about any site agreement or MOU between Sterling and the host site (SIUC’s Physical Plant) were absent from the proposal. He recommended that the Board insist that such agreements be in place before any Board funding occurs.

Representative Reitz commented on the ratio of industry to Board and ILDCEO support for the project, suggesting that the industry support should be higher. In Board discussion it was determined that Board funding of a figure below the $920,000 requested would allow the project to go forward. There was also discussion of the availability of ILDCEO funds. Dr. Goldman stated that he would recuse himself from any Board decision on the proposal due to the potential of benefit to the university as a result of the project.

Board Funding Actions:
Senator Luechtefeld moved that Sterling Energy, LLC Proposal (CCRB #35) was approved for funding of $820,000, conditioned on the execution of a Memorandum of Understanding between the project developer (Sterling Energy, LLC) and the host site (Southern Illinois University Carbondale). The motion was seconded by Representative Phelps. The motion was approved on a vote of 7 yes, 0 no, with one member (Dr. Goldman) not voting.

The meeting was adjourned at 9:45 a.m.