

UNOFFICIAL MINUTES – SUBJECT TO CORRECTIONS
LYON COUNTY BOARD OF COMMISSIONERS
LYON COUNTY GOVERNMENT CENTER, MARSHALL, MN
April 21, 2009

9:00 a.m. - Meeting called to order by Chairman Stensrud. Members present: Fenske, Ritter, Goodenow, Nelson, Stensrud, County Administrator Stomberg, County Attorney Maes, Auditor / Treasurer VanOverbeke.

Pledge of Allegiance to the Flag

Approve Agenda

Stomberg – John Fitzgerald from Western Community Action will be here after the audit report. At 1:15 Harold Dieken from Fairview Township would like to visit with the Board. Nelson moved, seconded by Goodenow to approve the agenda. All voted in favor.

	Per Diems	Expenses
Fenske	50.00	-----
Stensrud	200.00	48.40
Nelson	100.00	86.90
Ritter	100.00	-----

Consent Agenda:

1. Approve Minutes from April 7, 2009.
2. Approve Commissioner Warrants 116049 – 116157 in the amount of \$315,891.10 dated 4/22/09.
3. Approve Auditor Warrants 115990-116015 in the amount of \$25,768.01 dated 4/90/9 and 116030 – 116048 in the amount of \$224,579.72 dated 4/16/09.
4. Approve Per Diems & Expenses.

Goodenow moved, seconded by Ritter to approve the consent agenda. All voted in favor.

Soil and Water Conservation District; Level 3 Feedlot Inventory Work Agreement

Ritter moved, seconded by Fenske to approve the Level 3 Feedlot Inventory Work Agreement. All voted in favor.

Dennis Healy: Joint Powers and annual audit report

Healy – I have Bill Ufkin and Ken Buysse here with me. I think there are two documents that I would like to go over today. Healy presented the annual audit report. The other hand out that I have relates to a resolution that is pending before the Board. We have two projects and from a funding standpoint really they are closely related. We are not going to do just one of them because the second portion is what ends up paying for the first. The total cost of the project was \$17 million. Rural Development gave us most of that as grant dollars. Discussion. Healy – On the back page one question that often comes up is how representation on our Board is allocated. The other is what are the hookups in each county? We currently have 3,755 hookups. Lyon County has 794 hookups. We have a maximum of 11 members on our Board and we try to allocate them according to the hookups in each county. In terms of the resolution before the Board right now eight of the nine counties have approved the resolution. Stomberg – Could you explain the maximum obligation that Lyon County would have if there was a default? Healy – In order for there to be a default the cost of construction is matched to the cost of hookup which is mostly assessed to taxes. The chances of us losing our revenue source is pretty slim people would have to quit paying their taxes. If that happened each county would be responsible based on their percentage of the system. Right now Lyon County is 21% of the system we are projecting it will go down to 18%. Nelson – So the 18% is Lyon County's share of the debt? In case of default we have protected our chance of recovery because of the tax? How does that protect us where we don't have jurisdiction? Healy – It is no different than when we did the northeast addition. It is simply the way the state legislature set us up. Stomberg – So worse case we would owe 18% of the funds we are short for not connecting taxes? Healy – Right and the remainder of it could be collected through water revenues. Stensrud – This agreement is on \$8.5 million? Healy – Yes this one. But if this gets approved we will be back with the second one which is where we hook up the customers. Discussion. Fenske moved, seconded by Goodenow to approve and authorize the Chair to sign a Joint Powers Agreement with Lincoln Pipestone County Rural Water System. Ritter – On this agreement I don't see Jackson County on there? Healy – They are not part of this system they will be later. All voted in favor.

Jail Update

Splett – Johnson Nelson is continuing on exterior masonry. Painting is progressing very well. Fenske – What has been done to fix that problem as far as effervescent on that brick on the front? Has it been corrected on top? Filippi – I think there is a lot of latent moisture that needs to escape. It needs to get dried out washed and sealed. Fenske – You feel the top is okay? Filippi – Yes and it will be fixed before we leave. Looking at the pictures we are near control joints. If

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need be we will bring American testing in to do some further testing. We will address it before it is completed. Budget wise we had a few pending proposal requests. We are about fifty percent through the project. Stomberg – We did run into a snag in the laundry area and the floor. Splett – There wasn't the strength for the washers and dryers so we are trying to reconfigure a little so we can get. Fenske – Did the architecture miss that? Discussion.

Authorization to advertise, interview, and create hire list for 3 Correctional Officers

Marks – This would be for the three remaining positions which would complete the staff for the new jail. Goodenow moved, seconded by Ritter to approve advertising, interviewing, and creating a hire list for three Correctional Officers. Goodenow – The list you have has the Shift Sergeant for an open position but this is for Correctional officers? Marks – Correct. All voted in favor. Stomberg – With the Shift Sergeants, Marks has developed a job description and that will need to be sent off to Archer.

Bids for Landfill Closure Construction Project

Henriksen – We had six bidders. Pratt's was \$967,390.00. Stensrud – Where is this company out of? Henriksen – Brainerd. They did work on the Crow Wing County Landfill. Goodenow moved, seconded by Nelson to award the landfill closure bid to the low bidder Pratt's Affordable Excavating, Inc for the final closure construction project in the amount of \$967,390.00. Ritter – What is the timeframe? Henriksen – It will be done by the end of summer. It has to be done 180 days after closure. All voted in favor.

Landfill Operational Policy

Henriksen – The first one would allow us to close the landfill for certain types of loads. Goodenow – It wouldn't be pressed? Henriksen – Yes that is the difference. Fenske – Is the 19 miles per hour new? Henriksen – Yes that would be. Right now it is 30 miles per hour. Goodenow – There is a 30 miles per hour and we close the doors and this is separate. Henriksen – It says open top or roll off loads. Goodenow – Is there a difference being on top of the hill or on the bottom? Fenske – How about yesterday? Were they accepting? Discussion. Ritter – We have two customers here in the audience and I wondered if they had any input or remarks? Dan Ritter – Currently the turnaround on a call is one hour and in here it is a half hour and also if requested if it is closed for roll offs. Staff has been accommodating to open a couple of hours earlier. If a customer would request it I would ask that be a consideration. Number one or four I have no problem with. Three I have a question on and number two I totally disagree. I found out there is another policy. Stensrud – I do think that our people at the landfill do have to have control of the landfill. I think we need to be considerate of haulers that are coming from a ways that they consider that. Fenske – I agree with Ritter that the Environmental Officer has the responsibility to communicate with staff but add customers. Discussion. Henriksen – This is adding to the policy. Waste Management – Clearly from a procedural standpoint moving to the lower cell has been an advantage. I think there have only been two or three days where Haroldson has called. I have not seen a copy of what Ritter and Henriksen are talking about. I think Ritter is asking for an extra half hour. I don't disagree with that. Haroldson has always been very good about that. My concern has been if I have a hauler coming in from like Redwood I would like the flexibility for them to be able to dump. Stensrud – Could haulers sit down with Henriksen and get something favorable to all of us? Goodenow – In general these are good policies. Fenske – And get it written and communicated to everybody. Kanwar – Staff should have final say. The change is designed to help staff. In tradition we have been very courteous to customers and haulers. Nelson – What would happen if you had an opportunity to take a roll off and wet it down with leachate first? Henriksen – We would have to get approval from the PCA. Nelson – What about water? Henriksen – It would have to be approved by the PCA. Ritter – When you close the landfill at 11:00 what is the policy for employees do you keep them all there? Henriksen – We do allow some loads in heavier loads. There is always something to be done at the landfill.

Restriction of General Public at Landfill

Henriksen – This is for the general public. It could be a safety issue. Dan Ritter – The purpose on this document is it restricts the general public to the landfill why wouldn't you put in when the landfill is open and closed. Henriksen – Now if the landfill is closed and if someone is there we would call the Sheriff. Dan Ritter – So the other morning when someone was in there at 5:30 what happened? Discussion. Henriksen – We have signs up now directing people to the office. Goodenow moved, seconded by Fenske to accept and add to the Landfill policy the requirements for general public access to landfill property. All voted in favor.

Nelson – When you close the old cell you are going to be so close to the neighbor again does the contractor know about starting early? Henriksen – Yes it was part of the contract.

10:14 Meeting Recessed

10:25 Meeting Called Back to Order

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Members present: Fenske, Ritter, Nelson, Stensrud, County Administrator Stomberg, Auditor / Treasurer VanOverbeke. Absent: Commissioner Goodenow, Attorney Maes.

Audit Report – E.J. Moberg, State Auditor's Office

Moberg – We did various corrections in the general revenue. We reclassified in the Road and Bridge. We increased appreciation expense and made some adjustments to net assets. There were no new policies adopted for 2007. The 2008 audit we are scheduled to start in early July. Some accounting estimates are significant. Discussed 2007 audit. If you turn to Chart 1 you see an increase of 3.4%. The net asset increase is \$2.6 million. Chart 2 shows the capital assets accumulation. Stomberg – So that number will spike dramatically with the completion of the jail? Moberg – Correct. Chart 4 shows the net assets of the landfill. Public safety expenditures increased. The intergovernmental category includes items for the Library, Public Health, Human Services, and for the town road money you get from the state that goes to the townships. If we look at handout 1 it summarizes by category. Stomberg – The assets are the unsettled tax payments? Moberg – Correct. On handout number two the unreserved fund balance the state auditor recommends 35% to 50% or at least five months of expenditures. Road and Bridge can cover five months and the general can cover 10.3. Fenske – That has stayed pretty steady at seven months. Moberg – You have a little bit of a cushion there. The unreserved undesignated was \$8.4. Back to the outline as far as management compliance issues. The county had less than \$500,000 of federal revenue. Reviewed schedule of findings. The first new comment for 2007 is 07-1 are travel claims that did not document the public purpose of the expenditure. We know that Lyon County does not have a disaster recovery plan. We recommend a disaster recovery plan and a business continuity plan so you are able to continue services. You want to make sure there is some type of reassessment in there. Are there any questions? Board thanked Moberg.

Western Community Action

John Fitzgerald – One of the methods was to reduce overhead cost. If we had the right financing we would be able to have an office and have some asset. We are looking at 1400 Saratoga. There is also enough room to move the food shelf there. We have developed a long term phase plan. Phase I to purchase the building we are working with Rural Development and part of their requirements is a certificate of support. There is no financial commitment only that you are aware of our services and want to support it. Fenske moved, seconded by Goodenow to approve and authorize the Chair to sign a certificate of support for Western Community Action for a USDA Rural Development Community Facilities Application. Ritter – You mentioned earlier the \$300,000 campaign? Fitzgerald – We are doing it on a brick basis. Phase 1 is the purchase. All voted in favor.

Mark DeJaeghere – CUP to extract material

Biren – We held the public hearings last Tuesday and the only people in the audience were the applicants. There was gravel mined out of this area years ago. D & G is the main contractor he will be working with. Nelson moved, seconded by Goodenow to grant a Conditional Use Permit to Mark DeJaeghere for a gravel pit (extract, mine and process). The area representing the request is zoned agricultural. The land is being purchased on a contract for deed from Joseph DeJaeghere and is described as Part of the Southwest Quarter (SW1/4), Section 35 Island Lake Township. As per recommendation of the Lyon County Planning Commission and the Island Lake Township Board. With the following stipulations:

1. Conditional Use Permit will be reviewed annually.
2. Conditional Use Permit is granted for 40 acres or the life of the operation whichever is less.
3. Top soil will be stockpiled and used for reclaiming and leveling.
4. Reclaiming and leveling of land is to be done as work progresses.
5. Grade site after extraction is completed so as to render it usable, seeding required avoiding erosion and an unsightly mar of the landscape.
6. Must maintain a backslope of 4:1 or flatter.
7. Responsible for maintenance on roads that trucks will be hauling on.
8. Responsible for dust control on haul roads.
9. Haul roads designated as: 150th Avenue to County Road 4 or Kerr Pit.
10. Owner must notify the Lyon County Zoning Office when work is complete.
11. Must obtain permits from appropriate agencies.
12. A copy of the Lyon County Board of Commissioner's Motion shall be filed with the County Recorder's Office along with the legal description of the property. Additional fees to be paid by the applicant for the actual costs incurred by the county for the recording fees.
13. Must comply with Soil and Water and DNR regulations

All voted in favor.

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Otter Tail Power Company – CUP – Essential Service

Biren – This is in conjunction with highway 23. The main power line will be on this set of poles. There is one home out there as well. It involves quite a few parcels. Goodenow moved, seconded by Ritter to grant Otter Tail Power Company a Conditional Use Permit – Major Essential Service to relocate facilities in the West Half of the West Half (W1/2W1/2), Section 26 and part of the Southwest Quarter (SW1/4), Section 23 of Fairview Township to accommodate a road construction project by the State of Minnesota – Department of Transportation to widen Highway 23 along the west edge of Section 26 in Fairview Township. The power line to be relocated consists of a 41.6 kV circuit with a 12.5 kV underbuild circuit. The 12.5 kV serves several customers in the immediate area. The area affected is zoned highway commercial and agricultural. As per recommendation of the Lyon County Planning Commission and the Fairview Township Board. With the following stipulations:

1. Site to be inspected as needed.
2. Must submit a map indicating location, alignment of power lines prior to installation.
3. Contingency plan if appropriate shall be submitted to the Zoning Administrator prior to start of the project.
4. Power line to be installed in the right-of-way or 90 feet from the center of the road.
5. Must apply for and obtain permits from state and other appropriate agencies.
6. All drainage facilities and patterns shall be repaired to pre-construction condition as soon as possible after construction. Runoff will not change from pre-construction to post-construction levels.
7. Rocks, slash and other construction debris shall be removed from each individual section of land where construction takes place within ninety (90) working days of the commencement of major essential service construction on that individual section of land. For purposes of this subsection, working days are defined as: all days except days between November 15 and April 15 (winter), or any day when more than ½ inch of precipitation has fallen. For purposes of this subsection, section of land is defined as a numbered section as defined by the Government Land Survey, or a portion thereof.
8. Shelterbacks, windbreaks, fences and vegetation shall be restored to pre-construction condition with the following exceptions.
 - (a) Shelterback and windbreak replacement shall be to pre-construction density and may allow for operation maintenance of essential service lines.
 - (b) Critical areas (slopes greater than 12%, drainage ditch banks and areas subject to severe erosion) shall be seeded and mulched as soon as possible after construction. Drainage ditch banks shall be seeded and mulched a minimum of 16 ½ feet in width from the top of the ditch spoil banks on each side of the ditch.
10. If preliminary engineering, surveys or other documentation is provided, modifications to accommodate future drainage or roadway construction activities may be required.
11. Major essential service construction activities shall be conducted in such a manner as to minimize impacts on livestock movements and access to agricultural fields.
12. A copy of the County Board of Commissioner's Motion shall be filed with the County Recorder's Office along with the route of the project. Additional fees to be paid by the applicant for the actual costs incurred by the County for the recording fees.

Goodenow – Apparently they are going to put this under the township road and that might be a county road right away. All voted in favor.

Steve Hennen – CUP Feedlot Expansion

Biren – The expansion portion is not in the animal portion it is for the manure storage. This is a good project. I applaud the applicant for coming forward. Ritter moved, seconded by Nelson to grant a Conditional Use Permit to Steve Hennen, 1986 330th Street, Ghent, Minnesota, for a feedlot expansion and to hear public comment to fulfill Minnesota Session Law 2000 – Minn. Stat. § 116.07, subd 7 (l), to construct or expand a feedlot with a capacity of 300 animal units or more. Odor OFFSET setback requirement is 94%. The land is zoned agricultural and described as the Southeast Quarter of the Southeast Quarter (SE1/4SE1/4), Section Four (4), Grandview Township.

Existing Facility Consists of:

Cattle, Slaughter steer/heifer (500 x 1.0 animal factor)	= 500 Animal Units
Swine, Over 300 pounds (300 x .4 animal factor)	= 120 Animal Units
Horse, (1 x 1.0 animal factor)	= 1 Animal Unit

Type of Buildings:

Total Confinement Barns 12'x44' and 40'x100' with a Pit 12'x48'x8' (used by both barns)
Total Confinement Barn 110'x60' with Manure Pack on Lot or Floor
Open Lot without Runoff Controls 80'x65' with Manure Pack on Lot or Floor
Open Lot without Runoff Controls 200'x70' with Manure Pack on Lot or Floor
Open Lot without Runoff Controls 105'x250' with Manure Pack on Lot or Floor

Proposed Facility to Consists of:

Cattle, Slaughter steer/heifer (500 x 1.0 animal factor)	= 500 Animal Units
Swine, Over 300 pounds (300 x .4 animal factor)	= 120 Animal Units

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Horse, (1 x 1.0 animal factor) = 1 Animal Unit

Type of Buildings:

Total Confinement Barns 12'x44' and 40'x100' with a Pit 12'x48'x8' (used by both barns)

Total Confinement Barn 110'x60' with Manure Pack on Lot or Floor

Open Lot without Runoff Controls 80'x65' with Manure Pack on Lot or Floor

Open Lot without Runoff Controls 200'x70' with Manure Pack on Lot or Floor

Open Lot without Runoff Controls 105'x250' with Manure Pack on Lot or Floor

(new) Partial Confinement Barn 80'x120' with Earthen Manure Storage Basin

110'x145'x5' (Barn will be located on part of the 105'x250' Open Lot)

Manure to be applied agronomically.

Pits to be pumped at least one time per year.

The Total Animal Unit Capacity = 621 Animal Units

As per recommendation of the Lyon County Planning Commission and the Grandview Township Board. With the following stipulations:

1. That the applicant undertakes the project according to the plans and specifications submitted to the county with the application.
2. That the permit is invalid if the holder has not started construction on the feedlot within a year of the issued land use permit. (A land use permit is valid for one year, and can be renewed administratively for a second consecutive year.)
3. That the county may enter onto the premises at reasonable times and in a reasonable manner to insure the permit holder is in compliance with the conditions and other applicable statutes, rules, and ordinances.
4. Manure in a slurry or liquid form that is being applied in accordance to the manure management plan on file with the MPCA shall be injected or spread and incorporated within 24 hours of spreading except for approved emergency spreading.
5. Manure being hauled on public roads must adhere to policies of the particular road authority involved.
6. The applicant shall obtain all appropriate licenses and permits relevant to the request. Agency involved could be the DNR, MPCA, Board of Animal Health, MDA, MDH, etc.
7. Dead animals shall be disposed of in accordance with the Board of Animal Health Regulations. (Structures used for storing dead animals prior to rendering or structures used for composting shall meet appropriate county and state regulations.)
8. The offset model must indicate 94% annoyance odor free. Any odor control technologies used in the offset model must be in place and maintained.
9. The feedlot shall meet the minimum standards side, rear, and road right of way setbacks, other setbacks, and lot size. Any trees to be planted shall be at least 60 feet from the road right of way.
10. Violations of these conditions or other regulations found in the Lyon County Zoning Ordinance are grounds for enforcement proceedings.
11. A copy of the County Board's Motion shall be filed with the County Recorder's Office along with the legal description of the property. Additional fees to be paid by the applicant for the actual costs incurred by the county for the recording fees.

All voted in favor.

Knochenmus Enterprises – CUP Feedlot expansion

Biren – This is for a 2,400 head confinement finishing barn. They are going to be installing a methane digester with that project. Fenske – It is also a dead animal treatment or handling area?
Biren – Yes and that is pretty common. It is a place where they store dead animals before the rendering truck gets there. Fenske moved, seconded by Ritter to grant a Conditional Use Permit to Knochenmus Enterprises, 1281 190th Avenue, Balaton, Minnesota, contact person Chad Jensen, 1600 Hahn Road, Marshall, Minnesota, for a Conditional Use Permit request for a feedlot expansion and to hear public comment to fulfill Minnesota Session Law 2000 – Minn. Stat. § 116.07, subd 7 (l), to construct or expand a feedlot with a capacity of 300 animal units or more. Odor OFFSET setback requirement is 94%. The land is zoned agricultural and described as the Northeast Quarter (NE1/4) of Section Twenty (20), Rock Lake Township.

Facility Consists of:

Swine, between 55 and 300 pounds (2400 x .3 animal factor) = 720 Animal Units

Type of Buildings:

101'6"x192' Total Confinement Barn with 101'6"x192'x8' Pit

(new) Dead Animal Treatment Handling Area 10'x10'x6'

(new) Manure Digester 14' diameter with Accompanying Equipment

Manure to be applied agronomically.

Pit to be pumped at least one time per year, generally in the fall.

The Total Animal Unit Capacity = 720 Animal Units

As per recommendation of the Lyon County Planning Commission and the Rock Lake Township Board. With the following stipulations:

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1. That the applicant undertakes the project according to the plans and specifications submitted to the county with the application.
2. That the permit is invalid if the holder has not started construction on the feedlot within a year of the issued land use permit. (A land use permit is valid for one year, and can be renewed administratively for a second consecutive year.)
3. That the county may enter onto the premises at reasonable times and in a reasonable manner to insure the permit holder is in compliance with the conditions and other applicable statutes, rules, and ordinances.
4. Manure in a slurry or liquid form that is being applied in accordance to the manure management plan on file with the MPCA shall be injected or spread and incorporated within 24 hours of spreading except for approved emergency spreading.
5. Manure being hauled on public roads must adhere to policies of the particular road authority involved.
6. The applicant shall obtain all appropriate licenses and permits relevant to the request. Agency involved could be the DNR, MPCA, Board of Animal Health, MDA, MDH, etc.
7. Dead animals shall be disposed of in accordance with the Board of Animal Health Regulations. (Structures used for storing dead animals prior to rendering or structures used for composting shall meet appropriate county and state regulations.)
8. The offset model must indicate 94% annoyance odor free. Any odor control technologies used in the offset model must be in place and maintained.
9. The feedlot shall meet the minimum standards side, rear, and road right of way setbacks, other setbacks, and lot size. Any trees to be planted shall be at least 60 feet from the road right of way.
10. Violations of these conditions or other regulations found in the Lyon County Zoning Ordinance are grounds for enforcement proceedings.
11. A copy of the County Board's Motion shall be filed with the County Recorder's Office along with the legal description of the property. Additional fees to be paid by the applicant for the actual costs incurred by the county for the recording fees.

All voted in favor.

Bituminous Bids

Kanwar – This is not one bid but will lock the prices for us. The prices are very high compared to last year. Nelson – I think oil prices went down but demand went up because of the stimulus money. Kanwar – This contract does not lock us in. We can buy from someone else but they are locked in for price. Discussion. Fenske – Have we ever bought from another supplier? Discussion. Thomasson – The first price is for an MC mix and the next two are what we use the most. That is a ½ inch and ¾ inch mix. The winter mix I will buy usually two loads. I still have some left from last year. Nelson – These bids are all McLaughlin? Ritter – When is the county road 5 the three mile stretch going to be bid? Kanwar – I am working on the contract now. Stensrud – Is the bridge on 3? Discussion. Goodenow – We haven't bid that yet either have we? It is the end of April. Kanwar – We are waiting on MnDot we are ready on our end. Nelson moved, seconded by Ritter to accept the lowest bid for Patching Material by McLaughlin and Schultz, Inc and authorize the Board Chair to sign the contract. All voted in favor.

Kanwar – Since our last meeting we have received notice from the Union that they have decertified. I was wondering about the wages? Stomberg – When the union went into place they were froze at the 2007 scale. Those not at the top would receive an increase and those at the top did not receive one. Discussion. Goodenow – Now retroactively going back to 2008? Fenske – Those at the top should get their increase. Goodenow – I think we pay the Administrator to handle this and make a recommendation. We just found out today. Stomberg – We will visit on that. Kanwar – I was not sure it just came up yesterday. Ritter – This is the first time you've seen this? It should have waited until the next meeting.

Reviewed Meeting Schedule

Commissioners Reports

Ritter reported on a special meeting for Rural Energy. There was a proposal with the Met Council and the Rural Energy Board they are going to have some possible wind generation out at the landfill. Fenske – Are they going to ask for ideas on contribution? Ritter – They will have dollar figures.

Goodenow reported on the library and DAC.

Fenske reported on the Census Meeting and ATP8 meeting with MnDOT.

Nelson reported on EDA Committee Meeting and RCRCA.

Stensrud reported on Census Meeting, EDA Committee Meeting, Yellow Medicine River Watershed, and a Soil and Water meeting.

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11:45 Meeting Recessed
1:15 Meeting Called Back to Order

Harold Dieken

We are concerned about the access road and who will end up with it. The state wants to put tar on it. The township grades it and is responsible for it. The easiest way for the township would be to take the tar out and make it gravel. Stensrud – Do you know anything about this Kanwar? Kanwar – No I don't know any of the details. Stensrud – It is a new road that is going north to 33. Dieken – It will go towards Dietz land and angle. That is a pretty expensive road they are putting in for five or six houses. Ritter – So MnDot told you were going to get it back? Dieken – That is what the standard has been to give it to the county and then back to the township. Fenske – You consider it a township road now? Nelson – Maybe the state should make it a gravel road up to the point of the houses and they can pay for the asphalt if they want it asphalt in front of their house. Kanwar – Have you talked to the state about it? It is not the state's problem it is our problem. Ritter – They are going to close both entrances. Dean Louwagie – The south one is going to be left open. Dieken – The main reason they built that road is they don't want people making a u turn. Kanwar – The townships concern is maintenance. Dieken – On the one hand we are thinking about taking the tar off and making it gravel and here comes the state and they make it a tar road up to there. We are thinking the county should take it over. Fenske – They are not going to maintain or plow the new part up to 33 that they are building? Dean Louwagie – It falls on the county or the township. Stensrud – Kanwar have they told you it is going to be turned back? Dieken – We had a meeting in Green Valley a couple of weeks ago and they told us this is usually how it goes. I just wanted to make you people aware of what was coming down. You are going to inherit a road. Kanwar – How long is it? Dieken – ¼ of a mile. Kanwar – I can meet with the townships and get design copies. Stensrud – This is the first I have heard they were going to give it back to us. Dieken – This is a quick after thought on their part too. There were a couple of plans that didn't include a road. Discussion.

Rural MN Energy Board, Jay Trusty, Doug Maust, Bob Fox

We have Commissioner Bob Fox from Renville County and Doug Maust here today. Maust – We made sure we were clear on the goals for all projects involved. As we worked through the land issue we thought it would be easier to find land that was already in a county control. We looked at the Landfill and its adjacency with transmission lines. We did a similar look at Hole in the Mountain Park. The biggest things that stood out was developing something here would be good for the college here. The cons were there may be higher interconnect costs. We also took a look at the DRG study that was completed. The other thing that has been going on the last meeting we had we have shifted towards looking at a private party developing wind turbines on the county site. Since then the FDA has announced a grant program for organizations like the MET Transit to reduce carbon emissions. Discussion. Ritter – Something I thought about, why at the Lyon County Landfill, why not in Scott County? Maust – Scott County doesn't have a very big piece of ground. The productivity here is about 25% better. Fenske – What is the Met Council intending to finance? Discussion. Fox – Last year we passed a law through rural metro that gave the counties the right to own and the Governor line itemed where we would have the right to bond. We do have the right to own it. Discussion. Maust – We are planning on between \$3 and \$4 million per wind turbine. We did put together a summary of risks. As next steps go the biggest thing is working with the site to make sure the site is identified. Stensrud – I thought we were on the back burner when they found out we could only put two turbines out there. Trusty – When we initially started the project we were looking at 120 megawatt of production. This is new, we are inventing this as we go. The Energy Board decided if we can develop two turbines and develop a template for it and prove it works. Stensrud – RW Beck just finished a project on gas to energy and RDF. Fenske – Up here we were talking about five and now you are talking about two which one is it? Trusty – Two. Fenske – Have you determined that two is the maximum for the landfill? Discussion. Nelson – So far the two smart people that are in it are Xcel and they want to buy the power and the other is John Deere. They are in and gone. Maust – What you describe has shifted for Xcel. They want to own projects that are larger than 100 megawatts and they want to do it on 30 year terms. Stensrud – The only way this will work for us as counties is on a grant. Fox – It is what they call the flip model. Maust – If it is done with a grant I think the project would sell power to East River but not renewable energy credits. Fenske – The first choice is looking for the grant? How large is that grant? What additional financing? Maust – I am guessing between 40 and 50 percent. We haven't run the numbers yet. About \$8 million. Fenske – How would others participate? Trusty – The energy board was going to try and raise half the additional capital amongst the counties. Fenske – What does the county get back if you invest the \$120,000? Discussion. Stensrud – This energy would go into the line of East River? Maust – Yes. I think it would be interesting to look at a project with landfill gas we would have to make sure it didn't complicate the applications. Discussion. Fox – We had our energy board meeting 10 days ago we needed to find out who was willing. First it is find out who is willing and then we move forward. Maust – It would do the grant application good if you said you would be willing to host it. Biren – From a logistical standpoint I am real hesitant about the landfill. We have other land. We have some issues. Two of the neighbors are the US Fish and Wildlife and the state of Minnesota. There is a gravel pit that is about 2 miles from the landfill. The 69KV line runs about a mile from the gravel pit. Nelson – East River has Oahe Power. It is coal then? Stensrud – Yes

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and water. Nelson – So it is a blend. Ritter – I am in favor but for us not to get too deep into this yet. Biren also brought up some good points about Fish and Wildlife and DNR. Discussion. Ritter – You are looking to see if Lyon County is in favor and to be the host? Maust – Yes to be the host and it would have to meet regulatory. Ritter – This designates the landfill is that in stone? Maust – Based on what I heard today that is a maybe. Stensrud – I wouldn't have a problem with it if we could get permitted. Fenske – I would be in favor of hosting it. Nelson – I am not in favor. The gas is not viable at this point. I really don't think that Lyon County's role in government is to get involved in this and pick up the pieces in 10 years. Ritter – We could still be the host county and not have any financial obligations, correct? Maust – Yes. Stensrud – I think if we are going to pursue this is to have a motion.

Ritter – What is the timeframe? Maust – May 21 is when the application goes in and they want construction to begin by this September. Ritter – If the grant is approved does it eliminate the private investment? Maust – Yes.

Ritter – As much as I have learned about it. I think it is a good thing to move forward with is without any financial obligation. You need our approval that we are interested in hosting it but not obligated. Fox you are on the County Board and we don't know what type of unallotment we are facing. The theory is good. Stensrud – I have a little bit of trouble that they come out here to get energy for Minneapolis. Fenske – When you talk about economic development it seems to me if it is private they get rent and they get so much from what is produced. Maust – There are contracts both ways. Right now there is an interesting scene in the turbine market. Ritter moved, seconded by Fenske that Lyon County would be willing to host two wind turbines on Lyon County property subject to satisfaction of permitting requirements and the financial goals of the county.

In Favor:

Ritter
Fenske
Stensrud

Opposed:

Nelson

Motion carried 3 to 1.

Ritter moved, seconded by Stensrud to adjourn until May 5, 2009. All voted in favor.

Rodney Stensrud - Chairman

Attest: Loren Stomberg
Lyon County Administrator