

**STEVENS COUNTY
BOARD OF COMMISSIONERS
Regular Meeting
Official Proceedings
Tuesday, December 1, 2009
9:00 a.m.**

The regular meeting of the Stevens County Board of Commissioners was called to order at 9:00 a.m., Tuesday, December 1, 2009, by Chair Larry Sayre. Members present were Kloos, Sayre, Munsterman, Staples and Watzke.

The agenda was approved on a motion by Watzke, second by Munsterman and all members voting aye.

The minutes of the November 17, 2009, regular meeting were approved with the addition of Commissioner Staples seconding the motion on resolution no. 091117-42, on a motion by Munsterman, second by Kloos and all members voting aye.

UMM Plan Services Director Lowell Rasmussen presented a resolution requesting endorsement for the CBED project in relation to two additional wind turbines to be located near the West Central Research & Outreach Center.

Commissioner Watzke moved the following resolution:

RESOLUTION NO. 091201-44

WHEREAS, Minn. Stat. Section 216B.1612 was enacted in 2005 to encourage the development and operation of community-based renewable energy ("CBED") projects owned by local community members;

WHEREAS, pursuant to Minn. Stat. Section 216B.1612 subd. 2 requires that CBED projects must be owned by qualifying owners, meaning either a Minnesota resident; a limited liability company whose members are Minnesota residents; a Minnesota nonprofit organization; certain Minnesota local government entities, including counties; or certain cooperatives or tribal councils;

WHEREAS, the Regents of the University of Minnesota, through its Morris campus ("UM") proposes to develop, own and operate a wind energy conversion facility approximately 1.65 MW in size to be located in Morris ("Project");

WHEREAS, the UM intends to enter into a power purchase agreement with Otter Tail Power Company or another purchaser for a term of at least 20 years;

WHEREAS, Minn. Stat. Section 216B.1612, subd. 2(g)(3) requires that the Project receive a resolution of support from the County board of the County in which the Project is located in order to qualify as CBED projects;

WHEREAS, the Project's local owner will be UM, which will receive considerable benefits from the Project and the Project will utilize local services and materials in its construction and operation, and otherwise contribute to economic development within Stevens County, and also provide environmental benefits;

THEREFORE, BE IT RESOLVED, that the Stevens County Board of Commissioners supports the development, construction and operation of the small wind energy project to be located in Stevens County and to be owned by UM pursuant to Minn. Stat. Section 216B.1612, and related laws and agreements.

Commissioner Munsterman seconded the motion and all members voting aye, motion carried.

Facilities Manager Dave Schmidt reviewed the asbestos abatement bid results with the Board. Schmidt noted the total bid was down from the budgeted \$325,000 to \$217,717.00, which includes \$50,000 contingency. Schmidt recommended the Board award to the lowest bidder Twell Environmental in the amount of \$142,321.00 and to the air quality bidder, Nova Consulting Group in the amount of \$12,821.00. The first phase of the asbestos abatement is scheduled to begin December 16th.

Commissioner Munsterman moved to award bids to Twell Environmental and Nova Consulting Group in the combined total amount of \$212,717.00. Commissioner Kloos seconded the motion and all members voting aye, the motion carried.

Travis Fuechtmann of Contegrity Construction, provided an update on the construction project.

County Engineer Brian Giese provided an update on department activities and reported on various County Ditches.

Giese also provided a history of problems on County Ditch #15 and possible options for Board consideration including redetermination of benefits. Landowner Larry Hartman was present and cited his problems with washouts in the ditch, which have affect his land. County Engineer Giese noted that Mr. Hartman's land is not cited on the list of lands benefited by the ditch and, thus, cannot be assessed for work performed on the Hartman land.

On a motion by Munsterman, second by Kloos and all members voting aye, the Board instructed the County Engineer to contract for services to remove trees and debris from a portion of County Ditch #15 in Section 7 of Everglade Township; said work to be accomplished as soon as practical.

On a motion by Kloos, second by Munsterman and all members voting aye, the Board authorized payment of \$171.00 to Larry Hartman for work performed on repair of County Ditch #15.

County Auditor-Treasurer Neil Wiese presented invoices for payment related to the construction project. On a motion by Watzke, second by Munsterman and all members voting aye, the Board authorized payment of project invoices.

Environmental Services Coordinator Bill Kleindl presented for Board review the revised contract proposal for solid waste delivery to the Pope/Douglas facility.

On a motion by Staples, second by Kloos and all members voting aye, the Board authorized the Chairman and Coordinator to execute a Waste Disposal Contract for waste deliveries to the Pope/Douglas Solid Waste Management Facility effective January 1, 2010.

The Coordinator informed the Board that the MCIT Dividend of \$79,335 has been received.

On a motion by Kloos, second by Staples and all members voting aye, the Board authorized the execution of an agreement with West Central Regional Center for annual lease of .25 beds in the amount of \$18,250.

Commissioner Munsterman moved to authorize a memo of understanding with AFSCME to alter work hours in 2010 for the General and Highway Units by reducing the work week by 1 hour for each of the 52 weeks, subject to approval by the Highway Unit. Commissioner Kloos seconded the motion. The motion passed upon the following vote: Kloos, Munsterman, Watzke and Staples voting aye; Sayre voting nay.

The Chairman set 9:00 a.m., December 31, 2009, as its Special Board Meeting.

On a motion by Watzke, second by Sayre and all members voting aye, the Board authorized employees to leave work at noon on December 24th, 2009.

The Board received the report of the Ambulance Committee meeting for November 25th wherein the committee interviewed representatives of the respondents to the RFP for sale or lease of the ambulance service.

Commissioner Munsterman provided a report on the Land of the Dancing Sky request for funding of youth work camps in 2010.

On a motion by Munsterman, second by Watzke and all members voting aye, the Board authorized approval of \$5,000 to the Youth Work Program operated through West Central Community Action.

Carolyn Drude, Ehlers & Associates, provided a preview of the HRA Lease Revenue Bond Sale schedule for 1:00 p.m. Drude also reviewed the bond rating for the County and HRA as prepared by Standard & Poors.

The Board recessed at 11:50 a.m.; reconvening at 1:00 p.m.

On a motion by Kloos, second by Staples and all members voting aye, the Board received and acknowledged receipt of the repair estimate for the damaged courtroom wall as prepared by project manager Contegrity, Inc. in the amount of \$42,423.50.

The Chairman noted the presence of the Stevens County HRA Board and that its Chair, Barb Tomoson, convened said Board in Special Session at 1:05 p.m.

Carolyn Drude of Ehlers & Associates presented materials to the respective Boards for purposes of exercising a lease purchase agreement between the HRA and the County, and issuance of bonds to finance the courthouse expansion/renovation project.

Commissioner Watzke moved the following resolution:

RESOLUTION NO. 091201-45

**RESOLUTION AUTHORIZING THE EXECUTION OF A
GROUND LEASE AND A LEASE AGREEMENT PROVIDING
FOR THE CONSTRUCTION OF A COUNTY COURTHOUSE
AND THE LEASE THEREOF BY THE COUNTY, AND
APPROVING THE FORM OF A RESOLUTION AND AN
OFFICIAL STATEMENT**

WHEREAS, the laws of the State of Minnesota require the provision by the County of Stevens (the "County") of adequate facilities for County courts and related administrative offices; and

WHEREAS, pursuant to Minnesota Statutes, Sections 465.71 and 471.64, the County is authorized to enter into leases of real property, with an option to purchase, provided that the County retains the right to cancel such a lease-purchase contract at the end of any fiscal year during its term; and,

WHEREAS, pursuant to said statutory authority, the County proposes to enter into a Lease Agreement dated as of December 1, 2009 (the "Lease") with The Housing and Redevelopment Authority of Stevens County, Minnesota (the "Authority"), as lessor, and the County, as lessee, pursuant to which the Authority will acquire, construct and equip a County courthouse and administrative facility (the "Building"), and the County will lease the Building from the Authority; and,

WHEREAS, the Authority will issue its \$7,685,000 Public Project Revenue Bonds, Series 2009A (Annual Appropriation Lease Obligations), to finance the cost of the Building pursuant to a resolution adopted by the Board of Commissioners of the Authority on the date hereof (the "Bond Resolution");

WHEREAS, a form of the Lease and the Bond Resolution have been submitted to and reviewed by this Board, along with the form of a proposed Ground Lease to be dated as of December 1, 2009 (the "Ground Lease") between the County, as lessor, and the Authority, as lessee, pursuant to which the County will ground lease to the Authority the real estate upon which the Building will be constructed (as permitted by Minnesota Statutes, Section 465.035).

NOW, THEREFORE, BE IT RESOLVED by the Stevens County Board of Commissioners that the County hereby approves the form of the Lease and Ground Lease and the Chair and the

County Coordinator are hereby authorized and directed to execute, attest to and deliver the Lease and Ground Lease on behalf of the County. All of the provisions of the Lease and Ground Lease, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The lease and Ground Lease shall be substantially in the form submitted to this Board with such necessary and appropriate variations, omissions and insertions as permitted or required, or as the Chair, in his discretion, shall determine, and the execution thereof by the Chair shall be conclusive evidence of such determination.

BE IT FURTHER RESOLVED that the County Board hereby approves the form of the Official Statement relating to the Bonds (the "Official Statement"), a draft of which has been submitted to and received by this Board, and hereby ratifies and confirms its use and distribution to potential purchasers of the Bonds.

BE IT FURTHER RESOLVED that the County hereby approves the terms of the Bond Resolution and the sale of the Bonds pursuant thereto, and approves the terms of the Bonds as set forth in said Bond Resolution and the Indenture (as defined in the Bond Resolution).

BE IT FURTHER RESOLVED AS FOLLOWS:

Continuing Disclosure. (a) Limited Exemption from Rule. The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (as in effect and interpreted from time to time, the "Rule") which govern the obligations of certain underwriters to require that issuers of municipal Bonds enter into contracts for the benefit of the Bondholders to provide continuing disclosure with respect to the Bonds. This Board hereby finds, determines and declares that the Bonds are exempt from the application of paragraph (b)(5) of the Rule by reason of the exemption granted in paragraph (d)(2) thereof. Specifically, this Board hereby finds that the Bonds are exempt from the application of paragraph (b)(5) of the Rule by reason of the exemption granted in paragraph (d)(2) thereof. Specifically, this Board hereby finds that the only "obligated person" (within the meaning of the Rule) with respect to the Bonds is the County and that, giving effect to the issuance of the Bonds and any other securities required to be integrated with the Bonds, there will be no more than \$10 million in principal amount of municipal securities outstanding on the date of issuance of the Bonds as to which the County is an obligated person (excluding municipal securities exempt from the Rule under paragraph (d)(1) thereof because, among other things, they were issued in minimum denominations of \$100,000). In making such finding, the County hereby represents that it has not issued within the six months before the date of issuance of the Bonds and that it reasonably expects that it will not issue within six months after the date of issuance of the Bonds, other securities of the County of substantially the same security and providing financing for the same general purpose or purposes as the Bonds. The exemption from the Rule for the Bonds is conditioned upon the County agreeing to provide certain continuing disclosure as hereinafter provided.

(b) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefore and to permit participating underwriters in the

primary offering of the Bonds to comply with paragraph (b)(5) of the Rule, which will enhance the marketability of the Bonds, the County hereby makes the covenants and agreements contained in this section for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. If the County fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for specific performance or a writ of mandamus. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, "Owner" or "Bondowner" means, in respect of a Bond, the registered owner or owners thereof appearing in the Bond register maintained by the Registrar or any "Beneficial Owner" (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, "Beneficial Owner" means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(c) Information To Be Disclosed. The County will provide, in the manner set forth below, either directly or indirectly through an agent designated by the County, the following information at the following times:

- (1) On or before 365 days after the end of each fiscal year of the County, commencing with the fiscal year ending December 31, 2009, to the Municipal Securities Rulemaking Board (the "MSRB"), in an electronic format as prescribed by the MSRB from time to time, the information in the County's audited financial statements, which shall be for the most recent fiscal year of the County, and the other financial information and operating data, if any, that is customarily prepared by the County and publicly available under applicable data privacy or other laws (the "Disclosure Information").

Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the Internet Web site of the MSRB. The County shall clearly identify in the Disclosure Information each document so incorporated by reference. If the Disclosure Information is changed because it is no longer compiled or publicly available or this paragraph (c)(1) is amended as permitted by subsection (d), then the County shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of information provided.

- (2) In a timely manner, to the MSRB, in an electronic format as prescribed by the MSRB from time to time, notice of the occurrence of any of the following events which is a Material Fact (as hereinafter defined):
- (A) Principal and interest payment delinquencies;
 - (B) Non-payment related defaults;
 - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) Substitution of credit or liquidity providers, or their failure to perform;
 - (F) Adverse tax opinions or events affecting the tax-exempt status of the security;
 - (G) Modifications to rights of security holders;
 - (H) Bond calls;
 - (I) Defeasances;
 - (J) Release, substitution, or sale of property securing repayment of the securities; and
 - (K) Rating changes.

As used herein, a “Material Fact” is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a “Material Fact” is also an event that would be deemed “material” for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

- (3) In a timely manner, to the MSRB, in an electronic format as prescribed by the MSRB from time to time, notice of the occurrence of any of the following events or conditions:
- (A) the amendment or supplementing of this section (c) pursuant to section (e), together with a copy of such amendment or supplement; and
 - (B) the termination of the obligations of the County under this section (c) pursuant to section (e);
 - (C) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
 - (D) any change in the fiscal year of the County.

(d) Identifying Information to Accompany Documents. All documents provided to the MSRB pursuant to section (c) above shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(e) Term; Amendments; Interpretation. The covenants of the County in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the County under this section shall terminate and be without further effect as of any date on which the County delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the County to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof. This section may be amended or supplemented by the County from time to time, without notice to or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the County accompanied by an opinion of Bond Counsel, who may rely on certificates of the County and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the County or the type of operations conducted by the County, or (b) is required by, or better complies with, the provisions of paragraph (d)(2) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements or paragraph (d)(2) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule. This section is entered into to comply with, and should be construed so as to satisfy the requirements of, paragraph (d)(2) of the Rule.

BE IT FINALLY RESOLVED that this resolution shall be in full force and effect from and after its passage and that a certified copy hereof be provided to the Authority.

Commissioner Munsterman seconded the motion and all members voting aye, the motion carried.

Having no further business, the meeting was adjourned at 1:28 p.m. on a motion by Staples, second by Kloos and all members voting aye.

James Thoreen, County Coordinator

Larry Sayre, Chairman