

**OFFICIAL PROCEEDINGS  
OF THE COUNTY BOARD  
LAKE COUNTY, MINNESOTA**

September 27, 2016. Lake County Service Center, Split Rock River Room, Two Harbors, Minnesota. Commissioners present: Goutermont, Hurd, Jones, Sve, Walsh. Absent: None. Also present: County Administrator Matthew Huddleston and Laurel Buchanan, Clerk of the Board.

Meeting was called to order at 2:00 p.m. by Chairperson Rich Sve. Unless otherwise stated, all actions have been approved by unanimous yeas. Members of the public were present. Commissioner Sve led the audience in the recitation of the Pledge of Allegiance.

MOTION JONES, SECOND HURD: 01 – Approve agenda. Absent: None

Bob Lackore spoke during public comment to express his appreciation for the excellent service that he has received from Lake County Veterans Service Officer (VSO) Vince Sando. Mr. Lackore asked that the Board of Commissioners express thanks to our VSO for the outstanding service that Mr. Sando provides to veterans. The Board also thanked Mr. Lackore for his service to our country.

County Administrator Matthew Huddleston reviewed several resolutions on for board action today and updates on other county business. He discussed a proposed amendment to the Subsurface Sewage Treatment System (SSTS) ordinance (Lake County Ordinance No. 11). The Planning Commission held a public hearing on September 19, 2016 to review minor revisions to Ordinance No. 11. The Planning Commission reviewed the addition of language relating to establishing an administrative variance process with regard to Minnesota Pollution Control Agency (MPCA) standards for sewage treatment design when new lots are being created. Adoption of the administrative variance criteria would allow the Environmental Services Director to review and approve proposed new lot creations on properties with less than a three-foot vertical separation between the constructed SSTS and the saturated soils or bedrock;

Mr. Huddleston provided an update on a project involving the Lake County Land Department and the Environmental Services Department, regarding the Environmental Assessment Worksheet (EAW) process for the Prospector's Loop trail.

Mr. Huddleston provided an update on plans to meet with the U.S. Department of Agriculture Rural Utilities Service (RUS) in October 2016. This meeting will be in follow-up to resolutions by the Board of Commissioners at the special meeting on Friday, September 23, 2016, approving an agreement with RUS to defer for six months the County's payment of principle on the loan for the fiber-optic network construction. The County had requested the deferral while we work to reduce the backlog of installation requests and get waiting customers on-line to get the network revenues where they were projected to be before the number of construction delays. In August, the RUS conducted an assist visit to get a complete picture of health of the County network. The result is this agreement for temporary deferral, while the parties work together to determine the best repayment structure for everyone going forward. The Board also approved the purchase of a bond to release liens filed on the network, by Rohl Networks and Compass Consultants, the contractor and engineer for construction. While two of the three contracts have not been completed, Rohl and Compass filed a lawsuit to collect money they believe is due them. Lake County disagrees and is defending in the lawsuit, but is required to make arrangements to keep the network free of liens. Minnesota law permits a process to release construction liens by the posting of bond.

Land Commissioner Nate Eide updated the board on an item that has been removed from today's action items as we are in the process of clarifying terms with the leaseholder.

One item was removed from the consent agenda for discussion and separate board action.

MOTION JONES, SECOND HURD: 02 – Approve consent agenda, as amended:

1. Approve County Board of Commissioners' meeting minutes from September 13, 2016.
2. Approve batch 1 claims in the amount of \$49,494.37.
3. Approve batch 2 claims in the amount of \$21,751.30.
4. Approve Health and Human Services claims payments in the following amounts:
  - a. Region III Adult Mental Health Initiative payments \$ 15,407.70
  - b. Administrative payments \$ 13,269.95
  - c. Arrowhead Health Alliance payments \$ 5,435.00
5. Authorize payment of 2016 municipal highway maintenance services distribution to the City of Silver Bay in the amount of \$2,500.00 per mile for a total of \$13,700.00.
6. Authorize payment of 2016 municipal highway maintenance services distribution to the City of Two Harbors in the amount of \$2,500.00 per mile for a total of \$11,000.00.
7. Award SAP 038-624-003 to the lowest responsible bidder, KGM Contractors Inc., in the amount of \$777,785.00. Pending County Attorney review, approve and authorize the Chair to sign the contract for this project for Gun Club Rd. improvements.
8. Authorize payment in the amount of \$5,000.00 to Legg Strategies for consulting services (reference 1224).
9. Authorize auditor's office to make payment in the amount of \$11,500.00 to Streicher's for the purchase of law enforcement personal safety equipment to be paid out of the 2015 Stone Garden budget.
10. Authorize payments in the following amounts to Lindquist & Vennum, LLP for legal services through July 31, 2016:
  - \$ 4,879.20 (Invoice 712546-0325)
  - \$14,093.75 (Invoice 712544-0325)
11. Authorize payments in the following amounts to Lindquist & Vennum, LLP for legal services through August 31, 2016:
  - \$ 6,479.05 (Invoice 713879-0325)
  - \$14,638.00 (Invoice 713931-0325)
12. Authorize payment to ACCT Inc. in the amount of \$9,374.25 for the abatement of the asbestos at the bowling alley.

13. Approve and authorize the Chair to sign an amendment to the current Firewise Coordinator Service Agreement.
14. Authorize payment in the amount of \$4,585.00 (Invoice 70487) to Ehler's & Associates, Inc. for Arbitrage Report ending April 1, 2016 - \$2,410,000 G.O. Capital Improvement Refunding Bonds, Series 2014A.
15. Authorize Land Commissioner to sign Road License agreement with Jered Granley.
16. Approve payment of \$12,340.50 to Jo Campe for the homeowner portion of FEMA Fire Resistant Roofing Grant 2 installation, pending reimbursement to Lake County from FEMA Hazard Mitigation Grant Program DR-4113.09.
17. Approve reimbursement of \$14,139.33 to the Lake County SWCD for Aquatic Invasive Species Work per the Minnesota County Program Aid Grant for Aquatic Invasive Species (AIS) Prevention.
18. Authorize payment in the amount of \$6,758.04 to Innovative Systems for billing system maintenance fee and July postage for the following invoices: a) INV 29180, \$5,370.47 and b) INV 29364, \$1,387.57.
19. Authorize payment in the amount of \$2,648.00 to Citi Lites / Korterra for cable locating for the weeks ending 09/04/2016 and 09/11/2016 for the following invoices: a) INV 52470, \$1,449.00 and b) INV 52539, \$1,199.00.
20. Authorize payment in the amount of \$8,049.00 to North Point Geographic Services for mapping fiber optic plant (reference 947).
21. Approve payment in the amount of \$17,013.50 to the Office of the State Auditor for 2015 audit services from July 27, 2016 through August 23, 2016. (invoice #67494 for \$676.00 and invoice #67493 for \$16,337.50).
22. Authorize payment to Jordan Drilling Solutions LLC in the amount of \$4,500.00 for emergency repair of fiber damaged at Cty Rd 26 (reference 5638).
23. Authorize payment to FS3 Inc. in the amount of \$1,857.49 for two concrete handholes used to repair of fiber damaged at Cty Rd 26 (reference 40811). Absent: None

MOTION GOUTERMONT, SECOND WALSH: 03 – Table for clarification on the Giant Voices invoices for August 2016 postcards and website maintenance (INV-039978 and INV-039945).  
Absent: None

MOTION JONES, SECOND GOUTERMONT: 04 – The Board of Commissioners supports Lake County constituent William H. Miller for appointment to the Governor's Council on Minnesota Lake Superior Coastal Council and supports him in his Open Appointments Application as one of Lake County's representatives on the council. Absent: None

MOTION JONES, SECOND WALSH: 05 – Authorize payment not to exceed \$2,200.00 to Lake Communications for handling the exchange of a more heavy-duty trailer from Widdes Trailer Sales of Esko for the use of hauling the larger plow. The cost difference for the exchange is \$2,666.25 including tax and license. There was misrepresentation of the actual weight of the large plow with all its attachments and for that; Trenchers Plus of Burnsville will waive one month's lease payment equaling \$2,200 to offset the cost. Please refer to resolution #3 and #6 on June 14, 2016. The difference will be absorbed by Lake Communications. Absent: None

MOTION HURD, SECOND GOUTERMONT: 06 – Adopt findings by the Planning Commission and adopt Amendment to Subsurface Sewage Treatment System (SSTS) Ordinance No. 11, including language to establish an administrative variance process with regard to Minnesota Pollution Control Agency (MPCA) standards for sewage treatment design when new lots are being created. Adoption of the administrative variance criteria would allow the Environmental Services Director to review and approve proposed new lot creations on properties with less and a three-foot vertical separation between the constructed SSTS and the saturated soils or bedrock. Absent: None

MOTION WALSH, SECOND GOUTERMONT: 07 – Adopt the preliminary 2017 Net Property Tax Levy of \$9,851,966. Absent: None

MOTION GOUTERMONT, SECOND HURD: 08 – Adopt the preliminary 2017 Net Property Tax Levy for Unorganized Territory No. 1 in the amount of \$32,000. Absent: None

MOTION HURD, SECOND WALSH: 09 – Adopt the preliminary 2017 Net Property Tax Levy for Unorganized Territory No. 2 in the amount of \$341,000 (Revenue Fund in the amount of \$88,000 and Road and Bridge Fund in the amount of \$253,000). Absent: None

MOTION JONES, SECOND GOUTERMONT: 10 – Set date of Tuesday, December 13, 2016 at 6:00 p.m. for public hearing to set final budget and levies for Lake County to be held in the Lake County Courthouse, Law Enforcement Center. Absent: None

MOTION GOUTERMONT, SECOND JONES: 11 – Authorize purchase and installation of one Ruud 75,000 BTU 80+ natural gas furnace for the Lake County Rukavina Arena per the specifications and quote received from North Shore Oil & Propane, including all the materials and all the labor necessary, for an amount not to exceed \$3,300. Absent: None

MOTION JONES, SECOND HURD: 12 – Adjourn meeting at 3:15 p.m. Absent: None

The Board of Commissioners will convene an agenda meeting at 2:00 p.m. on Tuesday, October 4, 2016, and will convene a regular meeting at 2:00 p.m. on Tuesday, October 11, 2016. These meetings will be held in the Split Rock River Room located on the main floor of the Lake County Service Center, 616 Third Avenue, Two Harbors, Minnesota.

The Lake County Board of Commissioners will meet as a Committee of the Whole on Tuesday, October 18, 2016, at 6:00 p.m. Location may be the Town of Silver Creek, 1924 Town Road, Two Harbors, Minnesota. Potential location change may be coordinated to accommodate a public hearing on the possibility of implementing a Transportation Sales Tax in Lake County. Potential new meeting location under consideration is the Lake County Law Enforcement Center, 613 Third Avenue, Two Harbors, Minnesota.

ATTEST:

Laurel Buchanan  
Clerk of the Board

Rich Sve, Chairperson  
Lake County Board of Commissioners