

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

July 22, 2014. Commissioners Chambers, Lake County Courthouse, Two Harbors, Minnesota. Commissioners Present: Goutermont, Jones, Walsh, Sve. Absent: Hurd. Also present: County Administrator Matthew Huddleston and Laurel Buchanan, Clerk of the Board.

Meeting was called to order at 1:00 p.m. by Chairperson Rich Sve. Unless otherwise stated, all actions have been approved by unanimous yeas vote. Members of the public were present.

MOTION GOUTERMONT, SECOND WALSH: 01 – Approve agenda with changes. Absent: Hurd

Lake County Health and Human Services (HHS) Director Vickie Thompson and HHS Executive Assistant Trisha Jones appeared before the County Board to review HHS items requiring approval. HHS items were handled at the County Board meeting due to a lack of quorum at the HHS board meeting earlier in the day. HHS approvals will be reflected in the HHS board meeting minutes of July 22, 2014.

APEX President & CEO Brian W. Hanson provided a Lake County Data Center Marketing Service Contract update, including an APEX organization update. There was a discussion on deliverables, current prospects and future events planning including site access for tours and wetland delineation plans.

Lake County Land Commissioner Nate Eide discussed forestry agenda items. Mr. Eide updated the board on some changes to the proposed conservation easement option from the Minnesota Department of Natural Resources (DNR).

Lake County Administrator Matthew Huddleston presented proposed ballot questions for the 2014 general election relating to the reverse referendum requirement per the 2014 legislation that enabled the county to appoint the county auditor-treasurer and recorder. Lake County Attorney Laura Auron fielded questions regarding the wording of the proposed ballot questions which were drafted with the intent to follow Minnesota Statutes Chapter 375A and the enabling legislation as closely as possible.

MOTION WALSH, SECOND JONES: 02 – Recess County Board meeting at 2:58 p.m. Absent: Hurd

The County Board meeting was reconvened at 3:10 p.m. with all members present, except for Commissioner Hurd.

An item was removed from the Consent Agenda for future consideration after the Lake County Building and Plant / Facilities Maintenance Manager seeks additional quotes to complete the repairs of the rear entrance of the Lake County Court House.

MOTION GOUTERMONT, SECOND WALSH: 03 – Approve Consent Agenda as follows:

1. Approve County Board meeting minutes from July 8, 2014.
2. Approve claims in the amount of \$30,642.83.
3. Approve the application, and authorize the Chair to sign the agreement documents, for a 2014 Wildfire Fuel Reduction (Stevens) Grant.
4. Approve payment to SeaChange Printing and Marketing Services LLC in the amount of \$4,350.26 for printing of the 2014 Primary Election ballots (invoice #7018).
5. Approve Homestead classification for Parcel I.D. 22-7440-02050 for the 2013 and 2012 assessment years, real estate taxes payable in 2013 and 2014.

6. Authorize the following payments totaling \$280,538.90 to Cooperative Light and Power for pole make ready:
  - a Invoice 6812 \$ 817.02
  - b Invoice 6811 \$21,540.25
  - c Invoice 6810 \$29,374.25
  - d Invoice 6872 \$ 5,949.35
  - e Invoice 6740 \$82,786.33
  - f Invoice 6742 \$13,130.45
  - g Invoice 6741 \$ 989.06
  - h Invoice 6816 \$72,630.25
  - i Invoice 6752 \$53,321.94
7. Authorize payment to Giant Voices in the amount of \$5,000.00 (INV-036608) for July 2014 monthly retainer [for broadband marketing services including coordination and execution of communication priorities outlined in marketing services agreement].
8. Authorize the Chair to sign a three-year *ESRI Small Municipal and County Enterprise License Agreement* (ELA) that will grant Lake County access to ESRI term license software on an unlimited basis, including maintenance on all software offered through the ELA for the term of the agreement.
9. Authorize payment to ESRI (Environmental Systems Research Institute, Inc.) for an amount not to exceed \$25,500 per year (2014-2016) for the three-year *ESRI Small Municipal and County Enterprise License Agreement* (ELA).
10. Approve resolution supporting special legislation (Laws 2014, Chapter 217, Section 14) for public sale of tax-forfeited land bordering public water:
  - a. NWSE, Section 33, Township 55, Range 11
  - b. NENW, Section 31, Township 64, Range 11
11. Authorize payment in the amount of \$5,515.88 to Minnesota Telecommunications (Northeast Service Cooperative) for commercial dark fiber to Duluth (reference 1421).
12. Authorize payment in the amount of \$2,952.00 to Minnesota Counties Intergovernmental Trust for insurance coverage of building contents, Property in the Open (PIO) and Electronic Data Processing (EDP) (references 30105 & 22105).

13. Amend the County Board meeting minutes from June 24, 2014, Motion 12, to round up 2.794 acres to 2.8, resulting in a change in square feet from 121,720 to 121,968, and a change in the total from \$45,036.40 to \$45,128.16. The amended language reads as follows: Authorize the Lake County Administrator to sign an agreement with Krog and Haggedal Mitigation bank (BWSR Account # 1147,BSA#3, Roseau County) to purchase 121,968 square feet (2.8 acres) of wetland credits at a cost not to exceed \$45,128.16 (plus associated taxes and fees to State of Minnesota Board of Water and Soil Resources) to mitigate for wetland impacts to upgrade 9.35 miles of the CJ Ramstad Northshore State Snowmobile Trail for use by All-Terrain Vehicles.
14. Approve payment to Contech in the amount of \$4,645.08 on Invoice 00110990 for 36" x 80', 18" x 72' and 15" x 72' culvert for West Branch Beaver Creek (Part of Aquatic Passage Grant #11-PA-11090903-027), North Alger Road (#302); and 15" x 72' and 12" x 109' culvert for Fall Lake Township (to be reimbursed by Fall Lake).
15. Approve utility permit from Minnesota Power for underground powerline across County Road 111.
16. Approve sale of up to 10,000 cubic yards of pit material (in accordance with the 2014 Fee Schedule) from Lake County's Nikula Pit for use in 2014 for MnDOT's SP 3808-35 (Trunk Highway 61 through Little Marais) project contingent upon their contractor's installation and maintenance of appropriate temporary erosion control measures.
17. Authorize payment to St. Louis County for 2014 Maintenance Striping (CP 0000-97112) in the amount of \$89,802.50 plus \$500 Administration fee for a Grand total of \$90,302.50 as per Signed Agreement and Material Funding Report.
18. Approve and authorize the chair to sign a Service Agreement with MAN Inc, for up to \$16,000 through December 31, 2014, as Project Manager for a FEMA Hazard Mitigation Assistance Grant for Fire-Resistant Roofing.
19. Authorize payment to Tim Anderson Construction, LLC in the amount of \$4,985.00 for wall repair, door removal and brick work for Court House back entrance.
20. Authorize payment to The Baller Herbst Law Group for Invoice No. DC-06-13 in the amount of \$3,148.75 for legal services rendered through May 2014.
21. Authorize payment in the amount of \$3,617.50 to The Baller Herbst Law Group for Invoice No. DC-07-13 for legal services rendered for June 2014.
22. Authorize payment in the amount of \$5,424.19 to Innovative Systems for billing system maintenance fee & July 1st billing services.
  - A Invoice 20838 \$ 5,370.47
  - B Invoice 20978 \$ 53.72

23. Authorize the following payments to TKDA for engineering services in connection with Two Harbors Machine Expansion, Project No. 0015585.000, to be paid from funds through a grant from Iron Range Resources and Rehabilitation Board (IRRRB).
  - A Invoice 002014001799 \$4,862.13
  - B Invoice 002014002104 \$1,041.56
24. Approve a 4 day temporary on-sale liquor permit for the Lake County Agricultural Society for the dates of August 14, 15, 16, and 17, 2014 at the Lake County Fairgrounds. Contingent on the filing of necessary paperwork and payment of applicable fees.
25. Authorize payment in the amount of \$3,680.00 (Invoice 101012004002) to ICECOR, re: NSST ATV Trail, 9.96 Mile Section Permitting.
26. Approve and authorize the Information Systems Director to purchase three (3) new computers from Dell, Inc., in the amount of \$3,676.20, for the Human Services Department. (Correspondence 12 in the packet)
27. Approve payment to Minnesota State Auditor in the amount of \$32,890.60 for auditing services from 5/7/14 to 7/1/14. Invoices 64802 and 64804.
28. Authorize the following payments totaling \$40, 872.43 to Cooperative Light and Power for pole make ready: a) Invoice 6893 \$40,872.43
29. Authorize, based on lowest quote, purchase of test equipment (Flextester3 1310/1550NM UPC) from Power & Telephone. Cost is \$5,295.00 plus tax & shipping (Broadband).
30. Adopt findings of the Lake County Planning Commission and approve amendment to Interim Use Permit I-14-007 – Manitou Mining. This amends their January 2014 approved interim use permit for additional mining of one and one half acres. The processing of the new materials will occur at the gravel pit operation located in Section 9, Township 57, Range 6.
31. Authorize payment in the amount of \$3,662.00 to Otis-Magie Insurance Agency (reference 56771). Increase coverage on the bond for Frontier Communications to \$300,000.00.
32. Amend County Board meeting minutes from June 25, 2013, Motion 11, to add freight of \$198.00. This increases the contract from \$287,195.85 to \$287,393.85. Authorize the chair to execute an amendment to the related RUS Form 397 contract (B-22). Revised language is as follows: Accept the Engineering recommendation by Compass Consultants to award a Material Only Without Installation, RUS Form 397 Special Equipment Contract for IP Video Middleware to the successful Best Value bidder Innovative Systems L.L.C., Mitchell, SD for an ARRA funded Stimulus project for rural telecommunication, for the Lake County Fiber to the Premises Project, in the amount of \$287,393.85 conditional upon delivery of a 100% supplier bond, and approval of the contract by Rural Utilities Service (RUS).

33. Amend County Board meeting minutes from June 25, 2013, Motion 12, to add spare equipment of \$2,804.51. This increases the contract from \$983,865.00 to \$986,669.51. Authorize the chair to execute an amendment to the related RUS Form 397 contract (B-23). Revised language is as follows: Accept the Engineering recommendation by Compass Consultants to award a Headend Equipment With Installation, RUS From 397 Special Equipment Contract to the successful Best Value bidder Dascom Systems Group, L.L.C., for an ARRA funded Stimulus project for rural telecommunication, for the Lake County Fiber to the Premises Project, in the amount of \$986,669.51 conditional upon delivery of a 100% performance bond, and approval of the contract by Rural Utilities Service (RUS).
34. Approve and authorize the Chair or County Administrator to sign an RUS contract 245 for \$4,574.00 with Twin Ports Testing of Superior Wisconsin for soil testing for Lake County's FTTH project in preparation for two pre-fabricated equipment shelters on leased land in the City of Aurora and Ely.
35. Authorize payment in the amount of \$208,353.54 to Lake Communications, Inc. for Operations and Management of the Lake County Fiber to the Home Project (Invoice 40).
36. Authorize County Administrator to execute a bill of sale with the property owners, David and Lois Rausch for an improved structure, identified as a 768 square foot cabin, built in 1957, located at 2064 Highway 61, for \$35,411 (plus any associated fees or taxes) as part of the Flood Damage Assistance Grant and authorize the Auditor to provide the check in the amount above in advance of the closing, in exchange for the property owners providing an executed Deed Restriction on the property.  
Absent: Hurd

MOTION GOUTERMONT, SECOND JONES: 04 – Approve the change in employment status of Courtney Anderson, Financial Assistance Supervisor I due to completion of probationary period effective July 1, 2014.  
Absent: Hurd

MOTION GOUTERMONT, SECOND WALSH: 05 – Approve the retirement of Curtis Gadacz, Solid Waste Officer, effective December 31, 2014. Absent: Hurd

MOTION JONES, SECOND WALSH: 06 – Approve No Net Gain of Public Land Resolution. Absent: Hurd

MOTION WALSH, SECOND GOUTERMONT: 07 – Approve two questions that will appear on the ballot for the 2014 general election relating to the reverse referendum requirement per the 2014 legislation that enabled the county to appoint the county auditor-treasurer and recorder. Absent: Hurd

MOTION GOUTERMONT, SECOND JONES: 08 – Approve and authorize the Chair to sign the Mutual Release and Settlement Agreement by Susanne Napper, Minnesota Life Insurance Company, and Lake County, Minnesota, with respect to the Certificate of Participation issued to Lee Roy Jacobson under Minnesota Life Insurance Policy No. 0024967, insuring employees of Lake County, Minnesota. Absent: Hurd

MOTION GOUTERMONT, SECOND JONES: 09 – Accept Conservation Easement (CE) option from the Minnesota Department of Natural Resources (DNR), with changes per the Lake County Land Commissioner:

- a. Authorize Board Chair to sign "Waiver Clause – RIM"
  - i. Appraised value of CE is \$181,950.00, offered \$165,000 from DNR based on TNC's RIM credit offer
  - ii. Difference of \$16,950 will be donated to RIM Critical Habitat Matching Program and will be requested to be used for future Lake County projects
- b. Authorize Board Chair to Sign "Option for the purchase of a perpetual easement in real estate and memorandum of conditions." Absent: Hurd

MOTION WALSH, SECOND JONES: 10 – Accept quote from Steigerwaldt Land Services, Inc for two appraisals each at \$1,850.00 (\$3,700 total). The appraisals are for two areas of land to be sold at public auction. Appraisals will be done by August 19<sup>th</sup>, 2014. Absent: Hurd

MOTION JONES, SECOND GOUTERMONT: 11 – Approve resolution authorizing the Chair to sign the FOX Cable Network Services contract for video content on Lake Connections network. Absent: Hurd

MOTION JONES, SECOND GOUTERMONT: 12 – Authorize the Chair to sign Memorandum of Understanding with Cooperative Light and Power acknowledging agreement previously reached on Phase 2A of the Lake County Fiber Optic Project. Absent: Hurd

MOTION WALSH, SECOND GOUTERMONT: 13 – Authorize payment to the University of Minnesota for training/program fees for the Information Systems Department in an amount not to exceed \$6,500. Absent: Hurd

MOTION JONES, SECOND WALSH: 14 – Adopt findings of the Lake County Planning Commission and approve Interim Use Permit I-14-006 – Vimal Natarajan – 4364 Highway 61, Two Harbors, MN 55616. Absent: Hurd

MOTION JONES, SECOND GOUTERMONT: 15 – Adopt findings of the Lake County Planning Commission and approve Interim Use Permit I-14-008 – Heather Bray – 6128 Birch Cliff Road, Silver Bay, MN 55614. Absent: Hurd

MOTION WALSH, SECOND GOUTERMONT: 16 – Award Road & Bridge SP 038-604-017, 038-605-013, and 038-604-018 to the lowest responsible bidder, KGM Contractors Inc., in the amount of \$2,776,493.31. Pending County Attorney and Highway Department reviews, approve and authorize the Chair to sign the contract for this project for CSAH 4 (in Beaver Bay) and CSAH 5 (through Silver Bay) road improvements and construction of the Beaver Bay Trailhead facility. Absent: Hurd

MOTION GOUTERMONT, SECOND JONES: 17 – Adjourn meeting at 3:29 p.m. Absent: Hurd

A quorum of the Lake County Board of Commissioners may be present at a meeting with the Town of Silver Creek scheduled to take place on Tuesday, July 29, 2014, at 7:00 p.m. in the Town Hall, Town of Silver Creek, 1924 Town Road, Two Harbors, Minnesota. The purpose of this meeting is for the Town of Silver Creek to provide an update and discuss the Stewart River Wastewater Project.

The Lake County Board of Commissioners will meet with the Forest Service (FS) on Friday, August 1, 2014, at 1:00 p.m. in the Commissioners' board room, 601 Third Avenue in Two Harbors, Minnesota. The purpose of this meeting is to discuss FS-related projects, including proposed and future land transactions by the FS.

The Lake County Board of Commissioners will hold an agenda meeting on Tuesday, August 5, 2014, at 1:00 p.m. in the Commissioners' boardroom at the Lake County Courthouse, 601 Third Avenue, Two Harbors, Minnesota. A regular County Board meeting will be held on Tuesday, August 12, 2014, at 1:00 p.m., also in the boardroom.

The Lake County Board of Commissioners will meet as a Committee of the Whole on Tuesday, August 19, 2014, at 6:00 p.m. in the Law Enforcement Center, 613 Third Avenue, Two Harbors, Minnesota.

A regular board meeting will be held on Tuesday, August 26, 2014, at 1:00 p.m., in the Commissioners' boardroom at the Lake County Courthouse, 601 Third Avenue, Two Harbors, Minnesota.

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ATTEST:

Laurel D. Buchanan  
Clerk of the Board

Rich Sve, Chairperson  
Lake County Board of Commissioners