

Sargent County Development Authority

Minutes

Date of Meeting:10-15-2008

Time:5:30 pm

Location of Meeting:Sargent County Courthouse Conference Room

PRESENT:Ron Narum, Jerry Erickson, Jerome Brekke, Neil Anderson, Mike Walstead, Bill Anderson, Dan Delahoyde, Sandy Hanson, Jay Jacobson, Randy Pearson. **Not Present:** Lu Diede

Meeting Called to Order: Chairman Ron Narum called the meeting to order at 5:30 pm

Minutes of Last Meeting Presented:The minutes of the June 17th 2008 meeting were distributed by mail prior to the meeting. Upon review of the minutes Jerry moved/Neil seconded to approve the minutes as printed. Motion Carried unanimously.

Treasurer's Report:The balance of the JDA is not accurate to the groups budget due to other items coming out of the budget that are not part of our budget. The Commission are taking out a dues membership to the Red River Basin organization that is regarding water/flooding/purification/needs of many entities up and down the river. The Dakota Micro loan of \$118,756.40 came out of the line item Red River Basin commission, which used to be Misc. The budget of \$900.00 in that account was set up for meeting, travel, advertising, and other small costs to the group. The line item title has been changed. I requested to Pam that it be changed back to Misc. not RRBC. I also requested that the loan have a line item of its own not reflecting the \$900.00 misc. budget. The reason that the dollars in the budget actual difference column are different then the loan amount is because the \$900.00 was deducted from the \$118,756.40 showing the JDA budget over expended by \$64,070.95. That comes from the subtraction of the expenses of \$50.96; \$2,68; \$960.00 from the budgeted amount of \$55,700=\$54,686.36 (Which should be our working dollars) subtracted from the \$118,756.40 leaving a negative balance of \$64,070.95.

Committee Reports:

Waswick Loan-payments continue to be made. No problems with the loan

Four Seasons- Loan payments are being made. No problems with the loan.

Dakota Ag Cam-report below

OLD BUSINESS

Oathes of Office- Oathes of office were administered to Jerome and Dan. Lu was not present at meeting.

Wind Study Tower – A payment from the SC JDA was made in the amount of \$500.00 for repair to the tower after wind and ice caused damages. This payment is ½ share of the \$1,000.00 deductible as per the insurance policy. The payment was made 8-19-2008 to OEI. Mike-If enough years of Data have been collected in that location could the tower be dismantled and relocated to another site with potential? Jay spoke with EAPC out of Grand Forks, the engineering firm that is working with OEI and many other groups in distribution of the wind data. They felt that 5 years is adequate information and that movement of the tower is probably a good idea at this point. Discussion with OEI will have to be initiated and both groups will have to determine the ownership of the tower itself and then come to an agreement on if relocation at this point should be done? And if so, where? That location should be of potential to produce better data not less then current location to provoke interest in the area. It is the Feeling of EAPC that they have a good collection of Data for the state of ND at this point. Jay also reported that the EAPC is currently out of funding and the State of ND is not funding placement of data on the website at this time. The tower is collecting data, but the data is not getting read,

analyzed and distributed on the web for viewers. This lack of funding is across the state. Other potential sites mentioned: Havana Hills, West of Gwinner, West of Oakes. Bill-There is opportunity to meet with the Economic Development groups of communities in SC and look for buyin for another tower. Will continue to pursue that option.

Keystone Pipeline – Dan reported on the progress of pipe construction in Sargent County in his area. He speaks to construction crews routinely. Dan has also been out on foot and walked some of the areas where the lines are being laid and work is getting done. Starting at Hwy 11 and going north the pipe is all buried. They were working south of the Hwy when the rain came last weekend. Work up to that point was done very well, the rain may cause work to be done at a little messier situation now that the ground is wet and tracks and ruts will be left. The crews and company seem very accommodating and easy to work with. Roads will need some work upon completion due to traffic increase. Commission feel quite comfortable with the agreement between the contractor and the county and road repair. Jay-that in the dealings that Dakota Valley has had with this group they have been satisfied. Mike-Steele County commission seem pleased with the contractors that went through that county. Dan-has heard concerns that the School District may loose dollars due to pipeline running through the county and school district. Discussion regarding School foundation aid, evaluations, and taxing process was held.

NEW BUSINESS

Green Resource Development- located on the web at www.greenresourcedevelopment.com for anyone interested in reviewing information about this company. Dan, Mike, Jay, and Sandy attended the meeting arranged by OEI with Green Resource Dev. Held on September 8-08 at the SE VoTech school. A new company and its representatives are employees of other companies that have gotten together to start this one. They heard about the Test tower in this area due to an acquaintance between the groups. The company is looking for approximately 10 – 20,000 acres of land. They have studied the information gathered at the site to this point. The group took a tour of the area in Dickey and Sargent the next day, which consisted of area around the tower site and Oakes area. The company reported that our wind speeds were not at a prime speed but were at a speed that was the next step below prime. It was there feeling that as many of the wind alleys get consumed, more interest will be with the next level of wind service and companies will be looking into new locations. They also felt that at that level production and profit was possible. The company representatives next step would be to visit with landowners and begin an agreement making process between the company and landowners. They will probably set up their own towers for further data collection. No further contact has been made with SC JDA through OEI by GRD. The group reviewed the minutes taken at this meeting. Given to us by Audrey OEI recording secretary.

Dakota Micro- A meeting was held at Dakota Micro in Geneseo on August 29th. Bill Anderson, Ron Narum and Mike Walstead representing the SC Commission and SC JDA were present at the meeting. Also there were the primary lenders and the CPA for the company. A review of the loans and goals was presented. Charissa reported on the company's business and product sales. It was reported that they are not quite at the goals set but are progressing nicely. There have been some in house changes regarding sales. CPA reported that he is very impressed with the company's operation overall. Jay-Is the lull on progress of the company due to competition in the market? Bill-at this time it was felt that the lull is due to the internal setup in the sales department. The sales people were on salary and now have been placed on commission with the hopes that is will put ambition into the sales department. Competition of the product is not a large threat to the company.

Dakota Valley Lines-Jay reported that the contracting company that will be putting in the new electric lines to the Keystone pumping station will begin work in February with a completion date projected in August. The Keystone personnel have moved back the date for the pump station activation from August to October of 2009 at this point. The contractor hired to do the work is looking for a farmstead and building to rent for placement of supplies, poles, and equipment during the construction process.

Charlie Kraemer-Charlie has taken a job with National Wind out of Sisseton and is no longer employed by OEI. At this time the SC JDA can work with OEI by staying in touch with Audrey at the Oakes Chamber, whom is their recording secretary. There has been continued contact with SCJDA board members and Gary Schnell, OEI member as well. Charlie still has an interest in The OEI and wind energy in Dickey/Sargent counties.

Dakota Valley 1% Loan program-Activity for that revolving loan has been slow lately as well. There have not been a lot of inquiries. At this time they have a potential in Milnor with expansion at the Bison C Store looking at an exercise room. The potential threat of recession has probably slowed prospects at this point.

Electric Coop Assoc. Website-Jay reported that the Association has developed a location on its website that allows for interested communities to advertise their industrial parks/business opportunities on the site. The site is viewed across the nation by people/companies that may be looking for business ventures in other locations. It is free to any community who wishes to post their information. Sandy will provide this information to the communities of Sargent County and make them aware of the potential of posting on this site.

Other-Jay reported on concerns for the landowners and local governments as these wind companies come through areas. Leases by some companies have very strict restrictions and can tie landowners hands in future operation and choices of the landowners. He feels that landowners need to really read the lease agreements and review them with a lawyer so that they have complete knowledge of what they are signing.

Discussion held on the Lawsuit that involved Fish & Wildlife and wind farm locations. A concern for migratory birds and the wind farms disturbing the birds routes and causing death as they try to fly these paths. If that becomes an issue it may have indirect results for our area as well. Wind farm construction may be looking in other locations out of the prime flight paths.

For the Good of the order: Dakota Micro had a booth set up at the NDACO in Bismarck To promote their product. Primary focus was on the Video equipment for Law enforcement. Bill Anderson spoke with a Wind Company that is from MN at the NDACO and that he left the SCJDA contact information with that representative to get in touch with us. Jay reported that Basin now has a separate subsidiary to deal with Wind Farm development. A potential may be there to bring in a speaker or meet in Bismarck for some educational knowledge for our group.

With no further business at hand Ron adjourned meeting at 6:40 pm.