

**TAYLORS FALLS
SPECIAL CITY COUNCIL MEETING
COUNCIL CHAMBERS
TUESDAY, APRIL 21, 2009 – 7:00 P.M.**

MINUTES

The Agenda for this Special Meeting was posted Thursday, April 16, 2009 at City Hall and the Post Office. Copies were provided to residents requesting such, and the Press was notified.

The Taylors Falls City Council met for a special meeting on Tuesday, April 21, 2009 at 7:00 p.m. in the Council Chambers at City Hall, 637 First Street, Taylors Falls, Minnesota.

CALL TO ORDER

The Special Meeting was called to order at 7:00 p.m. by Mayor Mike Buchite.

PLEDGE OF ALLEGIANCE

All those present at the meeting recited the Pledge of Allegiance to the United States flag.

ROLL CALL

MEMBERS PRESENT: Mike Buchite, Ross Rivard, John Tangen, Zara Kinnunen, Larry Julik-Heine

MEMBERS ABSENT: None

OTHERS PRESENT: ZA-Coordinator Larry Phillips, Bob Porter of the Chisago County Press, Clarence Nelson, Loren Caneday, Bill Neuman, and Ed Emerson, Administrator for the City of St. Croix Falls

ADOPTION OF AGENDA

MOTION BY JULIK-HEINE/KINNUNEN TO APPROVE THE AGENDA, AS PRESENTED, FOR THE APRIL 21, 2009 TAYLORS FALLS SPECIAL CITY COUNCIL MEETING. MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

CHISAGO PROJECT UPDATE AND POSSIBLE ACTION ON COUNCIL CORRESPONDENCE

Mayor Mike Buchite stated that himself, Vice-Mayor Rivard, and ZA-Coordinator Larry Phillips had met with representatives from Xcel Energy several times over roughly the past 18 months. These meetings went well until the last meeting, after which Xcel Energy sent a letter (attached) summarizing the company's position on several issues. There are several issues that seem to conflict with Settlement Agreement. (The Settlement Agreement (hereinafter referred to as "Agreement") was an agreement settled upon in 2000 regarding the configuration of the power lines through the Cities of Taylors Falls and St. Croix Falls; the parties were Minnesota and Wisconsin Northern States Power (now Xcel Energy), Dairyland Power Cooperative, the City of St. Croix Falls, and the City of Taylors Falls).

Buchite explained the main issue was Xcel Energy had proposed the lines to go above ground east of State Highway 95 contrary to the Agreement. Early on at the meetings with Xcel Energy, their representatives stated cost associated with burying the lines was an issues and also there would be too much environmental disturbance associated with burying the lines. Even after numerous requests by the City for an environmental study on the subject area to prove there would be too much environmental disturbance associated the burying the lines, Xcel Energy provided no study. Mayor Mike Buchite informed Xcel Energy at these meetings that not burying the lines due to finance reasons was unacceptable.

Mayor Mike Buchite continued by explaining the Lawrence Creek Substation will be constructed on the property directly south of the City's sewer treatment pond property. The Route Permit from the Minnesota Public Utilities Commission orders Xcel Energy to coordinate placement of the proposed substation with future expansion of City sewer treatment ponds. Xcel Energy purchased the entire

parcel located south of the sewer treatment ponds (+/- 32.2 acres). City Engineer Steve Heth had provided a drawing illustrating land usage requirements for future sewer ponding (attached), which had been presented to Xcel Energy to show where the proposed Lawrence Creek Substation should be constructed to coordinate with future ponding. Xcel Energy's current proposal for placement of the substation conflicts with future sewer ponding. After Xcel Energy had purchased the parcel, it was anticipated and hoped the City would receive the remaining portion of the parcel after the land for the substation was deducted. Xcel Energy has indicated they are willing to enter into a right of first refusal agreement so the City would have the first opportunity to purchase the excess land. The company has also indicated they will need to acquire an easement for the transmission lines to cross the pond road.

Mayor Buchite continued to explain the Route Permit from the Minnesota Public Utilities Commission allows the undergrounding of the lines to start east of County Road 20; this is contrary to the Agreement, which mandated the lines to go underground west of County Road 20. Cherry Hill Park is located directly south of this area; the transition station will impact on the park. Buchite stated that Xcel Energy seemed to be ignoring the Agreement and both the Cities of Taylors Falls and St. Croix Falls. After a meeting with representatives from the City of St. Croix Falls it was agreed both City Councils should send a letter outlining issues that conflicted with the Agreement (attached).

Ross Rivard stated that the current proposed route is different than what was agreed to and it would be relatively easy for Xcel Energy to accommodate both cities. One dilemma was that the representatives from Xcel Energy were new to the Agreement and were not involved when the Agreement was executed.

Mayor Buchite expressed disappointment that when Xcel Energy meet with several governmental bodies in 2007 to discuss undergrounding east of State Highway 95, both cities were not invited. Those governmental bodies were not party to the Agreement as both cities are.

Larry Phillips stated the Minnesota Department of Commerce has done an Environmental Assessment on the Chisago Project as a whole, however, the subject area is mentioned in very little detail. With the exception of the Minnesota Department of Commerce, Phillips has contacted individuals from each governmental agency who attended the meeting in 2007; none of these agencies conducted their own environmental study on the subject area.

John Tangen also expressed disappointment that the cities were not invited to that meeting, given the fact the cities are party to the Agreement and are directly affected by the transmission lines. Furthermore, the issue of if undergrounding was environmentally feasible was discussed before the Agreement as executed.

Loren Caneday (instrumental during litigation and Mayor when the Agreement was executed) stated that at the time the Agreement was executed many people voiced opinion that the cities could not trust NSP. There was much time invested in the Chisago Project relating to the Cities and the Agreement, including 25 days of public hearing and 9 days of mediation. Caneday stated the Taylors Falls City Council should hold to the Agreement. He explained that during mediation it was insisted the lines go underground to the riverbank. What the company is doing now is trying to save money. The company's Chisago Project team keeps changing causing continuity problems.

City Administrator of St. Croix Falls, Ed Emerson stated the St. Croix Falls City Council wishes to re-engage the Steering Committee and had approved and signed the letter with one minor change (a date was added). The letter is to be sent to Xcel Energy along with Taylors Falls Council signatures.

The Council agreed to amend the letter to add a date.

John Tangen stated he would like construction to stop until these issues can be worked out.

Larry Julik-Heine stated that we have gone forward with construction of Cherry Hill Park with the knowledge that the transmission lines would be underground directly north of the park. The proposed transition power structure would have an immense visual impact on the park.

Zara Kinnunen stated the City Attorney should file an injunction until it can be determined if Xcel Energy is in compliance with the Agreement.

MOTION BY RIVARD/JULIK-HEINE TO AUTHORIZE SIGNING AND SENDING THE AMENDED LETTER TO XCEL ENERGY, INCLUDING WITH THE SIGNATURES FROM THE ST. CROIX FALLS CITY COUNCIL. MOTION CARRIED UNANIMOUSLY.

Mayor Buchite expressed he would like Loren Caneday continue on the Steering Committee because he has been involved and is very knowledgeable on the background of the Chisago Project as well as the Agreement. Mayor Buchite stated he hopes the letter will help in re-activating the Steering Committee.

Ross Rivard stated that unfortunately Xcel Energy seems to only be motivated by money. It may mean trying to temporarily stop construction in order to get their attention.

Loren Caneday stated the Cities of Taylors Falls and St. Croix Falls might have good reason to file for an amendment to the Route Permit issued by the Minnesota Public Utilities Commission.

ADOURNMENT

MOTION BY JULIK-HEINE /KINNUNEN TO ADJOURN THE SPECIAL CITY COUNCIL MEETING. MOTION CARRIED UNANIMOUSLY.

Being no further business to come before the Council, the Meeting adjourned at 7:50 p.m.

Michael D. Buchite, Mayor

Larry Phillips ZA-Coordinator

APPROVED: MAY 11, 2009