

**Meeting of the  
Iron Range Resources Board**

**Wednesday, May 21, 2008**

**5:00 p.m.**

**Iron Range Resources Mining & Reclamation Building  
Chisholm, Minnesota**

**I. Roll Call**

Representative David Dill, Chair, called the meeting to order at approximately 5:00 p.m. Present: Representative Tom Anzelc, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni, Senator Yvonne Prettner Solon, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan. Also present were: Sandy Layman, Commissioner; Brian Hiti, Deputy Commissioner; Doug Gregor, Assistant Attorney General; Gunnar Johnson, Assistant Attorney General; Matt Sjoberg, Development Strategies Director; Roy Smith, Workforce Development Coordinator; Dan Jordan, Mining Program Supervisor; Richard Walsh, Community Development Representative; Jean Dolensek, Chief Financial Officer; Marianne Bouska, Strategic Results Manager; Linda Johnson, Giants Ridge® Golf & Ski Resort Director; Sheryl Kochevar, Communications & Media Coordinator; Laureen Hall, Executive Assistant; Kim Anderson, Executive Assistant; Randy Schroetter, Executive Director, Range Development; Stanley Romanstein, President & CEO, Minnesota Humanities Center; Keith Nelson, St. Louis County Fair Board; Bettie Valley, St. Louis County Fair Board; Jaye Olson, Vice Chair, Ironworld Development Corporation; Steve Harsin, Chief Operating Officer, Ironworld Development Corporation; Darol Del Grande, Director of Buildings and Grounds, Ironworld Development Corporation; Scott Johnson, Mayor, City of Silver Bay; John Tourville, Operations Manager, City of Virginia; Jason Fischer, City Engineer, City of Chisholm; Gail Anderson, Custom Training/Lean Health, Itasca Community College; Bob Bolf, Cleveland-Cliffs Inc

**II. Approval of the December 13, 2007, Minutes**

Citizen Joe Begich moved approval of the December 13, 2007, minutes. Seconded by Representative Anzelc. Motion carried.

**III. Commissioner Comments**

Commissioner Sandy Layman provided an overview of the agency's proposals stating that the meeting agenda represents \$10.3 million in grant requests in support of the agency's workforce development program, community infrastructure, a special opportunity from the Minnesota Humanities Center, facility capital requests and the mining company investment tax credit (Taconite Economic Development Fund, M.S. 298.227).

The next meeting of the Iron Range Resources Board is scheduled for Thursday, June 19, 2008, at 5:00 p.m. at the Iron Range Resources offices, south of Eveleth. The focus of the meeting will

be review and action on the agency's FY09 budget, of which there is expected to be a public works component.

Commissioner Layman thanked Senator Tom Bakk for his efforts during the legislative session to ensure state laws reflect that the per diems of the citizen board members are paid at the level of house members.

As a point of information and in response to a question posed regarding Excelsior Energy at the December 21, 2007, Board meeting, Commissioner Layman reported that on December 31, 2007, the agency agreed to extend the repayment due date for the April 2002 Convertible Debenture Agreement with Excelsior Energy to December 31, 2008.

#### **IV. Taconite Area Environmental Protection Fund**

*Information only: Board approved on November 1, 2007*

##### **a. Public Works Infrastructure Grant**

**Project: City of Ely**

**Grant Amount: \$80,000**

The city of Ely project was presented for information only. The Iron Range Resources Board approved \$480,000 for this project at its November 1, 2007, meeting; however, the Commissioner initially recommended and the Governor approved \$400,000 for the project.

The project is comprised of infrastructure and site improvements for the construction of a 48-unit assisted living facility next to the Ely Hospital. The project is expected to create 17 FTE at an average wage of \$11-\$12 per hour, plus benefits. The project has incurred cost overruns, the most significant of which is due to the discovery and removal of the foundation of the former Lincoln School from the site.

The Commissioner is recommending that the Governor approve an additional \$80,000 grant to the City of Ely to help defray the cost of the project overruns.

#### **V. Taconite Area Environmental Protection Fund**

*Action required: Project approval required 7 votes*

##### **a. Workforce Development Grants - Resolution No. 08-015**

Motion by Representative Tom Anzelc to approve the Workforce Development Grants, including the Northeast Higher Education District's Industrial Technology: Power Generation program for an amount not to exceed \$100,000 and the Itasca Community College's Lean Healthcare program for an amount not to exceed \$50,000 as presented in Resolution No. 08-015. Seconded by Senator Tom Saxhaug. Motion carried.

**Voting in Favor of the Motion:** Representative Tom Anzelc, Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg,

Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan.

**Voting Against the Motion:** None

**Abstain:** None

**Absent:** None

**IRON RANGE RESOURCES AND REHABILITATION BOARD  
OF THE STATE OF MINNESOTA  
WORKFORCE DEVELOPMENT PROJECT APPROVALS**

**Resolution No.: 08-015**

**WHEREAS**, the Commissioner is authorized to expend, upon approval of a majority vote of the members of the Board, the Taconite Area Environmental Protection Fund monies made available under Minnesota Statutes Section 298.223 (“**TEPF Funds**”) to promote the economic development of the Taconite Assistance Area designated in Minnesota Statutes Section 273.1341 (“**TAA**”), by investing in local economic development projects within the TAA; and,

**WHEREAS**, the agency’s approved FY 2008 Investment Plan budget includes the allocation of \$500,000 of TEPF Funds for Workforce Development Grants (“**Workforce Development Funds**”);

**WHEREAS**, the Commissioner has received proposals from the Northeast Higher Education District for the expenditure of portions of such Workforce Development Funds for two local economic development projects as more specifically described below and in the Board packet materials presented to the Board which projects would be undertaken and implemented in the TAA (collectively the “**Proposed Projects**”); and,

**WHEREAS**, the Board met in open session at 5:00 p.m. on May 21, 2008, at the Mining & Reclamation Building at Ironworld, in Chisholm, Minnesota, to consider, among other matters, the Proposed Projects and has determined that the expenditure of the following amounts of TEPF Workforce Development Funds for the purposes and in the amounts specified below would be in the public interest and promote economic development within the Taconite Assistance Area.

**NOW, THEREFORE, IT IS RESOLVED** that the Board hereby approves the expenditure of TEPF Workforce Development Funds to provide grants in the following amounts for the following Proposed Projects, each of which is more fully described in the Board packet materials presented to the Board:

**1. Northeast Higher Education District  
Industrial Technology: Power Generation  
Grant Amount: \$100,000**

To design a new, 60 credit power generation program for the colleges of the District, that results in academic certificates in renewable energy sources (biofuels, biomass, wind, solar, etc.) for program graduates and includes customized training modules in traditional power generation and renewable energy programming.

**2. Itasca Community College  
Lean Healthcare  
Grant Amount: \$50,000**

To defray the costs of implementation and training in the Lean Healthcare program that Itasca Community College, a member of the Northeast Higher Education District, is developing in collaboration with multiple

rural medical facilities in Northeastern Minnesota, to certify trainers who will be able to deliver training at rural healthcare facilities in the region at rates that are affordable to rural hospitals, clinics and long term care facilities.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 21st DAY OF MAY 2008.**

<b>Member</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>	<b>Absent</b>
Senator Tom Bakk	<b>X</b>			
Senator Tom Saxhaug	<b>X</b>			
Senator Rod Skoe	<b>X</b>			
Senator Yvonne Prettner Solon	<b>X</b>			
Senator Dave Tomassoni	<b>X</b>			
Representative Tom Anzelc	<b>X</b>			
Representative Dave Dill	<b>X</b>			
Representative Tom Rukavina	<b>X</b>			
Representative Tony Sertich	<b>X</b>			
Representative Loren Solberg	<b>X</b>			
Citizen Joe Begich	<b>X</b>			
Citizen Shelley Robinson	<b>X</b>			
Citizen Jack Ryan	<b>X</b>			
<b>TOTAL</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>

Signed: \_\_\_\_\_  
 Representative David Dill, Chair

**b. Community Business Infrastructure Grants – Resolution No. 08-016**

Motion by Representative Tom Rukavina to approve the Community Business Infrastructure Grants, including a grant to the City of Silver Bay to extend infrastructure to the Mary MacDonald School for an amount not to exceed \$120,000 and a grant to the City of Virginia to extend infrastructure to the city’s northern industrial park to facilitate the relocation and expansion of Idea Drilling for an amount not to exceed \$200,000 as presented in Resolution No. 08-016. Seconded by Senator Tom Bakk. Motion carried.

**Voting in Favor of the Motion:** Representative Tom Anzelc, Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan.

**Voting Against the Motion:** None

**Abstain:** None

**Absent:** None

**IRON RANGE RESOURCES AND REHABILITATION BOARD  
 OF THE STATE OF MINNESOTA  
 COMMUNITY BUSINESS INFRASTRUCTURE PROJECT APPROVALS**

**Resolution No.: 08-016**

**WHEREAS**, the Commissioner is authorized to expend, upon approval of a majority vote of the members of the Board, the Taconite Area Environmental Protection Fund monies made available under Minnesota Statutes Section 298.223 (“**TEPF Funds**”) to promote the economic development of the Taconite Assistance Area designated in Minnesota Statutes Section 273.1341 (“**TAA**”), by investing in local economic development projects within the TAA; and,

**WHEREAS**, the agency’s approved FY 2008 Investment Plan budget includes the allocation of \$ 1,000,000 of TEPF for Community Business Infrastructure Grants (“**Business Infrastructure Funds**”);

**WHEREAS**, the Commissioner has received proposals from the City of Silver Bay and the City of Virginia for the expenditure of portions of such Business Infrastructure Funds for two local economic development projects as more specifically described below and in the Board meeting packet materials which would be undertaken and implemented in the TAA (collectively the “**Proposed Projects**”); and,

**WHEREAS**, the Board met in open session at 5:00 p.m. on May 21, 2008, at the Mining & Reclamation Building at Chisholm, Minnesota, to consider, among other matters, the Proposed Projects and has determined that the expenditure of the following amounts of TEPF Funds for the purposes and in the amounts specified below would be in the public interest and promote economic development within the Taconite Assistance Area; and,

**NOW, THEREFORE, IT IS RESOLVED** that the Board hereby approves the expenditure of TEPF Business Infrastructure Funds to provide grants in the following amounts for the following Proposed Projects:

1. **City of Silver Bay**  
**Mary MacDonald School**  
**Grant Amount: \$120,000**  
To extend water, sewer and roadways to the Mary MacDonald School to facilitate a business expansion project that is expected to retain 26 FTE jobs and create 15-20 FTE jobs.
  
2. **City of Virginia**  
**Idea Drilling Facility Project**  
**Grant Amount: \$200,000**  
To extend water, sewer, utilities and roadways to the City’s northern industrial park to facilitate the relocation and expansion of Idea Drilling so that an estimated 20 FTE jobs can be retained and an estimated 20 FTE jobs can be created.

**BE IT FURTHER RESOLVED** that the Board’s approval for the expenditure of the said funds for the said Proposed Projects is further contingent upon the agency, in its grant contracts, requiring each grantee entity to commit to the payment of prevailing wages in the construction of the funded project and associated development, as indicated in, and to the extent required in, the Board’s Resolution 96-005.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 21st DAY OF MAY 2008.**

<b>Member</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>	<b>Absent</b>
Senator Tom Bakk	<b>X</b>			
Senator Tom Saxhaug	<b>X</b>			
Senator Rod Skoe	<b>X</b>			
Senator Yvonne Prettner Solon	<b>X</b>			
Senator Dave Tomassoni	<b>X</b>			
Representative Tom Anzelc	<b>X</b>			
Representative Dave Dill	<b>X</b>			
Representative Tom Rukavina	<b>X</b>			
Representative Tony Sertich	<b>X</b>			

Representative Loren Solberg	X			
Citizen Joe Begich	X			
Citizen Shelley Robinson	X			
Citizen Jack Ryan	X			
<b>TOTAL</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>

Signed: \_\_\_\_\_  
Representative David Dill, Chair

**c. Special Projects**

**1) City of Nashwauk  
Grant Amount: \$200,000**

Motion by Senator Tom Saxhaug to approve the City of Nashwauk project for infrastructure and site improvements for the expanded 42-unit assisted living facility, as presented, and to include the prevailing wage provision as outlined in Resolution 96-005 for an amount not to exceed \$200,000. Seconded by Representative Rukavina. Motion carried.

**Voting in Favor of the Motion:** Representative Tom Anzelc, Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan.

**Voting Against the Motion:** None

**Abstain:** None

**Absent:** None

**2) Minnesota Humanities Center  
Grant Amount: \$130,000**

Motion by Representative Loren Solberg to approve the Minnesota Humanities Center project for a documentary of the *Building America: Minnesota's Iron Range, U.S. Industrialization and Creation of a World Power* program, as presented, for an amount not to exceed \$130,000. Seconded by Senator Tom Bakk. Motion carried.

**Voting in Favor of the Motion:** Representative Tom Anzelc, Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan.

**Voting Against the Motion:** None

**Abstain:** None

**Absent:** None

**3) City of Chisholm  
Grant Amount: \$400,000**

Motion by Representative Tony Sertich to approve the City of Chisholm project for water and sewer infrastructure for the St. Louis County Fairgrounds, as presented, for an amount not to exceed \$400,000. Seconded by Senator David Tomassoni. Motion carried. Senator David Tomassoni made a motion to reconsider the Sertich motion. Motion carried. Representative Sertich restated his original motion, incorporating the prevailing wage provision as outlined in Resolution 96-005 into the motion. Motion carried.

**Voting in Favor of the Motion:** Representative Tom Anzelc, Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan.

**Voting Against the Motion:** None

**Abstain:** None

**Absent:** None

**d. Agency Capital Requests**

**1) Ironworld Capital Improvements – Resolution No. 08-017  
Grant Amount: \$800,000**

Motion by Representative Tom Rukavina to approve the Agency Capital Request for Ironworld Capital Improvements, as presented in Resolution No. 08-017, for an amount not to exceed \$800,000 and to include the prevailing wage provision as outlined in Resolution 96-005. Seconded by Senator David Tomassoni. Motion carried.

**Voting in Favor of the Motion:** Representative Tom Anzelc, Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan.

**Voting Against the Motion:** None

**Abstain:** None

**Absent:** None

**IRON RANGE RESOURCES AND REHABILITATION BOARD  
OF THE STATE OF MINNESOTA  
APPROVAL OF GRANT FOR IRONWORLD CAPITAL IMPROVEMENTS**

**Resolution No.: 08-017**

**WHEREAS**, the Commissioner is authorized to expend, upon approval of a majority vote of the members of the Board, the Taconite Area Environmental Protection Fund monies made available under Minnesota Statutes Section 298.223 (“**TEPF Funds**”) to promote the economic development of the Taconite Assistance Area designated in Minnesota Statutes Section 273.1341 (“**TAA**”), by investing in local economic development projects within the TAA; and,

**WHEREAS**, the Commissioner has received a request from Ironworld Development Corporation (“**IDC**”) for a grant of TEPF Funds in the amount of \$800,000 to provide money with which IDC can address eight priority capital improvements needed at the State owned facilities at Ironworld, which improvement projects include heating and cooling system improvements, humidification, roof repairs and window replacements as more specifically described in the attached Addendum A (collectively the “**Proposed Capital Improvement Projects**”); and,

**WHEREAS**, the Board met in open session at 5:00 p.m. on May 21, 2008, at the Mining & Reclamation Building at the Ironworld facility at Chisholm, Minnesota, to consider, among other matters, the Proposed Capital Improvement Projects and has determined that the expenditure of \$800,000 of TEPF Funds for the Projects would be in the public interest and promote economic development within the Taconite Assistance Area; and,

**NOW, THEREFORE, IT IS RESOLVED** that the Board hereby approves the expenditure of \$800,000 of TEPF Funds to provide a grant to IDC to enable IDC to undertake the Proposed Capital Improvement Projects.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 21<sup>st</sup> DAY OF MAY 2008.**

<b>Member</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>	<b>Absent</b>
Senator Tom Bakk	<b>X</b>			
Senator Tom Saxhaug	<b>X</b>			
Senator Rod Skoe	<b>X</b>			
Senator Yvonne Prettner Solon	<b>X</b>			
Senator Dave Tomassoni	<b>X</b>			
Representative Tom Anzelc	<b>X</b>			
Representative Dave Dill	<b>X</b>			
Representative Tom Rukavina	<b>X</b>			
Representative Tony Sertich	<b>X</b>			
Representative Loren Solberg	<b>X</b>			
Citizen Joe Begich	<b>X</b>			
Citizen Shelley Robinson	<b>X</b>			
Citizen Jack Ryan	<b>X</b>			
<b>TOTAL</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>

Signed: \_\_\_\_\_  
Representative David Dill, Chair

**ADDENDUM A**

**1. Kitchen and overlook gallery Heating, Ventilation, Air Conditioning (HVAC) units – \$145,000**

Kitchen HVAC – There is a single unit providing A/C to the kitchen and dining hall area up to the Hall of Geology. Without A/C this area becomes unusable during the summer. Cost is for complete unit replacement, crane rental, electrical and line testing.

Overlook gallery HVAC – There are 4 units on the roof of the Overlook gallery; 2 have failed and 2 work only

intermittently. Replacement units are \$15,000 each. The additional costs include rental of a crane to remove old units and install the new, plus electrical and line testing.

**2. Archives humidifiers – \$20,500**

Two units failed years ago and were never repaired. These units ensure humidity control for collections. Cost is \$19,000 for two units, and \$750 per unit for electrical work.

**3. Heating plant re-tube (gas and fuel oil boilers) – \$57,500**

The gas boiler failed in February 2008. The fuel oil boiler, which is the backup heat source, is the same age, uses the same water and hence is in similar condition. Therefore, the oil unit also must be repaired in order to be available should there be a problem with the primary heat source.

**4. Glen trolley truck repair – \$20,000**

Previous brake work has caused excessive wear on brakes and trucks, creating a safety hazard. This is a backup to the main trolley and must be repaired in case of equipment failure on the primary.

**5. Kitchen and restaurant roof replacement – \$340,000**

Leaking due to a failed membrane necessitates complete roof replacement. If a leak should spring over the kitchen or dining hall, the health department would shut the food and beverage operation down until a complete repair is made. This roof is covered with earth so it includes excavation, assessment and replacement.

**6. Overlook gallery window replacement – \$217,000**

The windows in the gallery have a 20-year life span and are over 30 years old. As a result, more than ¾ of the seals have failed, and create an environmental, as well as safety hazard for the museum. Complete failure of a window could occur at any time and create a need for emergency action and repair, which could result in the closure of the gallery space until repairs were completed.

Representative David Dill, Chair, left the meeting at this time; handing the gavel to Senator David Tomassoni, Vice Chair, to chair the meeting.

**2) Giants Ridge® Capital Improvements  
Grant Amount: \$1,100,000**

Motion by Citizen Shelley Robinson to approve Giants Ridge® Capital Improvements for a snowmaking system upgrade, as presented, for an amount not to exceed \$1,100,000. Seconded by Senator Rod Skoe. Motion carried.

**Voting in Favor of the Motion:** Representative Tom Anzelc, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan.

**Voting Against the Motion:** None

**Abstain:** None

**Absent:** Representative David Dill

**VI. Taconite Area Environmental Protection Fund**

*Nickel/Escalator Funds as referenced in Minnesota Statute 298.2961, Subd. 4, (e)  
Action required: Project approval requires 7 votes*

Motion by Representative Tom Rukavina to approve the Pike River Road & St. Louis County Maintenance Garage Projects as presented in Resolution No. 08-018. Seconded by Representative Tony Sertich. Motion carried.

**Voting in Favor of the Motion:** Representative Tom Anzelc, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan.

**Voting Against the Motion:** None

**Abstain:** None

**Absent:** Representative David Dill

**IRON RANGE RESOURCES AND REHABILITATION BOARD  
OF THE STATE OF MINNESOTA**

**PIKE RIVER ROAD AND ST. LOUIS COUNTY MAINTENANCE GARAGE PROJECT APPROVALS**

Resolution No.: 08-018

**WHEREAS**, Minnesota Statutes 2006, Section 298.28, Subd. 9b, provides that five cents per ton of the taconite production tax revenues available for distribution under Minnesota Statutes Section 298.28 (the “**Nickel Funds**”), shall be paid into the taconite environmental fund for use under Minnesota Statutes Section 298.2961, Subd. 4 (“**Subdivision 4**”); and,

**WHEREAS**, Minnesota Statutes 2006, Section 298.28, Subd. 10(b), provides that an amount equal to the amount of taconite production taxes generated by the so-called implicit price deflator as therein referenced for taconite production taxes for taxes paid in 2005 (the “**Escalator Funds**”) shall be distributed in calendar year 2005 and in the years thereafter into the grant and loan fund established in Subdivision 4; and,

**WHEREAS**, Laws of Minnesota for 2008, Chapter 154, Article 8, Section 13 (the “**Act**”), specifies that funds available for distribution in 2008 under the said Subdivision 4 are to be allocated as follows:

- The first \$2,000,000 of the 2008 distribution must be paid to St. Louis County for deposit in the county road and bridge fund to be used for the relocation of St. Louis County Road 715, commonly known as the Pike River Road (“**Pike River Road Project**”); and,
- The remainder of the 2008 distribution must be paid to St. Louis County for a grant to the City of Virginia for connecting sewer and water lines to the St. Louis County maintenance garage on Highway 135, further extending the lines to interconnect with the city of Gilbert’s sewer and water lines (the “**St. Louis County Maintenance Garage Project**”).

**WHEREAS**, the combined amount of the Nickel Funds and the Escalator Funds available for distribution in 2008 from the grant and loan fund established in Subdivision 4 is \$3,157,554;

**WHEREAS**, the Act provides that any grant or loan made pursuant to the provisions of Subdivision 4 must be approved by a majority of the members of the Board;

**WHEREAS** the Board met in open session in Chisholm, Minnesota, on May 21, 2008, to consider, among other matters, whether, and if so in what form, the funds made available by law under the provisions of Subdivision 4 should be allocated for the Pike River Road Project and the St. Louis County Maintenance Garage Project.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Board hereby approves the distribution of the Nickel Funds and the Escalator Funds made available in 2008 under Minnesota Statutes Section 298.2961, Subdivision 4, as grants to St. Louis County in the amount of \$2,000,000 for the Pike River Road Project and to St. Louis County in the amount of \$1,157,554 for the St. Louis County Maintenance Garage Project, subject to the conditions that the grants are to be:

- Funded and made available to the respective grantees when and as the specified taconite production tax amounts are received and distributed into the Subdivision 4 fund in 2008, and,
- Made by the Commissioner in a form of grant and subject to such grant conditions as are customarily contained in other agency grants of similar amounts and purposes.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 21st DAY OF May 2008.**

<b>Member</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>	<b>Absent</b>
Senator Tom Bakk	X			
Senator Tom Saxhaug	X			
Senator Rod Skoe	X			
Senator Yvonne Prettner Solon	X			
Senator Dave Tomassoni	X			
Representative Tom Anzelc	X			
Representative Dave Dill				X
Representative Tom Rukavina	X			
Representative Tony Sertich	X			
Representative Loren Solberg	X			
Citizen Joe Begich	X			
Citizen Shelley Robinson	X			
Citizen Jack Ryan	X			
<b>TOTAL</b>	<b>12</b>			<b>1</b>

Signed: \_\_\_\_\_  
 Senator David Tomassoni, Vice Chair

**VII. Taconite Economic Development Fund (TEDF)**

*Action required: project approval requires a majority vote of the quorum present*

- a. Northshore Mining Company**
- b. Hibbing Taconite Company**

Motion by Senator Tom Bakk to reject the Northshore Mining Company project, as presented in Resolution No. 08-019, and the Hibbing Taconite Company project, as presented in Resolution No. 08-020, and that the funds should be redirected to the Taconite Environmental Protection Fund as directed by statute; and that money should be redirected before the end of the fiscal year. Motion carried.

**Voting in Favor of the Motion:** Representative Tom Anzelc, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom

Saxhaug, Senator Yvonne Prettner Solon, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich and Citizen Shelley Robinson.

**Voting Against the Motion:** Citizen Jack Ryan

**Abstain:** None

**Absent:** Representative David Dill

### **VIII. Adjournment**

Meeting adjourned at 6:30 p.m.