

**Meeting of the
Iron Range Resources Board**

**Tuesday, October 16, 2007
4:00 p.m.
Iron Range Resources Board Room
Eveleth, Minnesota**

I. Roll Call

Representative David Dill, Chair, called the meeting to order at approximately 4:01 p.m. Present: Representative Tom Anzelc, Representative Tony Sertich, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator David Tomassoni, Citizen Joe Begich and Citizen Shelley Robinson. Absent: Representative Tom Rukavina, Representative Loren Solberg, Senator Rod Skoe and Citizen Jack Ryan. Also present were: Sandy Layman, Commissioner; Brian Hiti, Deputy Commissioner; Gunnar Johnson, Assistant Attorney General; Matt Sjoberg, Development Strategies Director; Sheryl Kochevar, Communications & Media Coordinator; Laureen Hall, Executive Assistant; Annette Maki, Executive Assistant; and John Elmore, President and CEO, Minnesota Steel Industries (via conference phone).

II. Approval of the September 6, 2007, Minutes

Senator Yvonne Prettner Solon moved approval of the September 6, 2007, minutes. Seconded by Representative Tony Sertich. Motion carried.

III. Douglas J. Johnson Economic Protection Trust Fund

Action required: Project approval requires 7 votes

a. Minnesota Steel Industries, LLC – Resolution No. 08-005

Motion by Senator Tom Saxhaug to approve the substitution of collateral for the Minnesota Steel Industries, LLC, Loan as presented in Resolution No. 08-005. Seconded by Representative Tom Anzelc.

Motion by Senator David Tomassoni to amend the 3rd WHEREAS clause of Resolution No. 08-005 to include the underlined items: WHEREAS, Minnesota Steel has asked the Commissioner to terminate the Assignment of Royalties in exchange for a \$6 million irrevocable letter of credit from the Bank of India, New York Branch in the state of New York; and

and to amend the NOW, THEREFORE, BE IT RESOLVED clause of Resolution No. 08-005 to include the underlined item: NOW, THEREFORE, BE IT RESOLVED, that the Board consents to substituting a \$6 million irrevocable letter of credit in exchange for the Assignment of Royalties as collateral for the \$6 million loan to Minnesota Steel dated February 2, 2005.

Motion carried to amend the motion.

Citizen Joe Begich requested the October 15, 2007, letter by Representative Tom Rukavina to be included as part of the minutes and official record.

Oct-15-2007 05:15pm From-MINNESOTA HOUSE OF REPRESENTATIVES 6512964121 T-328 P.002/002 F-782

Tom Rukavina
State Representative

District 5A
Minnesota's Iron Range



**Minnesota
House of
Representatives**

IRON RANGE RESOURCES AND REHABILITATION BOARD

**COMMITTEES: CHAIR, HIGHER EDUCATION AND WORK FORCE DEVELOPMENT POLICY AND FINANCE DIVISION
FINANCE; CAPITAL INVESTMENT FINANCE DIVISION;
EDUCATION FINANCE AND ECONOMIC COMPETITIVENESS FINANCE DIVISION; TAXES**

October 15, 2007

The Honorable David Dill
Chairman, IRRRB
423 Bear Island
Crane Lake, MN 55725

Dear Chairman Dill and IRRRB Board Members:

I apologize for not being able to personally be at the Board meeting today – it was scheduled short notice and I had already made plans to do a two-day tour of campuses in southeastern Minnesota.

In response to the October 12, 2007 memo from Matt Sjoberg regarding the letter of credit from the Bank of India proposed as collateral for the Minnesota Steel Industries project, I want you all to know that I strongly oppose the plan to accept such letter of credit as collateral for the IRRRB loan to Minnesota Steel for this project when it is going to be deposited in a bank outside of the United States.

I still can't understand how this issue of a \$6 million lien on the Pillsbury and Bennett families' mineral rights has become such an issue on a \$1.6 billion project. But be that as it may, since this new company from India is going through the process of establishing this letter of credit in our name, I can't again fathom why it is so difficult to establish this in a bank in the United States and preferably in Minnesota. In the process of being cooperative I would hope that an amendment could be offered that would place this irrevocable letter of credit in a bank in Minnesota.

Sincerely,


Tom Rukavina
State Representative

Motion restated by Senator Tom Saxhaug to approve the substitution of collateral for the Minnesota Steel Industries, LLC, loan as amended by Senator David Tomassoni. Seconded by Representative Tom Anzelc. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Representative David Dill, Representative Tony Sertich, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator David Tomassoni, Citizen Joe Begich and Citizen Shelley Robinson.

Voting Against the Motion: None.

Abstain: None.

Absent: Representative Tom Rukavina, Representative Loren Solberg, Senator Rod Skoe, and Citizen Jack Ryan.

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

Resolution No.: 08-005

WHEREAS, on December 21, 2006, the Iron Range Resources and Rehabilitation Board (“Board”) passed a resolution asking the Commissioner of Iron Range Resources (“Commissioner”) to renegotiate terms of a \$6 million loan to Minnesota Steel Industries, LLC (“Minnesota Steel”); and

WHEREAS, on July 19, 2007, the Board passed a motion to approve the amendment of the Minnesota Steel loan as presented with the condition that the Board approve any substitution of collateral as provided in condition #6 of the memorandum from the Commissioner; and

WHEREAS, Minnesota Steel has asked the Commissioner to terminate the Assignment of Royalties in exchange for a \$6 million irrevocable letter of credit from the Bank of India, New York Branch in the state of New York; and

WHEREAS, this motion is authorizing an exchange of collateral as previously authorized under the motion passed on July 19, 2007.

NOW, THEREFORE, BE IT RESOLVED, that the Board consents to substituting a \$6 million irrevocable letter of credit in exchange for the Assignment of Royalties as collateral for the \$6 million loan to Minnesota Steel dated February 2, 2005.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 16th DAY OF OCTOBER, 2007.

Member	Aye	Nay	Abstain	Absent
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
TOTAL	9	0	0	4

Signed: _____
Representative David Dill, Chair

IV. Adjournment

Meeting adjourned at 4:24 p.m.