

Staff understands City Council may still consider the two (2) routes, as proposed by Mr. Schedin, for the location of the proposed 69 kV line. Staff has prepared resolutions that are before you for your review for this meeting. Staff requests that City Council take into consideration Mr. Schedin's analysis and recommendation when making a motion for the CUP request by GRE for this 69kv line located in East Bethel. Planning Commission recommended denial for the reasons listed above.

Davis said however, in the event City Council proceeds to approve the CUP request, or any of the other alternatives, regardless of route selection, Planning Commission recommends the approval be contingent with the following staff conditions: 1) GRE will submit a construction plan prior to the commencing the construction of the 69 kV line, establishing both a construction time table and a progression of construction that shall be reviewed and meet the approval of the City Engineer and staff; 2) GRE shall minimize the need for any unsightly guide wires at corners, angles and dead ends, and utilize steel poles at dead ends, corners, angles and in certain high density neighborhoods designated by the City Engineer as part of this project; 3) That Great River Energy and/or its subsidiaries or other utility users that utilize its services shall install underground service drops at crossings of County Road 26 and other municipal roads within the city of East Bethel without added cost to the residents and utility users and assure that the relocation of distribution facilities to the north side of County Road 26 results in a minimum replacement of service drops, and wherever possible all service drops must be undergrounded; 4) GRE must submit easement descriptions and final route determination prior to the execution of the CUP Agreement; 5) A CUP Agreement must be executed no later than December 22, 2011. Failure to comply will null and void approved CUP. The agreement must be executed prior to the start of construction of the project; 6) GRE must coordinate with affected property owners as to the option of total easement width granted to GRE so as long easement width meets federal regulations.

Davis said should City Council choose to deny the request of GRE staff recommends the adoption of Resolution 2011-A, A Resolution Making Findings of Fact and Denying a Conditional Use Permit for Great River Energy for Route A, the resolution states reasons for the denial. He said if City Council chooses to grant the request for Route A staff recommends the adoption of Resolution 2011-B A Resolution Making Findings of Fact and Granting a Conditional Use Permit for Great River Energy, the resolution states reasons for approval and conditions of the approval. Davis said should City Council decide to grant a CUP for a portion of the transmission line within the City of East Bethel known as Route I1 staff recommends they adopt Resolution 2011-C A Resolution Making Findings of Fact and Granting a Conditional Use Permit for Great River Energy, states reasons for approval and conditions of that approval. At this time Mr. Schedin will review Routes A and I1 for City Council.

Larry Schedin, LLS Resources introduced himself. He said in his earlier talks he has explained that there are 5 or 6 substations that provide electricity to the East Bethel community. These substations are at Soderville at Crosstown and Highway 65, East Bethel at ½ mile off Viking and Highway 65, Coopers Corner at 237th and Highway 65, Martin Lake off of Typo Creek Drive in Linwood and a small amount comes from Forest Lake. They have small distribution lines that are called feeders. He said they supply comes from a 69 kv owned by GRE. Schedin said the studies he has looked at from GRE show that based on the peak demands/loads the kv system it is not adequate to supply those loads on what we call a contingency basis. Technical name is what we call a n-1 contingency, where system must stay whole with one line out of service. He said he has looked at their studies and

found that the line from Martin Lake that is the subject of this discussion, that goes all the way up to Athens and would be a suitable cure for this problem. Schedin said this is opposed to rebuilding the lines up and down Highway 65.

Schedin said with that as the beginning he was then given 15 options to look at and appeared to several meetings of the workgroup and the Planning Commission and then was given 2 more options. He said and started wondering how do you come up with the best option and narrow this down. Schedin said so we made a list of the options and attributes and matrix, and so we categorized them going north to south. He said his job was to pick the best option inside the City and along the way he was asked to make a recommendation on an option outside the City of East Bethel.

Schedin said so he is going to start with the south options. There were six options on the south side; the south system is from 237th Avenue. Two east of Coopers Corner went right across the Cedar Creek Reserve and right away we found out from Dr. Jeff Corney that there was no way they would approve lines across the reserve, so those two were out. He said the next one was way south of Viking Blvd and came up on Martin Lake and was twice as long as the others and scored very poorly compared to the other three that were left. Schedin said the three that were left Route A, that we are going to be talking about in detail tonight, goes from Athens substation, south along Highway 65, down an existing ROW about ½ mile east (proposal is to rebuild that line and not require any new additional ROW), it goes down south to 237th where it cuts east to Co. Road 26. He said Co. Road 26 is key to that option because it follows 26 all the way over to Typo Creek Drive and goes south to Martin Lake. Schedin said so most of that option is built along Co. Road 26. He said that was one of three that was left by elimination. Schedin said one of the other ones left is on 221st right by City Hall here, goes straight east connects with 22 and goes into Martin Lake from SW along Co. Road 22. He said the third one of those is almost like Route A, goes on Co. Road 26 until it gets beyond Allison Savannah and then cuts straight south then east again and connects with 22 on the south. Schedin said those were the three candidates that were left that were viable and in his opinion after looking at the number of miles, number of new ROWs, number of acres of trees taken down, all the adverse environmental impacts and we put this on a scorecard we show that Route A was clearly the best of the remaining three. He said so essentially we got to Route A in the City by the process of elimination. So that was the first step of taking the first six that were on the south side and breaking them down and eliminating them and coming up with Route A. Moegerle asked do you mean it is the best in East Bethel due to its length. Schedin said in our matrix we looked at 7 or 8 of the matrix attributes and found that Route A was better than the other routes. Boyer said just to clarify a point and maybe this is what Moegerle was trying to get at, some of the northern routes also go through East Bethel along the upper corner of Fish Lake. Schedin said what he is trying to do, he told you we had 17 options how do you get to the bottom of this so he tried to do it from the south first and got to Route A and that was largely through the City, but he does agree you have a very important point.

Schedin said so we have 17 and this leaves 11. He said he doesn't know how many of you have gone to Athens Substation it is at 261st Avenue, ½ mile off Highway 65. Schedin said from that Athens substation there is a 69 kv line that goes one mile north and one mile east and it is a double circuit line and one half of that line is not being used. It is there available for future use. Schedin said this is an important hub because that is where we want to get to, Athens, but there are 2 miles of unused kv line that goes north and east. That is one characteristic. He said the other is that these options kind of wonder around on the north

side and eventually they have to get down to Martin Lake and there are two critical ways to get down to Martin Lake. He said one is Sunset Road and the other is Typo Creek Drive. Schedin said 6 of these options use Sunset Road to get south. He said so he went to the meetings and drove the routes several times and there seemed to be a clear consensus that Sunset Road being a City street and very congested was not a suitable route for a 69kv transmission line. Schedin said he looked at it and at the matrix, but either way, there seemed to be an overwhelming opinion that Sunset Road was not an appropriate route to get south to Martin Lake.

Schedin said so if you accept that, then okay 6 more routes are eliminated and we only have 5 left. He said the options left, meander around and finally end up on Typo Creek Drive to the Martin Lake substation. Schedin said some of these options make lots of use of Typo Creek Drive, in other words maybe 4 or 5 miles and some of these maybe only use 3 miles but we looked carefully at the data from GRE saying although the road isn't good and we don't like it, Typo isn't a good route either because its got city offices in it, a cell tower, various things like a cemetery, or whatever and so after looking at all these potential problems with Typo Creek Drive it felt appropriate to limit the use of Typo Creek Drive and that forced me to look closer at how you get over to Typo Creek Drive and minimize its use and that is how we got to Route 76 which he believes is called Fawn Lake Drive. He said we are backing into this using an elimination process seeing what will work and so looked at routes that would make minimum use of Typo Creek Drive and those routes that would run along Fawn Lake Drive, and found out the workgroup had already identified a option that was close to and that was option I.

Schedin said the way Option I works, which was the option the workgroup recommended, is uses unused piece of line from Athens substation, then straight east on Co. Road 9, to Hwy. 12, south on 12, to Durant then to Fawn Lake Drive to Typo. He said his only problem with that is the dogleg of an extra 3 miles so unnecessarily. Schedin said so he came up with an alternate which he calls I1, which goes 1 mile north of Athens, then 1 mile east which is unused, then go down Co. Road 9 about 2 more miles then head south on Durant which is Co. Road 45 to Fawn Lake Drive to Typo Creek to Martin Lake. He said that is the way he used elimination to get at the best route which he calls I1. So that was his option for outside the City and he knows subsequent to that at the last meeting when we looked at this as an option GRE has provided a lot of statistics and analysis of Route I1, outside the City and Route A, with the exception that as Council Member Boyer said that even if we go with Option I1 north of the City it does cut into a northeast corner of Fish Lake which is 1 1/2 miles in East Bethel, compared to Route A which is probably 7 miles within the City of East Bethel. Schedin said that concludes how we got to the two options, I1 and A.

Vierling said he wants to note as a housekeeping matter that on June 21, 2011 the City has received a letter from the Cedar Creek Ecosystem Science Reserve dated June 21st, signed by Dr. Jeffrey Corney that he knows your staff wants to have received as part of the record to make a decision on this matter. He said he would recommend that Council make a motion to receive that as part of the record in this matter but also inasmuch as this was received following the Planning Commission meeting, it would also be fair and reasonable that GRE be given a chance to comment on that. Vierling said so he is recommending that you make a motion to accept this as part of your record.

Boyer made a motion to accept the letter received June 21, 2011 from the Cedar Creek Ecosystem Science Reserve, signed by Dr. Jeffrey Corney, dated June 21st into the record and to allow GRE to comment on the letter. Moegerle seconded, all in favor,

motion carries.

Darrel Page of 4546 Fawn Lake Drive NE said you talked about minimize using Typo Drive, aren't they all south of 76, isn't it feasible that they all go east. Schedin said first of all if we go to Route A we made a very short use of Typo Drive, but the other routes we found some of them going as far north as Co. Road 12 and we cut that distance in half. He said there is a cemetery and communications tower and fire station and so forth, south of where Hwy. 76 and Fawn Lake Drive hits Typo Creek Drive. Page said so going north of there would be okay. Schedin said so you are saying if we went north there wouldn't be anything to worry about. Page said he is trying to minimize pitch points. Schedin said there are other points, not just those points he mentioned. He said the big concern was that that GRE presented me on Typo Creek Drive was a face plate of a study, archeological and historical study that says even if you come up north and you cross this memorial wildlife area there is a whole line along Typo Creek Drive that has got sites of archeological and historical significance. He said he told you about a tower and fire department, but there were a lot of other unknown in addition to that. Schedin said you might have a point that the distance might not be much different, but his recommendation is that to minimize use of Typo Creek Drive because of the unknowns of historical and archeological significance. He said this came up for a lot of discussion at the Planning Commission meeting, where are they and what are they, and GRE said they have a confidential study that cannot be released. Vierling said he thinks the questions might be from a Council standpoint, we did the public hearing on Monday night, and we certainly want to be generous to the public but the public record of the meeting was held on Monday evening so we would probably want to get to GRE's commentary.

Peter Schaub of GRE introduced himself. Boyer asked him to start with any comments on the letter that was accepted into public record from Cedar Creek Ecosystem Science Reserve. Schaub said we did get a copy of the letter today and essentially that letter doesn't say anything other than what he has stated all along and what Dr. Corney has stated several times. He said what the letter says is that if the City Council determines that we cannot go on Route A then they will abide by that decision. Schaub said it also says Route A is the only area of their property that they want us to be, that jibes with what we have said. He said we have investigated East Bethel Road, and Routes B and B1 and across the north. Schaub said essentially Dr. Corney of the U of M when we inquired about those said no, you can't go there, we don't want you there, we won't look at it, and we won't work with you on it. Boyer said to clarify; East Bethel Blvd. is not City owned it is entirely owned by the University. Schaub said he understands that. Boyer said it was a vacated easement and the City has no interest in that. Schaub said his understanding is it is a vacated City street, it is still there it shows up on maps, when you drive by, and there is a gate there. He said as something that was visible it was something that was investigated. Schaub said the University said no, you can't go there and you can't go to the north. He said but what they did say is if you need to go on our property the best route for us is along our southern perimeter which is in fact what we call Route A. Schaub said so we don't dispute letter, we don't dispute that they don't want us to the north, we think the letter said in fact this is the only place they want us, but they will abide by whatever the City says. He said the University is part of the State and there is likely the issue that they could trump the City decision if they so choose, think that letter says they are not going to do that, they are going to abide by what the City decides.

Schaub said that brings him into discussion that was held before, confusion as to what we do and how we do it. He said he knows that Council Member Moegerle has looked at the

matrix and had the impression that the way we find a route is simply to gather all this information and data, and then crunch the data and then that essentially should be the best route. Schaub said the matrix is essentially just an analytical tool, placeholder for information, lets us see what is out there, and where and make comparisons. He said but reality is when we have to site a transmission line, we are confronted with people and reality, and people's feelings and the way they feel about things. Schaub said what that boils down to is essentially is we are in the business of trying to move transmission lines into places and move electricity and we have two tenants that seem to apply to every transmission line location. He said one is use existing line and there is no new impact and that is one of the guiding principles that the state also requires in doing any kind of siting for 100 kv and above we are supposed to use existing as much as possible so we don't create new corridors. Schaub said we are also supposed to follow things like existing roads, that sort of thing so we don't create cross country corridors. He said the other tenant and it makes sense is the shorter the new line generally the less impact, and so what we come up with is we are trying to very basically put in a transmission line, make it as short as possible and use as much existing ROW as makes sense. Schaub said you do get to a tipping point where if you use it to much that you are either rebuilding it or what we call double circuiting where we add another line of circuit to it or put new structures in. He said but you can get to a point if you double circuit where it gets to expensive and it really doesn't add anything to the project. Schaub said that is why some of the routes that Mr. Schedin talked about such D went all the way from Athens to Viking, 9 or 10 miles, then north and east another 9 or 10 miles, you don't get any benefit from double circuiting that route. He said it you get benefit if you double circuit some when you can jump off and make the shortest route there.

Schaub said with those things in mind the things we look at before we gather data, what we are trying to do; we have to look issue of the land itself. He said such things as do we have right to it, who owns it, how do we obtain it, how do we get some right to be there. Schaub said essentially there is an issue of an owner, we usually obtain an easement, sometimes we get a license or a lease, depends on who we deal with, from the U of M or the state his understanding from Dr. Corney is they usually want to give leases or license rather than an easement and that has been discussed and explained to him that if we do get a permit we would be dealing with their legal department. He said what it really boils down to is do we have a willing owner, is someone willing to work with us and that is huge for us. Schaub said essentially he has never met anyone that says they want a transmission line anywhere near their property, everyone says put it somewhere else, go somewhere else. He said the exception is institutions or someone like the U of M that say we understand these things are necessary and reasonable, people may not like them, but as long as you don't interfere with the core tenants in why we exist and what we are doing we can work with you. Schaub said that is what we were told by the U of M. He said that was one of the underlying assumptions that we dealt with in developing these lines. Schaub said that is what makes Cedar Creek attractive to us because not only on Route A do we have 3 miles of existing line where we pretty much own the rights to go there and do this, but also there is 3.3 miles of line that a willing entity has said we will work with you if it is something that you can work out with the City. He said that is completely different than them saying no go away on those other routes. Schaub said so now we have reduced a 10.4 mile route to 3 plus 3.3 miles, down to 4 miles of route where we have to get permission from someone via easements or whatever we need.

Boyer said he does not believe you currently have an agreement with the University for ROW. Schaub said no we nothing in writing. Boyer said so you would still need to acquire

this. Schaub said yes, what his point is we have. Boyer said he thinks what you point Peter is, you have one landowner to deal with rather than multiple landowners. Schaub said it is a multiple point. He said it is easier to deal with one and two it is easier to deal with someone that hasn't slammed the door in your face and someone that says yes, we will work with you if it is something you need to do and if the City says you can get a permit. Schaub said that is key to this whole issue, they did not tell us to go away there. He said they did tell us to go away to the north, they said go away on the other end, but this is the area we want you confined to if you build it. Boyer said he thinks your reading of the letter is much different than ours. Schaub said it is not just based on reading the letter; it is based on his conversations.

DeRoche asked is there any correspondence you have from the University stating their intent or what their thoughts are. He said again, another point, you said you have talked with these agencies but he hasn't seen anything one way or another so we are pretty much going on what you are telling us. Schaub said so you are saying you don't believe what I represent here tonight. DeRoche said if is in writing or in front of his face; he believes that more than what someone is telling me, come on. Boyer said he doesn't believe you have had any discussions with the real estate office or legal office. Schaub said he didn't say he has had discussion with them, said he had discussions with Dr. Corney. Boyer said from his own personal experience dealing with the University, because he did negotiate a Memorandum of Understanding dealing with a land swap and we went two years and he thought we had a deal two years. Schaub asked did you get the deal. Boyer said yes. Schaub said and you had to start with Cedar Creek. Boyer said once he negotiated with Cedar Creek then he began negotiating with the University legal and real estate office, the two are not the same. Schaub said he realizes that. Boyer said what one says does not necessarily hold true for the other. He said he would also tell you that a great deal of the land at Cedar Creek was donated to the University through trusts and such with the understanding that it always be held by the U of M, hence why we are talking leases and not ROW. Schaub said he understands that and he has never represented that we have a deal with the University, but they have said they are willing to work with us and talk with us and he said he explained that is a huge difference between that and someone that slams a door in your face. He said he is not trying to represent that we have a backroom deal or that the University legal department has okayed anything, all he is telling you is what Dr. Corney has said to him in informal conversation in trying to figure out if it was feasible to go along that property, this is what we based our decisions on. Schaub said this is why we felt it was something that was useful, Dr. Corney himself has stood up in meetings, workgroup and others and said that he is willing to abide by what the City decides. He said that also means that if the City decides we can have a permit here, that they will in fact work with us to get us a permit, which is all he is trying to represent.

Schaub said the other issue is, to get back to what we look at when siting a transmission line, look at minimizing length, land, other thing is who else has oversight of it, such as government entities. He said like the DNR, State Historical Society, Army Corp of Engineers, all of that, if you own property with wetlands on it or something like that and someone wants to do something on it, just because you as an owner say its okay, doesn't mean the person is free and clear to do what they want. Schaub said you still have to go through other guiding entities and as part of that we look at those entities and we do an initial investigation of the property and that gives us some guidance on that.

Schaub said the other issue is the environment: plants, water, animals, air and people. He

said people, archeological and historical; there was some discussion by Moegerle before that people are living people. Schaub said we look at those issues as well, it is not up to us and the City, and there is in fact state agencies that deal with historical and archeological issues.

Schaub said and we look at permitting, this is a very evident example of that. He said we are going through the permitting process, there are many different governmental entities and if we cross their jurisdiction we have to permit with them. Schaub said the things we look at is what kind of time delays there would be, added costs if additional permitting is involved.

Schaub said and final thing we look at is construction, is it cost effective. He said we look at safety, reliability, accessibility, special structures, and total length. Schaub said and finally is it cost effective, can we build it and maintain it effectively. He said so all of those things are what we look at and because of those things we say we need some data to look at to view this. Schaub said so we do compile this, but we don't just put the numbers in and crunch them and follows the numbers down, that would be the same as comparing apples to oranges and trying to get some sort of an answer they don't work that way. He said we take things like, we have categories like homes, farms, land, and takes those and look at them and compare them to what we know or think we know with respect to any given route. Schaub said so Council Member Moegerle is correct when she adds up these numbers and looks at the very bottom of them, they do come up with high numbers and low numbers and Route A comes up higher in some of these things, but that doesn't mean Route A is bad, it means there is stuff we have to address and deal with. He said and that is what we do. Schaub said as he has said we have to deal with the reality of how we work with people and how people will actually react. He said so what we came up with and how we arrived at Route A in our minds is and why it is far and away the best route is because we do have an exiting corridor, we have good easements to that, we can use that, and that is 3 miles off of the line. Schaub said and we have to our understanding a statement by the people that are the gatekeepers to Cedar Creek, the people that operate and own it, they have said okay if you can get a permit we will talk with you and that is another 3.3 miles, so now we have 1 mile in East Bethel that has nothing unique or special about it other than it is owned by the people that live there. He said everybody feels there property is unique and special and we understand that and acknowledge that.

Schaub said the truth is we have to put the line somewhere if we are going to build it, and what we are dealing with is 1 mile in the City of East Bethel and an additional 3 miles in Linwood where we have to acquire rights to be there. He said generally most of that is held by private entities or private people, not government entities. Schaub said there is one, Linwood School Forest and it is questionable whether we need an easement from them because it looks like the property owner on the other side actually owns a corner of property right in front of their driveway, so that is not even clear. He said but the reality is we have to get 40 easements or agreements for Route A. Schaub said that is a shorter route so we are able to minimize that. He said any of the others routes we need more, for Route I1 we need a minimum of 99 easements maybe a maximum of 120 easements/agreements, that in our mind makes Route A a very preferable route. Boyer said he appreciates it might be less work for you but doesn't know how it addresses the issue at hand. Schaub said it is not an issue of less work, it is an issue of less resources dedicated, that is what this is about for us, the resources and imposition of impact by our line on others.

Schaub said the 3 miles that is already there hard to argue there is any additional imposition there, we are not going to take additional great swathes of land and if we need anything

maybe it will be a couple feet here and there. He said we probably won't need anything at all, so the 3 miles there is limited, no impact there essentially. Boyer said have you talked with the landowners that are now going to be confronted with 8 foot towers. DeRoche asked is it all going to be clear cut. Schaub said it is already cut; it is a 3 mile swath that is already there, in existence. DeRoche said he is just asking a question, don't take it personal. Schaub said yes, okay, it is already cut, it is maintained, and it has been maintained for at least 60 years. Lawrence asked the entire stretch has already been cut, is coming down. Schaub asked the 3 miles across this line. Lawrence said no, these residences, these people behind you. Schaub said it is already in existence, it is already maintained. Boyer said he is talking down 65 from the substation. Schaub said no, he is talking the entire route, there is a 3 miles stretch that is in existence, from the 10.4 miles that we need, those people are already there and they have been there for over 60 years, some is in there backyard, some borders the edge of U of M. He said but there shouldn't be any effect to them other than construction noise, but once it is done were gone, poles will be there, but essentially it will be the same. Schaub said that comes to the issue of environment, that stretch has a lot of wetland in it, since that is already there and we are already charged with dealing with that and addressing it, as environmentally capable as we can we already have done that. He said we wait until winter to go in and do maintenance unless it is an emergency such as a line goes down, we go in and fix that, but we have already addressed some of the issues regarding environment along this route. Schaub said additionally reason we like Route A is Cedar Creek, people say they don't like something but what we look at or are forced to deal with is if there is an actually taking, that is why in this instance we are looking at number of easements we need. He said not just an issue of less work for us, but do we affect people.

Schaub said the issue of looking at homes from the centerline, 0-100, 100-200 and 200-300 that is a way to know who is out there and what we are looking at, we keep track of that so we have that understanding. He said we have to build this thing and if we get a permit what it all comes down to is who do we have to call and deal with and ask to buy land from. Schaub said that is much different than someone sitting across the highway looking across at a piece of property they have no claim to. He said it is the same thing as your neighbor painting his house orange with purple polka dots you may not like it but you don't have a right to say anything about it. Schaub said that is essentially the approach we have to take, we understand people don't like transmission lines, understand no one prefers them, but again it is an essential service and it needs to go somewhere if you want the electricity, that is the reason we are doing this. He said this is something that is important to us, these are things that are reality for us, things we have to live with and do to get a transmission line built, this is our reality and that is why we look at it in this way and why he is trying to explain that the matrix is not the be all and end all of how we do this because there is so much of the human factor in what we do.

Schaub said and he is going to focus on Cedar Creek because that seems to be the sticky point of this route, again there are two homes on that side of the road and that is it. He said then it is Cedar Creek so with respect to people issue we need three easements or licenses to be there. Schaub said then with respect to nature, plants, animals, established and no one has said otherwise there isn't an issue of air quality with these, but people question plants, animals, plants can be categorized as two things, rare species or trees and grass. He said we understand there are rare species of both plants and animals at Cedar Creek. Schaub said with respect to animals any work we do there will be a temporary disposition to them, we will not be displacing eagles or hawks or blanding turtles. He said some of the things we do if we get a permit at Cedar Creek or anywhere else as he mentioned is this whole area is very

similar, wetlands, meadows, forested areas throughout the entire region so we contact the DNR, we do surveys, we attempt to mitigate any problems with botanical issues, put the poles further apart, design the lines so raptors can't land on them, put bird diverters on the lines, check with fish and wildlife service, we know the grey wolf is an issue some places, but they have indicated that it is not an issue here. Schaub said the Army Corp of Engineers have to permit us, we keep track of wetlands not because we can't go through them, but because we also have to give them information to get a permit from them even if we get a permit from you and the DNR, that is part of what we are doing. He said with respect to forested wetland, we have to mitigate, if we cut down trees and forested wetland that is a huge issue because that is deemed to be rare, that is one of the reasons we like this route because it doesn't really have anything that we need to cut down.

Schaub said if we do cut something down we would have to mitigate by going to a land bank and replacing that. He said you don't have to do that with general wetlands, but with forested wetlands you do and Route 11 has a lot more. Boyer said certainly you are not saying to us that you are not cutting down trees in East Bethel. Schaub said no, he is talking about forested wetlands; this is a very specific and unique issue. He said no, trees we do have to cut down trees, but since we look at this as a whole, we have to cut down a lot less trees in Route A than anywhere else. Boyer said your figures don't show that. Schaub said yes they do, 14 acres in Route A, and 20 acres in Route 11. DeRoche said these trees you are talking about clear cutting are you talking about the ones in residential areas, or are you talking about the ones in open fields. Schaub said he is talking about the ones we think in general that would be in our easement. Boyer said if you are going 6 miles through our City, virtually the entire length has trees in the ROW that are going to be cut, this is a difficult figure for him to accept, a rough calculation he did is 30+ acres. Schaub said that is not accurate the City is not wall to wall trees and a good chunk of Cedar Creek is Oak Savannah. He said and savannah applies there is open plain there. Boyer said the Oak Savannah is about the rarest habitat in the State of Minnesota, less than 1,000 acres of it in the state. Schaub said and again reason we are looking at the area is two fold, in talking to the people that run Cedar Creek, Dr. Corney it is something they have said they thought they could deal with, additionally they do something called a controlled burn, also something that would add a fire break for them when they do those controlled burns. He said his understanding is there is always a concern that a gust could blow that out of control across the highway, or somewhere else, if it does they could burn down part of the county, so it is of some benefit to have something there. Boyer said they already have an existing set of fire routes, as you are aware of, they show up on maps. Schaub said again the University has said they would work with us on this if we can get the permit.

DeRoche asked aside from the permit with East Bethel, if the U of M took the position that GRE would not be allowed on their property how would that impact your Route A. Schaub said we would revisit if we would go on the poles across the way or not, and we would have to determine if it was something that would stack up against this, because then you are adding all the additional homes to the issue, those properties to do we want to make that kind of an impact on those properties. He said he can tell you as an example for some homes especially on the opposite side of Cedar Creek there is that essentially has a driveway and then the home is there, so it is probably like 40 feet or less from the road, so we would review that, but at this time and at this date we've never been told that by Dr. Corney. DeRoche said his question is very narrow and he thinks he asked it the other night, contingency plan, you have Route A, you are asking for Route A for your permit right and all of a sudden you just can't do it, you run into the U or there are artifacts or something

happened, what is the contingency. Schaub said probably to try to address whatever happens and see if we can fix that, if we can't fix that then we would have to re-evaluate where we would want to go. He said but he can't stand here and tell you that we are going Route E or G or something like that. Schaub said what he can tell you is if you are telling him about some nebulous unknown thing that happens is all he can tell you is we would attempt to remedy that thing. DeRoche said like he said, a very narrow question, everything should have a contingency plan.

Schaub said what we have done is looked at route and narrowed it down with respect to the issues and overall with respect to the environment, we can make that work, the University of Minnesota has indicated to us is acceptable and tolerable, so has the DNR and so has the other entries that are in charge of overseeing the environment within Cedar Creek. He said with that in mind and based on that, we have determined these things can be done, as he mentioned we can mitigate the different instances that come up. Schaub said if we come to a rare species again we are not going to just come in and start cutting, we already have an understanding with the University and when we thought we were going to be going on Allison Savannah that we would do a survey or work with surveys they have to determine what is out there and work around it. Schaub said we would rope that off and construct around it. He said those are things we can do. Schaub said we would also work outside of the Oak Wilt problem, work outside of issue of wetlands in the sense that we can work in the winter, we are prepared, we do this in other areas, this is not the first and only place we have encountered this kind of thing and we have been able to do it before. Schaub said we have gone to great pains to try to minimize the direct impact to people as well, we think that trying to cut down the number of people that we need to acquire easements from is a big step doing that and there is no other route that comes close to needing 40 easements and everything else is at least double that.

Schaub said and as far as the construction itself this is a route because it is next to county highway, is a well traveled route, is accessible, allows us to access and retain reliability, allows us to cut down on the special structures that are needed, that goes back to the pitch points, so this is a good route as from a constructible standpoint, highway and area also give us access for safety issues such as response teams. He said that is what we look at and that is what the matrix is put together for, we are not claiming that Route A is the best in every category, is not, we know that and understand that, but, when you look at Route A even it is higher in wetlands than Route I1, it is lower in forested wetlands, that is the key issue there.

Schaub said it is his understanding that there is one more person within 300 feet than in I1 and if and if there is, we can't say anything about that other than that is a distance, that doesn't mean that many people are going to be directly impacted by this route, that means a lot of people have homes across the road, they have got distribution lines in front of their house now if they are living across from Cedar Creek but they are not going to lose rights to their property, we are not going to go to them and ask for easements. He said this is the same way as City going forward with sewer, know you have to acquire easements for that, it is the very same thing. Schaub said his assumption is that you are not making payments to people who are across the street from someone where you have to take a tree because it is in the way of the sewer. He said we are an essential service just as the sewer is an essential service.

Davis said for the record, this is not a good analogy. He said the sewer lines are not visible after putting them in and the transmission lines are. Schaub said yes it is a good analogy,

because you still have dig up the earth to put them in, make some sort of alteration to put them in, you are not just direct imbedding them and it would be the same thing if we tried to bury the lines we would still have to dig up the land to do it. He said he is assuming the City is going to have to damage some property in doing the digging. Lawrence said but you are requiring the clear cutting to put your poles up and maintaining it for the life of the pole. Schaub said he doesn't know if clear cut is a good word. Lawrence said you are removing all the trees around the lines, he doesn't know how else to say it. Schaub said it is not every tree, it is the taller species, and there are fruit trees that we aren't doing this with. He said and with sewer you have to dig a trench, have to comply with OSHA, so you have to be taking more than you need. Schaub said we are an essential service, we need to go somewhere, we try to minimize the impact, we are subject to safety issues, and safety issue is here is the width of our easement, not just a choice.

DeRoche asked isn't this part of the deciding factor, what is the bottom line, you keep going back and forth and this wetland and trees, what is the bottom line for GRE's decision to go with Route A. Schaub said the ability to minimize the length of route, ability to work with property owners and ability to deal/work with remaining issues of the entities that oversee us such as Cedar Creek and the DNR. He said there is nothing we can do about the way a transmission line works, transmission line is there no matter where you put it, we have to take trees no matter where we go, this route in fact allows us to take less trees overall then other routes. DeRoche said he doesn't think anyone up here is saying that a transmission line isn't necessary, we are just trying to figure out the best route through our City, which the people up here are probably in a little better position to do seems how they live here and they know the lay of the land a little better. He said he can put all kinds of things in a computer and have it spit out something out and say yes this is great.

Boyer said this is the second time you have brought up the DNR, educate me what does the DNR have to do with any of this, except we are talking about Cedar Creek/U of M land, not crossing DNR land are we. Schaub said no, his understanding is they oversee features like rare habitats and we have to check in with them. Boyer said you do and he thinks we were provided with that. He asked do you have something from the DNR, you have brought this up twice that the DNR supports this in some way and wondering what this is. Marsha Parlow from GRE said you should have an e-mail between herself and Lisa at the DNR who keeps track of the database, she has indicated her concerns about the route and we have pointed out how we are going to address those issues. Boyer said you have seemed to have implied when he was listening to you that the DNR is supportive of this route and he doesn't think that is the case from that e-mail. Schaub said that is not the way the DNR works; they don't come in and say we like this route best. Boyer said the DNR is not supportive of Route A that is a fair statement he thinks. Parlow said they don't take a position on the route, they just give us information on how we can mitigate if there is any wildlife on the route, or any issues. Boyer said but to state that they are supporting Route A is not right.

Boyer said on Monday you had brought up that Co. Road 9 was to be expanded, and that was why you objected to any route going down Isanti Co. Road 9, is that correct, that is what he heard at the Monday meeting. DeRoche said touching on that he thought you were going to get some information, because he thought that night he had asked that night if you had gotten ahold of the county or state to find out when or if they were going to start construction on Co. 9 because you had made the statement it was going to be 2 or 3 years and he knows the state and the county and probably the City Hall has schedules of when certain roads are going to tentatively start and he thought he had asked if you could look that

up and get that for me. Boyer said we called Isanti County Highway Department and spoke with the Assistant County Engineer and they informed us that since 2006 there has been no plan to widen Isanti Co. 9, were you aware of that.

Schaub said he spoke to somebody in this department as well, spoke to them twice, he doesn't have the name before him, and he was told that it was slated for, he started 2 years ago on this, and they said the next 5 years. That is why he said in the next 3-4 years. Schaub said that is what he was told, that was his understanding. He said the fact remains that whether they do it in 2 years or in 5 or 6 years someone told him they were going to do it and if they do it and our poles are in the way, that is a problem. Boyer said for 21 years he has heard that Anoka County is going to widen Viking Blvd. and Lexington too; we actually tore down houses on Lexington by Coon Lake to ease the curve. Moegerle said it goes to credibility and thoroughness and research. Schaub said thoroughness and research was he contacted them twice and he was told twice, yes we are going to widen this road. Moegerle said it would be helpful, do you understand why we would like to have a name of that person. DeRoche said or a document. Moegerle said she understands we are all friends here, but when it comes to facts it would be helpful if we could call the guy up and say hey is that what you said. Schaub said he understands that and he guesses he would say we have been going through this for what 2 years now and he guesses because it was always acknowledged by people in the different groups we have been in, that it was a likelihood and probably would happen, he didn't know it was something that had been cast into doubt. He said but even if they don't do something there, there are still problems with the routes that come from the north, it doesn't negate those other problems.

Boyer said if Co. 9 isn't going to be expanded, who is to say that County 26 is not going to be expanded before 9. He said he has heard the same thing about other roads in East Bethel for years. Schaub said this is just a side thing; the reality is what we have to deal with from an engineering standpoint. Boyer said you raised the point as Co. Road 9 being one of the reasons you don't want to consider Route I, and with one phone call we determine that Co. Road 9 isn't going to be widened in the foreseeable future, it does raise an issue. Schaub said he would say that is something that happens, it can be explained, it certainly understandable with the state and the counties having problems. He said it is his understanding that when some of the people on this board were elected the first thing they wanted to do was stop the sewer project, it was in fact halted for a while, so on any given day, if someone had called one day been told a project was coming through, they may have been told it wasn't coming through another day. Schaub said the same things can happen, all he can tell you is in good faith he contacted the county twice and he was told twice that yes we are going to widen that road we got plans to do it, back when he did it initially they said it was on their 5 year plan. He said if someone had contacted him a month ago or a week ago and prove this to me, he certainly would have had time to investigate this, and he would have reported whatever he found. Schaub said he doesn't think there has ever been an instance where we have ever not given the City information they have requested. He said he hasn't been advised that Durant is going to be widened, but that would be a problem, Typo Creek being widened would also be a problem. He said we are looking at the engineering issues we have to overcome.

Lawrence asked he understands that you are trying to get the power from the Martin Substation to the Athens Substation because we need power in East Bethel, but you are ignoring that we are going to need power in East Bethel on Viking and 65 where we are going to be growing. Schaub said no, this power line is designed to help the entire region, from Cambridge all the way to Elk River, which includes all of East Bethel. Boyer said but

we receive 14% of power from Martin Lake, that serves primarily the east side of the City and none of the east side is slated for development. Schaub said but that is not the entire purpose of the project and he thinks your consultant confirmed that several times, he has acknowledged that there are low voltage issues in the area.

Boyer said we are not debating that, but is certainly not going to serve high growth areas in the City of East Bethel nor is that the rationale from GRE's perspective, it would affect the Highway 65 corridor none at all, it is already double circuited. Lawrence said what he sees here is you have given me 15 or 16 proposals that you would like to use, but actually you have one that you want to use and you won't even consider the other ones that you handed out. Schaub said no, those were not proposals that we wanted to use. Lawrence asked why would you hand them out is you didn't plan on using them, to me you are wasting my time giving me all these proposals that you are not even thinking about doing. Schaub said your ordinance requires us to work with the workgroup and your workgroup asked us for all the things we had looked at. He said initially we tried to hand in the ones that we thought would work, we were told come back with others. Boyer said you gave us one. Schaub said we gave you what we thought would work; we thought we were showing you in good faith what we thought would work the best. He said we do think if we could go across the northern part of Cedar Creek it would work, but Dr. Corney said no. He said we gave you this one, then we were asked to give more, because they wanted to know every possible thing that we may have looked at or thought about, that is why we gave it to you.

Schaub said we are not here tonight asking you to pick the best from the 14 routes, we are here asking you to approve Route A. Lawrence said he understands what you are asking for and why you need it, that is not being disputed, but seems to him there were other questions that came up such as coming down 22 from the east side with 220 volt line which you had proposed at some time, straight north to substation would that not do just as well, it is a shorter distance. Schaub said he has never been involved in anything like that. Tim Mickelson, Transmission Engineer from GRE introduced himself. Boyer said he thinks the Mayor is referring to the Rush City Line. Mickelson said no that runs north and south on Highway 35; it doesn't come through East Bethel at all. He said maybe you are talking about the biennial plan, but we don't specify routes in there specifically. Mickelson said our long term plan has always been to connect the Martin Lake substation with the Athens substation to support the load growth that may occur along Highway 65 and it also provides the redundancy backup to the Martin Lake substation that we need. He said the Linwood substation provides a strong source to prop up the system and to enable growth in the area.

Paul Zisla of Moss & Barnett in the Wells Fargo Center representing GRE introduced himself and said he is going to explain this from our prospective frame the discussion to follow, but Council Member DeRoche hit the right question GRE is looking for the best transmission route through East Bethel, the application is for Route A we need to have focus on Route A, we did not apply for the other 14 or 15 routes. He said we understand that the City is asking GRE why you didn't do those routes; we see things about them, what are your thoughts on that. Zisla said as we have said in our letters the process is we came in and said we have a point we are connecting on the north side of East Bethel and we got to get out on the west and we need a route through the City that works and we want to direct your attention to Route A. He said because right now what we are facing if you deny Route A is a no build alternative and what he has heard from your consultant is that doesn't work.

Zisla said the suggestions on Route A, almost all the discussion on Route I rather has to do

with areas outside of East Bethel. He said of course the response is it is better for us if you go on Route I because it is only a small part of our City. Zisla said well yes it is better for you if you push the line out to another community as we go on in our letter, that isn't what has happened here. He said literally factually we are not in a case where we are doing cooperative planning with three jurisdictions coming together and picking a route, it didn't work out that way, don't want to go over the history of the relationships of the community, now that isn't really relevant. Zisla said GRE is before you with an application for your process with Route A, questions were raised and Peter has tried to respond why Route A is a good one, why it works for East Bethel. He said the legal issue is we have to stick with the task here, and GRE has to get a transmission line through the City of East Bethel, the City has a discussion process, you have done a lot of review of routes and we are here today saying don't leave us with a no build discussion that essentially creates a gap in the transmission system. Zisla said the letter is saying listen to your consultant on the issue of need, the letter is saying you are in a Conditional Use Permit process and your lawyer I hope is aware last night at the Planning Commission, and some tonight, Peter has gone through and said look we have hit the conditions and criteria in your ordinance. He said there is not anything that has been shown contrary to that, there have been questions about what is the best route, what is the best way to go, but in terms of the legal authority to use your Conditional Use Permit process GRE went through and said this is your criteria, this is how we have dealt with it. Zisla said we know you might prefer a different route, it might be better from East Bethel's prospective, but, as a matter of law and a matter of practice, this is not a discussion about we East Bethel would like you to go on Route I, which is mostly outside of East Bethel, this is about how do we deal with that segment that goes through the City in a responsible way and we our position is, our conclusion is and we hope you share it, is the record shows that we have satisfied your conditions. He said you have some concerns; we have tried to answer those. Zisla said he is not going to go on more about Cedar Creek, he thinks Peter has tried to do that. He said we hope you accept his argument. Zisla said Route I doesn't connect for us and if you recommend Route I you really haven't given GRE a workable route.

Lawrence said but this is your route though, you planned it. Boyer said it was also the first route GRE presented to the City of East Bethel in essence. Zisla said in anticipating there would be that history Council Member Boyer he knows Peter is aware of that; there was discussion of that yesterday. He said Mayor Lawrence, he thinks Peter answered this. Zisla said GRE came in with an application for Route A, the workgroup process said we want to see what you looked at. He said Peter has talked you through their planning process. Zisla said we say in the letter that this has been informational, this has been discussion. He said the fact is GRE came in and applied for Route A, why didn't you look at Route I, explain yourselves to us, if we have failed to persuade you, collectively we have made a sound decision that is unfortunate from our perspective because the whole approach is we wanted to feel we were being responsive, GRE was being responsive, we were being reasonable, it did look at the alternative. Zisla said it did share that with the workgroup, but at no time did GRE say we have 15 routes workgroup, pick one for us. He said it was here is your information. Zisla said GRE said A is the one we want to apply for; we want to assure you we have a responsible process. Zisla said he repeats himself, but the reason to do that is you are working in a legal context. He said as we have said in all our letters there have been a dispute of your authority, we direct you to what your lawyer is said and we repeated it on March 30th, there are questions and concerns but we think you should adopt findings that say all things considered it works, it is the right route for going through the City, we know there is the comparison of I and A in the City. Zisla said the question is does I really get us

anywhere and of course if we have a small piece off in the corner it's going to come off with a certain kind of result. He said and then in the letter we are going to say a lot of what we have heard and observed, frustration on part of the City, frustration on part of GRE part that we have a fragmented plan being processed and that we don't have three cities coming together and saying here is a route that works. Zisla said we don't have that and our view as a matter of law is we have to accept that. He said your authority, the scope of that authority is East Bethel and to assist us in finding a route that works through East Bethel. Zisla said that a decision to deny Route A is going to exclude us we are going to have a problem, a hole in the system.

DeRoche asked why is it Route A or a no build. He said so I wouldn't be a consideration and it was never a consideration. Zisla said we applied for Route A, we said we need A, there was a review of the alternatives in East Bethel, your consultant went through those alternatives and he thinks there were six of them that got us from where we need to be and the conclusion of consultant was Route A is the best, we could revisit some of that but that was always the question. Boyer said no, that was not the conclusion of the report sir. Zisla said the conclusion was from the ones that get us from where we need to be from where we need to get. Boyer said that is in East Bethel, A was the best. Zisla said the one that is in East Bethel. He said I and the other routes are principally not in East Bethel. Zisla said and they don't connect the line where we need to connect it. Boyer said to clarify 1 1/2 mile of Route I is in East Bethel and the route is roughly 10 miles long and East Bethel gets 14% of its power from Martin Lake substation, by his math we are being very generous that is 15%. He said why you are approaching the City of East Bethel to connect two points outside the City of East Bethel and expect us to take 60% of the route length is something of a mystery. Boyer said he would contend to you sir that going to Athens Township first by far the least populated, by far the weakest in any zoning authority whatsoever, and not even in the seven county metro and then telling the City of East Bethel and Linwood that we are driven by Athens Township decision seems. Moegerle said inequitable. Zisla said it may seem inequitable Peter can go through the history, but the fact is there is an existing route, existing ROW that GRE has in Athens, it gets GRE to the north line, it gets GRE through East Bethel, we have said in the papers that (why argue with you tonight) that this allocation of transmission percentage, you may not like the percentage work out for this particular facility, for this particular one, and he is not accepting on behalf of the experts that 14% of the power and 60% of the transmission line benefit or burden is accurate at all, in fact we argue that is not reasonable grounds for who gets the advantage but from Athens to Martin Lake serves the whole area, the power lines serve the whole area, it is a needed facility and sharing the benefit and sharing the burden. He said it might be frustrating to you, it might be bothersome, but this is a multi-jurisdiction facility. Zisla said pieces are going through East Bethel, pieces are going through Athens,

Vierling said it is very difficult when you have a group of different attorneys together. He said from a practical standpoint obviously GRE this position has been taken that Route A is a take it or leave it option to Council. Vierling said this City has adopted an ordinance which we understand they don't agree with and Council obviously feels it is a valid ordinance and has multiple opinions on that issue and we will argue that someplace else, some other day. He said in terms of what is in front of you, the Council certainly is looking at a facility that is in essence a regional type of facility. Vierling said the proposal is to come through the City, you have every right to take a look at other routes and other pathways, if you determine that there are pathways that are more reasonable that render Route A unreasonable you certainly have the right to say that. He said that is part of what

staff has done in laying out the opportunities that are before you tonight on this matter. Veiling said he thinks we all acknowledge the legal position of GRE and the City is going to differ to some respect but you do have a factual issue in front of you in terms of whether you feel Route A is reasonable and or not and whether or not it is sustainable in the City. He said with that said he assumes the Council will go forth with their discussion at this point at the dais and have their decision rendered.

Boyer made a motion to adopt Resolution 2011-20 A Resolution Making Findings of Fact and Denying a Conditional Use Permit for Great River Energy for Route A with the findings as outlined in the resolution. DeRoche seconded. Moegerle said she has some changes to the resolution. Page 1, 7th Whereas, 1) change as follows: bulk transmission: 230,000 volts (230kv); Page 4, 5th Whereas change as follows: **WHEREAS**, in the evaluation of the various routes, the City has considered attributes for each route option, included within a route matrixes prepared by Applicant, which attributes are as follows; Page 5, 1st Whereas strike the following: ~~The other attributes of Route A compared to all the other route options (inside and outside the city) are all favorable in the opinion of the consultants, and Route A has been recommended to the City as the best route option within the city, yet recognizing that there are concerns and mitigation points and disadvantages that needed to be accommodated; and;~~ Page 6, 1st Whereas change shorten to shortened and strike the following: ~~Further, Route 9 is also scheduled for a rebuild and widening in 4 to 5 years by Isanti County, so that modification of Plan I would minimize the length of line on Highway 9 to be exposed to a rebuild or relocation. It is also established that there exists 2 miles of 69kv line currently located on Highway 9 which could be utilized for this modification of Route 9; and;~~ Page 6, 3rd Whereas capitalize A in applicant; Page 6, 4th Whereas, capitalize A in applicant, change matrix to matrices and misses to missed; Page 6, 7th Whereas, capitalize A in applicant; Page 7, 3rd Whereas, strike ~~but~~, and change the following: ~~and~~ **the environment and number of residents as a whole** as opposed to other several other routes within the City of East Bethel; and; Page 7, 4th Whereas, strike ~~Both Route A and H have~~ add **Routes other than Route A have significantly less**, strike ~~minimal~~; Page 7, 5th Whereas, strike ~~Both Route A and H have~~ add **Routes other than Route A**, Page 7, 6th Whereas, completely strike ~~WHEREAS, the significant impact and risk to Cedar Creek Ecosystem Science Reserve outweighs any possible economic benefit to the use of Route A.~~ Boyer accepted the amendments to his motion, DeRoche said his second stands with the amendments. **All in favor, motion carries.**

Vierling said that staff was going to discuss that no matter if any route was every adopted that the conditions be applied. Boyer made that motion. DeRoche seconded. All in favor, motion carries.

Top Notch
Fence Bill for
the Booster
East
Connector
Trail

Davis explained that the City Council approved the construction of the fence on the Booster East Connector Trail at their June 6, 2011 meeting. The contract was awarded to Top Notch Fence Company for the \$10,900. The fence will be completed on Friday, June, 24, 2011. Top Notch Fence needs payment for the materials for this job prior to final installation. It is proposed with Council's approval to pay \$7,900.00 for the materials for this work upon delivery on Thursday, June 23, 2011. It is also proposed to issue a check for \$3,000.00 for the labor on this job but withhold the check until the project is completed, inspected and accepted.

This request is proposed so the fence can be completed in a timely manner and lessen the inconvenience to the property owner, Mr. Tim Oney. Even though this is an unconventional

method of payment, no services are being paid in advance and the savings on this project between the bid from Top Notch Fence and the second low bidder was \$5,570.

Boyer asked are the materials going to be delivered to the public works building. Davis said yeas, and we will check them for completeness before we release the check.

Boyer made a motion to approve the bill for Top Notch Fence Company and issue two checks, one for \$7,900 to be released when the materials are delivered and one for \$3,000 to be released after the project is completed, inspected and accepted. DeRoche seconded; all in favor, motion carries.

Adjourn

Boyer made a motion to adjourn at 8:20 PM. Moegerle seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk