

The Scandia Economic Development Authority met in the Board Room at the Scandia Community Center on Monday, March 3, 2014 beginning at 6:30pm. Commissioners Present: Tom Triplett, Bruce Swenson, Sally Swanson, Greg Isaacson. Absent: Dan Lee. Staff Present: Kristina Handt.

The meeting was called to order at 6:30pm by Swanson.

Motion by Swenson, seconded by Triplett to approve the February 10, 2014 minutes. Motion carried.

Motion by Triplett, seconded by Isaacson to approve the agenda. Motion carried.

Swanson introduced the issue and stated people in the northern portion of the City are interested in natural gas expansion. Colette Jurek and Michael Mayerchak from Xcel Energy were introduced. Mayerchak explained the rules they have to follow which are on file with the PUC when considering a natural gas extension. Xcel can extend natural gas 100 feet at no cost but after that there is a formula to pay for the rest of the extension aimed at making it fair for all ratepayers so some don't have to pay higher rates for others service. In the area of Olinda/Oren/Ogilvie, Mayerchak identified 16 houses. At a cost of \$74,000 to extend the service to Ogilvie (which is about 6,000 feet from where the line ends at 223rd), each house would have to pay over \$4,600 to get the main in the street. The first 75 feet into the property is free unless it needs to be sleeve for gophers which is \$1.50/foot. After that it is an additional \$3.50/foot to the meter. Bob Bernard, 14797 Oren Road, asked about spreading the cost over 15 years. Xcel has an internal policy of only doing this if there 100 hookups. Residents asked about extending service from the Bone Lake area but Mayerchak said that was even further away and would cost more. After the first 100 feet it costs about \$20 /foot to extend the line. Merlyn Nelson, 14077 237th St, asked why the prices have gone up so fast. Mayerchak explained the new federal regulations utilities are under following the Enron incident in the beginning of the century. Xcel files their actual costs with the PUC each year and an average price for extension is based on that.

Swanson asked if there were any programs to help pay for the extension. Other than a surcharge if 100 customers are connected the other option Xcel mentioned was the Bridgewater Township example of creating a special taxing district. The City pays Xcel and then recoups the cost over 15 years of special assessments against the property. It was noted that there could be many pros and cons to this such as the rest of the taxpayers covering a default or the next person getting to connect without having to pay an assessment. Xcel is looking into the option of allowing people to put the cost on their credit card but this hasn't been approved yet.

Bob Bernard addressed the crowd and asked them to consider the cost benefit of hooking up to natural gas if the cost of propane continues to rise. It was noted that propane would have to be at \$0.92/gallon to be comparable in price to natural gas.

Mayerchak will run some options for getting 100 customers hooked up and share that cost and info with the City. Attendees were asked to sign up if they were interested in receiving the data from Xcel. The signup sheet was also shared with Xcel so they could see where people were interested in getting natural gas.

The Board reviewed the broadband survey questions suggested by Bill Coleman. Jesse Pereboom was also in attendance and offered feedback on the survey. Jesse suggested asking about the quality of the connection, how many times the modem has to be restarted and provide a section for other comments. Swanson recommended language reminding people to do the test on their home computer and not to use multiple devices. Swanson also reported she had conversations with Midcontinent and cable will be extended to her neighborhood this summer. She had questioned them about the maps showing coverage on connectmn.org and was told that if service is within 2 miles it shows up on the map because they just report based on census tracts. Triplett also contacted Mid Continent and was told he could get service. He is having a technician come out and will report back later. Motion by Isaacson, seconded by Swenson to distribute the surveys as amended. Motion carried. The deadline for the surveys will be May 1st.

The Board reviewed the listings of businesses for the BRE survey. A handful of businesses were suggested to be added to the list in the staff report and some were identified as closed or duplicative. The board agreed to focus on retail storefront businesses first. Handt will update the listings and provide a draft survey at the next meeting.

Commissioner Reports: None

Handt provided a verbal update: Washington County is hosting a League of Local Governments meeting on March 31, 2014, 5-7:30pm and the topic is economic development.

The next meeting will be Monday, April 14, 2014 at 6:30pm to review survey questions and business listings for the BRE and review broadband progress.

Motion by Swenson, seconded by Isaacson to adjourn. Motion carried. Meeting adjourned at 8:28pm.

Respectfully Submitted, Kristina Handt, Secretary