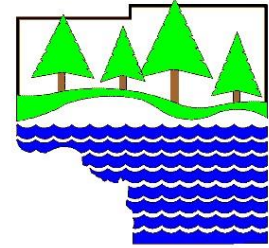




**ITASCA COUNTY  
REGIONAL RAILROAD AUTHORITY**

123 NE 4th St  
Itasca County Courthouse  
Grand Rapids, MN 55744  
(218) 327-2847



---

Tuesday, June 13, 2017

2:00 PM

Itasca County Boardroom

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**ITASCA COUNTY MISSION:** Itasca County government strives to preserve and enhance the quality of life, the environment, and economic well-being within the community.

**DRAFT**

**REGULAR SESSION AGENDA**

- 2:00 PM I. CALL TO ORDER**
- 2:01 PM II. ADDITIONS/CORRECTIONS TO THE AGENDA**
- 2:02 PM III. APPROVE OF MINUTES**
1. Approve the minutes of the Tuesday, May 9, 2017 Regional Railroad Authority meeting.
- IV. DISCUSSION/INFORMATIONAL**
- 2:03 PM**
1. Mesabi Metallics Financial Update, Jenni Johnson
- 2:05 PM**
2. Mesabi Metallics Project Budget, Encumbrance & Expenditure Update, Joshua Cotter
- 2:10 PM**
3. ICRRRA Board Update - Mesabi Metallics Project, Joshua Cotter
- 2:15 PM**
4. Consultant Services for Mesabi Metallics Project, Karin Grandia
- 2:20 PM V. ADJOURN**

**Note:** This time schedule is approximate!!  
Individuals with appointments should be available  
10 minutes ahead of their appointment time.

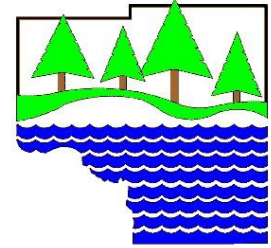
Portions of this meeting may be closed to the public, if  
Data classified as private or confidential is discussed.

If you require an accommodation to participate in this event, please contact the Administrative Services Department at (218) 327-7363 as soon as possible so necessary arrangements may be made.



# ITASCA COUNTY REGIONAL RAILROAD AUTHORITY

123 NE 4th St  
Itasca County Courthouse  
Grand Rapids, MN 55744  
(218) 327-2847



Tuesday, May 9, 2017

2:00 PM

Itasca County Boardroom

## DRAFT

### REGULAR SESSION MINUTES

#### I. CALL TO ORDER

Chair Snyder called the meeting to order at 2:00 p.m.

Attendee Name	Title	Status	Arrived
Davin Tinquist	District #1	Present	2:00 PM
Terry Snyder	District #2	Present	2:00 PM
Leo Trunt	District #3	Present	2:00 PM
Burl Ives	District #4	Present	2:00 PM
Mark Mandich	District #5	Present	2:00 PM

#### II. ADDITIONS/CORRECTIONS TO THE AGENDA

**Motion To:** Approve the agenda, as presented.

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Davin Tinquist, District #1
<b>SECONDER:</b>	Mark Mandich, District #5
<b>AYES:</b>	Tinquist, Snyder, Trunt, Ives, Mandich

#### III. APPROVE OF MINUTES

**Motion To:** Approve the minutes of the Tuesday, April 11, 2017 County Board Regular Session.

<b>RESULT:</b>	<b>ACCEPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Leo Trunt, District #3
<b>SECONDER:</b>	Burl Ives, District #4
<b>AYES:</b>	Tinquist, Snyder, Trunt, Ives, Mandich

#### IV. DISCUSSION/INFORMATIONAL

##### 1. Mesabi Metallics Financial Update

Accounting Manager Jenni Johnson presented and explained the Mesabi Metallics Financial Update spreadsheet. The Financial Update spreadsheet was placed on file.

<b>RESULT:</b>	<b>INFORMATIONAL-NO ACTION TAKEN</b>
----------------	--------------------------------------

Minutes Acceptance: Minutes of May 9, 2017 2:00 PM (APPROVE OF MINUTES)

## 2. Mesabi Metallica Project Budget, Encumbrance &amp; Expenditure Update

Project Coordinator Joshua Cotter presented an informational update on current budget, encumbrance & expenditure levels relative to the Mesabi Metallica project.

**RESULT: INFORMATIONAL-NO ACTION TAKEN**

## 3. ICRRRA Board Update – Mesabi Metallica Project

Project Coordinator Joshua Cotter and Mesabi Metallica Director of Government & Public Relations Mitchell Brunfelt presented an informational update on current issues involving the Mesabi Metallica project.

**RESULT: INFORMATIONAL-NO ACTION TAKEN**

## 4. Rail Historical Summary

Accounting Manager Jenni Johnson presented an informational update regarding the estimated historical accumulation in the rail portion of the Regional Rail account.

**RESULT: INFORMATIONAL-NO ACTION TAKEN**

**V. ADJOURN**

Chair Snyder adjourned the meeting at 2:13 p.m.

**ATTEST**

\_\_\_\_\_  
Amanda Schultz  
Deputy Clerk of the County Board

\_\_\_\_\_  
Terry Snyder  
Chair, Regional Railroad Authority



**ITASCA COUNTY  
REGIONAL RAILROAD AUTHORITY**

123 NE 4th St  
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June 13, 2017  
Regular Session

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**REQUEST FOR BOARD ACTION (ID # 5046)**

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**DEPARTMENT:** Auditor/Treasurer

**PRESENTER:** Jenni Johnson

**TIME REQUIRED:**

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**AGENDA ITEM:**

Mesabi Metallica Financial Update

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**BOARD ACTION REQUESTED:**

Informational Update

**BACKGROUND:**

**ITEM HISTORY:**

**COUNTY ATTORNEY REVIEW:** <5 Minutes

**SUPPORTING DOCUMENTATION:**

- MN State Bonding - 28.0M Request # 91 (PDF)

**PAYMENT REQUEST FORM**  
**General Obligation Grant Program**

<b>Grantee Name:</b>	Itasca County
<b>Project Name:</b>	Itasca Cty Infrastructure
<b>Grant Number:</b>	SPAP-08-0008-P-FY09
<b>Payment Address:</b>	Itasca County
Attn: Jeffrey Walker, County Auditor 123 N.E. 4th Street Grand Rapids, MN 55744	

<b>Disbursement Request #</b>	<b>91</b>
<b>Invoices Cover Period From :</b>	<b>4/11/2017</b>
<b>Paid on To Date :</b>	<b>5/8/2017</b>
<b>Total DEED Payment Request This Draw:</b>	<b>\$ 7,419.23</b>
	^ This amount should equal total from Column 3

<b>Name</b>	Jeffrey T. Walker
<b>Title</b>	Itasca County Auditor
<b>Phone</b>	218-327-7408
<b>Grantee Signature*</b>	_____
* The above signature certifies that the amount requested below from DEED and the required local match are eligible costs under the Grant Agreement for this project.	

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	
Approved Eligible Activities from Grant Agreement (GA)	Approved Costs from Grant Agreement	Current Payment Request Information			Previous Payment Request Information			Totals of Previous & Current Draws			Remainder
		Total Eligible Invoices This Draw = 100%	DEED Payment Request This Draw 100%	Local Match This Draw ____%	Previous DEED Payments To Date	Previous Local Match Payments To Date	Total Previous Paid To Date	DEED Requests: Previous & Current	Local Match Amounts: Previous & Current	Total of All Previous & Current Funds	Remaining Unspent Balance of Project Costs
Design & Construction of:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gas Line	\$ 8,608,988.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,608,988.00
Railroad	\$ 10,914,301.00	\$ -	\$ -	\$ -	\$ 10,401,312.41	\$ 10,401,312.41	\$ 10,401,312.41	\$ 10,401,312.41	\$ 10,401,312.41	\$ 10,401,312.41	\$ 512,988.59
Power	\$ 5,701,977.00	\$ -	\$ -	\$ -	\$ 12,672,471.77	\$ 12,672,471.77	\$ 12,672,471.77	\$ 12,672,471.77	\$ 12,672,471.77	\$ 12,672,471.77	\$ (6,970,494.77)
Water/Sewer	\$ 2,600,734.00	\$ -	\$ -	\$ -	\$ 3,599,074.87	\$ 3,599,074.87	\$ 3,599,074.87	\$ 3,599,074.87	\$ 3,599,074.87	\$ 3,599,074.87	\$ (998,340.87)
Roadway	\$ -	\$ -	\$ -	\$ -	\$ 317,750.69	\$ 317,750.69	\$ 317,750.69	\$ 317,750.69	\$ 317,750.69	\$ 317,750.69	\$ (317,750.69)
Outside Counsel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Coord.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program Mngmt.	\$ 174,000.00	\$ 7,419.23	\$ 7,419.23	\$ -	\$ 439,492.41	\$ 439,492.41	\$ 446,911.64	\$ 446,911.64	\$ 446,911.64	\$ 446,911.64	\$ (272,911.64)
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transposition of \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transposition of \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTALS</b>	<b>\$ 28,000,000.00</b>	<b>\$ 7,419.23</b>	<b>\$ 7,419.23</b>	<b>\$ -</b>	<b>\$ 27,430,102.15</b>	<b>\$ -</b>	<b>\$ 27,430,102.15</b>	<b>\$ 27,437,521.38</b>	<b>\$ -</b>	<b>\$ 27,437,521.38</b>	<b>\$ 562,478.62</b>
	^ If the line items in your Project Budget have <b>changed</b> , call your Rep <b>before</b> submitting this form.	^ Amount should equal the total of all invoices attached to this Payment Request	^ This total amount should reflect DEED's pro-rata share of approved costs	^ This total amount should reflect the Grantee's pro-rata share of approved costs.	^ Total amount you have previously drawn from DEED.	^ Total amount you have previously paid out of all other local sources.	^ This amount should equal total Amounts from Columns 5 & 6	^ This amount should equal total Amounts from Columns 3 & 5	^ This amount should equal total Amounts from Columns 4 & 6	^ This amount should equal total Amounts from Columns 8 & 9	^ This amount should subtract Amounts in Columns 10 from Column 1

<b>Please Mail Requests</b>	Minnesota Dept of Employment & Economic Development 1st National Bank Building, 332 Minnesota Street, Suite E200 St. Paul, MN, 55101-1351
	<b>Attn: Office of Business Finance (Jeff Nelson)</b>

<b>DEED Only:</b> I hereby certify that the goods or material covered by this claim have been inspected and received or the services have been performed and are in accordance with specification and are in proper form, kind amount and quantity and payment is t
DEED Authorized Signature _____ Date _____



**ITASCA COUNTY  
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123 NE 4th St  
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Grand Rapids, MN 55744

June 13, 2017  
Regular Session

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**REQUEST FOR BOARD ACTION (ID # 5115)**

---

**DEPARTMENT:** Transportation

**PRESENTER:** Joshua Cotter

**TIME REQUIRED:**

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**AGENDA ITEM:**

Mesabi Metallica Project Budget, Encumbrance & Expenditure Update

---

**BOARD ACTION REQUESTED:**

None anticipated.

Informational update on current budget, encumbrance & expenditure levels relative to the Mesabi Metallica project.

**BACKGROUND:**

The grants are set to expire on June 30, 2017. Summary totals as of May 31, 2017 include \$64,716,468 in grant funds expended and \$1,183,532 remaining. Attached is the monthly informational breakdown of the aforementioned grants.

**ITEM HISTORY:**

**COUNTY ATTORNEY REVIEW:** <5 Minutes

**SUPPORTING DOCUMENTATION:**

- ESML PIP Financial Summary05312017jjcdraft (PDF)

State Grant Agreements  
 Cost of Public Infrastructure to Support the Mesabi Metallics Project  
 Nashauk, Itasca County, Minnesota  
 Project Encumbrances / Expenditures To Date - as of 5/31/2017

Category	Budget / Project Cost Estimates	\$4M Bond Fund	\$8M Bond Fund	\$12M Bond Fund (combined)	\$11M 21st Century	\$28M Bond Fund	\$14.9M 21st Century	Total of State Funds
<b>Funding Released to Date</b>		<b>\$4,000,000</b>	<b>\$8,000,000</b>	<b>\$12,000,000</b>	<b>\$11,000,000</b>	<b>\$28,000,000</b>	<b>\$14,900,000</b>	<b>\$65,900,000</b>
<b>IC Roadway Improvements</b>	<b>\$2,174,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,400</b>	<b>\$315,000</b>	<b>\$2,172,600</b>	<b>\$2,489,000</b>
Encumbered to Date	\$0	\$0	\$0	\$0	\$1,400	\$317,751	\$1,908,966	\$2,228,117
Balance (Funding-Encumb)	\$0	\$0	\$0	\$0	\$0	-\$2,751	\$263,634	\$260,883
Expended to Date	\$0	\$0	\$0	\$0	\$1,400	\$317,751	\$1,908,966	\$2,228,116
<b>ICRRA Railroad</b>	<b>\$33,996,100</b> (5)	<b>\$998,711</b> (1)	<b>\$3,182,558</b>	<b>\$4,181,269</b>	<b>\$9,316,368</b>	<b>\$10,764,301</b>	<b>\$10,199,118</b>	<b>\$34,461,056</b>
Encumbered to Date	\$998,711	\$998,711	\$3,182,558	\$4,181,269	\$9,316,368	\$10,450,000	\$10,158,468	\$34,106,105
Balance (Funding-Encumb)	\$0	\$0	\$0	\$0	\$0	\$314,301	\$40,650	\$354,951
Expended to Date	\$998,711	\$998,711	\$3,182,559	\$4,181,270	\$9,316,368	\$10,401,312	\$10,158,468	\$34,057,418
<b>NPUC Gas Pipeline</b>	<b>\$2,364,100</b>	<b>\$838,044</b> (2)	<b>\$0</b>	<b>\$838,044</b>	<b>\$1,284,273</b>	<b>\$0</b>	<b>\$218,359</b>	<b>\$2,340,676</b>
Encumbrances to Date	\$838,044	\$838,044	\$0	\$838,044	\$1,284,273	\$0	\$218,359	\$2,340,676
Balance (Funding-Encumb)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures to Date	\$838,044	\$838,044	\$0	\$838,044	\$1,284,273	\$0	\$218,359	\$2,340,676
<b>NPUC Water / Sewer</b>	<b>\$4,871,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,600,734</b>	<b>\$489,266</b>	<b>\$4,090,000</b>
Encumbrances to Date	\$0	\$0	\$0	\$0	\$0	\$3,599,075	\$242,579	\$3,841,654
Balance (Funding-Encumb)	\$0	\$0	\$0	\$0	\$0	\$1,659	\$246,687	\$248,346
Expenditures to Date	\$0	\$0	\$0	\$0	\$0	\$3,599,075	\$242,579	\$3,841,654
<b>NPUC Electric Substations</b>	<b>\$24,344,800</b>	<b>\$1,814,125</b> (3)	<b>\$4,741,548</b>	<b>\$6,555,673</b>	<b>\$0</b>	<b>\$12,995,965</b>	<b>\$1,737,233</b>	<b>\$21,288,871</b>
Encumbrances to Date	\$1,814,125	\$1,814,125	\$4,741,548	\$6,555,673	\$0	\$12,672,472	\$1,687,958	\$20,916,103
Balance (Funding-Encumb)	\$0	\$0	\$0	\$0	\$0	\$323,493	\$49,275	\$372,768
Expenditures to Date	\$1,814,125	\$1,814,125	\$4,741,548	\$6,555,673	\$0	\$12,672,472	\$1,687,958	\$20,916,103
<b>Summary Totals</b>	<b>\$67,750,000</b>	<b>\$3,650,880</b>	<b>\$7,924,106</b>	<b>\$11,574,986</b>	<b>\$10,602,041</b>	<b>\$27,676,000</b>	<b>\$14,816,576</b>	<b>\$64,669,603</b>
Encumbrances to Date	\$3,650,880	\$3,650,880	\$7,924,106	\$11,574,986	\$10,602,041	\$27,039,298	\$14,216,330	\$63,432,655
Balance (Funding-Encumb)	\$0	\$0	\$0	\$0	\$0	\$636,702	\$600,246	\$1,236,948
Expenditures to Date	\$3,650,880	\$3,650,880	\$7,924,106	\$11,574,986	\$10,602,041	\$26,990,610	\$14,216,331	\$63,383,967
<b>Program Administration</b>	<b>\$999,700</b>	<b>\$349,120</b>	<b>\$75,894</b>	<b>\$425,014</b>	<b>\$397,959</b>	<b>\$324,000</b>	<b>\$83,424</b>	<b>\$1,230,397</b>
Encumbrances to Date	\$349,120	\$349,120	\$75,894	\$425,014	\$397,959	\$438,000	\$60,005	\$1,320,978
Balance (Funding-Encumb)	\$0	\$0	\$0	\$0	\$0	-\$114,000	\$23,419	-\$90,581
Expenditures to Date	\$349,120	\$349,120	\$75,894	\$425,014	\$397,959	\$449,524	\$60,004	\$1,332,500
<b>Program Totals</b>	<b>\$68,749,700</b> (4)	<b>\$4,000,000</b>	<b>\$8,000,000</b>	<b>\$12,000,000</b>	<b>\$11,000,000</b>	<b>\$28,000,000</b>	<b>\$14,900,000</b>	<b>\$65,900,000</b>
Encumbrances to Date	\$4,000,000	\$4,000,000	\$8,000,000	\$12,000,000	\$11,000,000	\$27,477,298	\$14,276,335	\$64,753,633
Balance (Funding-Encumb)	\$0	\$0	\$0	\$0	\$0	\$522,702	\$623,665	\$1,146,367
Expenditures to Date	\$4,000,000	\$4,000,000	\$8,000,000	\$12,000,000	\$11,000,000	\$27,440,133	\$14,276,335	\$64,716,468
Balance (Encumb-Expend)	\$0	\$0	\$0	\$0	\$0	\$37,165	\$0	\$37,164
Balance (Total-Expend)	\$0	\$0	\$0	\$0	\$0	\$559,867	\$623,665	\$1,183,532

- (1) Reflects original budget of \$1,246,900 less \$500,000 transferred to Electric per State Grant - 9/28/07.
- (2) Reflects original budget of \$1,438,044 less \$600,000 transferred to Electric per State Grant - 9/28/07.
- (3) Reflects original budget of \$714,125 plus \$1,100,000 transferred from ICRRA Railroad and NPUC Gas Pipeline - see (1) & (2) above.
- (4) Includes \$65,900,000 in State Grant Funding & \$1,389,700 in Federal EDA Grant Funding.
- (5) 2012 track project transfer from NPUC substation budget



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June 13, 2017  
Regular Session

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**REQUEST FOR BOARD ACTION (ID # 5114)**

---

**DEPARTMENT:** Transportation

**PRESENTER:** Joshua Cotter

**TIME REQUIRED:**

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**AGENDA ITEM:**

ICRRA Board Update - Mesabi Metallica Project

---

**BOARD ACTION REQUESTED:**

None anticipated.

Informational update on any/all current issues involving Mesabi Metallica project.

**BACKGROUND:**

Hammerland Construction has been moving forward with the construction of the tailings bridge and the return water line project. Both projects are on track to be completed in the next few months.

Mesabi Metallica Company LLC filed for Chapter 11 bankruptcy on July 8, 2016. On April 26, 2017 the Delaware bankruptcy court selected Chippewa Capital Partners LLC as the best option to salvage the bankrupt Essar Steel Minnesota project in Nashwauk MN. The confirmation hearing has been extended to June 13, 2017 to allow additional time to review the reorganization plan and the DNR's mineral leases. Once confirmed and agreements are made with all of the stakeholders, Chippewa Capital plans to finish constructing the taconite pellet plant within 18 to 24 months and expects to also build an advanced direct-reduced-iron plant in Nashwauk within 33 months.

**ITEM HISTORY:**

**COUNTY ATTORNEY REVIEW:** <5 Minutes

**SUPPORTING DOCUMENTATION:**





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June 13, 2017  
Regular Session

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**REQUEST FOR BOARD ACTION (ID # 5106)**

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**DEPARTMENT:** Transportation

**PRESENTER:** Karin Grandia

**TIME REQUIRED:**

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**AGENDA ITEM:**

Consultant Services for Mesabi Metallica Project

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**BOARD ACTION REQUESTED:**

Authorize ongoing expenditures for consultant services to be paid for through the regional rail budget with revenues gained from the cars storage fees.

**BACKGROUND:**

SEH has been providing construction administration and program management services to the ICRRA for the Mesabi Metallica project since 2008. Dave McKenzie has been the main contact with SEH who has provided that service. He has been an integral resource throughout the entire project and his knowledge of railroad operations and processes is invaluable. He retired from SEH in March but agreed to continue working on this project through a temporary employment arrangement with Express Professionals.

Due to many construction and bankruptcy delays, the project has not yet been completed. There is still additional time and effort required to complete the railroad agreements and coordinate the completion of the project. Those agreements will require expertise

The grant agreements that have been funding the expenditures associated with these consultant services expire on June 30, 2017 and will not be extended. ICRRA has been collecting car storage fees from ERP since February of 2015 with revenues from 2015 and 2016 totaling \$413,760.

**ITEM HISTORY:**

**COUNTY ATTORNEY REVIEW:** <5 Minutes

**SUPPORTING DOCUMENTATION:**