

LEAF VALLEY TOWNSHIP

2050 County Rd. 14 NW
Miltona, MN 56354
Phone 218-267-2533

Wade Nibbe called Special Meeting to order on June 22, 1011 @ 1:00 pm with the Pledge of Allegiance. Supervisors Dale Diedrich, Brent Ost, Clerk Pam Cuperus were present. Chair, Wade Nibbe introduced attorneys Paul Reuvers and Stephanie Angolkar, they are the attorneys representing L.V. Township and there were also over 25 in attendance.

Paul Reuvers gave some background information regarding the lawsuit that was filed almost a year ago up dating everyone on some of the history up to date. He informed everyone that the Supervisors could have kept this a closed meeting but the current Board wanted residents in the Township to hear information firsthand from the Board and attorneys representing the Township. This is a public process for the decision that needs to be made but the Board has the authority to make the ultimate decision and to make any changes. The Judge did not give any direction for the Board to follow, just that the method used was not authorized. Mr. Reuvers indicated an appeal was an option for the board but since this is the first time the court analyzed the statute, it is difficult to predict a result. He recommended it is in the best interest of the township to not appeal.

All three Board members, who are Plaintiffs in the lawsuit, were asked by Paul Reuvers where they lived in the township, within or out of the CLRSD, and if they could act impartial and that the decision they decide on would be fair for the Township. They all answered that "they would always have the best interest of the Township whenever any choices had to be made". Mr. Reuvers also suggested the Board get the word out as quickly as possible informing LV residents so the residents will have input before the final decision is made. Mr. Reuvers and Stephanie Angolkar will assist the Board in the entire legal process. Julie Hasemann and Paul Reuvers have been in contact since the Judge's ruling and she informed him that she would rather not be involved at all in any process of putting together a new or different resolution. Mr. Reuvers addressed all questions from Board and from the audience. All were reminded to attend any Special Meetings and monthly meetings, all meetings are always posted.

Mr. Reuvers informed Board at this time a decision needs to be made if they wanted to appeal the ruling made by Judge Battey? Motion was made and second to NOT appeal the Judge's ruling with Dale Diedrich, Wade Nibbe, and Brent Ost voting aye, with no further discussion motion carried. The attorneys agreed to attend the July 14, 2011 meeting to assist the Board in establishing the process to move forward with decision on allocation of costs. The

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allocation decision will not be made at the July 14, 2011 monthly meeting. He suggested having questions/concerns prepared prior to the meeting, they and Board would try to address them at that meeting.

Mr. Reuvers addressed questions from residents.

Motion was made and second to adjourn with Wade Nibbe, Dale Diedrich, and Brent Ost voting aye. No further discussion motion carried. 1:35 pm.

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MONTHLY MEETING

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CHAIR, Wade Nibbe called the Special Public Hearing to order on August 04, 2011 @ 7:00 pm opening meeting with Pledge of Allegiance. Supervisors Dale Diedrich, Brent Ost, Treasurer Barb Guenther, Clerk Pam Cuperus and Attorney Paul Reuvers and over 60 LV residents attending.

Wade explained why this Special Meeting was being held, for all LV residents to voice opinions and concerns and asks questions regarding the re-allocation of the CLRSD debt for all residents in the LV Township. Wade asked everyone to introduce themselves before speaking, try to keep remarks or questions to around three minutes.

Paul Reuvers was introduced. He is the attorney representing and working with the Township Board to adopt a new resolution. He provided a background of the lawsuit and explained the Court determined the previous Board did not properly select an option authorized by state statute to pay for allocation of costs from the CLRSD. He explained there would be no decision made at this meeting and that on the 10th the Board will continue with deliberations and discussions. He then reviewed the three options authorized by state statute the Board could work with. At this time floor was opened up to questions and comments.

Several residents on Little Ida Bh Rd asked to take into consideration that they are already in the ALASD and being assessed for that sewer that they are using so why should they be assessed for the CLRSD debt that they got nothing from they feel they would be paying "twice". Others commented there are those within the CLRSD that would have never gotten hooked to the pipe, but they are still located within the district. There were several comments questioning how much money the CLRSD spent, where it went and why LV or other townships should have to pay for it. It was explained CLRSD was dissolved and had to pay its debts, with LV's share approximately \$500,000.00. One citizen commented he lived in the north of the township and never would benefit from CLRSD, but since he has to contribute, then others should be treated the same. Paul explained the statute did not authorize cutting out parcels if the Board chose to spread at least part of the costs across the entire township, quoting the statute which authorized the board to allocate the costs "on the entire net tax capacity of all taxable property" within the township.

Paul then provided a "rough estimate" using taxable market value per \$100,000.00 of residential property to illustrate the options available to the board. If the board chose to

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allocate the debt across the entire township, he advised "all" taxable property had to be included. He was asked several questions about the illustrations informed all that this is only an estimates to guide the discussion. Once a method is selected, it would then need to be certified, the Do. Co. Auditor would need to review all parcels and then once a resolution has been passed and the entire process finished at the Auditors then some parcels may receive a refund, issued by the Township Treasurer, or some may owe more then what already paid.

Paul and Board continued to answer all questions and concerns best they could. A comment was made questioning why LV should continue to pay this debt; answer being Township has a bond, a signed obligation to Wells Fargo to pay Leaf Valley's debt and there are only three years left on this obligation, the next payment due December 2011. There were concerns voiced about CLRSD and handling of funds, Glen Olson explained what happened with the property that CLRSD purchased for the waste treatment plant, the mishandling of that transaction and funds. There were many in crowd that did not realize that that had even gone on. Comment was made at this time that residents should have been attending the meetings over the last 8 to 10 years but as a unit we did not think the CLRSD project would affect those that were not directly involved in the project or would be connected to "the Pipe". At one time there was a survey sent to residents about the sewer project, no response was a vote in favor, those out of the district never got survey consequently they thought this project would not affect them, why go to meetings if it did not concern you, now all residents are paying for this debt; this is not fair and how can residents stop this from happening ever again in the future. Dale Diedrich commented that "this is a no win situation and no way a solution that is going to be equally fair for everyone in the Township". As a Board member he promised the Board would and will follow law of the letter from the judge and the Board will be as fair and reasonable as required by law. Paul recommended the Board act in a reasonable amount of time as possible (the sooner the better) because the change in all paperwork that is involved with the Auditor.

There were no other questions. Wade reminded everyone that there will be another meeting @ Leaf Valley with Board and Paul Reuvers at the Hall at 7:00 pm to discuss if Board has come up with a solution and to start on new resolution.

Motion was made and second by Wade Nibbe, Dale Diedrich and Brent Ost to adjourn, no further discussion motion carried.

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CHAIR, Wade Nibbe called the August 10, 2011 Special Public Hearing meeting to order @ 7:00 pm with Pledge of Allegiance. Attorney Paul Reuvers, Supervisor Dale Diedrich, Treasurer Barb Guenther, Clerk Pam Cuperus and about 60 residents attended. Supervisor Brent Ost arrived about 7:20 pm.

The minutes of the August 04, 2011 Special Public Hearing were read, motion was made and second to accept minutes as prepared and read with Wade Nibbe and Dale Diedrich voting aye, no further discussion motion carried.

The floor was opened to residents for questions and comments for the Attorney and Board. All of the questions and concerns that were voiced were answered to best of the Board's and Attorney's knowledge and they tried to explain all aspects of resolution regarding the payment of the bond. Comment made by Board and Attorney is that this is a Township debt, there are only three years left and once new resolution has been adopted Township must move on. The Attorney advised all that there is no reason for any legal action that Township to act on against old Board members or CLRSD. Once again Attorney recommends that would be in the best interest of the entire community to resolve this issue and act soon on a new resolution. All paperwork will need to be certified with Auditor and Auditor will need to review every parcel in the Township for any adjustments that process in itself will take time.

Each Board member reminded all present that even though all three live outside the CLRSD District they believe they can act fairly that this resolution not only affects those within the CLRSD but entire Township. It is a debt in the Township that needs to be paid. These public hearings are for the benefit of everyone in the Township to voice their opinions, all comments will be heard so they can and will make a fair decision. This is "a no win situation, a decision must be made so Township can move forward". At this time Paul asked Board on their thoughts or ideas on drafting a new resolution, he needs direction before he can put together a draft of a new resolution that Board could review, change and adapt at later date. Wade and Brent thought 70/30 could be fair, Wade commented he would even consider 60/40; Dale was undecided at this time. Board was asked why not a Special Public Hearing where LV residents could vote on a particular plan; all were informed for a decision no public hearing is needed the Supervisors adopt all resolutions. The current Board is having these public meetings to keep all informed and regardless of when these meetings are held it is not perfect for

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everyone, impossible to set up date or time perfect for everyone. There will never be a perfect date, time or decision for everyone in the Township.

Paul Reuvers has agreed to attend the September 08, 2011 monthly meeting, to bring along a "rough draft" of RESOLUTION that the Board can change as needed and adopt if feasible. Comment was made by several residents that even though they do not live in CLRSD district all are being taxed. We must pay the debt and move on, again not fair for everyone but Township needs to act and move on.

At this time Wade thanked everyone for their input and comments, motion was made and second to adjourn with Wade Nibbe, Dale Diedrich, and Brent Ost voting aye, no further discussion motion carried. 8:20 pm

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