

BOARD OF HARVEY COUNTY COMMISSIONERS

August 18, 2008

The Board of Harvey County Commissioners met in regular session on August 18, 2008 with all three Commissioners present. Chairman Krehbiel called the meeting to order at 9:00 a.m.

ITEMS ADDED TO AGENDA:

1. Commissioner Westfall received a question from a citizen regarding the licensing of the scales at the landfill and how often they are checked. Roy Patton, Transfer Station Superintendent, said the scales are checked annually, usually in April.
2. Commissioner Westfall received a complaint about the railroad crossing on SW 14th Street. The asphalt is heaving and needs to be repaired.

CALENDAR:

1. Beginning in September, the monthly CDDO meeting time will change from 4:00 p.m. to 4:30 p.m.
2. A meeting will be held August 26 at 10:00 a.m. at the North Newton City Hall to discuss the new FEMA flood maps. Andy McGrail from the State Water Resources Board will be there to answer questions.

Minutes of the August 11, 2008 meeting were approved upon a motion by Commissioner Roberson, seconded by Commissioner Westfall. Motion passed unanimously.

ADMINISTRATIVE ITEMS:

1. Chairman Krehbiel and Joyce Truskett, County Clerk, signed the District Certification to the State Conservation Commission approving a total allocation of \$16,065.00 for the Harvey County Conservation District for calendar year 2009.
2. Commissioner Krehbiel also signed a budget amendment for the 2009 District Court budget, transferring the capital request items to the courthouse general budget.
3. Commissioner Roberson will staff the Chamber of Commerce booth at the Kansas State Fair from 1:00 p.m. to 5:00 p.m. on September 12th. Commissioner Westfall will try to staff the booth from 5:00 p.m. to 9:00 p.m.
4. Scott Davies, Director of Planning & Zoning, is sending a letter to FEMA requesting an extension of the deadline to protest the new FEMA flood maps. The letter requests the protest period be extended from 30 days to 90 days.
5. The Commissioners reviewed the Mass Antibiotic Dispensing Plan submitted by the Harvey County Health Department. Commissioner Roberson made a motion to approve the plan and authorize the Chairman to sign. Commissioner Westfall seconded the motion and it was passed unanimously.

CITIZEN'S FORUM:

There were no citizens present for Citizen's Forum.

Craig Simons presented an inter-local agreement with the City of Newton for the 76 acres at SW 36th Street and Old Highway 81 purchased for the development of new fairgrounds. There are no special assessments on the property and it meets the comprehensive land use requirements which will enable city services to be provided. The City also has agreed that the taxes generated from any private buildings on the four lots along Old Highway 81 would go to the County in order to reduce the bonded indebtedness on the fairground buildings. Commissioner Westfall made a motion to approve the inter-local agreement with the City of Newton. Commissioner Roberson seconded the motion and it was passed unanimously.

Greg Nye, Harvey County Counselor, reported that the meeting held to discuss changing the regulations on building in dam breach areas of watershed dams went very well. Comments at the meeting were very positive on how the Commission and Scott Davies has handled the problem with the organization of a committee to research the situation. The regulations will be amended in September.

Warrant checks were approved upon a motion by Commissioner Westfall, seconded by Commissioner Roberson. Motion passed unanimously.

Shelly Hammond, from Allen, Gibbs, & Houlik, presented the 2007 audit report. There were no significant or unusual transactions noted in the report. Nine new audit standards were implemented this year as required by law. One of the new standards involves a closer examination of internal controls. It was noted that employees who have the authority to do wire transfers are not required to have any secondary verification procedures. This issue is in the process of being corrected.

The bid opening for bond financing for the purchase of property to be developed as fairgrounds was presented by Kevin Cowan and Todd Loescher, representatives of Gilmore & Bell. Members in attendance from the Public Building Commission were Eugene Wendling, Richard Denno, Byron Motter, and Commissioner Roberson. Absent was Tim Johnson. Mr. Cowan assured Commissioner Roberson that there is no conflict of interest with her serving on both the County Commission and the Public Building Commission. Greg Nye, County Counselor, was also in attendance. Kevin Cowan briefed the Commission as to how the meeting with the Public Building Commission and County Commission would proceed. Eugene Wendling called the Public Building Commission to order at 11:15 a.m. Todd Loescher presented three bond financing bids that were received:

DeWaay Financial Network – Total interest costs including 1% discount, \$332,836.80

Country Club Bank – Total interest costs including 1% discount, \$353,804.52

Cooper, Malone, & McLain – Total interest costs including 1% discount, \$343,126.29

Richard Denno made a motion to accept the low bid from DeWaay Financial Network in the amount of \$332,836.80. Byron Motter seconded the motion and it was passed unanimously. Commissioner Roberson, as representative of the PBC, made a motion to approve **PBC Bond Resolution No. 2008-3**, accepting the low bid to finance the purchase of the fairground property. Richard Denno seconded the motion and it was passed unanimously.

Commissioner Roberson made a motion to approve and authorize the Chairman to sign County **Resolution No. 2008-18**, establishing a lease whereby the County will lease the land from the Public Building Commission for the development of the fairgrounds. Commissioner Westfall seconded the motion and it was passed unanimously. The Public Building Commission meeting was adjourned at 11:40 a.m. upon a motion by Byron Motter, seconded by Richard Denno.

Commissioner Westfall made a motion to go into executive session for a period of 15 minutes at 11:45 a.m. to discuss personnel issues. Commissioner Roberson seconded the motion and it was passed unanimously. At 12:00 p.m. Commissioner Westfall made a motion to extend the session for an additional 15 minutes. Commissioner Roberson seconded the motion and it was passed unanimously. Executive session ended at 12:10 p.m. with no action being taken.

The Commission recessed for lunch.

Commissioner Roberson made a motion to go into executive session at 1:25 p.m. for a period of 30 minutes to discuss legal matters. Commissioner Westfall seconded the motion and it was passed unanimously. Counselor Nye, Roy Patton, John Waltner, and Charlie Summers were in attendance. At 2:05 p.m. Commissioner Westfall made a motion to extend the executive session until 3:00 p.m. Commissioner Roberson seconded the motion and it was passed unanimously. At 3:05 p.m. Commissioner Westfall made a motion to extend the session for a period of 30 minutes. Commissioner Roberson seconded the motion and it was passed unanimously. Executive session ended at 3:35 p.m. with no action being taken.

The meeting was recessed until 7:00 p.m.

Chairman Krehbiel reconvened the meeting at 7:00 p.m. in the Courthouse Community Room for a public hearing regarding a proposed contract with Bio-Gold Inc., converting waste to energy.

Steve Racoosin, Director of Bio-Gold Inc., presented a proposal to build a waste-to-energy plant south of the existing Transfer Station building. The proposed plan is a bio-refinery concept that includes three phases to be implemented over an extended period of time. The first phase would be a system that sterilizes trash by exposure to infrared diodes in a large tube. The sterilized material would then be ground, crushed, and compressed into a fuel cube. ICM Ethanol producers have signed a contract with Bio-Gold to use the fuel cubes to provide energy to an ethanol plant. Although individual components of this system are in operation in different areas of the country, this would be the first location where all the components are under one roof. The plant would be independent in their utilities with the exception of water. They would drill one well, which would be adequate for the first phase or the plant could also use recycled water. The ultimate goal of the center is to eliminate burying trash in landfills, thus preserving the environment. The name of the plant would be the Kenneth Meier Harvey County Alternative Energy Center.

Questions were received and answered by Mr. Racoosin. There is very little noise or odor that would be generated by the plant and there would be no disruption in existing waste removal. Bio-Gold is a publicly traded company listed on the SEC website. The County would have no monetary investment in the project other than providing the land where the plant will be constructed. The plant will be approximately 50,000 to 75,000 square feet in size. Although current recycling and composting programs will continue, any type of trash that is carbon based could be used, including tires. They would like to have 120 tons per day, but could handle more. There would be some downstream refuse in the form of ash which could go to the landfill, but they would try to mix it in brick and block. Autoclaves would be installed in about two years, which will be in the second phase. The first phase of the project would cost about 20 million. The current staff of the recycling center would be used in the first phase and at completion of the project, the plant would employ approximately 45 people. Although traffic in the area would increase some Mr. Racoosin did not feel that the increase would be significant. The plant is to be built as an asset to the community. It is to be an attractive building that is well landscaped. There will be an observation area included for educational purposes. The water needs for the plant are about 7,000 gallons a day and approximately 5,000 gallons will be recycled. Bio-Gold has financing commitments of \$100,000,000 and the first phase would cost about \$20,000,000. The beginning phase of construction will take about 9 months and it will take 27 months to the start up date.

The reason Bio-Gold is interested in Harvey County is because of the County's interest is trying to find an alternative to placing trash in landfills. Landfilling trash is no longer a long-term option. Landfills leak and produce harmful gases, even after they are closed. Mr. Racoosin happened to read an article about the County's search for a waste to energy system and contacted Craig Simons after that. Mickey Fornaro-Dean, Director of Economic Development, said that there is good support from the cities in Harvey County and that the County has kept them well informed. Commissioner Roberson has heard from many people around the state who are particularly interested in watching what Harvey County does because we are considered a fore-runner in support of waste-to-energy. Commissioner Westfall commended Roy Patton, Director of the Harvey County Transfer Station, on his knowledge and oversight of waste disposal in Harvey County. He would most likely be the "watchdog" for the operation of waste-to-energy. The plan will have to receive permits from the Kansas Department of Health and Environment and the Attorney General will also have to approve it. Mr. Racoosin proposed that no employees at the transfer station would lose their job. Bio-Gold would probably pay the County money to pay the employees.

A representative from ICM stated that as much as half of our daily fuel supply could come from trash, which is an unlimited fuel source.

This is a long-term project which would require the approval of the County Commission if big changes are proposed in the distant future. The proposed contract will be examined every five years. Commissioner Roberson stated that it is important to hear the opinions of the public although they know they cannot please everyone. The County has a responsibility to sustain jobs and the tax base that the County functions on. Commissioner Westfall believes the proposed

contract has good protection for the County. Bio-Gold cannot raise the money they need to without the Commission's approval.

Commissioner Roberson made a motion to approve the contract for the resource recovery system proposed by Steve Racoosin, representative of Bio-Gold, Inc. Commissioner Westfall seconded the motion and it was passed unanimously.

Chairman Krehbiel adjourned the meeting at 8:43 p.m.

BOARD OF HARVEY COUNTY COMMISSIONERS

Chairman

ATTEST:

Member

County Clerk

Member