



Dakota County

Physical Development Committee of the Whole

Minutes

Tuesday, July 12, 2022

10:00 AM

**Conference Room L139 Western
Service Center, Apple Valley**

(or following Community Services Committee of the Whole)

1. Call To Order And Roll Call

Also in attendance were Matt Smith, County Manager; Tom Donely, First Assistant County Attorney; Georg Fischer, Physical Development Division Director; Liz Hansen, Administrative Coordinator.

The meeting was called to order at 11:20 a.m. by the Chair, Commissioner Liz Workman. Commissioner Joe Atkins arrived at 11:21 a.m. Matt Smith joined the meeting at 11:26 a.m.

The audio of this meeting is available upon request.

Present

- Commissioner Mike Slavik
- Commissioner Kathleen A. Gaylord
- Commissioner Laurie Halverson
- Commissioner Joe Atkins
- Chairperson Liz Workman
- Commissioner Mary Liz Holberg
- Commissioner Mary Hamann-Roland

2. Audience

Commissioner Workman asked if there was anyone in the audience that wished to address the Physical Development Committee of the Whole on an item not on the agenda or an item on the consent agenda. No one came forward and one comment was submitted to CountyAdmin@co.dakota.mn.us and distributed to the Committee.

3. Approval Of Agenda (Additions/Corrections/Deletions)

3.1 Approval of Agenda (Additions/Corrections/Deletions)

Motion: Kathleen A. Gaylord

Second: Mike Slavik

On a motion by Commissioner Gaylord, seconded by Commissioner Slavik, the agenda was unanimously approved. The motion carried unanimously.

Ayes: 7

4. Consent Agenda

4.1 Approval of Minutes Of Meeting Held On June 14, 2022

Motion: Joe Atkins

Second: Mary Hamann-Roland

Ayes: 7

4.2 Planning Commission Update

Motion: Joe Atkins

Second: Mary Hamann-Roland

Information only; no action requested.

Ayes: 7

5. Regular Agenda

5.1 Update On Byllesby Dam Hydropower Redevelopment Project

Josh Petersen, Sr. Water Resources Engineer, Environmental Resources presented this item and responded to questions.

Information only; no action requested.

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5.2 Authorization To Execute Contract Amendment With Boldt Company, LLC, For Construction Manager/General Contractor Services For Phase II Of Byllesby Dam Water-To-Wire Development Project

Motion: Joe Atkins

Second: Kathleen A. Gaylord

Josh Petersen, Sr. Water Resources Engineer, Environmental Resources presented this item and responded to questions.

WHEREAS, Dakota County owns the Lake Byllesby Dam and operates its hydroelectric facility under the Federal Energy Regulatory Commission (FERC) safety regulations; and

WHEREAS, by Resolution. No. 15-532 (October 20, 2015), the Dakota County Board of Commissioners authorized the execution of a contract with Ayres Associates, Inc., for engineering design services to complete turbine and powerhouse upgrades for the Byllesby Dam Water-to-Wire Redevelopment Project; and

WHEREAS, to complete this project, County staff developed a team including an engineering consultant to provide project design, a turbine manufacturer to provide turbine and generation equipment in a complete package (e.g., water-to-wire equipment), and a general contractor for the redevelopment of the site with the installation of the equipment and modification to the powerhouse structure; and

WHEREAS, due to the many complexities in the design, construction, and installation of the water-to-wire facilities, including new turbines and generators to maximize the electric power output of the dam in the future, staff concludes that the standard low bid methodology of awarding the construction contract is not appropriate and is unlikely to provide the best value to the County; and

WHEREAS, by Resolution No. 18-538 (October 23, 2018), the County Board, in accordance with the authority granted in Minn. Stat. 130G.535, approved utilizing a special type of contractor relationship that provides both construction management and general contractor services on the project and authorized staff to develop and solicit a request for qualification for services; and

WHEREAS, by Resolution No. 21-368 (July 20, 2021), the Dakota County Board of Commissioners authorized the execution of a contract with Boldt Construction, LLC, to perform Construction Manager/General Contractor Services for Phase II of the development project; and

WHEREAS, this first amendment is necessary to continue work with Boldt Construction, LLC, as several issues were found when removing portions of the unearthed 110-year-old facility including replacement of additional dam and powerhouse walls, structural bracing, additional demolition tasks, and inflation costs of equipment and supplies; and

WHEREAS, staff and the project's consultants have revised this requested change order and found it to be sound; and

WHEREAS, based on review of American Rescue Plan State and Local Fiscal Recovery Funds (SLFRF) eligibility requirements for clean water projects, the Byllesby Dam Water-to-Wire Redevelopment Project is an eligible expense; and

WHEREAS, under Treasury reporting guidance for Rule, 31 CFR Part 35, Subp. A, Section 35.6 (e)(1), definitions for the Clean Water: Energy Conservation include costs associated with the production of renewable energy; and

WHEREAS, staff recommends authorization to use \$5,000,000 of ARP SLFRF funds to finance the Boldt contract amendment.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Physical Development Director to execute a first contract amendment with Boldt Company, LLC, to provide Construction Manager/General Contractor services for the Byllesby Dam Water-to-Wire Redevelopment Project in the amount not to exceed \$22,652,875.42, subject to the County Attorney's Office as to form; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby amend the 2022 Byllesby Dam Capital Improvement Program Budget as follows:

Revenue

American Rescue Plan State and Local Fiscal Recovery Funds	<u>\$5,000,000</u>
Total Revenue	\$5,000,000

Expense

Byllesby Dam Upgrade BD00008	<u>\$5,000,000</u>
Total Expense	\$5,000,000

; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby amends the 2022 Non-Departmental Budget as follows:

Revenue

American Rescue Plan State and Local Fiscal Recovery Funds	<u>(\$5,000,000)</u>
Total Revenue	(\$5,000,000)

Expense

Program Expense	<u>(\$5,000,000)</u>
Total Expense	(\$5,000,000)

This item was approved and recommended for action by the Board of

Commissioners on 7/19/2022.

Ayes: 7

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5.3 Authorization To Execute Third Amendment To Contract With Ayres Associates For Engineering Support Services For Construction Of Byllesby Dam Water-To-Wire Redevelopment Project

Motion: Mike Slavik

Second: Laurie Halverson

Josh Petersen, Sr. Water Resources Engineer, Environmental Resources presented this item and responded to questions.

WHEREAS, Dakota County owns the Byllesby Dam and operates its hydroelectric facility under the Federal Energy Regulatory Commission (FERC) safety regulations; and

WHEREAS, over the past few years, the Dakota County Board of Commissioners has made significant capital investments into the facility; and

WHEREAS, by Resolution No. 14-149 (March 18, 2014), the Dakota County Board of Commissioners authorized staff to complete a turbine efficiency study during the summer of 2014; and

WHEREAS, it was determined that the most feasible long-term option for energy production at Byllesby Dam was to replace the current equipment with new modernized vertical Kaplan turbine units; and

WHEREAS, by Resolution No. 15-532 (October 20, 2015), the Dakota County Board of Commissioners authorized the execution of a contract with Ayres Associates for engineering and design services to complete turbine and powerhouse upgrades for the Byllesby Dam Water-to-Wire Redevelopment; and

WHEREAS, the design was completed in May 2020, but design engineering services are still required to complete the project due to changes and modifications to the original design throughout the construction process; and

WHEREAS, on August 25, 2020, staff executed a contract with Ayres Associates, with a first amendment authorized on June 18, 2021, and a second on February 22, 2022; and

WHEREAS, staff evaluated the requested amendment from Ayres Associates and found it to be sound and justified.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Physical Development Director to execute a second amendment to the contract with Ayres Associates for additional design support services to complete the Byllesby Dam Water-to-Wire Redevelopment Project at the Byllesby Dam in the amount of \$25,800, bringing the total contract amount to \$236,600, subject to approval by the County Attorney's Office as to form.

This item was approved and recommended for action by the Board of

Commissioners on 7/19/2022.

Ayes: 7

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5.4 Authorization To Execute Contract With Avant Energy, Inc. To Provide Capacity Market Services For Sale Of Power From Byllesby Dam Hydroelectric Project

Motion: Mary Hamann-Roland

Second: Joe Atkins

Josh Petersen, Sr. Water Resources Engineer, Environmental Resources presented this item and responded to questions.

WHEREAS, Dakota County owns the Byllesby Dam and operates the hydroelectric facility under Federal Energy Regulatory Commission (FERC) safety regulations; and

WHEREAS, since 1987, the County has coordinated the dam operations and maintenance with Neshkoro Power Associates (NPA) through a lease agreement; and

WHEREAS, the County Board authorized replacing NPA's lease agreement with an operating agreement to provide hydropower operation services at Byllesby Dam by Resolution No. 11-305 (June 21, 2021), beginning May 1, 2011, and running through March 2021; and

WHEREAS, the March 2021 agreement termination date was selected as it was also the expiration date of the Power Purchase Agreement (PPA) between NPA and Xcel Energy for the Byllesby Dam; and

WHEREAS, the PPA language stipulated that the PPA was to expire on March 2021 or on the date the facility's existing turbine equipment is shut down as part of the turbine upgrade project, with no option to renew the existing PPA; and

WHEREAS, with the approaching need for a new agreement for power sales, County staff has contracted with a local power sales expert to assess the County's power sales options once the turbine upgrade project is completed; and

WHEREAS, by Resolution No. 20-295 (June 16, 2020), Dakota County authorized submittal of an application with the Midcontinent Independent System Operator (MISO) for sales of energy; and

WHEREAS, a MISO connection would allow the County to sell Byllesby Dam's power to other utilities in the Midwest or on the spot energy market; and

WHEREAS, sales of the spot energy market require regular management and involvement for documentation, filings, and regular communications with MISO at all times; and

WHEREAS, staff coordinates with the local power sales expert and determined that a service contract with a local specialty firm was necessary to complete these tasks; and

WHEREAS, Avant Energy, Inc, has been solicited for these specialized services and has provided a comprehensive contract to make energy sales seamless for the County; and

WHEREAS, staff and the local power sales expert have reviewed the price for these services and found them to be sound.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Physical Development Director to execute a contract with Avant Energy, Inc., to provide capacity market services for the Byllesby Dam Hydroelectric Project in the amount not to exceed \$111,500, subject to the County Attorney's Office as to form.

This item was approved and recommended for action by the Board of Commissioners on 7/19/2022.

Ayes: 7

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5.5 Authorization To Release Draft Agricultural Chemical Reduction Effort Plan For 45-Day Public Review And Comment

Motion: Mike Slavik

Second: Kathleen A. Gaylord

Valerie Neppl, Groundwater Protection Supervisor, Environmental Resources, presented this item and responded to questions.

Jill Trescott, Senior Environmental Specialist, Environmental Resources, was also in attendance to provide responses to questions asked by the committee.

Based on discussion the resolution language for the draft Agricultural Chemical Reduction Effort Plan was amended to increase the public review period from a 30-day public review to a 45-day public review period.

WHEREAS, developing the Agricultural Chemical Reduction Effort (ACRE) Plan is a 2022 Board Priority; and

WHEREAS, an update on the ACRE Plan, planning process, stakeholder engagement and technical research findings, and draft goals, strategies, and tactics was discussed with the Physical Development Committee of the Whole on February 8, 2022; and

WHEREAS, the 2020-2030 Dakota County Groundwater Plan identified reduction of agricultural chemical contamination as a high-priority strategy (strategy 1B1); specifically, tactic 1B1B states that the County will develop an ACRE Plan; and

WHEREAS, the intent of ACRE is to reduce agricultural chemicals in groundwater to levels that no longer pose threats to human health and the environment; and

WHEREAS, the draft ACRE Plan was developed through extensive research on current Minnesota programs and other state programs focused on improving water quality from agricultural operations, completion of a groundwater nitrate modeling, a robust stakeholder engagement process, and guidance provided by the Board; and

WHEREAS, two rounds of public engagement (August-December 2021 and February-March 2022) were conducted to listen, test ideas, and refine plan actions; and

WHEREAS, the Dakota County Planning Commission reviewed the draft Plan on June 23, 2022, and recommended the release of the draft plan for a 30-day public review period to the Physical Development Committee of the Whole.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board hereby authorizes the release of the draft Agricultural Chemical Reduction Effort Plan

for a 45-day public review period from July 20 to September 3, 2022.

This item was approved and recommended for action by the Board of Commissioners on 7/19/2022 with the amended resolution language.

Ayes: 7

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5.6 Adoption Of Natural Resource Management Plan For Lake Marion Greenway

Motion: Mary Liz Holberg

Second: Mary Hamann-Roland

Chris Klatt, Natural Resource Specialist, presented this item and responded to questions.

WHEREAS, the County Board adopted the Natural Resources Management System Plan, which determined that Natural Resource Management Plans (NRMPs) would be developed for all County Parks, Greenways, and Easements; and

WHEREAS, Stantec was hired to develop the Lake Marion and North Creek Greenway NRMPs, and it addresses natural resource management on non-County lands in proximity to the Greenway; and

WHEREAS, a Technical Advisory Committee consisting of staff from host communities, other agencies, and major landowners convened on January 7, 2022, to discuss future development and natural resource management on these lands; and

WHEREAS, the Dakota County Planning Commission reviewed the Lake Marion and North Creek Greenway NRMP Study Areas and initial findings on July 22, 2021, then reviewed the recommendations, restoration work plan, and proposed cost-share structure and recommended the Drafts be released to the public on February 24, 2022; and

WHEREAS, by Resolution No. 22-122 (March 22, 2022), the County Board approved the release of the Drafts to the public for a 60-day review period; and

WHEREAS, during the public review period, County staff presented and solicited feedback from municipal citizen advisory boards and two Public Open Houses; and

WHEREAS, the Dakota County Planning Commission reviewed the final Draft of the Lake Marion Greenway NRMP and recommended adoption of the Plan on June 23, 2022.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby adopts the Lake Marion Greenway Natural Resources Management Plan.

This item was approved and recommended for action by the Board of Commissioners on 7/19/2022.

Ayes: 7

5.7 Update On 2022 Buildings And Parks Capital Improvement Projects

Jay Biedny, Capital Projects Manager, Capital Projects Management, presented this item and responded to questions.

Information only; no action requested.

5.8 Update On Office Of Performance And Analysis Greenhouse Cost Study

Tom Lewanski, Natural Resources Manager, Parks, and Penny Anderson, Management Analyst II, Office of Performance and Analysis, presented this item and responded to questions.

Shannon Montante, Natural Resource Specialist, and Jay Biedny, Capital Projects Manager, were in the audience and responded to Commissioner questions.

Based on the discussion, the committee viewed the general concept of the greenhouse favorably. Staff will develop plans to include a greenhouse in future Capital Improvement Program requests for County Board consideration.

Information only; no action requested.

6. Physical Development Director's Report

Georg Fischer, Physical Development Director, provided the Committee with a written Division update and responded to questions.

Jake Chapek was introduced as the new Assistant County Engineer in Transportation.

7. Adjournment

7.1 Adjournment

Motion: Mary Hamann-Roland

Second: Mike Slavik

On a motion by Commissioner Mary Hamann-Roland, seconded by Commissioner Mike Slavik, the meeting was adjourned at 12:28 p.m.

Ayes: 7

Respectfully submitted,

Liz Hansen
Administrative Coordinator