

**MINUTES OF THE BOARD OF
CARBON COUNTY COMMISSIONERS
REGULAR MEETING
Tuesday, January 17, 2012
County Courthouse, Rawlins, Wyoming**

The regular meeting of the Board of Carbon County Commissioners (BOCC) commenced Tuesday, January 17, 2012 at the County Courthouse in Rawlins, Wyoming. Attending the meeting were Chairman Terry Weickum; Vice Chairman Jerry Paxton; Commissioner Leo Chapman; Deputy County Attorney Mike Kelly; County Clerk Gwynn Bartlett; and Deputy Clerk Kathy Turner.

Chairman Weickum called the meeting to order at 9:03 a.m.

VOUCHERS

Commissioner Chapman moved to approve the report of expenditures in the amount of \$298,312.97. Commissioner Paxton seconded and the motion carried unanimously.

Commissioner Chapman moved to approve payment to Candy Mountain in the amount of \$33.75. Commissioner Paxton seconded and the motion carried with Commissioners Chapman and Paxton voting for the motion and Chairman Weickum abstained noting he owns this company.

Vendor	Detail Line Description	Total
ABSOLUTE SOLUTIONS	PAGERS FROM ZEIGERS RESCUE	\$1,022.78
ALCO	SUPPLIES	\$12.99
AMERIGAS	PROPANE SERVICES	\$348.24
BAGGS, TOWN OF	WATER SERVICES	\$18.40
BANK OF COMMERCE (DEBIT CARD)	VARIOUS CHARGES	\$1,920.02
BARKHURST, RAY	MILEAGE	\$34.80
BEHAVIORAL INTERVENTIONS	ELECTRONIC MONITORING	\$2,302.40
BEST WESTERN COTTONTREE	MOTEL CHARGES	\$464.72
BI-RITE PHARMACY	PRESCRIPTIONS	\$5,540.55
BRESNAN COMMUNICATIONS	CABLE SERVICES	\$150.21
BUFFALO RUN RESIDENTIALS, LLC	RENTAL ASSISTANCE	\$295.00
BUILD RITE LUMBER SUPPLY	SUPPLIES/POSTAGE	\$156.45
CANDY MOUNTAIN	SUPPLIES	\$33.75
CARBON COUNTY ECONOMIC DEVELOPMT	SEVERANCE TAX PAYMENT	\$6,250.00
CARBON COUNTY SENIOR SERVICES	MATCHING FDS/MEALS/HEALTH INS	\$73,460.00
CARBON COUNTY STRIKE TEAM	MEALS/SUPPLIES	\$244.90
CARBON COUNTY TREASURER	VARIOUS CASH ITEMS	\$4,247.58
CARBON POWER & LIGHT INC	ELECTRICAL SERVICES	\$1,668.06
CBM FOOD SERVICE	JAIL MEALS	\$3,309.04
CESKO FAMILY MEDICINE, PC	MEDICAL SERVICES	\$710.00
CHEMICAL TESTING PROGRAM	BLOOD KITS	\$246.50
CO DEPT OF PUBLIC HEALTH & ENVIRNMT	TOXICOLOGY SERVICES	\$125.00
COVE	GRANT FUNDS	\$378.82

COWBOY SUPPLY HOUSE	SUPPLIES	\$749.28
COWDIN, JOHN	MILEAGE	\$32.40
CULLIGAN WATER CONDITIONING	SUPPLIES	\$287.50
DAILY TIMES	PAPER CHARGES/ADS	\$141.74
DALLIN MOTORS INC	VEHICLE MAINTENANCE	\$31.94
DAVIDSON FAMILY DENTAL	DENTAL SERVICES	\$148.00
EAGLE UNIFORM SUPPLY	FLOOR MATS	\$75.49
EARLES, WESLEY	RENTAL ASSISTANCE	\$1,600.00
ENGSTROM, JAMES D. DDS	DENTAL SERVICES	\$2,500.00
ERICKSON & ROBERTS	LEGAL SERVICES	\$2,612.45
FARMER BROTHERS COFFEE	SUPPLIES	\$43.46
FLEET SERVICES	FUEL	\$143.89
FORESTRY SUPPLIERS, INC.	VESTS	\$223.58
FORSTER LANDSCAPE & CONSTRUCTION	SNOW REMOVAL	\$65.00
FRANCE, TARA	TRANSCRIPTION	\$223.25
GALLS, AN ARAMARK COMPANY	SUPPLIES	\$178.91
GCR ELECTRONICS, LLC	SITE RENTALS	\$900.00
GRAINGER	SUPPLIES	\$134.60
GRAPHIC SPORTS	SUPPLIES	\$13.00
GREATER WY BIG BROS/SISTERS	GRANT FUNDS	\$198.45
GREINER FORD	S.O. TRUCK	\$24,824.00
HAGOOD, VICKI	MILEAGE	\$19.95
HANNA PROP REPAIR	SNOW REMOVAL	\$120.00
HANNA, TOWN OF	WATER SERVICES	\$164.59
HAYS, STEPHEN DDS	DENTAL SERVICES	\$370.00
HEIMAN FIRE DEPARTMENT	SUPPLIES	\$1,788.20
HEWITT LADD, INC.	PROFESSIONAL SERVICES	\$1,156.25
HI COUNTRY LANDSCAPES & LAWNCARE	DEAD TREE REMOVAL	\$1,150.00
HILLCREST SPRING WATER, INC.	EQUIPMENT RENTAL/SUPPLIES	\$43.90
HILLTOP CONOCO	FUEL	\$45.00
HOME INVENTORY, LLC	SUPPLIES	\$62.75
INTOXIMETERS	SUPPLIES	\$240.95
J H KASPAR OIL COMPANY	FUEL	\$6,186.67
JACK, WILLIAM A.	CPR CLASSES	\$20.00
JACKALOPE PRINTING	SUPPLIES	\$132.48
JUVE, JANE H	LEGAL SERVICES	\$7,747.67
KAISLER, TODD	MILEAGE	\$54.00
KILBURN TIRE COMPANY	VEHICLE MAINTENANCE/TIRES	\$694.92
L & L ELECTRIC	ELECTRICAL REPAIRS	\$149.79
LEXBO LLC	OFFICE RENTAL	\$500.00
LINDSEY, ANN, MSW, LCSW	FACILITATOR FEES	\$191.67
LONG BUILDING TECHNOLOGIES, INC.	BUILDING MAINTENANCE	\$180.00
MADDOX, TROY	MILEAGE	\$34.80
MARTINEZ, JANICE	JOURNALS	\$31.14
MEDICINE BOW HEALTH CENTER	SEVERANCE TAX PAYMENT	\$22,500.00
MEDICINE BOW, TOWN OF	WATER SERVICES	\$58.00
MILLER, JIM	MILEAGE	\$30.60
MOELLER, MARIE	CLEANING SERVICES	\$292.50
MOTOROLA	RADIOS CLAIM	\$16,963.85

MPM CORP / EVERGREEN DISPOSAL	GARBAGE SERVICES	\$100.00
NORCO, INC.	SUPPLIES/CYLINDER RENTAL	\$263.03
OFFICE DEPOT	OFFICE SUPPLIES	\$107.50
OLD PENITENTIARY JOINT POWERS BOARD	SEVERANCE TAX PAYMENT	\$5,302.50
O'REILLY AUTO PARTS	WIPER BLADE	\$15.99
OTOOLE, PATRICK "EAMON"	MILEAGE	\$60.00
PAMIDA INC	SUPPLIES	\$253.64
PAXTON, JERRY	MILEAGE	\$372.00
PERKINS OIL CO	FUEL	\$1,736.75
PERUE PRINTING	SUPPLIES	\$111.00
PICKETT, CHAD	MILEAGE	\$40.20
PLAINSMAN PRINTING & SUPPLY	LEGAL CASE BINDERS	\$1,147.98
PLATTE VALLEY MEDICAL	MEDICAL SERVICES	\$105.00
PRAIRIE DOG ELECTRIC, LLC	BUILDING MAINTENANCE	\$354.78
PROJECT PREVENTION	DAILY TIMES AD/LUNCH/POSTCDS	\$289.23
PUBLIC SAFETY CENTER, INC	FLASHLIGHT	\$81.73
QUILL CORPORATION	SUPPLIES	\$383.34
RAWLINS AUTOMOTIVE	PARTS	\$2,326.35
RAWLINS CARBON COUNTY AIRPORT BD	SEVERANCE TAX PAYMENT	\$6,700.00
RAWLINS EASTSIDE CARWASH	WASH CARDS	\$86.40
RAWLINS EYE CARE	VISION SERVICES	\$225.00
RAWLINS FIRE EXTINGUISHER	ANNUAL INSPECTIONS	\$485.00
RAWLINS URGENT CARE	MEDICAL SERVICES	\$310.00
RAWLINS, CITY OF	WATER SERVICES	\$962.20
RICHARD S. BECKER & ASSOCIATES	PROFESSIONAL SERVICES	\$906.61
ROWAN, KRISTY	MEETING SUPPLIES	\$24.86
RYAN ELECTRONICS INC	MAINTENANCE CONTRACT FEE	\$4,007.29
SAFEGUARD BUSINESS SYSTEMS	TAX SUPPLIES	\$136.58
SARATOGA AUTO PARTS, INC.	WIPER BLADES	\$26.47
SARATOGA SUN	NEWSPAPER ADS	\$2,341.33
SARATOGA, TOWN OF – WATER	WATER SERVICES	\$81.75
SHEPARD'S	FUEL	\$639.42
SNAKE RIVER PRESS	NEWSPAPER ADS	\$180.00
SOURCE GAS	GAS SERVICES	\$686.69
SOUTH CENTRAL WY EMS	SEVERANCE TAX PAYMENT	\$12,500.00
STANLEY SECURITY SOLUTIONS	MAINTENANCE CHARGES	\$2,025.00
STAPLES ADVANTAGE	OFFICE SUPPLIES	\$250.63
SUNRISE SANITATION SERVICE, LLC.	GARBAGE SERVICES	\$20.00
SWANSON, LISA	MILEAGE	\$300.00
SWISHER HYGIENE FRANCHISEE TRUST	CLEANING SUPPLIES	\$83.19
TANDAN SANITATION SERVICES	GARBAGE SERVICES	\$40.00
TRADING POST	SUPPLIES/FUEL	\$120.95
TRENT LAW OFFICE, LLC	LEGAL SERVICES	\$30.00
TREVATHAN, SABRINA RPR	TRANSCRIPTION	\$3,256.05
TRIPLE XXX CONTRACTING, INC.	GARBAGE SERVICES	\$50.00
TRUE VALUE OF RAWLINS	SUPPLIES	\$304.64
T'S KEYS	BATTERY PACK FOR ALARM	\$51.30
U S BANK	VARIOUS CHARGES	\$2,664.63
U S POSTMASTER-RAWLINS	PO BOX RENT	\$42.00

U.S. BANK	2010C BONDS ADMIN FEE	\$500.00
UTILITY BILL SOLUTIONS GROUP	UTILITY SAVINGS	\$123.89
VALLEY OIL COMPANY	FUEL	\$513.11
VALLEY PHARMACY	PRESCRIPTIONS	\$140.10
VAN'S WHOLESALE LLC	SUPPLIES	\$249.58
W C & P A A	ANNUAL ATTORNEY DUES	\$600.00
WELLS, JACQUELIN	MILEAGE	\$35.50
WEST PAYMENT CENTER	WEST INFORMATION CHARGES	\$732.98
WIMPENNY, ROBERT G DDS	DENTAL SERVICES	\$400.00
WY ATTORNEY GENERAL	DEC UNEXPENDED FUNDS	\$976.98
WY DEPT OF HEALTH	VEHICLE BILLING/PAYROLL	\$38,323.17
WY FINANCIAL INSURANCE, INC.	NOTARY BONDS	\$100.00
WY STATIONERY	SUPPLIES	\$1,279.40
WY WASTE SERVICES-RAWLINS	GARBAGE SERVICES	\$1,369.73
YAMPA VALLEY ELECTRIC	ELECTRICAL SERVICES	\$1,416.44
GRAND TOTAL		\$298,346.72

CLERK

Minutes

Commissioner Chapman noted there needs to be a correction to the minutes where the same Commissioner made and seconded a motion.

Commissioner Chapman moved to approve the minutes of the January 3, 2012 regular meeting of the Board of Carbon County Commissioners as presented as amended. Commissioner Paxton seconded and the motion carried unanimously.

Monthly Receipts

Commissioner Chapman moved to accept the statement of fees collected for December 2011 for the County Clerk in the amount of \$12,221.75; Carbon County Attorney discovery billing of earnings for December 2011 in the amount of \$260.20; fees collected from the Clerk of District Court for the month ending December 2011 in the amount of \$2,163.66; and Department of Planning and Development receipts for the month of December 2011 in the amount of \$1,230.00. Commissioner Paxton seconded and the motion carried unanimously.

Saratoga Lions Club

Clerk Bartlett presented a request from the Saratoga Lions Club to conduct a Calcutta during the annual chariot races in Saratoga February 17-19.

Commissioner Chapman moved to approve the Saratoga Lions Club to conduct a Calcutta during the annual Donald E. Erickson Memorial Chariot Races in Saratoga February 17-19. Commissioner Paxton seconded and the motion carried unanimously.

Board Resignation

Commissioner Chapman moved to accept the resignation of Cassandra Cartwright from the Juvenile Services Board effective immediately and send her a letter of appreciation and authorize Clerk Bartlett to advertise for this position. Commissioner Paxton seconded and the motion carried unanimously.

DKRW

Clerk Bartlett advised she received a check from DKRW in the amount of \$1,000.00 for the application fee pursuant to Resolution No. 2009-35 for the Medicine Bow project for industrial development bonds. She advised that she received a letter from Kevin Colman, Mayor of Medicine Bow supporting this project.

Carbon County Health Officer

Clerk Bartlett advised the agreement for the County Health Officer expires at the end of February and advised that Bridget Hettgar from Public Health strongly urges the BOCC to appoint Dr. Kirsch. She suggested having the expiration date of the agreement to be August 31, 2012 to coincide with the State's contract with this position.

Commissioner Chapman moved to appoint Archie P. Kirsch as the County Health Officer for a term to expire August 31, 2012 at the same rate he is currently paid. Commissioner Paxton seconded and the motion carried unanimously.

Little Snake River Valley Library Lease Extension

Clerk Bartlett presented a lease extension for office space located in the Carbon County Little Snake River Valley Library in Baggs, Wyoming for issuance of driver licenses by the Wyoming Department of Transportation. Clerk Bartlett noted the county would receive \$720.00 under the two year extension. She advised Kristin Herr, Library Director and Deputy Attorney Mike Kelly recommend approval.

Commissioner Chapman moved to approve the Extension of Lease Agreement for the premises located at the Carbon County Little Snake River Valley Library between the Board of Carbon County Commissioners and the Wyoming Department of Transportation, extending the lease dated February 1, 2009 for a two year period expiring January 31, 2014. Commissioner Paxton seconded and the motion carried unanimously.

Wyoming Surplus Property

Clerk Bartlett presented a resolution from Wyoming Surplus Property noting this resolution would allow the listed individuals to purchase surplus property on behalf of Carbon County.

Commissioner Paxton moved to approve Resolution No. 2012-06 a Resolution from Wyoming Surplus Property in Cheyenne, Wyoming authorizing certain county employees to purchase surplus property. Commissioner Chapman seconded and the motion carried unanimously.

RESOLUTION NO. 2012-06

“BE IT RESOLVED BY THE GOVERNING BOARD, OR by the Chief Administrative Office of those agencies which do not have a governing board, and hereby authorized as our representative(s) to acquire surplus property from The STATE OF WYOMING SURPLUS PROPERTY.

<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>	<u>PHONE NUMBER</u>	<u>EMAIL ADDRESS</u>
Leroy Graham	Buildings Manager	-s- Leroy Graham	(307)328-2655	leroygraham@carbonwy.com
Gwynn Bartlett	County Clerk	-s- Gwynn Bartlett	(307)328-2668	gwynnbartlett@carbonwy.com
Jerry Colson	County Sheriff	-s- Jerry Colson	(307)324-7716	sheriffcolson@carbonwy.com
Bill Nation	R & B Superintendent	-s- Bill Nation	(307)324-9555	billnation@carbonwy.com
Cal Rerucha	County Attorney	-s- Cal Rerucha	(307)328-2700	calrerucha@carbonwy.com
Cindy Baldwin	County Treasurer	-s- Cindy Baldwin	(307)328-7810	cindybaldwin@carbonwy.com
Sheryl Snider	County Assessor	-s- Sheryl Snider	(307)328-2746	sherylsnider@carbonwy.com
Paul Zamora	County Coroner	-s- Paul Zamora	(307)328-7830	paulzamora@carbonwy.com
Deborah Olson	Clerk of District Court	-s- Deborah Olson	(307)328-2628	deboraholson@carbonwy.com

PASSED AND ADOPTED this 17th day of January, 2012, by the governing board of Carbon County by the following vote: Yes 3 No 0 Absent 0. I, Gwynn Bartlett, Carbon County Clerk, Do Hereby Certify that the foregoing is a full, true, and correct copy of a resolution adopted by the board at a regular meeting thereof held at its regular place of meeting at the date by the vote above stated, which resolution is on file in the office of the board.

Authorized this 17th day of January, 2012.

by: -s- Terry Weickum, Chairman Board of County Commissioners

Attest: -s- Gwynn Bartlett, Carbon County Clerk

Carbon County Government, PO Box 6, Rawlins, WY 82301
415 W. Pine Street, Rawlins, WY 82301
(307) 328-2668 * (307) 328-2669

Memorial Hospital of Carbon County (MHCC)

Clerk Bartlett presented Requisition #18 and #19 for MHCC’s specific purpose tax project.

Commissioner Chapman moved to approve the Chairman's signature on Carbon County 2009 Specific Purpose Tax Joint Powers Board Requisition #18 in the amount of \$422,773.26 and Requisition #19 in the amount of \$185,327.59. Commission Paxton seconded and the motion carried unanimously.

County Fire Warden

Clerk Bartlett advised interviews will be conducted this afternoon for this position and she has notified the Fire Chiefs in the county of these interviews.

Clerk Bartlett discussed a letter that was received from John Zeiger, Mayor of Saratoga and a response from Dwight France, County Fire Warden.

ELECTED OFFICIALS / DEPARTMENT HEADS

Attorney

Deputy Attorney Kelly presented contract proposals with GDA Engineering for the Dixon Airport for the NAVAIDS project for professional items 1 through 6 for a total of \$33,696.50. He stated this contract has been reviewed by the Wyoming Department of Transportation and the Federal Aviation Administration.

Commissioner Paxton moved to approve the Dixon Airport NAVAIDS project between Carbon County and GDA Engineering in the amount of \$33,696.50. Commissioner Chapman seconded and the motion carried unanimously.

Mr. Kelly presented a contract for the proposal archival density shelving material and flooring at the Museum in the amount of \$67,893.76 noting this was bid per the county's procurement policy.

Commissioner Paxton moved to approve a Contract for Services between Carbon County and Certified Business Services Inc. for shelving and associated items at the Museum in the amount of \$67,893.76. Commissioner Chapman seconded and the motion carried unanimously.

Treasurer

County Treasurer Cindy Baldwin reported the county received \$415,000.00 of forest reserve funding. Although she was notified the previous year's funding would be cut from \$386,000.00 by 25% the county received more.

Ms. Baldwin noted the hospital's levy fund now sits at \$270,925.59 in their account including December's collections. Out of this, approximately \$78,000.00 will come out of here but at 100% collection there would be approximately \$90,000.00 more to add.

Ms. Baldwin stated the recent investment policy included funds invested with Edward Jones however the local office was closed and she is not satisfied with where they moved the funds to so she will be moving them to WyoStar.

Ms. Baldwin noted specific purpose tax collections are above what is necessary to make the bond payments.

Assessor

Deputy County Assessor, Cheryl Ross presented abates and rebates for the Chairman's signature. She stated the reductions totaled \$249,581.00 with increases of \$1,193,866.00.

Buildings Manager

Buildings Manager, Leroy Graham reported there has been a water leak in the building and because there were no drawings of where water lines are in the Courthouse, he hired a contractor to cut a hole in the wall and finally was able to find the line. He hopes to have valves installed on all floors soon then he will be able to turn on the hot water again.

Commissioner Paxton asked if the county is contracted with someone for Dixon Airport snow removal. Mr. Graham stated that the county's maintenance person at the airport is doing removal unless it is too heavy then Stocks Services is performing the removal.

Planning

Planning Director, Sid Fox reported he continues to work with the City of Rawlins on their expansion plan. He also reported that he attended a meeting with the Bureau of Land Management regarding the Pathfinder Whirlwind 1 wind energy project that is a combination of public and private land that will have approximately 200 turbines and part of Pathfinder's efforts is to connect to the Transwest Express power line.

Road & Bridge

Road & Bridge Superintendent, Bill Nation reported he obtained estimates per the county's procurement policy for radiant heat at the Elk Mountain shop. Youngberg Plumbing quoted \$8,731.18 and Sierra Heating & Sheet Metal quoted \$9,608.00. He recommended approving the low estimate.

Commissioner Chapman moved to accept the bid for radiant heat at the Elk Mountain Road & Bridge shop from Youngberg Plumbing in the amount of \$8,731.18. Commissioner Paxton seconded and the motion carried unanimously.

Mr. Nation discussed equipment work his department has been performing. Mr. Nation discussed the Battle Creek Bridge replacement project. He stated he is working with Paul Draper, Road & Bridge Superintendent with Routt County Colorado, and that all electrical components of the change out are complete and the crane is hooked up to the bridge to move it to the north side to make it a temporary bridge. Mr. Nation stated turbidity in the area is non-existent and environmental problems that may occur during a summer change out are non-existent as well.

He also reported the Rock Creek Bridge replacement project is going well. The Pick Bridge project is progressing with WLC Engineering beginning their engineering work.

RECESS

Chairman Weickum called a recess at 10:16 a.m. and reconvened at 11:00 a.m.

DKRW

Chairman Weickum asked DKRW representatives to discuss the mechanics of their request of the BOCC. Bob Kelly, Executive Chairman of DKRW Advanced Fuels, requested the county approve a resolution that would put in process two components to finance their projects in the Medicine Bow area. The first is tax exempt private activity bonds starting with an inducement letter that later goes to the Governor for review. These bonds, totaling approximately \$245 million are sold by DKRW into the private bond market and do not obligate the county in any way and they are repaid by the project.

The second finance area is for industrial development bonds. The cap on these is \$600 million and DKRW has asked for approval up to \$300 million subject to numerous requirements including a review and recommendation by the Wyoming Business Council, Attorney General, Governor and the Wyoming Legislature dependent upon the recommended amount. In addition to this, Citibank would bring in a substantial amount of private debt totaling up to \$1 billion as well as some financing by DKRW's equity.

Barbara Bonds, bond attorney for the county, noted the county has a resolution outlining the application process, Resolution 2009-35, and the county has received all items including the \$1,000.00 application fee necessary per this resolution. She stated she believes everything is in order for the county to take action.

Larry Wolfe, counsel for DKRW, thanked the board for their time and county staff time working on the process. He discussed a fee that would be due to the county noting this would be negotiated at the time of bond issuance. He stated he hopes the bonds would be issued during the second quarter of 2012.

Commissioner Chapman stated he is in favor of the project however due to the number of technical questions he has received from the public, he feels it is necessary to ask some questions. Commissioner Chapman asked what will be DKRW's debt coverage ratio and capital ratio after the plant is running and product is being sold? The answer was a capital ratio of 65% debt, 35% capital, and the debt coverage ratio will be 2:1 (200%).

Commissioner Paxton stated he feels the county wants the project but due to the county's residents' apprehension, he asked questions taken from some of the correspondence received. He asked about the postponement of engineering plans as a requirement of the Wyoming Business Council and why there was a delay. Bob Kelly stated the inducement letter resolution should be passed first because of the laboratory's high study fee. He did not want to have a hiccup on passing resolutions after already paying \$130,000.00 for the laboratory's fee. Secondly, Citibank requested a study be performed a comprehensive technical review. He also

discussed the legislature's deadline if the matter must appear before them but states he feels that should be able to be met.

Commissioner Paxton asked about the untried nature of the technology behind this project and the issues that arose in another similar project. Bob Kelly replied that a Pennsylvania project took waste coal run through a Shell gasifier however this is a different technology and that he believed the development company could not obtain the development equity to pull the pieces together. He also stated he believes the required licenses were not obtained. Bob Kelly added that DKRW has large companies behind them that have contributed substantial amounts of money and licenses, there are engineering contractors in place and in his opinion the technology is proven citing a process in New Zealand as well as a more recent Chinese project. Bob Kelly further discussed the similarities and differences from a project in South Africa that Commissioner Paxton asked about.

Commissioner Paxton asked about the Department of Energy's (DOE) request for the loan guarantee. Bob Kelly stated that in 2005 a bill was passed that allocated funds for energy technologies. After a long process, it is Bob Kelly's feeling that at no fault of DKRW, DOE has put the project on hold and he will be meeting with them next week to determine the status.

Commissioner Paxton asked if executives of this project are former ENRON employees. Bob Kelly stated that he was employed by ENRON and yes they went bankrupt. He stated there were 40,000 plus individuals that worked there and while there was some misconduct by a few of those people, he does not feel it is fair to judge the rest of those individuals by the actions of a few.

Commissioner Chapman asked the level of gas that would be sold upon completion of the project. Bob Kelly replied that this would be 87% octane gasoline just like at a local gas station. The plan is that the product would be transported into the Plains Pipeline in Cheyenne.

Chairman Weickum discussed concerns by some that DKRW is not a Wyoming based corporation however this does not concern him. He then called for any other questions from the audience.

Bill Nation, Road & Bridge Superintendent, reminded DKRW to bring as much money as they can to the county starting with freight on board deliveries to Carbon County. He stated he would like an agreement that the road use will come through Medicine Bow.

Gary Jones apologized about some questions he asked at the past meeting and discussed his support for the project.

Bob Kelly stated the bonds they are asking the county for authorization is part of a large financing package. At closing for all the pieces there are some strict reviews that must be met before anything proceeds. He stated this provides an assurance to the county that all items must be in place before these bonds could be closed. Chairman Weickum agreed he feels assured by the process.

Kenda Colman, Medicine Bow Council Member discussed a letter sent by Medicine Bow's mayor in support of the project and she asked for the county to take action to proceed. Chairman Weickum agreed but stated he felt it necessary to perform due diligence to ensure the interest of the county residents were represented.

Janeen Jones of Elk Mountain stated it would be irresponsible to proceed without engineering analysis as there is no track record for the technology and she asked what details were provided from DKRW to this point. Chairman Weickum stated the BOCC is not reviewing the technology but someone between now and closing will review this and he is comfortable with that. Ms. Jones asked who bears the liability for the bonds if the project fails. Bob Kelly stated DKRW is out \$100 million if the project does not come to fruition. Chairman Weickum pointed out the county is not liable. Commissioner Paxton added that early on in the process the county received ample and detailed information from DKRW about the project and its process.

Cindy Wallace, Executive Director for the Economic Development Corporation stated her support of this project.

Deputy Attorney Kelly discussed the county's Resolution 2009-35 that calls for a 30 day application waiting period noting it can be waived by the BOCC for good cause.

Commissioner Chapman moved to waive the 30 day waiting period called for by Resolution 2009-35. Commissioner Paxton seconded and Commissioner Chapman noted he feels this is necessary due to the legislative deadline that may need to be met. The motion carried unanimously.

Larry Wolfe asked that the application for the volume cap allocation be approved today as well. Ms. Bonds stated that passage of the resolution is the only necessary action at this time.

Commissioner Paxton moved to approve Resolution 2012-07, A Resolution Authorizing the Board of County Commissioners of Carbon County, Wyoming to Proceed with the Issuance of Carbon County, Wyoming, Taxable and Tax-Exempt Industrial Development Revenue Bonds (Coal-to-Liquids Facility Project), in a Principal Amount Not to Exceed \$300,000,000 of Taxable Bonds and in a Principal Amount Not to Exceed \$245,000,000 of Tax-Exempt Bonds, to Finance Certain Facilities and Equipment on behalf of Medicine Bow Fuel & Power LLC and to Execute a Memorandum of Agreement in Connection Therewith Between the Board of County Commissioners of Carbon County, Wyoming and Medicine Bow Fuel & Power LLC to include all attached exhibits. Commissioner Chapman seconded and the motion carried unanimously.

RESOLUTION NO. 2012-07

A RESOLUTION AUTHORIZING THE BOARD OF COUNTY COMMISSIONERS OF CARBON COUNTY, WYOMING TO PROCEED WITH THE ISSUANCE OF CARBON COUNTY, WYOMING, TAXABLE AND TAX-EXEMPT INDUSTRIAL DEVELOPMENT REVENUE BONDS (COAL-TO-LIQUIDS FACILITY PROJECT), IN A PRINCIPAL AMOUNT NOT TO EXCEED \$300,000,000 OF TAXABLE BONDS AND IN A PRINCIPAL AMOUNT NOT TO EXCEED \$245,000,000 OF TAX-EXEMPT BONDS, TO FINANCE CERTAIN FACILITIES AND EQUIPMENT ON BEHALF OF

MEDICINE BOW FUEL & POWER LLC, AND TO EXECUTE A MEMORANDUM OF AGREEMENT IN CONNECTION THEREWITH BETWEEN THE BOARD OF COUNTY COMMISSIONERS OF CARBON COUNTY, WYOMING AND MEDICINE BOW FUEL & POWER LLC

WHEREAS, the Board of County Commissioners of the County of Carbon, Wyoming (the “County”) is authorized by the Industrial Development Projects Act, W.S. 15-1-701 et seq. (the “Act”), to finance projects or parts thereof in order to facilitate and promote the sound economic growth of the State of Wyoming (the “State”), the promotion and development of its natural resources, energy improvements and employment opportunities for the citizens of the State by encouraging the expansion of all kinds of business which contribute payrolls and tax base to the State, upon such conditions as the governing body of the County (the “Governing Body”) may deem advisable; and

WHEREAS, the County is further authorized by the Act to issue its industrial development revenue bonds for the purpose of defraying the cost of financing any project; and

WHEREAS, Medicine Bow Fuel & Power LLC, a Delaware limited liability company (the “Company”), registered to conduct business in the State and a wholly-owned subsidiary of DKRW Advanced Fuels LLC, a Delaware limited liability company, has requested that the County approve the issuance of industrial development revenue bonds to finance a portion of the costs of an industrial gasification and liquefaction facility which will convert coal into gasoline, carbon dioxide and other products in the County (the “Project”); and

WHEREAS, the Company has requested that the County agree to authorize, issue, sell and deliver, at a future time or times mutually agreeable to the County and the Company, Industrial Development Revenue Bonds (Coal-to-Liquids Facility Project) in a principal amount not to exceed \$300,000,000 of taxable bonds and in a principal amount not to exceed \$245,000,000 of tax-exempt bonds (the “Bonds”) to pay a portion of the costs of the Project, together with the costs incident to the authorization, issuance and sale of the Bonds; and

WHEREAS, the Bonds may be of two types, taxable and tax-exempt, under the Internal Revenue Code, and the tax-exempt bonds will constitute “private activity bonds” and “exempt facility bonds” under Sections 141 and 142 of the Internal Revenue Code of 1986, as amended (the “Code”), so that interest on the Bonds shall not be included in gross income for federal income tax purposes; and

WHEREAS, pursuant to the Code and the “Wyoming Office of the Governor—Rules—Allocation of Volume Cap on Tax-Exempt Private Activity Bonds”, the Company has requested that the County, with the Company’s assistance, apply to the Governor of the State for a preference allocation from the general allocation pool of the “volume cap” for “private activity bonds” necessary for the financing of the Project (the “Volume Cap Application”); and

WHEREAS, the Volume Cap Application to be submitted to the Governor for calendar year 2012 will request a preference allocation of the “volume cap” for “private activity bonds” in the amount of \$245,000,000, consisting of an amount equal to \$164,560,000 from the general allocation pool for calendar year 2012 and \$80,440,000 of the volume cap allocation received by the Wyoming Community Development Authority (the “WCDA”) and subject to relinquishment, upon request of the Governor, by the WCDA pursuant to Chapter 2, Section 1(e) of the Rules; and

WHEREAS, the County, as part of the Volume Cap Application to be submitted to the Governor for calendar year 2012, will ask that the Governor, pursuant to Chapter 2, Section 1(e) of the Rules, request the WCDA to relinquish a portion of its calendar year 2012 volume cap allocation and make an additional \$80,440,000 available to the general allocation pool; and

WHEREAS, pursuant to W.S. 9-4-715(m), the Company submitted an application to the Wyoming Business Council (the “WBC”) (the “WBC Application”), asking that the State participate in the financing of the Project by purchasing up to \$300 million of the taxable Bonds to be issued by the County with moneys from the State’s permanent funds; and

WHEREAS, it is contemplated that one or more financing agreements (“One Or More Financing Agreements”) with respect to the Project will be executed prior to or contemporaneously with the issuance of the Bonds by the Company and the County providing for the payment by the Company of sums sufficient in amount to pay the principal of, premium, if any, and interest on the Bonds, all trustee’s and paying agent’s fees, any expenses of the County and any fees assessed by the WBC and/or State Treasurer, in connection with the Bonds as the same become due and payable; and

WHEREAS, in connection with the issuance of the Bonds, it is contemplated that the Bonds will be issued under and secured by one or more Trust Indentures (“One Or More Indentures”) by and between the County and a trustee or trustees to be named; and

WHEREAS, pursuant to Resolution No. 2009-35 adopted by the County on October 20, 2009, which defines the County’s policy concerning industrial development revenue bonding (the “Policy Resolution”), it is contemplated that one or more reimbursement agreements (“One Or More Reimbursement Agreements”) will be executed prior to the issuance of the Bonds by the Company and the County providing for the payment by the Company of sums sufficient in amount to pay all expenses incurred by the County in evaluating the Project proposal and in issuing the Bonds, and for the payment of any financing fees (as that term is defined in the Policy Resolution); and

WHEREAS, the County has waived the 30-day requirement for receipt of information required by Section 3 of the Policy Resolution; and

WHEREAS, the Company has previously submitted the information required by Sections 3 and 5 of the Policy Resolution, and such information is contained in the record of proceedings attached hereto as Exhibit A; and

WHEREAS, the County has determined, and such determination is supported by evidence contained in the record of proceedings attached hereto as Exhibit B, that the Project will serve the purposes of the Act by promoting the economic growth of the State, promoting and developing the State’s natural coal and oil resources, maintaining and promoting the expansion of businesses within the County, providing high quality jobs both during the construction phase and once the Project is built, adding significantly to the property tax roles and providing revenues to the State and other local governments through the payment of sales and use taxes; and

WHEREAS, construction of the Project and acquisition of necessary equipment has not yet commenced and it is deemed necessary and advisable that a Memorandum of Agreement be executed by the County and the Company (the “Memorandum of Agreement”), attached hereto as Exhibit C, setting forth the agreements of the parties with respect to the financing of the Project; and

WHEREAS, it will be necessary for the Company to make expenditures to acquire, construct and improve all or certain portions of the Project prior to the time that the permanent financing for such Project contemplated hereunder is arranged; and

WHEREAS, it is reasonably expected that upon completion of permanent financing for the Project, such expenditures will be reimbursed with the proceeds of the sale of the Bonds; and

WHEREAS, to comply with the provisions of the Code and the Treasury Regulations thereunder, the County desires that this Bond Inducement Resolution (this “Bond Inducement Resolution”)

constitute its declaration of “official intent” to reimburse such expenditures with proceeds of the Bonds; and

WHEREAS, the County wishes to declare its intention to authorize the issuance of its Bonds to pay the costs of the Project, together with the costs incident to the authorization, issuance and sale of the Bonds, and upon such terms and conditions as may then be agreed upon by the County and the Company; and

NOW, THEREFORE, be it resolved by the Board of County Commissioners of the County of Carbon, Wyoming, that:

Section 1. Based upon written information presented to the Governing Body by the Company, including, but not limited to, the information set forth in Exhibits A and B attached hereto, which information is made a part of these proceedings and which information was discussed at the meeting at which this Bond Inducement Resolution was adopted, the Governing Body hereby finds that the Project will qualify as a “project” within the meaning of the Act and will meet the following public purposes:

- (a) creating new or additional employment opportunities;
- (b) expanding the tax base and increasing sales, property or other tax revenue to the County;
- (c) maintaining and promoting a stable, balanced and diversified economy among agriculture, natural resource development, business, commerce and trade; and
- (d) promoting the use and development of agricultural, manufactured, commercial or natural resource products within or without the State.

Section 2. The County hereby agrees that it will authorize and issue, upon the terms provided in the form of Memorandum of Agreement, in one or more series, Bonds, which may be of two types, taxable and tax-exempt, in a principal amount not to exceed \$300,000,000 of taxable bonds and in a principal amount not to exceed \$245,000,000 of tax-exempt bonds. The Bonds shall be used to finance the costs of the Project, together with the costs incident to the authorization, issuance and sale of the Bonds, and the County will take all further action which is necessary or desirable in connection therewith, and its officers are hereby authorized and directed to take all actions necessary or desirable in connection with such financing. The tax-exempt Bonds will constitute “private activity bonds” and “exempt facility bonds” under Sections 141 and 142 of the Code, so that interest on the Bonds shall not be included in gross income for federal income tax purposes. A portion of the Project is an exempt facility classified as a solid waste disposal facility under Section 142(a)(6) of the Code. The SIC number is 21111. The coal ash, slag, filter cake and catalyst are classified as solid waste under 26 CFR § 1.142(a)(6)-1. The Company estimates that approximately \$245,000,000 of the total capital cost of the Project will be allocable to the solid waste disposal function as provided by 26 CFR § 1.142(a)(6)-1. Pursuant to the Code and the “Wyoming Office of the Governor—Rules—Allocation of Volume Cap on Tax-Exempt Private Activity Bonds” (the “Rules”), the County agrees, with the Company’s assistance, to apply to the Governor of the State for a preference allocation from the general allocation pool of the “volume cap” for “private activity bonds” necessary for the financing of the Project. The volume cap application to be submitted to the Governor for calendar year 2012 will request a preference allocation of the “volume cap” for “private activity bonds” in the amount of \$245,000,000, consisting of an amount equal to \$164,560,000 from the general allocation pool for calendar year 2012, and \$80,440,000 of the volume cap allocation received by the WCDA for calendar year 2012 and subject to

relinquishment, upon request of the Governor, by the WCDA pursuant to Chapter 2, Section 1(e) of the Rules. The volume cap application to be submitted by the County will ask the Governor to request the WCDA to relinquish a portion of its calendar year 2012 volume cap allocation and make an additional \$80,440,000 available to the general allocation pool.

Pursuant to W.S. 9-4-715(m), the Company submitted the WBC Application on December 1, 2011, asking that the State participate in the financing of the Project by purchasing up to \$300 million of the taxable Bonds to be issued by the County with moneys from the State's permanent funds. Such Bonds will be issued bearing interest at a taxable rate.

Section 3. The County, subject to the terms and conditions set forth in the Memorandum of Agreement, will authorize and execute prior to or contemporaneously with the issuance of the Bonds (a) One Or More Financing Agreements whereby the Company will make payments sufficient to pay all of the principal of, premium, if any, and interest on the Bonds, (b) One Or More Indentures to secure the Bonds, (c) One Or More Reimbursement Agreements whereby the Company will pay sums sufficient in amount to pay all expenses incurred by the County in evaluating the Project proposal and in issuing the Bonds, and for the payment of any financing fees (as that term is defined in the Policy Resolution), and (d) such other instruments and documents as shall be necessary or desirable in connection with such financing.

Section 4. A portion of the cost of financing the Project will be paid out of the proceeds from the sale of the Bonds, and none of the Bonds will be general obligations of the County, nor shall any of the Bonds, including interest thereon, constitute or give rise to a pecuniary liability of the County, or be a charge upon its general credit or its taxing power. The primary source of payment for the Bonds will be revenues generated from Project operations.

Section 5. The Company has expended and intends to expend its own funds to finance a certain portion of the acquisition, construction and equipment of the Project prior to the issuance of the Bonds. The Governing Body of the County and the Company reasonably expect that proceeds of the Bonds will be used to reimburse such expenditures. All of such expenditures constitute or will constitute "capital expenditures" within the meaning of Section 1.150-1(h) of the Treasury Regulations.

Section 6. The reimbursement allocation to be made with respect to such expenditures will occur not later than 18 months after the later of (a) the date on which the expenditure is paid, and (b) the date on which the Project is placed in service, but in no event more than three years after the original expenditure is paid. No reimbursement allocation will be made with respect to an expenditure paid prior to the 60-day period preceding the date of this Bond Inducement Resolution unless otherwise expressly permitted under Section 1.150-2 of the Treasury Regulations.

Section 7. A written reimbursement allocation described in Section 1.150-2 of the Treasury Regulations shall be made, being generally the transfer of the appropriate amount of Bond proceeds to reimburse the source of temporary financing used by the Company to pay the reimbursed costs of the Project. Each allocation shall (a) be evidenced by an entry on the official books and records of the County and/or the Company maintained for the Bonds, and (b) specifically identify the actual prior expenditure being reimbursed or, in the case of reimbursement of a fund or account in accordance with Section 1.150-2 of the Treasury Regulations, the fund or account from which the expenditure was paid.

Section 8. The agreements of the County set forth above, as they relate to the Bonds (which are subject to the terms and conditions set forth in the Memorandum of Agreement), are expressly conditioned upon the ability of the County to issue the Bonds as tax-exempt obligations under the federal income tax laws existing on the date of the issuance of the Bonds and nothing in this

Bond Inducement Resolution or the Memorandum of Agreement is intended to represent to the Company that such laws will not change before such date of issuance.

Section 9. Nothing contained in this Bond Inducement Resolution or in the Memorandum of Agreement shall constitute a general obligation of the County, within the meaning of the constitution or statutes of the State nor give rise to the pecuniary liability of the County, or a charge against its general credit or taxing powers.

Section 10. If any section, paragraph, clause or provision of this Bond Inducement Resolution shall for any reason be held to be invalid and unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Bond Inducement Resolution.

Section 11. All bylaws, orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order or resolution, or part thereof.

Section 12. All action (not inconsistent with the provisions of this Bond Inducement Resolution) heretofore taken by the Governing Body and the officers of the County with respect to the Project and the authorization, issuance and sale of the Bonds be, and the same hereby is, ratified, approved and confirmed.

**PASSED, ADOPTED, SIGNED AND APPROVED this 17th day of January 2012.
THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF CARBON,
WYOMING**

By -s- Terry Weickum
Name Terry Weickum
Title Chairman

ATTESTED:

By -s- Gwynn G. Bartlett
Name Gwynn G. Bartlett
Title County Clerk

Exhibits A-C are not listed in these minutes. See the original resolution for Exhibit A, *Supplemental Information Submitted to the County Pursuant to the Policy Resolution*, Exhibit B, *Evidence in Support of the Board's Determination That the Project Will Serve the Purposes of the Statute*, and Exhibit C, *Memorandum of Understanding*.

The Chairman executed the Application by The Board of County Commissioners of the County of Carbon, Wyoming for Issuance of Preference Allocation from the General Allocation Pool of the Volume Cap for the Tax Exempt Bonds addressed to Honorable Governor Matt Mead and Deputy Attorney Kelly will maintain possession of this Application until the appropriate time to send this to the Governor.

RECESS

Chairman Weickum recessed for lunch at 12:02 p.m. and reconvened at 1:35 p.m.

COUNTY FIRE WARDEN INTERVIEWS

Aaron Zent, Larry Trapp, Scott Hannum, and Brad Cary were interviewed for the County Fire Warden position. Fire Chiefs from Hanna and Elk Mountain were also present for the process.

RECESS

Chairman Weickum called a recess at 3:04 p.m. and reconvened at 3:09 p.m.

COUNTY FIRE WARDEN INTERVIEWS

Brian Hightree, Jim Piche and John Rutherford were interviewed for the County Fire Warden position. The BOCC discussed the candidates.

Commissioner Paxton moved to hire John Rutherford as Carbon County's Fire Warden. Commissioner Chapman seconded and Clerk Bartlett asked if there is an effective date. The BOCC wanted the effective date February 1, 2012. Mr. Nation stated his support for the decision. The motion carried unanimously.

Chairman Weickum stated he would call Mr. Rutherford and the unsuccessful applicants.

COMMISSIONERS DISCUSSION

Chairman Weickum reported he and Deputy Attorney Kelly met with Barbara Bonds and the Wyoming Business Council then Larry Wolfe and DKRW regarding the DKRW bond issue. They subsequently attended a Bureau of Land Management (BLM) meeting on power lines.

Commissioner Paxton reported he and Commissioner Chapman attended a BLM meeting on socioeconomic issues relating to BLM land.

Commissioner Chapman discussed closing of post offices and his follow up from the last meeting. He asked the BOCC to sign letters to our congressional delegation about the postponement of the closures and ask these individuals to take the time to review the matter further.

Commissioner Chapman moved to authorize the Chairman to sign letters to Wyoming's congressional representatives regarding rural post office closures. Commissioner Paxton seconded and the motion carried unanimously.

ADJOURNMENT

Commissioner Paxton moved to adjourn the meeting at 4:47 p.m. Commissioner Chapman seconded and the motion carried unanimously.

-s- Gwynn G. Bartlett, Carbon County Clerk

Approved this 7th day of February 2012

BOARD OF COUNTY COMMISSIONERS
CARBON COUNTY, WYOMING

-s- Terry Weickum, Chairman