

AREA II

AREA II & RCRCA Boards of Directors Meeting

January 7, 2016 – 9:00 AM – Lyon Street Service Center -- Marshall, MN

AREA II Members Present: Dennis Potter, Norman Holmen, Roy Marihart, Joe Drietz, Rick Anderson, Bob Moline, Luke Johnson, Lon Walling and Louis Sherlin.

RCRCA Members Present: Dennis Potter, Jack Vogel, Norman Holmen, Clark Lingbeek, Joe Drietz, Glen Sorensen, Mark Meulebroeck, Rick Anderson, Bob Moline, Paul Posthuma, Luke Johnson, Arvin Pater, Lon Walling, Ed Carter, Louis Sherlin and Burton Kuehn.

Others Present: Kerry Netzke – Executive Director Area II/RCRCA, Joy Bruns – RCRCA Office Manager, John Boulton – YMRWD, John Biren – Lyon SWCD, and Jason Beckler –BWSR.

The meeting was called to order at 9:00 AM by Area II Chair Johnson and RCRCA Chair Holmen.

ADOPT AGENDA. RCRCA Chair Holmen asked for any additions to the agenda. Netzke requested the agenda be revised to delete the RCRCA election of officers (the last election was for a 2 year term in 2015 JPA) and to add Lyon SWCD to the Agency Reports. Motion made by Moline, seconded by Potter, to approve the agenda as amended. Motion carried unanimously.

AGENCY AND MEETING REPORTS:

AMC – Commissioner Moline reported that the next AMC Board meeting on January 15 they will discuss new items for 2016. Commissioner Anderson, as part of the Drainage Work Group, reported that DNR has posted buffer maps with public waters identified on their website. No changes have been made from previous versions of the maps. A webinar has been announced for January 20 regarding the buffer maps starting at 9:30 AM. The webinar will be archived for viewing at a later date. Lingbeek asked about legal issues regarding the buffers which there will likely be many.

DNR – Netzke spoke with Lucas Youngsma this morning. He indicated that DNR’s electronic permit system (MPARS) had kicked out RCRCA’s general permit extension due to glitches regarding the holiday/vacation schedules of DNR staff and expiration date of December 31. The problem is being resolved and the permit will be extended, however, RCRCA must wait for the permit before moving forward with construction projects which the permit covers.

MASWCD – Supervisor Lingbeek reported the next State MASWCD meeting will be in St. Cloud in two weeks to act upon the resolutions presented at the State Convention in December. SWCDs will receive \$100,000 for two years (2016 & 2017) and is coming at an ideal time as the buffer initiative has created more work. The intent of the funds is to increase technical capacity by adding staff, equipment or other needs as determined by the SWCD.

YMRWD – Boulton reported that the watershed district should have a new administrator in place next month.

LYON SWCD – John Biren reported that Lyon SWCD plans to hire another individual within the next few months who will be housed at the AreaII/RCRCA office. Technicians must acquire technical approval authority (TAA) from NRCS in order to design projects. TAA is granted once the technician has proven

his/her ability to design projects following NRCS design standards and no set amount of time is given to achieve TAA. Their current technician was recently granted limited TAA for lower job class projects (ex. small 638s, waterways, tile less than 6" diameter). NRCS has five job classifications. BWSR grants require TAA for design and completion certification, and at times due to the NRCS work load, the projects may sit on a desk 6-8 weeks before any action is taken. The wait time jeopardizes cost-share funding that may expire before the project is approved for construction. New hires will need at least a year to obtain TAA, and with a short construction window, we need to cut this training time in half. Training is difficult to find as it is no longer provided by NRCS. Netzke stated that Redwood SWCD/NRCS bypasses the NRCS Area Office and seeks design from Area II for projects incorporating floodwater retention. The Technical Service Areas (TSA) can provide engineering and design; however they charge 10-20% of the project cost for their services. Many SWCDs would rather put their funds into project implementation instead of design. Biren and Netzke have discussed the possibility of working with Duane Hansel and Bill Moldestad to assist Lyon SWCD with design review and sign-off. The SWCD would be billed for their hourly cost on a project-by-project basis. Netzke has spoken to Hansel regarding this, however has not had the opportunity to discuss this with Moldestad. The consensus of the Boards was to continue working in this direction if Hansel and Moldestad are agreeable to this working arrangement. Biren noted that a solution for the long-term will need to be identified as he realizes that both Hansel and Moldestad are in semi-retirement status.

ROSE BOWL PARADE – Supervisor Sorensen added that John Biren and his brother Joe Biren drove *Dakota Thunder* (a 6-horse team of Shires) in the 2016 Rose Bowl Parade. John shared some of their experiences.

BWSR – Jason Beckler stated that training and lack of TAA is a state-wide problem. BWSR is hiring a technical training coordinator to work with NRCS on the training needs. The buffer law is getting the most attention, however the new soil loss ordinance requires attention as well. BWSR has hired a Buffer/Soil Loss Coordinator (Tom Gile) who is officed in Rochester. Holmen asked about buffers where there is a steep grade and if alternative practices may be used. Beckler stated that alternative practices such as open intakes, gully washouts, and cover crops may be incorporated and SWCDs can work with landowners to find the best solution for those situations. In August, Clean Water Fund applications will be opened and will focus on prioritized, targeted and measurable (PTM) projects.

RCRCA – Designate Banking Institution for RCRCA Checking Account. RCRCA currently banks at HomeTown Bank in Redwood Falls. When the office moved to Marshall, Bruns had checked with banks in Marshall and none could compete with interest earning checking and free direct deposit for payroll. Motion made by Lingbeek, seconded by Sorensen, to continue using HomeTown Bank for the RCRCA checking account. Motion carried unanimously.

AREA II – Designate Banking Institution for Area II Checking Account. Area II has been at Wells Fargo Bank for decades. The bank has started to charge fees for online banking of \$3/month and a \$40 fee for auditor confirmation requests. Netzke was not aware of the \$40 charge and will contact Wells Fargo to have this charge reversed. Bruns recommends moving the checking account to HomeTown Bank in Redwood Falls to take advantage of the direct deposit for payroll and earn interest on the checking. Motion made by Walling, seconded by Potter, to move the checking account to the HomeTown Bank of Redwood Falls. Motion carried unanimously. Bruns will establish the account and get all the ACH transfers directed to that account before closing the Wells Fargo account.

APPROVE AREA II MINUTES of December 10, 2015 Executive Board Meeting:

Area II – Motion made by Moline, seconded by Holmen, to approve the Executive Board Meeting minutes. Motion carried unanimously.

RCRCA – Motion made by Vogel, seconded by Carter, to approve the Executive Board Meeting minutes. Motion carried unanimously.

APPROVE AREA II MINUTES of December 10, 2015 Monthly Board Meeting. Motion made by Sherlin, seconded by Holmen, to approve the December 2015 minutes as corrected. Motion carried unanimously.

APPROVE RCRCA MINUTES of December 10, 2015 Monthly Board Meeting. Motion made by Johnson, seconded by Meulebroeck, to approve the December 2015 minutes as corrected. Motion carried unanimously.

APPROVE AREA II TREASURER’S REPORT. Netzke reviewed the December Treasurer’s Report with the Board. Revenue received was \$6,430.96 and a bonding reimbursement of \$135,770.66 was requested before Christmas. Motion made by Moline, seconded by Marihart, to approve the December 2015 Treasurer’s Report and to approve the bills for payment. After some discussion, a voice vote was taken. Motion carried unanimously.

Revenue as recorded:

Contract Service Income (RCRCA)	\$ 4,129.85	Projects-Bonding	\$ -0-
Interest Income	\$ -0-	Misc. Income	\$ 574.28
1W1P Grant Income	\$ 41.99**	County Levy	\$ -0-
County Funds-Redwood SWCD	\$ -0-	1W1P Grant Funds	\$ -0-

Paid bills are summarized below:

Administration	\$ 19,499.30	Maintenance & Repair	\$ 183.83
Rent & Utilities	\$ 837.00	Miscellaneous Expense	\$ 761.10
Office Supplies	\$ -0-	Professional Services	\$ 9,170.21
Contract Services - RCRCA	\$ 1,201.52	Vehicle Expense	\$ 153.89
Bonding Project Funds	\$ -0-	Field Supplies	\$ 140.00
Postage	\$ -0-	Employee Expense	\$ 160.16
1W1P Grant Expenses	\$ 31,773.36	Project Expense	\$ 122,723.68
Directors’ Insurance	\$ -0-	Investigating & Testing	\$ -0-
Continuing Education	\$ -0-	Telephone	\$ 75.64

Approved bills for payment summarized below:

Contract Services - RCRCA	\$ -0-	Professional Services	\$ 10,207.50
Consulting Services - 1W1P	\$ 8,967.50**	Project Expense	\$ -0-
Contract Services - 1W1P	\$ 41.99**	Maintenance/Repairs	\$ -0-

**** To be approved by 1W1P Policy Committee**

Area II – CD Investment Rates. Netzke provided the board with investment options from local financial institutions. When the State reimbursement for projects is received, there will be funds available for investment. After some discussion, a motion was made by Holmen, seconded by Walling, to open up a Cash Sweep Account at HomeTown Bank to keep the funds available while earning 0.20% interest. Motion carried.

APPROVE RCRCA TREASURER’S REPORT. Netzke reviewed the December 2015 Financial Reports with the board. Motion made by Posthuma, seconded by Meulebroeck, to approve the financial report and for payment of the bills. Motion carried unanimously.

Shared Administration Cost Analysis. Netzke presented a cost analysis for Area II and RCRCA to show how the shared administration produced savings for both organizations. Three years were compared – completely separate

(2013), shared administration in two locations (2014), and shared administration in one office (2015). The net expenses for Area II were: 2013 - \$161,391.30, 2014 - \$157,976.44 and **2015 - \$164,151.29**. The net expenses for RCRCA were: 2013 – \$227,982.63, 2014 - \$195,513.96 and **2015 - \$164,035.79**. Some of the savings was from RCRCA personnel changes with the combination of the shared administration and the shared office expenses. The income from the shared administration agreement also contributed.

APPROVE NEW RCRCA COST SHARE APPLICATIONS/AMENDMENTS/CANCELLATIONS

NEW COST SHARE CONTRACTS: None

CONTRACT AMENDMENT:

COTTONWOOD WATERSHED:

Netzke presented an amendment for the Redwood-Underwood/Vesta contract. The landowner would like to add one additional alternative intake for a total of 8. Motion was made by Walling, seconded by Meulebroeck, to approve the amendment. Motion carried unanimously.

CONTRACTS FOR PAYMENT:

COTTONWOOD WATERSHED:

Netzke presented two alternative intake cost share contracts for payment. Motion was made by Vogel, seconded by Potter, to approve payment of these contracts. Motion carried unanimously.

EXECUTIVE DIRECTOR'S REPORT:

- Changes to the Area II and RCRCA policies were made.
- A resolution opposing Senate File No. 2204 (Minnesota River Basin Commission creation) was drafted upon the request of some Board members and will be discussed as a separate agenda item.

AREA II

- Signatures for the Joint Powers Agreement were obtained and executed copies provided to the counties.
- Levy percentages using 2013 Taxable Tax Capacity values were computed to be discussed as a separate agenda item.
- Yellow Medicine **One Watershed, One Plan** Technical Committee met on December 15 to develop and run various scenarios using the Scenario Application Manager (SAM) interface tool. The Technical Committee and Planning Work Group will meet January 12 to work on the Implementation Plan and Measurable Goals sections.
- Final payment requests for the FY2012 Bonding appropriation were completed. Spreadsheets are being tabulated which detail the projects which bonding was used, other local/state/federal funding utilized, and acre-feet of storage restored and created. These spreadsheets will be provided to BWSR along with a final report.
- A meeting with Joel Swanson from MCIT, Laura McKnight and Steve Aggergaard from the firm of Bassford Remele, and Netzke has been set for January 8 at McKnight's office in Minneapolis. This meeting should determine the process needed to take to remove the corporate status and make Area II insurable by MCIT.
- Corrections to the FY2015 audit were provided to the auditor following Netzke and Bruns' reviews of the draft document presented at the December 10 Board meeting.

RCRCA

- The 3rd of the 6 Civic Engagement Training sessions has been attended. The training is provided by Area V MASWCD, is offered at no cost to RCRCA, and is being facilitated by Toby Spanier, U of M Extension.
- The duplicate entry eLINK issue has been resolved which occurred due to project funding provided by several sources (Clean Water Funds, State cost-share, 319 Funds, Flood Recovery funds, etc.). BWSR,

RCRCA, and Brown SWCD met on December 14 to jointly report a project in eLINK to ensure the procedure works correctly.

- January will be a busy month as the annual reporting deadline for all State grants are due February 1. We will also be submitting a final invoice and report for the WPLMN Monitoring Grant that is ending.

RCRCA and AREA II POLICY UPDATES. Chair Johnson requested that this agenda item be postponed to the February 2016 meeting to allow for the board and staff to review for errors, omissions and inconsistencies between the policies.

MINNESOTA RIVER BASIN COMMISSION (Senate File No. 2204). Netzke reported that she had been contacted by several board members requesting that Area II and RCRCA take a proactive stand on the Minnesota River Basin Commission instead of waiting for the legislature to take action. Discussion followed. *Area II* – Motion made by Moline, seconded by Potter, to oppose Senate File No. 2204. Motion carried unanimously. *RCRCA* – Motion made by Anderson, seconded by Drietz, to oppose Senate File No. 2204. Motion carried unanimously.

ONE WATERSHED, ONE PLAN UPDATE. Netzke reported that the 1W1P Policy Committee has recommended a 6-month extension of the Memorandum of Agreement (MOA) to December 31, 2016 (formerly June 30, 2016). Due to delays, the report will not be submitted to the BWSR for their review and approval until August 2016. The extension will allow for the group to work together until the plan is adopted by the ten partners of the MOA. Motion made by Walling, seconded by Marihart, to approve the extension and to authorize signatures on the addendum. Motion carried with one opposing vote from Anderson. Netzke had attended a meeting in October 2015 with other 1W1P pilot groups with discussion regarding the difficulties each pilot was experiencing. One of the biggest challenges voiced was not having an organization like Area II which had worked with the partners successfully and already had a working relationship to facilitate working on a joint project.

AREA II ENGINEER'S REPORT:

Charlestown 28 Small Dam, Redwood County. Mathiowetz Construction has completed the work on this project. With the mild early winter weather, the pond has already filled with water. *Sherman 22 Streambank Stabilization, Redwood County.* Recently, the DNR and the Corps of Engineers have decided that the project encroaches too far into Wabasha Creek and redesign and changes will be needed. We have provided a new drawing to these agencies for their concurrence and permitting. We await their comments. The project will be completed next spring. *Nordland 20 SE Grade Stabilization, Lyon County.* We are in the design process for this proposed dam. Funding for the project will be available through FY16 Bonding funds. Soil borings will be obtained the first week of January. *Sherman 26 Dam, Redwood County.* Preliminary design has been started for this small dam. However, because of the large upstream watershed and relatively small storage area, the site did not provide much flood reduction. For this reason, we have recommended that we stop further investigation of the location as an Area II project site. *Lake Stay 3 Small Dam, Lincoln County.* Design work is progressing on this project which is scheduled for 2016 construction. So far, no wetlands or other permitting issues have been identified for this project. Soil borings will be obtained the first week in January. *Charlestown 30 Small Dam, Redwood County.* We met recently with the landowners. This project was proposed about 5 years ago, but did not go to construction because of funding issues. From what we have heard, the landowners are still interested in proceeding with further design for this structure at the proposed location. Soil borings will be obtained in early January. *Monroe 31 Grade Stabilization, Lyon County.* This project includes a series of small dikes in an agricultural waterway as a means to reduce erosion and control flow. A tile outlet system will convey flows to an established outlet. We are in the design phase with the intent that the project be constructed next spring. *Sandness 19 Off-Channel Storage, Yellow Medicine County.* The landowner of the property along the Yellow Medicine River recently met with us to discuss a potential storage project. The tentative design concept is that the site would be excavated and bermed to create temporary storage adjacent to the river, both as a means of reducing downstream flow and improving water quality. We will be performing preliminary design work to see if the site

would be suitable. **Milford 11 Small Dam, Brown County.** Using LiDAR data, we have begun evaluating a ravine northwest of New Ulm for a small dam. The landowner is interested in floodwater storage as well as creating a better crossing of the ravine. A preliminary cost estimate has been prepared for Brown SWCD as they attempt to find funding. **Geotechnical Investigations.** American Engineering Testing is scheduled to start the soil borings on the approved sites during the first week of January.

AREA II LEVY PERCENTAGES. Stemming from discussion in December, Netzke obtained the most current information from the State Auditor's website (2013) to recalculate the Area II levy percentages. The last update to the percentages was in 2001 which coincided with drafting of the joint powers agreement. Discussion followed. The consensus of the board is to establish a policy to have the levy percentages updated every two years with the most current information publically available.

AREA II – FY2015 AUDIT REPORT. Netzke reported that the audit had been reviewed by Netzke and Bruns. A few minor changes had been made or explained by Holmberg. The bound copies have been received and distributed to the member counties and BWSR offices. Motion made by Sherlin, seconded by Potter, to approve the FY2015 Audit. Motion carried unanimously.

OTHER BUSINESS:

COMPENSATED ABSENCES. At the December meeting, it was asked if a fund for the compensated absences liability existed. Neither organization has a separate fund for this purpose.

Area II – Motion made by Walling, seconded by Marihart, to set up a fund for the compensated absences calculated at the fiscal year end (\$12,293 as of June 30, 2015) and to be updated at the end of each fiscal year. Motion carried unanimously.

RCRCA – Motion made by Carter, seconded by Lingbeek, to set up a fund for the compensated absences calculated at the fiscal year end(\$15,690.00 as of December 31, 2015) and to be updated at the end of each fiscal year. Motion carried unanimously

ADJOURNMENT. RCRCA Chair Holmen and Area II Chair Johnson adjourned the meeting at 11:01 AM.

UPCOMING MEETINGS:

February Board Meeting	Thursday, February 4, 2016	Redwood Government Center, Redwood Falls, MN – 9:00 AM
March Board Meeting	Thursday, March 3, 2016	BWSR Conference Room – Marshall, MM – 9:00 AM.
April Board Meeting	Thursday, April 7, 2016	Redwood Government Center, Redwood Falls, MN – 9:00 AM