

AREA II

AREA II & RCRCA Boards of Directors Meeting

June 9, 2016 – 9:00 AM – Redwood County Government Center – Redwood Falls, 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, Rick Anderson, Mark Meulebroeck, Bob Moline, Paul Posthuma, Luke Johnson, Lon Walling, Ed Carter, Louis Sherlin and Burton Kuehn.

Others Present: Kerry Netzke – Executive Director, Joy Bruns – RCRCA Office Manager, John Boulton – YMRWD, Darrel Ellefson –LQP-YB Watershed District, and Kaitlin Culver – Southern Minnesota Sugar Beet Cooperative (SMSBC) Environmental Department.

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

ADOPT AGENDA. RCRCA Chairman Holmen asked for any additions to the agenda. Motion by Moline, seconded by Potter, to approve the agenda as presented. Motion carried unanimously.

AGENCY AND MEETING REPORTS:

MASWCD – Supervisor Lingbeek reported on media training regarding buffers at the meeting last Tuesday in the Twin Cities. The Area V MASWCD meeting will be in Worthington at the Bio Technology Center on June 16. Cathee Pullman, Minnesota State NRCS Conservationist will be attending. District level resolutions will begin. Lingbeek reported that SWCD office leasing remains an issue. Netzke added that she was recently informed that NRCS will no longer sign-off on BWSR cost share forms that do not involve federal funds. RCRCA and Area II engineering staff (Moldestad and Hansel) are willing to work with member SWCDs to assist with signatures. SWCDs will be charged for the actual time provided by the engineers with no additional overhead costs.

AMC – Commissioner Moline reported on the District 8 meeting held June 2 in Worthington. Moline was re-elected Chairman of District 8; Commissioner Anderson is Vice Chairman. Moline will not be running for re-election in November; Anderson will assume the chairmanship at that time. A Strategic Planning meeting is being scheduled for mid-August in Bemidji. AMC staff are patiently waiting for a Special Session to be called.

MN River Congress (MRC) – Supervisor Lingbeek reported that the recent meeting held in Henderson was entertaining. The Senate had wanted to provide administrative funds by robbing from another source. MRC is seeking spiritual (churches) and tribal organizations for participation. The River Congress is being planned for November at New Ulm.

YMRWD – Boulton reported that tile permits are continuing to come in. Two ditches are in redetermination; both are over 100 years old with no repairs left to them. There are 3 projects being pursued in the district – two Nordland Township small dams and an off-channel storage project in Sandness Township. YMRWD is working with Area II for the development of these projects. The largest beaver caught this year weighed 74#, nearly larger than the trapper.

LQP-YB – Ellefson reported processing several drainage permits. They also have a ditch over 100 years old that needs redetermination for improvement/repair. Many more ditches will need to be redetermined in the near future. Lingbeek asked if anyone that had taken the ditch viewer course at Ridgewater College was actively doing redeterminations. Anderson reported that former commissioners John Schueller and Kevin Vickerman are now active ditch viewers.

SOUTHERN MINNESOTA BEET SUGAR COOPERATIVE (SMBSC) – Kaitlin Culver reported that the Redwood Falls pile site will be ventilated by August, providing better storage for the sugar beets. New BMPs are being implemented at all the pile sites and additional land is being acquired for construction of runoff ponds. All contact

runoff must be hauled and treated at the SMBSC’s wastewater treatment facility. SMBSC continues to promote cover crops with 90% of their growers: 100% participation in Cottonwood County, and 90% participation in Redwood County. She is working with watershed organizations to connect growers with cost-share/incentive sources for additional cover crops, particularly for winter cover. Currently, the growers are using winter wheat for the winter cover, however SMBSC only cost-shares on the spring cover.

APPROVE AREA II MINUTES of May 5, 2016 Monthly Board Meeting. Motion by Walling, seconded by Anderson, to approve the May 2016 minutes as corrected. Motion carried unanimously.

APPROVE RCRCRCA MINUTES of May 5, 2016 Monthly Board Meeting. Motion by Johnson, seconded by Meulebroeck, to approve the May 2016 minutes as corrected. Motion carried unanimously.

APPROVE AREA II TREASURER’S REPORT. Netzke reviewed the financials with the Board for month ending May 31, eleven months through the fiscal year. All but two of the county levies have been received. Netzke noted that there were three payroll periods in May. The Wells Fargo account will be closed by June 30 after confirming all ACH deposits have been directed to the HomeTown Bank account. Professional Services were higher than normal for the month of May due to Duane Hansel preparing for summer vacations. Professional Fees is over budget this year primarily due to the unanticipated legal fees. 75% of the engineering expense can be reimbursed by Bonding and accounts are adjusted during the audit. Motion by Sherlin, seconded by Drietz, to approve the financial report and the bills for payment. Motion carried unanimously.

Revenue as recorded:

Contract Service Income (RCRCA)	\$ 4,663.18	Projects-Bonding	\$ -0-
Interest Income	\$ 28.62	Misc. Income	\$ -0-
1W1P Grant Income	\$ 139.51**	County Levy	\$ 87,000.00
County Funds-Redwood SWCD	\$ -0-	1W1P Grant Funds	\$ -0-

Paid bills are summarized below:

Administration	\$ 19,738.48	Director Expense	\$ 52.92
Maintenance & Repair	\$ 94.39	Rent & Utilities	\$ 837.00
Miscellaneous Expense	\$ 275.98	Office Supplies	\$ 129.34
Professional Services	\$ 5,037.50	Vehicle Expense	\$ 42.90
Contract Services - RCRCRCA	\$ 1,528.96	Field Supplies	\$ 13.97
Bonding Project Funds	\$ -0-	Employee Expense	\$ 276.21
Postage	\$ 25.20	Project Expense	\$ -0-
1W1P Grant Expenses	\$ 323.76	Investigating & Testing	\$ -0-
Directors’ Insurance	\$ -0-	Telephone	\$ 12.30
Continuing Education	\$ -0-		

Approved bills for payment summarized below:

Contract Services - RCRCRCA	\$ -0-	Professional Services	\$ 10,392.96
Consulting Services - 1W1P	\$ -0-	Investigation/Testing	\$ 6,900.00
Contract Services - 1W1P	\$ 139.51**	Maintenance/Repairs	\$ -0-

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

APPROVE RCRCRCA TREASURER’S REPORT. Netzke reviewed the financials with the Board for the month ending May 31, five months into the fiscal year. Motion by Posthuma, seconded by Sorensen, to approve the financial report and for payment of the bills. Motion carried unanimously.

RCRCRCA - APPROVE NEW COST SHARE APPLICATIONS/AMENDMENTS/CANCELLATIONS
NEW COST SHARE CONTRACTS:

Netzke presented two cost share application for approval, Cottonwood - Germantown 8 and Redwood - Lamberton 26, both Streambank Protection projects. Motion by Lingbeek, second by Kuehn, to approve the cost share applications as presented. Motion carried unanimously.

AREA II – APROVE COST SHARE APPLICATIONS/AMENDMENTS/CANCELLATIONS

FY2016 Bonding

David Sampson EST Cost: \$33,505.80 <i>Other funding: Redwood SWCD FY16 Fund, \$596.20 and Phase I Flood Recovery Funds \$778.02 –maximum of 75% = \$25,129.35</i>	Redwood – Upper Delhi 30 EST Cost Share: \$23,755.13 (71%)	Grade Stabilization Repair
Luke Moorse EST Cost: \$31,824.60	Lyon – Nordland 34 EST Cost Share: \$23,868.45 (75%)	Grade Stabilization Repair
Steve Larson EST Cost: \$25,304.00	Lyon – Island Lake 2 EST Cost Share: \$18,978.00 (75%)	Grade Stabilization Repair
Jeff Davis EST Cost: \$54,657.66	Lincoln – Lake Stay 3 EST Cost Share: \$40,993.25 (75%)	Grade Stabilization
Dan Koster EST Cost: \$20,338.00	Lincoln – Lake Benton 5 EST Cost Share: \$15,253.50 (75%)	Grade Stabilization Repair

Netzke presented several cost share projects for approval. Motion by Sherlin, seconded by Anderson, to approve the cost share contracts as presented contingent upon landowner signatures. Motion carried unanimously.

EXECUTIVE DIRECTOR’S REPORT:

AREA II

- Yellow Medicine **One Watershed, One Plan** is out for 60-day public comment until July 15, 2016. Netzke intends to review the Plan with the Board at the July 7 meeting. The Draft Plan document is available on the Area II website or at the following link: <http://area2.org/images/RSI%202604%20YM1W1P%20Draft.pdf>. The Advisory Committee and Policy Committees met in May. Netzke accompanied John Biren to the Lyon County Commissioners meeting on May 17 to present the draft Plan. The Public Hearing has been scheduled for August 1, 2016 at 7:00 pm at the Southwest Sportsmen’s Club in Minneota.
- Duane Hansel will be on vacation: June 4 – 11, July 29 – August 12, and August 20 – 28.
- Construction is in full gear: Thompson Excavating is at Upper Delhi 30 (Redwood), Schmidt Construction is at Gales 15 (Redwood), Brey Tiling is at North Hero 4 (Redwood), A&C Excavating is starting Lake Stay 3 (Lincoln), and Ryan West Excavating is at Honner 32 (Redwood). Six bids were let in May, and two bids were opened on June 2nd, that will likely begin construction in June/July.
- Annual dam inspections were conducted on May 16 and May 20. The only dam with reportable concerns is the Hauschild-Thange Reservoir as the outlet pipe is deteriorating. Contact with the State NRCS Engineer and pipe supplier will be made for opinions as to repair or replacement of this section of the pipe.
- All the necessary paperwork for the dissolution of Area II’s corporate status is nearly complete. Following the signatures upon the final documents, the Articles of Dissolution will be filed with the Secretary of State’s office by June 30. MCIT insurance coverage has been quoted/arranged as well as the additional insurance coverage needed from Western National.

RCRCA

- WPLMN monitoring has been busy with the larger rains that fell over Memorial Day weekend. Netzke was back up sampler for Wohnoutka and will also fill in for him during his vacation scheduled for June 10 – June 20.
- A change in accounting software is requested to reduce costs for RCRCA. The current CenterPoint program charges \$870 for program and payroll package updates. Switching to QuickBooks Premier (Area II uses QuickBooks Pro) would cost \$300 every 3 years, plus payroll services of \$225 yearly. These costs would be split with Area II with the net cost to each organization at \$162.50/year.
- The RSVPs for the Redwood and Cottonwood Rivers canoe trips are 28 and 43 as of today. We are planning chili dogs/chips/bars/drinks for the Redwood trip and Subway box lunches for the Cottonwood trip. We are hoping for a

break in the precipitation to allow the rivers to return to normal flow conditions. The possibility of purchasing two kayaks to replace the older, fishing-style kayaks that RCRCA currently owns was discussed. WalMart carries a 10' kayak for \$188 plus tax. Licensing is not required for kayaks 10' in length or less. Motion by Walling, seconded by Lingbeek, to purchase two kayaks as discussed before the upcoming canoe trips and to sell the older kayaks. Motion carried unanimously.

LEGISLATIVE UPDATE.

Netzke reported that there is no news as the bonding bill failed to pass by the end of the legislative session. The bonding bill did include \$7.8M for the Lake Redwood Reclamation Project and \$200,000 in DNR's Flood Damage Reduction Program to Yellow Medicine County for the repair of the tilting riser on R6, the sediment pond upstream of Del Clark Lake (R1). Darrel Ellefson reported that R6 was intended to be a dry dam. The watershed district has drained the dam and it is closed to the public. A Special Session is anticipated, however legislation disagreement is causing a stalemate.

AREA II/RCRCA OPERATING POLICY. Netzke presented to the Boards the revised operating policies for both organizations. All the revisions that were requested at the last meeting have been completed. Point of discussion: RCRCA's second bank of sick leave. It was decided to abolish the second bank of sick leave, however Netzke discovered that one employee has roughly 300 hours currently in this bank. Discussion involved grandfathering the bank to the employee, or pay out of the bank. Discussion followed. **RCRCA** – A motion was made by Sherlin, seconded by Johnson, to close out RCRCA's second sick leave bank and to pay out 50% of the hours in that second bank at the current rate of pay as of June 9, 2016; if an employee is at the maximum sick leave amount, no more sick leave may be accrued. Motion carried unanimously. **RCRCA** – Motion was made by Meulebroeck, seconded by Drietz, to approve the RCRCA Operating Policy with the removal of the second bank of sick leave. Motion carried unanimously. **Area II** – Motion was made by Sherlin, seconded by Marihart, to approve the Area II Operating Policy. Motion carried unanimously. Consensus of the Boards was to provide digital copies of the policies to member counties only upon request.

AREA II – MCIT INSURANCE COVERAGE ACCEPTANCE. Netzke reported that moving to MCIT for insurance coverage will initially save the organization approximately \$2,000 per year. Netzke provided historical information on the insurance policies and premiums. Western National Insurance includes general liability in the dam/project liability coverage package. Western National is the only insurance company in the nation that offers this coverage for dams. It was assumed that Western National would adjust the liability package to release the general liability, however that is not the case. Walling added that MCIT typically distributes dividends at year end which would increase the savings. Motion by Moline, seconded by Potter, to approve the resolution to participate in MCIT JPA. Motion carried unanimously. Motion by Walling, seconded by Drietz, to accept MCIT coverage and costs, effective July 1, 2016. Motion carried unanimously. Motion by Moline, seconded by Marihart, to decline Worker's Compensation for Elected Officials. Motion carried unanimously. Netzke added that MCIT's Board of Directors meet June 10 and will act upon Area II's membership.

AREA II FY2017 BUDGET OPTIONS. Netzke presented a comparison of FY2016 with two budget options proposed for FY2017. Option #1 includes a 2% COLA, and Option #2 includes a 2% COLA and 1% merit increase. Revisions to a few items were made as requested at the last meeting, such as: 1) health insurance, 2) RCRCA Contract Services income, 3) added line item for Capital Outlay of \$5000, and 4) updated insurance amounts with MCIT/Western National quotes. Motion was made by Holmen, second by Moline, to approve Budget Option #2. Motion carried unanimously. Netzke provided vehicle information for Area II and RCRCA, for current mileage, condition and value. Moline recommended revisiting the purchase of a new pickup for Area II in August.

AREA II FY2016 - 2017 BIENNIAL PLAN UPDATE. Netzke prepares a biennial plan every two years. In the second year, BWSR requires updates to the administrative budget and project completion. Netzke reviewed the update with the Board. It was requested to add Kerry Netzke, Executive Director to the Board of Directors page. Motion by Sherlin, seconded by Potter, to approve the Biennial Plan Update as presented. Motion carried unanimously.

AREA II ENGINEER'S REPORT:

Projects Under Construction:

Lake Stay 3 Small Dam, Lincoln County. A & C Excavating is starting work this week. ***Upper Delhi 30 Dam Repair, Redwood County.*** Thompson Excavating has most of the major work completed and should finish seeding early next

week. *Gales 15, Redwood County*. Schmidt Construction is being hampered by wet conditions. Some of the earthwork is completed and about half of the pipe is installed. *Honner 32 Repair, Redwood County*. Ryan West Excavating is uncovering the buried pipe and structures, and is finding most of the original construction is still intact after the June 2014 flood event. *North Hero 4 Dam Repair, Redwood County*. Brey Tiling has completed some of the removal work and should start laying pipe tomorrow on this project.

Projects Being Worked On:

Sherman 22 Streambank Stabilization, Redwood County. The Corps of Engineers and the DNR have issued their permits for this project. Blomeke Construction is scheduled to perform the work after the June 15th restriction in the DNR permit. *Charlestown 30 Small Dam, Redwood County*. We have responded to two requests for more information from the Corps of Engineers. We are now awaiting further word on the permit status for this project. *Redwood Falls 18 Small Dam, Redwood County*. A wetland delineation for this project has been completed and a small wetland in the proposed pond area was located. We will now concentrate on minimizing the impact to the wetland and then start the mitigation process. *Lamberton 26 and 27 Streambank Stabilization, Redwood County*. Bids were recently opened for these two projects. The low bidder for both projects is L & S Construction, with both bids being about \$2,000 below the engineer's estimate. RCRCA's 319 funds for the Cottonwood River which expire in August will be utilized for 75% cost-share. *Island Lake 2 Dam Repair, Lyon County*. Bids were received for this project with the low bidder being Thompson Excavating at \$25,304.00. The engineer's estimate was \$34,557.60. The second lowest bidder was \$26,278.70. *Lake Benton 5 Dam Repair, Lincoln County*. Bids were received recently for this project, with A & C Excavating being the low bidder at \$20,338.00. The second lowest bid was \$20,934.83, with the engineer's estimate at \$27,402.10. Shop drawings for the structure have been approved and work should start in late June. *Ann 4 Small Dam Repair, Cottonwood County*. Design work for this dam repair is underway. *Lynd 33 Dam Repair, Lyon County*. The design work for this repair was completed a number of years ago. The design has been reviewed and the cost estimate updated in order to determine if the landowner is interested in completing the work. *Lake Benton 25 Dam Repair, Lincoln County*. The survey work is complete for this repair has been completed and the design work will start soon.

DISSOLUTION OF AREA II'S CORPORATE STATUS – AREA II RESOLUTION FOR APPROVAL.

The corporate dissolution process will be completed with the execution of the Bill of Sale and Articles of Dissolution. Motion by Sherlin, seconded by Holmen, to approve the Bill of Sale for the inventory and property from Area II Minnesota River Basin Projects, Inc. to Area II Minnesota River Basin Projects for the sum of \$1.00. Motion carried unanimously. Motion by Sherlin, seconded by Moline, to approve the Articles of Dissolution and that Area II Minnesota River Basin Projects continue as a joint powers entity. Motion carried unanimously.

RENVILLE SWCD REQUEST FOR ENGINEERING ASSISTANCE. Netzke received a request for engineering assistance on a project just outside the watershed boundary, north of the City of Morton. A dam was washed out and the City wishes to rehabilitate it to alleviate flood flows into the city. Renville SWCD has provided some information on this dam, as well as a second dam located closer to the City that could be constructed. The SWCD intends to apply for Clean Water Funds (CWF) this fall, however the application will require some engineering work to be completed to estimate cost. Renville SWCD is asking that Area II provide these engineering services with reimbursement to be made when CWF funds are received. Duane Hansel is willing to perform work, with the Board's approval. Discussion followed. Motion by Moline, seconded by Sherlin, that Area II would perform the work according to a written agreement, however payment for services will be required at the time of delivery; not upon receipt of grant funding for the project. Motion carried unanimously. Netzke will contact the SWCD with this decision.

MURRAY SWCD REQUEST FOR ENGINEERING ASSISTANCE. Netzke received a second request for engineering assistance for two small dam projects in Murray County located in the Beaver Creek Watershed, which is outside Area II's watershed boundary. Duane Hansel is willing to perform work, with the Board's approval. Motion by Sherlin, seconded by Drietz, that Area II would perform the work according to a written agreement, however payment for services will be required at the time of delivery. Motion carried unanimously. Netzke will contact the county with this decision.

OTHER BUSINESS/ANNOUNCEMENTS.

Meeting Room. Today's meeting was held in a different room in the Redwood County Government Center, in space that was occupied by Minnesota West Vocational Technical College. Walling explained that the county lost a larger meeting room in the Public Health building and he would like to propose that the county not lease out this space, but use it for

meeting room space. Walling asked for comments. Consensus of the Board was in favor of the new meeting room as it is larger, closer to restroom facilities, and has easy access from the rear of the building.

ADJOURNMENT. With no other business to address, Chairman Holmen and Chairman Johnson adjourned the meeting at 11:02 AM.

UPCOMING MEETINGS:

July Board Meeting	Thursday, July 7, 2016	BWSR Conference Room – Marshall, MN – 9:00 AM
August Board Meeting	Thursday, August 4, 2016	Redwood Government Center, Redwood Falls, MN – 9:00 AM
September Board Meeting	Thursday, Sept. 1, 2016	BWSR Conference Room – Marshall, MN – 9:00 AM