

AREA II

February 2, 2017 – 9:00 AM – Redwood Government Center, Redwood Falls, MN

AREA II Members Present: Dennis Potter, Norman Holmen, John Maatz, Joe Drietz, Rick Anderson, Lori Gunnink, Luke Johnson, Lon Walling and Glen Kack.

RCRCA Members Present: Dennis Potter, Greg Roiger, Norman Holmen, Clark Lingbeek, Joe Drietz, Glen Sorensen, Rick Anderson, Mark Meulebroeck, Lori Gunnink, Paul Posthuma, Luke Johnson, Lon Walling, Ed Carter, Glen Kack, Ken Christensen and Thomas Remmele.

Others Present: Kerry Netzke – Executive Director, Joy Bruns – RCRCA Office Manager, John Boulton – YMRWD.

The meeting was called to order at 9:00AM by Area II Chairman Johnson and RCRCA Chairman Holmen. Introductions were made. Area II and RCRCA organizational binders were distributed to the new members. Conflict of Interest forms were signed by all board members and will be placed on file.

ADOPT AGENDA. RCRCA Chairman Holmen asked for any additions to the agenda. Netzke requested an addition to request a reimbursement for Area II from RCRCA for project expenses (engineering services and permits). Commissioner Walling requested an addition to discuss memorials for deceased board members. Motion made by Walling, seconded by Potter, to approve the agenda as amended. Motion carried unanimously.

AGENCY AND MEETING REPORTS.

DNR – Commissioner Walling reported that Judicial Ditch 37 (Redwood River) was listed as DNR Public Water, however it has recently been removed from this list. In a DNR letter dated January 30, 2017, the width of required buffer will be 16.5’ instead of 50’ as required for Public Waters. Redwood County currently does not allow trees within buffers, however language is being drafted to allow the trees to remain in this situation.

YMRWD – Boulton reported that Nordland 6 Road Retention funding options will be discussed at their March 13 meeting. Other retention projects are being investigated and tiling permits for next summer are being processed.

MASWCD – Supervisor Lingbeek reported that CREP signing took place committing \$500 million for 60,000 acres in Minnesota. Area V MASCWD meeting is scheduled for February 16th in Marshall; a speaker has been requested to address CREP and buffers. Lingbeek attended the DNR Roundtable in January. More women and minorities are desired in DNR positions; advertising should target those minorities. Commissioner Anderson spoke of the Three Rivers Park District and their advertising/focus on kids for future conservation efforts.

RCRCA – ELECTION OF ALTERNATE FOR EXECUTIVE BOARD. Chairman Holmen asked for nominations for RCRCA’s Alternate to the Executive Board. Motion by Lingbeek, seconded by Posthuma, to nominate Greg Roiger. Nominations were called three times. Motion by Anderson, seconded by Johnson, to cease nominations and cast a unanimous ballot for Roiger. Motion carried unanimously.

AREA II ELECTION OF ALTERNATE FOR EXECUTIVE BOARD. Chairman Johnson asked for nominations for Area II’s Alternate to the Executive Board. Motion by Walling, seconded by Potter, to nominate Norm Holmen. Nominations were called three times. Motion by Anderson, seconded by Potter, to cease nominations and cast a unanimous ballot for Holmen. Motion carried unanimously.

APPROVE RCRCA MINUTES of January 5, 2017 Monthly Board Meeting. Motion made by Potter, seconded by Meulebroeck, to approve the January 2017 Minutes as corrected. Motion carried unanimously.

APPROVE AREA II MINUTES of January 5, 2017 Monthly Board Meeting. Motion made by Anderson, seconded by Potter, to approve the January 2017 Minutes as corrected. Motion carried unanimously.

APPROVE RCRCA TREASURER’S REPORT of December 9, 2016. Chairman Holmen asked for a motion to un-table the December Treasurer’s Report. Motion by Posthuma, seconded by Walling, to un-table the December 2016 Treasurer’s Report. Motion carried unanimously.

To clarify the discrepancies, Bruns reported that some non-cash items were listed in the checks (removal of a duplicate entry and removal of a tax accrual). December’s report included a \$60 payroll deduction for flex medical expense, and \$300 payment of flex medical expense. Johnson asked about the discrepancy of the Profit/Loss Statement income versus the Revenue Received. Bruns will investigate and email her findings. (*A “non-cash” item was included in the Revenue Received along with interest from the Cash Sweep account that is listed separately on the Profit/Loss Statement. The Profit/Loss Statement is presented on an accrual basis; the revenue reported is billed, but not yet received.*) Motion by Johnson, seconded by Potter, to switch to Cash Basis for future reports to the board. Accrual Basis will still be used for accounting/auditing purposes. Discussion followed and a voice vote was taken. Motion carried unanimously. Motion by Walling, seconded by Anderson, to use 24 pay periods for the health insurance premium withdrawals from paychecks. Bruns explained that RCRCA pays 100% of the employee’s single coverage insurance and no family coverage is being used, therefore no premiums are currently deducted from paychecks. Motion was withdrawn by Walling and Anderson. Motion made by Drietz, seconded by Lingbeek, to approve the December 2016 Treasurer’s Report with the explanations. Motion carried unanimously.

APPROVE AREA II TREASURER’S REPORT of December 9, 2016. Chairman Johnson asked for a motion to un-table the December Treasurer’s Report. Motion by Anderson, seconded by Potter, to un-table the December 2016 Treasurer’s Report. Motion carried unanimously.

To clarify the discrepancies, Bruns explained that Area II accrues the company health insurance portion and deducts the employee’s share of health insurance over 26 pay periods, but pays the premium monthly. Motion by Anderson, seconded by Walling, to change the deductions/accrual to twice per month (24 payroll periods instead of 26) to eliminate this ongoing discrepancy. Motion carried unanimously. Motion by Holmen, seconded by Drietz, to switch to Cash Basis for future reports to the board. Accrual Basis will still be used for accounting/auditing purposes. Motion carried unanimously. Motion by Anderson, seconded by Potter, to approve the December 2016 Treasurer’s report as explained. Motion carried unanimously.

The discrepancy between the checks written and total expenses on the Profit/Loss or Treasurer’s Report will continue due to the flexible spending accounts for both organizations with SelectAccount. Employees have been issued a debit card to pay for medical expenses. The flex deductions are taken from each pay check, but payments to Select Account are not paid until the employee spends the flex dollars and SelectAccount bills the company. Anderson inquired about the timing of the deductions versus the payment. Bruns will check with SelectAccount to see if this is possible.

Revenue as recorded:

Contract Service Income (RCRCA)	\$ 3,767.95	Projects-Bonding	\$ 25,536.14
Interest Income	\$ 10.16	Misc. Income	\$ 265.00
1W1P Grant Income	\$ -0-	County Levy	\$ -0-
State of MN-Administrative	\$ -0-	1W1P Grant Funds	\$ -0-

Paid bills are summarized below:

Administration	\$ 13,549.73	Directors' Expense	\$ -0-
Maintenance & Repair	\$ 181.32	Rent	\$ 837.00
Miscellaneous Expense	\$ 41.00	Office Supplies	\$ -0-
Professional Services	\$ 7,595.00	Vehicle Expense	\$ 225.94
Contract Services - RCRCA	\$ 994.99	Field Supplies	\$ -0-
Bonding Project Funds	\$ -0-	Employee Expense	\$ 232.99
Postage	\$ 115.00	Project Expense	\$ -0-
1W1P Grant Expenses	\$ 20,897.50	Investigating & Testing	\$ 504.50
Directors' Insurance	\$ -0-	Telephone	\$ 12.06
Other Insurance	\$ -0-		

Approved bills for payment are summarized below:

Contract Services - RCRCA	\$ -0-	Professional Services	\$ 3,240.00
Consulting Services - 1W1P	\$ -0-	Project Expenses	\$ -0-
Contract Services - 1W1P	\$ -0-	Insurance	\$ 4,130.00

APPROVE RCRCA TREASURER'S REPORT – January 2017. Financials for the month of January 2017 were reviewed. Motion made by Johnson, seconded by Gunnink, to approve the financial report and approve the bills as presented. Motion carried unanimously.

APPROVE AREA II TREASURER'S REPORT – January 2017. Financials for the month of January 2017 were reviewed. Revenue from contract services \$3,568.13 and interest of \$6.91 was received. There were two pay periods in January and a pay-down of vacation to both Netzke and DeSchepper per the new policy. The 1W1P expenses included \$2,560.81 for 73 printed copies of the plan for partners from the grant funds. Motion made by Anderson, seconded by Potter, to approve the financial report and payment of the bills as presented. Motion carried unanimously.

Revenue as recorded:

Contract Service Income (RCRCA)	\$ 3,568.13	Projects-Bonding	\$ -0-
Interest Income	\$ 6.91	Misc. Income	\$ -0-
1W1P Grant Income	\$ -0-	County Levy	\$ -0-
State of MN-Administrative	\$ -0-	1W1P Grant Funds	\$ -0-

Paid bills are summarized below:

Administration	\$ 19,882.49	Directors' Expense	\$ -0-
Maintenance & Repair	\$ 146.87	Rent	\$ 837.00
Miscellaneous Expense	\$ 21.98	Office Supplies	\$ 329.99
Professional Services	\$ 4,193.00	Vehicle Expense	\$ 250.89
Contract Services - RCRCA	\$ 1,462.32	Field Supplies	\$ -0-
Bonding Project Funds	\$ -0-	Employee Expense	\$ 45.48
Postage	\$ -0-	Project Expense	\$ 15,971.63
1W1P Grant Expenses	\$ 2,560.81	Investigating & Testing	\$ -0-
Directors' Insurance	\$ -0-	Telephone	\$ 14.10
Other Insurance	\$ 4130.00		

Approved bills for payment are summarized below:

Contract Services - RCRCA	\$ -0-	Professional Services	\$ 7,595.00
Consulting Services - 1W1P	\$ -0-	Project Expenses	\$ -0-
Contract Services - 1W1P	\$ -0-	Investigation/Testing	\$ 504.50

RCRCA - APPROVE NEW COST SHARE APPLICATIONS/AMENDMENTS/CANCELLATIONS: None

RCRCA CONTRACTS FOR PAYMENT: None

AREA II – APPROVE NEW COST SHARE APPLICATIONS: None

AREA II CONTRACT AMENDMENT: None

AREA II CONTRACTS FOR PAYMENT: None

EXECUTIVE DIRECTOR’S REPORT.

• Attended the Governor’s Water Summit in Morris on January 27. *Netzke added that the Governor stated that he has negotiated all that he will on the buffer bill. Greg Page, former Cargill CEO, was the keynote speaker and credited farmers with producing the same yields with 40% less fertilizer. All panelists agreed that it is everyone’s responsibility to pay for the cleanup, not specific sectors such as farmers or cities.*

• Annual reports for all the Area II and RCRCA grants have been submitted in eLINK. 2/1/2017 was the deadline.

AREA II

• Yellow Medicine **One Watershed One Plan (1W1P):**

- 73 professionally printed copies of the final plan have been distributed to the 10 MOA partners.

- To date, 6 of the 10 MOA partners have adopted the plan. After all adoptions are complete, the Policy Committee will meet to discuss a new MOA for implementation of the plan.

- RESPEC is working on a Work Plan for the SAM-ACPF conversion tool to locate projects on a field scale level. With no BWSR Board meeting in February, the Work Plan and grant request to the BWSR Board will be made in March. This grant would not require matching funds, much like the 1W1P grant. Work is to be completed by 12/31/2017.

• Lyon County Commissioners will act upon the sale of Lyon SWCD’s R8 GPS unit at their February 7th meeting.

• In early January, Area II’s Total Station (used to survey in heavily treed areas where GPS cannot penetrate) produced an error code and would no longer operate. RDO Equipment, a Topcon dealer, sent the unit by courier to the Twin Cities office where it was discovered that the unit cannot accept readings from the prism, and due to the age of the unit (purchased in 1994), parts are no longer available. Several contacts have been made looking for used models to fill our need. Quotes are currently being obtained for action at the Board meeting.

• BWSR is adjusting their verification procedures and is beginning a new process called “Reconciliation” which focuses on the financial aspects of the grant, not policies or procedures. Area II was requested to help with this new procedure by reconciling the FY16 Administrative Services and FY15 1W1P grants to the eLINK reported entries. Julie Krebs will be at the Area II office on January 30 to do this. *Netzke added that both grants were reconciled without issues. The FY16 eLINK-reported expenses were made more detailed to specify amounts for Professional Services and Supplies.*

RCRCA

• Awaiting arrival of the Storm Water Assessment Grant (SWAG) contract for the Cottonwood and Redwood River watersheds, to begin March 2017. The 2-year contract amount was amended to \$75,605.17 due to the change in the mileage reimbursement amount. The contract is expected to arrive soon. *Netzke added that the boat has been ordered with a pick-up date of March 1 in Shakopee. A cover/tarp will be ordered as well.*

• The contract for the Phase 1 WRAPS for the Cottonwood and Redwood watersheds is ready for signature. Soon after the contract is finalized, it will undergo amendment. MPCA has secured funding to collect some additional samples at select stream sites to ensure that an adequate number of samples are collected and analyzed. If not enough samples are collected, “insufficient findings” would be denoted in the final document as experienced in the Yellow Medicine WRAPS. MPCA will provide funds for our time, analysis of the samples, and mileage reimbursement.

• WPLMN Required Training – February 7 at St. Cloud: Wohnoutka and Netzke will attend the all-day training beginning at 8:30 am. If bad weather/road conditions are forecasted, they may drive up the night before.

2017 LEGISLATIVE SESSION PROPOSALS.

Area II – Netzke requested funding on January 9, 2017. The current status of the requests follow:

FY18/FY19 Administrative Services – hf398/sf348 – \$189K/year from the general fund to BWSR for grant to Area II

Area II Bonding – hf447/sf588 – \$1M bond proceeds to BWSR for grant to Area II for flood hazard mitigation projects

LQP-YB WD Bonding – hf####/sf#### – \$500,000 in Bonding for the engineering of two floodwater control projects. The language has been drafted, but is awaiting introduction.

RCRCA –

Lake Redwood Reservoir Reclamation and Enhancement Project – hf413/sf294 – \$7.825M in bonding. The project was included in the 2016 Bonding Bill which was not signed by the Governor. That same bonding bill was introduced which contained the project funding.

Netzke also briefed the boards on a recent report presented to the legislature addressing the feasibility of the State of MN taking over the Section 404 Army Corps of Engineers permitting. The Executive Summary states that it is possible for this to happen, however WCA would be transferred from local to state government. Although there would be savings to the LGUs, there would be an additional expense for the State to assume the program.

AREA II ENGINEER’S REPORT.

Charlestown 30 Small Dam, Redwood County. A change order for the extra work associated with soil correction has been executed with the contractor and landowner. Work on the project has been suspended until Spring. ***Redwood Falls 18 Small Dam, Redwood County.*** Due to numerous questions with the first permit application, the revised permit application for wetland impacts was resubmitted to the Corps and WCA on November 30, 2016. We are still awaiting on the Corps’ further review and comments. *Netzke added that she contacted the Corps Project Manager for a status report. He just returned to the office after taking off 3 weeks for the holiday.* ***Lincoln CD 37 Pump Station, Lincoln County.*** The Lincoln County Board has advertised for bids for the project to be opened on February 21, 2017 at 10:30 am at the Lincoln County Courthouse. Contractors are starting to call with questions about the project. ***Morton Dam Repair – Birch Cooley 19, Renville County.*** The Renville County SWCD is working with the landowners to resolve issues regarding ponding and the acquisition of property for the emergency spillway. We have heard that the adjacent landowner is willing to sell 0.5 acres to the pond owner for the creation of a new emergency spillway. The project is planned to be constructed in Spring using Flood Recovery Funds. ***Delhi 5 Small Dam Repair, Redwood County.*** The design for this project was completed by the NRCS deadline for potential EQIP funding. With the design completed, the project should garner additional points in the funding process. ***Sherman 6 Streambank Stabilization, Redwood County.*** In conjunction with the Lower Sioux Indian Community, the Redwood SWCD is proposing to stabilize a substantial reach along the Minnesota River where erosion is occurring. Because the area is about ¼ mile in length, the cost of the project is in the area of \$300,000. Due to this cost, it may be necessary to phase the project or to limit the scope of work. A meeting with the Lower Sioux will be scheduled soon to further explore the alternatives for this project. ***Charlestown 34 Small Dam, Redwood County.*** This small dam was planned several years ago at this location, but sand was discovered in the borings. A new site, further upstream of the previous location has now been investigated. Additional borings are part of the scope of work which American Engineering Testing will be undertaking this winter. Further design work will commence once their report is available. ***Verdi Small Dam Repair, Lincoln County.*** This project lies outside of the Area II watershed boundary, draining into the Big Sioux watershed, so no cost-sharing can be offered. Design of the repair was provided by Area II. Lincoln County SWCD has approved 75% cost-share funding and will also reimburse Area II for engineering. Bids have recently been accepted and the low bidder was A & C Excavating at about 27% below the engineer’s estimate. ***Gales 26 Grade Stabilization, Redwood County.*** Design work for this project was also completed in January. This is another project scheduled to be funded with EQIP, so this project will gain additional points in the scoring process for funding. ***Nordland 19 Small Dam Repair.*** The owner of this dam has now authorized bidding. The project is a typical dam repair which will include pipe replacement, regrading of the dam and constructing a new emergency spillway.

AREA II FY2016 AUDIT. Netzke reported that she has received the revised pages/copy of the FY2016 Audit Report, stating in the Notes that an error was found and corrected in the GASB 68 Pension calculation in the FY2015 Audit. The other page corrected had budget amounts from FY2015 that had not been changed to FY2016 amounts. Motion made by Potter, seconded by Holmen, to approve the revised audit report for distribution. Motion carried unanimously.

AREA II – REPLACEMENT OPTIONS OF TOTAL STATION.

In January, Area II’s total station ceased functioning and parts are no longer available for repair. Quotes were obtained from RDO Equipment and Frontier Precision for new and used instruments with government discount and ranged from \$4,287.60 to \$9,990.00 without tax. Netzke also contacted several state and local governments inquiring on a used instrument that is no longer used. Only one was located at the NRCS Area Office in Marshall. The unit is no longer used and is a 2003 Trimble model 5603. NRCS is willing to dispose of the equipment from their inventory for Area II’s use. NRCS is looking into the process. In the meantime, Area II is able to borrow the instrument anytime. At this point in time, Netzke is not seeking Board action on this issue depending on the outcome of the NRCS instrument.

ENGINEERING REIMBURSEMENT TO AREA II FROM RCRC. Area II provided engineering services on several 2016 projects for RCRC and paid for two DNR Protected Waters permits. In past years, engineering assistance had been provided with minimal expenses. These four project expenses total \$7,475. Netzke feels it would be appropriate for RCRC to reimburse Area II for those services with grant income. Motion by Lingbeek, seconded by Meulebroeck, to approve the \$7,475.00 reimbursement to Area II for engineering services on RCRC projects. Motion carried unanimously.

MEMORIALS FOR DECEASED BOARD MEMBERS. Commissioner Walling inquired about the policy of the organization giving memorials to deceased board members. Other organizations take a collection from the board members to gift as a memorial. Some other organizations have been audited and the practice discontinued using organizational funds. Netzke stated that Area II's auditor has not had objections to the practice as the dollar amount was nominal and infrequent. The Board requested staff to check with the current auditors to clarify the question.

ADJOURNMENT. With no other business to address, Area II Chairman Johnson and RCRC Chairman Holmen declared the meeting adjourned at 11:04 AM.

UPCOMING MEETINGS.

March 2017 Board Meeting	Thursday, March 2, 2017	Marshall, MN – BWSR Conference Room – 9:00 AM
April 2017 Board Meeting	Thursday, April 6, 2017	Redwood Falls – Minn-West Conference Room – 9:00AM
May 2017 Board Meeting	Thursday, May 4, 2017	Marshall, MN – BWSR Conference Room – 9:00 AM