

AREA II

AREA II / RCRCA

July 6, 2017 Board of Directors Meeting – BWSR Conference Room, Marshall, MN

AREA II Members Present: Dennis Potter, Norman Holmen, John Maatz, Joe Drietz, Rick Anderson, Gerald Magnus, Luke Johnson, and Glen Kack.

RCRCA Members Present: Dennis Potter, Greg Roiger, Norman Holmen, Clark Lingbeek, Joe Drietz, Glen Sorensen, Rick Anderson, Mark Meulebroeck, Gerald Magnus, Paul Posthuma, Luke Johnson, Arvin Pater, Ed Carter, Glen Kack and Tom Remmele.

Others Present: Kerry Netzke – Executive Director, Joy Bruns – RCRCA Office Manager, John Boulton –YMRWD, Lucas Youngsma – DNR, Jason Beckler – BWSR, and Darrel Ellefson –LQPWD

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

ADOPT AGENDA. RCRCA Chairman Holmen asked for any additions to the Agenda. Hearing none, motion by Meulebroeck, seconded by Lingbeek, to approve the Agenda as presented. Motion carried unanimously.

AGENCY AND MEETING REPORTS.

MN RIVER CONGRESS – Supervisor Lingbeek reported on the meeting in Henderson two weeks ago. The annual meeting has been scheduled for November 16, 2017 to be held in Shakopee or Jordan.

YMRWD – Boulton reported that the District is averaging 15 tile permit applications per month. They are in the process of getting two 100-year old ditches redetermined. Boulton requested an update on the Nordland 6 Road Retention project. A total of \$29,000 in local match was needed for this project. Lyon County approved up to \$9,000 on July 5 (provided through the Lyon SWCD) in addition to secured funding from YMRWD of \$10,000; Nordland Township \$5,000 and Eidsvold Township \$5,000. The project is to be completed by September 30, 2017.

DNR – Lucas Youngsma, Area Hydrologist reported that DNR received funding to remove 3 dams on the Cottonwood River at Sanborn and Lamberton which will restore fish passage to the Cottonwood River. Redwood County has agreed to serve as the project sponsor and fiscal agent for the grant. DNR personnel are working on the biological assessments for Redwood and Cottonwood Watersheds. Minor changes are being made to the buffer maps.

BWSR – Jason Beckler, Board Conservationist – BWSR received a total of \$95 million in CWF Funds. With no policies currently in place, much effort is being put into developing those policies. Funds will be distributed to various programs: 1) \$5 million to SWCDs for buffer cost-share on 16.5' widths which were not previously eligible; 2) “Fund the Plan” 4.875 million per year for two years for noncompetitive, but progress driven results. It is realistic to expect \$300,000 -\$400,000/year for the Yellow Medicine 1W1P; and 3) to SWCDs, \$22 million for Local Capacity. *Buffer* statute changes occurred in 2017. Most counties in southwestern Minnesota have accepted jurisdiction with the exception of Brown and Watonwan County. An 8-month extension is available if the landowner has a plan to get into compliance on a public water. *Competitive CWF Grants.* The RFP totaling \$6 million statewide opened July 5 and will close on August 7. There are no AIG or Community Partners grants, and it will be tough to get funding without a completed 1W1P, WRAPS or TMDL. *CREP Signups* are going slow due to record high CRP payment rates. The minimum enrollment is 8 acres unless a waiver applies. Outreach may not be what it should as SWCDs are busy with other programs. The 25x'25 meetings are scheduled across the state and input is greatly needed (August 16 at Mankato

and August 17 at Marshall). BWSR will be hosting follow-up meetings the morning after the 25x'25 meetings. You can host your own group 25x'25 meeting by requesting a meeting packet and send in your opinions for consideration.

AREA V MASWCD – Supervisor Lingbeek reported on the June 25 meeting at AgCo in Jackson, MN. A tour was given of the impressive AgCo facility. No resolutions will be coming from this area for the State Convention.

AMC – Commissioner Anderson, District 8 AMC Chair, reported on the ongoing Strategic Planning. Items affecting our area include: 1) No net gain of public land, and 2) Predictable funding for SWCDs. AMC opposes a line item on tax statements for SWCDs. If a line item is on the tax statement, then Truth in Taxation and other regulations must be followed. SWCD supervisors would need to be voted in by their District, not the entire county population.

LQP-YB WD – Ellefson reported that tile permit applications are starting to slow down. Many landowners are requesting closure of open ditches and installing tile to eliminate the buffer requirement. \$200,000 was included in the Bonding Bill to repair the riser on the R6 Reservoir. The District is hoping to complete ditch cleanouts before buffers are established to prevent disturbing the new buffers with spoil materials. Anderson added that keeping the spoil bank to prevent drainage into the ditch, instead of leveling the spoil, will meet the Alternative Practice criteria, but not necessarily the buffer width requirement.

Holmen offered information regarding the buffer law. Chad Lange is with MnNRC – Minnesota Natural Resources Coalition, an organization that feels that land is being taken away from the producer. Paul Dorr with Copperhead Consulting of Ochedan, IA is working with MnNRC to get producer compensation. He has assisted with public school referendums and defeated 80% of them.

APPROVE RCRCA MINUTES of June 1, 2017 Monthly Board Meeting. Motion by Johnson, seconded by Potter, to approve the June 2017 Minutes as corrected. Motion carried unanimously.

APPROVE AREA II MINUTES of June 1, 2017 Monthly Board Meeting. Motion by Anderson, seconded by Drietz, to approve the June 2017 Minutes as corrected. Motion carried unanimously.

APPROVE RCRCA TREASURER’S REPORT – June 2017. Netzke reviewed the financials with the Board. Motion by Carter, seconded by Pater, to approve the June 2017 Treasurer’s Report and the bills as paid. Motion carried unanimously.

APPROVE AREA II TREASURER’S REPORT – June 2017. Netzke reviewed the financials with the Board. Income received: \$4,139.03 Contract Services Income, \$134.72 Interest Income, \$1,222.50 Lincoln SWCD reimbursement for Verdi 1 engineering, and \$365.64 from Thompson Excavating for staking services on a DNR project. Miscellaneous Expense includes \$1,200.00 for Dam Safety permits. Bills for approval include: \$2,160.00 Professional Services and \$1,113.00 Investigation & Testing (Charlestown 30). Motion by Drietz, seconded by Potter, to approve the June 2017 Treasurer’s Report and payment of the bills. Motion carried unanimously.

Revenue as recorded:

Contract Service Income (RCRCA)	\$ 4,139.03	Projects-Bonding	\$ -0-
Interest Income	\$ 134.72	County Levy	\$ -0-
State of MN-Administrative	\$ -0-	1W1P Grant Funds	\$ -0-
Miscellaneous Revenue	\$ 1,588.14		

Paid bills are summarized below:

Administration	\$ 13,746.45	Directors' Expense	\$ -0-
Maintenance & Repair	\$ 214.07	Rent	\$ 837.00
Miscellaneous Expense	\$ 1,231.64	Office Supplies	\$ -0-
Professional Services	\$ 9,831.00	Vehicle Expense	\$ 435.76
Contract Services - RCRCA	\$ 774.40	Field Supplies	\$ -0-
Bonding Project Funds	\$ -0-	Employee Expense	\$ 81.53
Postage	\$ -0-	Project Expense	\$ -0-
1W1P Grant Expenses	\$ -0-	Investigating & Testing	\$ -0-
Directors' Insurance	\$ -0-	Telephone	\$ 20.80
Other Insurance	\$ -0-	Capital Outlay	\$ -0-

Approved bills for payment are summarized below:

Professional Services	\$ 2,160.00	Investigation & Testing	\$ 1,113.00
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RCRCA - APPROVE NEW COST SHARE APPLICATIONS: None

RCRCA CONTRACTS FOR AMENDMENT/CANCELLATIONS: None

RCRCA CONTRACTS FOR PAYMENTS: None

AREA II – APPROVE NEW COST SHARE APPLICATIONS:

YMRWD	Lyon - Nordland 6	Road Retention
Original Estimate: \$116,397.30	Original Cost Share: \$87,297.98 (75%)	

Gary VanGelderren	Murray - Holly 1	Grade Stabilization Repair
Original Estimate: \$45,994.30	Original Cost Share: \$34,495.73 (75%)	

Netzke presented two new cost share contracts: 1) Lyon – Nordland 6 Road Retention, and 2) Murray – Holly 1 Grade Stabilization Repair.

AREA II CONTRACT AMENDMENT: None

AREA II CONTRACTS FOR PAYMENT:

Beverly Pfarr	Redwood – Charlestown 30	Grade Stabilization
Original Estimate: \$146,338.50	Original Cost Share: \$109,753.87 (75%)	
ACT Cost (Partial): \$28,845.83	REQ Cost Share Partial Payment #1: \$21,634.37 (75%)	
ACT Cost (Partial): \$117,492.67	Cost Share Partial Payment #2: up to \$88,119.50 (75%)	
Waraju, Inc.	Redwood – Johnsonville 34W	Grade Stabilization Repair
Original Estimate: \$30,403.73	Original Cost Share: \$22,802.80 (75%)	
ACT Cost: \$23,594.40	ACT Cost Share: \$17,695.80 (75%)	

Netzke presented two contract payment requests: 1) Redwood – Charlestown 30 Grade Stabilization, and 2) Redwood – Johnsonville 34W Grade Stabilization Repair.

Motion by Holmen, seconded by Maatz, to approve the Area II new cost share contracts and contract payments up to the total cost share approved previously. Motion carried unanimously.

EXECUTIVE DIRECTOR'S REPORT.

- Vacation – June 12-16.

AREA II

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

- Performance Based Funding (*aka "Fund The Plan"*) in the amount of \$9.75M was approved by the Legislature. The funding amount for the YM 1W1P has not been announced, nor grant specifics. MOA draft to be completed July 5 and Policy Committee meeting scheduled for late July.

- **YMRWD Dam Inspections** – conducted on June 5. All were found in good condition. The exterior pipe deterioration on the Hauschild-Thange Dam has not increased significantly; however several logs and various debris removal is needed.
- **Dam Liability Insurance** – Area II received notice from Western National of nonrenewal as the company will no longer carry monoline (single) policies. It has become practice of most insurance carriers to provide all of your insurance needs as a package. An alternative policy is being sought as MCIT does not provide this coverage.
- **Biennial Plan** – revised the Plan as discussed with the Board. Jason Beckler, BWSR Conservationist reviewed the Plan and suggested some additional information. The Board will be asked to approve the revised Plan to forward to BWSR. BWSR Southern Region Committee will not meet until August; BWSR Board approval in September with payment anticipated early October.

RCRCA

- **Surface Water Assessment Grant (SWAG)** – The second month of stream and lake samples were collected. The quarterly invoice will be prepared as well as for the other sampling programs (WPLMN, MDA, WRAPS-GAP).
- **Phase 1 WRAPS** – The Local Work Group met June 8 in Marshall. Due to MPCA staff vacancies, the writing of the WRAPS and TMDL reports will be done by a consultant. The group will be interviewing Houston Engineering, RESPEC, and Wenck in early August for consulting services.
- **Joint Powers Agreement** – All signatures were obtained by June 27. Executed copies were emailed to the member counties and SWCDs for their files.
- **CFW Grant Workshop** – BWSR hosted a workshop in Marshall on June 8. Only \$6 million in funds are available and grants are expected to be highly competitive. The RFP is expected July 5 with submittal by August 7.
- **Canoe Trips** – Sunny and 75° for the Redwood trip on June 20 with 35 on the river. An early morning storm for the Cottonwood trip on June 22 scared away some of the 74 registered to attend; 48 people were on the river. The trip made the front page of the New Ulm Journal (article attached) as the writer, Fritz Busch was part of the trip.
- **Area 5 MASWCD** – Attended the meeting held at Jackson, which featured a tour of the AgCo factory. The Governor's "25 by 25" initiative was to be discussed, however very little information was available other than the dates of the public meetings seeking citizen input.
- **Reporting** – Began semi-annual reports for MPCA and quarterly invoices for all reimbursable grants.

BRAWNER LAKE STRUCTURE FAILURE (*Camden State Park – Lyon County*). The lake level dropped 6' in March 2015 and it was suspected that the structure (metal conduit with concrete riser/control structure) was failing. The level held until June 10, 2017. RCRCA sampled the lake on June 6 as part of the SWAG grant. On June 10, the riser was found to be leaning significantly. By June 21, the lake drained completely into the Redwood River due to deterioration of the metal culvert. Photos of the failure were presented for review. Lucas Youngsma reported that the DNR has received \$350,000 in the 2017 Bonding Bill to study, engineer and reconstruct the 1952 earthen impoundment dam. Engineering is typically done in-house, however DNR currently has two engineering vacancies and plans to look outside the agency for engineering services. Youngsma would like to utilize the local knowledge/resources at Area II. Duane Hansel, PE is comfortable doing the design work. Area II will stay involved in the conversations with DNR. There is concern that the riser may fall over which has prompted closure of the park road and trail road to the public. RCRCA has advised MPCA Project Manager, Kelly O'Hara of the lake condition and that sampling will discontinue for Brawner Lake.

AREA II ENGINEER'S REPORT.

Projects Under Construction or Recently Completed: 1) *Delhi 5 Diversion*. Ryan West recently finished this channel and riprap project. 2) *Charlestown 30 (Pfarr)*. With the redesigned clay liner in the pond area, this project is nearing completion. The seeding needs to be completed as soon as the soil dries. The pond is nearly full from the recent rains. 3) *Johnsonville 34 and 34W Small Dam Repairs*. These dam repair projects are complete.

Redwood Falls 18 Small Dam, Redwood County. We are still awaiting the Corps permit. Prior discussions indicate that the permit would be granted by the end of June. **Lincoln CD 37 Pump Station.** We continue to process shop drawings and are awaiting the contractor's construction schedule. **Morton Dam Repair – Birch Cooley 19, Renville County.** We have revised the design to eliminate the earlier turf emergency spillway. The project plans have been approved by the landowner. We have now applied for a DNR dam safety permit, since the height of the dam exceeds 25 feet. The job will be constructed using Flood Recovery Funds from the Renville SWCD. A flowage easement for ponding on the adjacent landowner has been drafted. **Delhi 5 Small Dam, Redwood County.** Bids were received for this project with Brey Tiling as the low bidder at \$45,178.00. The second low bidder was Ryan West Excavating with a bid of \$51,820.61. The Engineer's Estimate was \$58,363.00. This project is funded through EQIP. **Charlestown 34 Small Dam, Redwood County.** This small dam was planned several years ago upon this property, but sand was discovered in the borings. A new site, further upstream of the previous location has now been investigated and was found to have better soils. The landowner is ready to proceed with the project. The plans have forwarded to the Corps of Engineers, DNR, and WCA for permitting. Purchase of wetland credits is proposed as mitigation for wetland impacts. **Charlestown 30 Small Dam (Jeckell).** Ryan West Excavating was awarded the project. We expect construction to occur later in August. **Nordland 20 Small Dam, Lyon County.** The plans for this dam are completed and the Joint Permit Application to the Corps, DNR and WCA has been submitted. The dam will impact a small wetland area, so mitigation of the impact in terms of a bypass tile line is anticipated to be required. Wetland credit purchase is also proposed. **Nordland 6 Road Retention, Lyon County.** This road retention project, which was originally proposed about three years ago, is again being promoted by the Yellow Medicine River Watershed District. Total local funding of \$20,000 has been committed from the YMRWD, Eidsvold and Nordland Townships; approximately \$9,000 Lyon County at their July 5 commissioner's meeting. **Holly 1 Small Dam Repair, Murray County.** We met recently with the landowner of this project for concurrence on the design. We found out that additional watershed areas have been diverted to the dam site in the past, so we are in the process of redesigning the project. **Sodus 36 Small Dam Repair, Lyon County.** Bids were received for this project. Ryan West Excavating was the low bidder at \$32,178.46. The second bidder was D & G Excavating with a bid of \$32,620.50. The Engineer's Estimate was \$32,680.12. This project will use bonding funds. **North Hero 31 Small Dam Repair, Redwood County.** We met recently with the landowner for this project. The bidding process is underway and summer construction is anticipated. The project will be funded by Redwood Flood Recovery moneys. **Nordland 20 SE Grade Stabilization, Lyon County.** Bids were received for this project. Thompson Excavating was the low bidder at \$33,274.10. The second bidder was Groundworks with a bid of \$36,197.70. The Engineer's Estimate was \$46,315.23. This project is funded through bonding. **Nordland 20 SW Dam Repair, Lyon County.** Bids were received for this project. Thompson Excavating was the low bidder at \$20,073.70. The second bidder was Groundworks with a bid of \$22,513.82. The Engineer's Estimate was \$25,292.58. This project is funded through Bonding.

AREA II - FY'18 & FY'19 BIENNIAL REPORT. Netzke made the changes at the request of the Board and BWSR. Motion by Drietz, seconded by Potter, to approve the revised FY'18 & FY'19 Biennial Report. Motion carried unanimously. The BWSR Southern Region Water Plan Committee will review the plan at their August meeting and recommend approval to the BWSR Board at their September meeting. Payment would be expected in October.

AREA II - DAM LIABILITY INSURANCE. Netzke reported that Area II received a cancellation notice from Western National Insurance Company. They, like many other larger insurance providers, require a "package" to provide all of your insurance needs and no longer carry monoline (single) coverage policies. Netzke is looking into other carriers for the dam liability coverage as MCIT does not provide this coverage. In order for Western National to keep Area II, they would like the Commercial Auto and Workers Comp policies. MCIT also works on the "package" format and removing policies would endanger MCIT membership and take 3 years to accomplish. Currently, HUB International (formerly Bank of the West Insurance) is searching other markets for a carrier, such as Lloyd's of London and Hartford. In the meantime, the coverage has lapsed since June 30, 2017 and a new policy will be back dated to July 1, 2017. Area II has never had a claim on this coverage since the organization's inception. Netzke advised the Executive Board that a special meeting may be called on short notice when a new carrier/quote is obtained.

AREA II FY'17 AUDIT LETTER OF ENGAGEMENT. Netzke received an Audit Engagement Letter from Richard W. Holmberg, Ltd. for the annual audit not to exceed \$3,650. This is an increase of \$150 from the previous year. Motion by Potter, seconded by Maatz, to accept the proposal and authorize Netzke's signature. Motion carried unanimously.

RCRCA – REQUEST FOR FUNDING FROM SW PRAIRIE TSA 5. Technical Service Area 5 (TSA 5) received a FY’13 CWF grant to hydro-condition the LIDAR data for all of the watersheds within the TSA. RCRCA transferred its CWF AIG grant to the TSA to combine efforts and produce compatible hydro-conditioning data. TSA’s are based on county boundaries, so completion of the Cottonwood watershed required cooperation with TSA 6. TSA 5 has \$50,000 in grant and much funds remaining from the FY’13 grant. The grant has been extended once and will expire December 31, 2017. The TSA would like to fund additional hydro-conditioning, specifically of the ‘orphan areas’ of the Yellow Medicine, Redwood and Cottonwood River watersheds according to the One Watershed, One Plan (1W1P) boundaries. Houston Engineering, Inc. and MSU-Mankato Water Resources Center have estimated \$58,000 to complete these orphan areas. To fund this endeavor, up to \$8,000 is needed, however the most recent estimates are in the range of \$5,000. This hydro-conditioning work will need to be completed before 1W1P begins. Jason Beckler, BWSR added that an agreement with TSA 5 may be needed which he will coordinate. Motion by Lingbeek, seconded by Sorensen, to approve up to \$8,000 from the General Fund to assist TSA 5 with this hydro-conditioning and to grant Netzke authorization to sign agreements with TSA 5. Motion carried unanimously. On behalf of TSA 6, Roiger thanked TSA 5 for the across-the-boundary partnership that will create a great asset to the watersheds.

OTHER BUSINESS

Annual Meeting November 2017. Previously, the Boards had requested that the annual meeting be held during the week on the regular meeting day, which falls on November 2. The AMC District 8 Fall Meeting is that same morning in Luverne, ending at 1:30 pm. We will plan on a mid-afternoon meeting and early supper. The Hiawatha Lodge in Pipestone and Hatfield Roadhouse were recommended as the meeting place/caterer. Bruns will contact the Hiawatha Lodge to reserve the facility and book the caterer. A ‘Save the Date’ postcard will also be mailed in advance to encourage commissioners and legislators to attend both meetings. The board meeting time will be determined later.

ADJOURNMENT. With no other business to address, Area II Chairman Johnson and RCRCA Chairman Holmen declared the meeting adjourned at 10:57 AM.

UPCOMING MEETINGS.

August 2017 Board Meeting	August 3, 2017	Redwood Falls, MN – MN West Conf. Room – 9:00 AM
September 2017 Board Meeting	September 7, 2017	Marshall, MN – BWSR Conference Room – 9:00 AM
October 2017 Board Meeting	October 5, 2017	Redwood Falls, MN – MN West Conf. Room – 9:00 AM
November 2017 Board Meeting	November 2, 2017	Pipestone, MN -- Hiawatha Lodge – time TBD