

AREA II

AREA II / RCRCA

September 7, 2017 Board of Directors Meeting – BWSR Conference Room, Marshall, MN

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

RCRCA Members Present: Dennis Potter, Clark Lingbeek, Joe Drietz, Glen Sorensen, Rick Anderson, Mark Meulebroeck, Lori Gunnink, Paul Posthuma, Lon Walling, Ed Carter and Glen Kack.

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

The meeting was called to order at 9:00AM by RCRCA Vice-Chairman Lingbeek and Area II Vice-Chairman Potter.

ADOPT AGENDA. Lingbeek asked for any additions to the Agenda. Netzke requested the addition of RCRCA Contribution Agreement with the Southwest Prairie Technical Service Area (TSA). Motion by Drietz, seconded by Gunnink, to approve the Agenda with the addition. Motion carried unanimously.

AGENCY AND MEETING REPORTS.

MASWCD – Lingbeek reported that Governance Meeting is scheduled for September 14 & 15 in Bloomington. The Annual Convention will be held one week later than usual starting in 2018; this will no longer coincide with the AMC and MAWD Annual Conventions.

25 BY 25 MEETING – Lingbeek and Netzke reported on the town hall meeting held in Marshall on August 17. Prior to the Governor’s meeting, a MDA listening session was hosted by MDA Commissioner David Frederickson providing information on the draft Nitrogen Fertilizer Rule. There were many comments made about the benefits of floodwater retention and the increased need for it. Senator Dahms attended the MDA meeting and was joined by Senator Weber and Representative Swedzinski for the 25 BY 25 Meeting. Supervisor Carter added that another MDA meeting was held earlier in the month at the Lyon County Library which was also good.

MINNESOTA RIVER CONGRESS – Lingbeek reported that the annual meeting will be held on November 16 in the Jordan/Shakopee area. Dr. Patrick Belmont will be the keynote speaker. A Networking Fair will be held again. Lingbeek encouraged RCRCA/Area II to participate, possibly with a continuous PowerPoint presentation on a TV.

AMC – Commissioner Anderson, District 8 AMC Chair, reported on sustainable funding outlooks and options. The next meeting of the Capacity Work Group will be September 20. A line item on tax statements will meet the same Truth in Taxation requirements as other line items.

YMRWD – Boulton reported that tiling permit applications (31) have increased with harvest approaching. The District has shared service agreements with the Lincoln SWCD for administration (1 day/week) and Yellow Medicine SWCD for a technician (1 day/week) as promoted through the YM 1W1P. Lincoln County is receiving 100 new wind towers by the end of the year. The construction company has a large crane, weighing 800 tons that is used to set the towers in place. The crane is driven from site to site and is causing damage to drain tile, culverts and roadways. Due to the hail/wind damage, some farmers will be receiving crop insurance damage in addition to construction damages. Several ditch projects are ongoing. Area II will be investigating increased storage at the existing Marble 8 Road Retention, designing a dam repair in Alta Vista 27, and rebidding the Nordland 6 Road Retention over the winter months.

APPROVE RCRCA MINUTES of August 3, 2017 Monthly Board Meeting. Motion by Meulebroeck, seconded by Sorensen, to approve the August 2017 Minutes as presented. Motion carried unanimously.

APPROVE AREA II MINUTES of August 3, 2017 Monthly Board Meeting. Motion by Anderson, seconded by Maatz, to approve the August 2017 Minutes as presented. Motion carried unanimously.

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

APPROVE AREA II TREASURER’S REPORT – August 2017. Netzke reviewed the financials with the Board. Income received: \$5,442.36 Contract Services Income, \$71.65 Interest Income and \$139,602.97 Bonding Reimbursement. Bills for approval include: \$13,714.50 Professional Services (\$9,124.50 for RESPEC, to be approved by the YM 1W1P Policy Committee) and \$20,137.60 Project Expense (Redwood Falls 18) wetland credits purchase. Motion by Gunnink, seconded by Anderson, to approve the August 2017 Treasurer’s Report and for payment of the bills. Motion carried unanimously.

Revenue as recorded:

Contract Service Income (RCRCA)	\$ 5,442.36	Projects-Bonding	\$ 139,602.97
Interest Income	\$ 71.65	County Levy	\$ -0-
State of MN-Administrative	\$ -0-	1W1P Grant Funds	\$ -0-
SWCD Tech Assistance	\$ -0-	1W1P-Contract Service	\$ -0-

Paid bills are summarized below:

Administration	\$ 13,979.19	Directors’ Expense	\$ -0-
Maintenance & Repair	\$ 115.16	Rent	\$ 837.00
Miscellaneous Expense	\$ 19.35	Office Supplies	\$ 550.62
Professional Services	\$ 4,320.00	Vehicle Expense	\$ 398.03
Contract Services - RCRCA	\$ 2,006.40	Field Supplies	\$ -0-
Bonding Project Funds	\$ 133,681.34	Employee Expense	\$ 50.83
1W1P Grant Expenses (cash basis)	\$ 3,484.36	Investigating & Testing	\$ -0-
Directors’ Insurance	\$ -0-	Telephone	\$ 31.98
Other Insurance	\$ -0-	Utilities	\$ 120.00

Approved bills for payment are summarized below:

Professional Services	\$ 4,590.00	Project Expense	\$ 20,137.60
YM 1W1P	\$ 9,124.50		

RCRCA - APPROVE NEW COST SHARE APPLICATIONS: None

RCRCA CONTRACTS FOR AMENDMENT/CANCELLATION:

REDWOOD WATERSHED:

Netzke presented one cost share contract amendment: Redwood – Redwood Falls 10 Water and Sediment Control Basins. Motion by Gunnink, seconded by Drietz, to approve the cost share contract amendment for Redwood – Redwood Falls 10. Motion carried unanimously.

RCRCA CONTRACTS FOR PAYMENTS: None

AREA II – APPROVE NEW COST SHARE APPLICATIONS: None

AREA II CONTRACT AMENDMENT:

Mike Mortier	Lyon – Nordland 20SW	410 Grade Stabilization Repair
Original Estimate: \$20,073.70	Original Cost Share: \$15,055.28 (75%) – Paid 8/3/17	
Amended Cost: \$800.00	Amended Cost Share: \$600.00 (75%)	
ACT Cost: \$20,873.70	ACT Cost Share: \$15,655.28 (75%)	

Contract is amended to include crop damages upon 1 acre of corn which was necessary for the contractor to access the project site.

Tom Morley	Redwood – Redwood Falls 18	410 Grade Stabilization
Original Estimate: \$81,340.05	Original Cost Share: \$61,005.04 (75%)	
Amended Cost: \$13,270.45	Amended Cost Share: \$9,952.84 (75%)	
ACT Cost: \$94,610.50	ACT Cost Share: \$70,957.88 (75%)	

Contract is amended to include increased costs for 0.32 acres of wetland credits and transaction fees.

Netzke presented two contract amendments: 1) Lyon – Nordland 20SW Grade Stabilization Repair, and 2) Redwood – Redwood Falls 18 Grade Stabilization.

AREA II CONTRACTS FOR PAYMENT:

Mike Mortier	Lyon – Nordland 20SW	410 Grade Stabilization Repair
Original Estimate: \$20,073.70	Original Cost Share: \$15,055.28 (75%)	
Amended Cost: \$800.00	Amended Cost Share: \$600.00 (75%)	
ACT Cost: \$20,873.70	ACT Cost Share: \$15,655.28 (75%)	

Gary VanGelderren	Murray – Holly 1	410 Grade Stabilization Repair
Original Estimate: \$45,944.30	Original Cost Share: \$34,495.73 (75%)	
ACT Cost: \$35,466.60	Cost Share Payment: \$26,599.95 (75%)	

NW Farm Management	Lyon – Nordland 19	410 Grade Stabilization Repair
Original Estimate: \$26,713.07	Original Cost Share: \$20,034.81 (75%)	
ACT Cost: \$26,713.07	ACT Cost Share: \$20,034.81 (75%)	

Selmar (Sam) Smith	Lyon – Nordland 20SE	410 Grade Stabilization
Original Estimate: \$46,315.23	Original Cost Share: \$34,736.43 (75%)	
ACT Cost: \$33,274.10	ACT Cost Share: \$24,955.58 (75%)	

Lincoln County	Lincoln – CD 37	657 Pump Station
Original Estimate: \$124,523.00	Original Cost Share: \$93,392.25 (75%)	
Partial Payment #1: \$59,336.34	Partial Payment #1 Cost Share: \$44,502.26 (75%)	

Netzke presented five contract payment requests: 1) Lyon – Nordland 20SW Grade Stabilization Repair, 2) Murray – Holly 1 Grade Stabilization Repair, 3) Lyon – Nordland 19 Grade Stabilization Repair, 4) Lyon – Nordland 20SE Grade Stabilization, and 5) Lincoln – Lincoln CD 37 Pump Station (Partial Payment 1).

Motion by Maatz, seconded by Gunnink, to approve the contract amendments for 1) Lyon - Nordland 20SW Grade Stabilization Repair and Redwood – Redwood Falls 18 Grade Stabilization, and payment of 1) Lyon – Nordland 20SW Grade Stabilization Repair, 2) Murray – Holly 1 Grade Stabilization Repair, 3) Lyon – Nordland 19 Grade Stabilization Repair, 4) Lyon – Nordland 20SE Grade Stabilization, and 5) Lincoln – Lincoln CD 37 Pump Station (Partial Payment 1). Motion carried unanimously.

EXECUTIVE DIRECTOR’S REPORT.

• **SW/WC Annual Meeting** was held on August 23. Due to the loss of 3 large employer groups, SW/WC has moved from a 3-tier rating system to a 4-tier system which increases the percentages to the small employer groups greatly. Area II rates for 2018 will increase 21.9% and RCRCA will increase 43.0%. Other plan options from BCBS are being sought to be discussed with the Boards.

• **25 BY 25 Southwest MN Town Hall meeting** was held August 17 in Marshall. A large crowd was in attendance and was welcomed by Governor Dayton. The meeting consisted of small table groups discussing these 3 topics:

- 1) What goals could be established to improve water quality by 25% in southwestern MN?

- 2) What actions are needed to get to these goals in southwestern MN?
- 3) What specific steps are needed to move these actions forward now?

Prior to the meeting, MDA Commissioner Dave Frederickson hosted a well-attended listening session to discuss the Draft Nitrogen Fertilizer Rule and other MDA programs.

AREA II

• **Yellow Medicine One Watershed One Plan (1W1P)** – Comments on the draft Memorandum of Agreement for Implementation are due September 30. A meeting will be scheduled for the Policy Committee in October or early November to discuss any further changes to the MOA and proceed with obtaining signatures before December 31, 2017. The Policy Committee will need to approve the invoice(s) from RESPEC before Area II can issue payment.

• **Dam Liability Insurance** – HUB International is still attempting to locate a new insurance provider. Several companies have declined coverage due to monoline policies or the small scale nature of our projects. One provider indicated the premium would be in the range of \$10,000 which is nearly double the premium paid to Western National. Netzke is contacting some counties outside our area to inquire on dam insurance carriers and also reopening the discussion with the League of Minnesota Cities who insures YMRWD without having a city member.

RCRCA

• **Phase 1 WRAPS** – The Local Work Group met August 10 and selected Wenck as the consultant to write the WRAPS report and TMDL. MPCA is working on revising the work plan and contract as each watershed (Redwood and Cottonwood) is to receive \$100,000 for FY18, \$50,000 for FY19, and \$50,000-\$65,000 for FY20. MPCA has approved some of the impaired lakes to have sediment cores collected to determine if the impairments stem from the surrounding watershed or in-lake processes.

• **CWF Grant** – An application for the Cottonwood River was submitted on August 9 in the amount of \$291,805.00. Priority subwatersheds include Meadow Creek, Lone Tree Creek and the mainstem of the Cottonwood River. Only \$6 million is available and grants are expected to be highly competitive. RCRCA is at a disadvantage as there is no WRAPS or TMDL reports to provide the targeting/prioritization information that other watersheds have.

AREA II ENGINEER'S REPORT.

Projects Under Construction or Recently Completed.

- **Delhi 5 Grade Stabilization, Redwood County.** Work by Brey Tiling is completed on this project.
- **Holly 1 Grade Stabilization Repair, Murray County.** Thompson Excavating began work on this project Aug. 24.
- **Nordland 19 Small Dam Repair, Lyon County.** The contractor is recovering from treatments and is supervising work on this project as his health allows. The work should be completed in the coming weeks.

Redwood Falls 18 Small Dam, Redwood County. Bids for this project were received on August 18. The low bidder was Mathiowetz Construction at \$64,746.40; second low bidder was Brey Tiling at \$75,816.50. The Engineer's Estimate was \$74,725.50. Construction is scheduled for October 1 as the Corps of Engineer's permit has been received and wetland credits (0.32 acres) are being purchased. **Lincoln CD 37 Pump Station, Lincoln County.** The contractor installed most of the force main for this project. We also met on the site with Lyon/Lincoln REA to coordinate the electrical installation. When dry weather allows, the contractor will return to the site to complete the lift station installation and the tiling work. **Morton Dam Repair - Birch Cooley 19, Renville County.** We have applied for a DNR dam safety permit, since the height of the dam exceeds 25 feet. The DNR is concerned about possible flooding of some properties in Morton if the dam would breach and has asked for additional survey and analysis. We should be providing this information to the DNR shortly. We are working through questions from the Corps of Engineers and are hopeful that the project can be exempted from their Nationwide Permit requirements which now include maintenance. Depending on the project, maintenance activities may need to be reported to the Corps. **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 plans have been forwarded to the Corps of Engineers, DNR and WCA for permitting. Purchase of wetland credits is proposed as mitigation for wetland impacts. The DNR has requested clarification on some elevation discrepancies on the plan. The Corps has requested some additional information about the low flows and a map of the impacted areas. **Charlestown 30 Small Dam (Jeckell), Redwood County.** Ryan West Excavation was awarded the project. We expect construction to occur in mid-September.

Nordland 20 Small Dam, Lyon County. The plans for this dam were completed and the Joint Permit Application to the Corps, DNR and WCA was 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.*** The watershed district explored the possibility of awarding the contract for this project, even though the only bid was considerably higher than the estimate. After receiving legal advice, the District has decided to wait until winter to rebid the job. ***North Hero 31 Grade Stabilization Repair, Redwood County.*** Bids for this project were received on August 10. The low bidder was Noomen Construction with a bid of \$18,644.39; however the bid was rejected, as it was filled out improperly. The bid was awarded to Ryan West Excavating at \$20,827.84. The next low bidder was Thompson Excavating at \$21,769.40. ***Sodus 32 Grade Stabilization, Lyon County.*** We are nearing design completion on this project which would stabilize a wash-out area between two farm fields. Lyon SWCD cost-share funds will be used to construct the project. ***Lamberton 26 Small Dam Repair, Redwood County.*** We have started initial design work on this structure for 2018 construction. ***Swede's Forest 27 Small Dam Repair, Redwood County.*** Design work on this repair has also been started. This project will likely be funded by EQIP in 2018.

LEGISLATIVE GATHERING – Thursday, November 2, 2017. Bruns has booked the Hiawatha Lodge in Pipestone and arranged the Hatfield Roadhouse for catering. The Board of Directors business meeting will begin at 2:30 PM, registration for the legislative meeting at 3:00 PM, meeting start at 3:30 PM, and meal at 5:30 PM. Dr. Jeff Stock, SWROC has accepted our invitation to speak at our meeting on “Assessment of Side Inlet Designs”. ‘Save the Date’ postcards have been mailed. Invitations will be mailed in early October.

2018 HEALTH INSURANCE RATES FOR AREA II and RCRC. Netzke reviewed the health insurance coverage with the boards and provided some plan options to reduce the premiums. Both existing plans are low out-of-pocket, co-pay plans that are more attractive than most plans offered by the member counties. If no changes are made, Area II's insurance will renew at \$1,689.00 for family coverage (\$1,335.50 Area II, \$353.50 employee) and RCRC's insurance will renew at \$878.00 for single coverage. Discussion followed. With a plan decision to be made by October 15, this does not allow enough time to shop around for alternative providers/plans. It was suggested to form a subcommittee to look into other insurance options with different companies for the 2019 plan year. Several of the counties have had bad experiences with the service co-ops/Blue Cross Blue Shield and have since become self-insured or formed self-insured partnerships with other counties. This item will be included on the October agenda.

Area II – Motion by Walling, seconded by Anderson, to renew the insurance plan with no changes for 2018. Motion carried unanimously.

RCRC - Motion by Meulebroeck, seconded by Sorensen to renew the insurance plan with no changes for 2018. Motion carried unanimously.

APPROVE AREA II LOCAL MATCH ASSISTANCE TO RW-CWP-07-2015 (Bruce Tiffany) Redwood Falls 10. Netzke informed the board that this location experienced severe erosion damages due to a 9” rain that occurred in July 2016. Upon the landowner's request, Netzke would like to offer assistance of \$5,295.44 (half of the \$10,590.88 local match) to the landowner as: 1) the current project is designed to capture more of the overland flow, and 2) bids came in over Engineer's Estimate. Discussion followed. It was decided that this assistance will not become a precedent and will be decided upon a case-by-case basis. Motion by Gunnink, seconded by Maatz, to approve up to \$5,295.44 (half of the 25% local match) to come from Area II's county project fund. Motion carried; Walling voted in opposition.

RCRC – TSA CONTRIBUTION AGREEMENT. An agreement is ready for signature allowing RCRC to assist with funding the hydro-conditioning work for the “orphan” areas in the Yellow Medicine, Redwood and Cottonwood River watersheds according to the One Watershed, One Plan boundaries. This hydro-conditioning work will need to be completed for One Watershed, One Plan development. RCRC General Funds will be used, up to \$8,000; the current estimate is in the range of \$5,000. Motion by Drietz, seconded by Sorensen, to authorize Vice-Chairman Lingbeek to sign the RCRC/TSA Contribution Agreement. Motion carried unanimously.

AREA II – PERFORMANCE REVIEW – Netzke, Executive Director. The Executive Board met with Netzke prior to the meeting and upon a satisfactory review, is recommending a 1% merit increase as budgeted. Area II does not utilize a pay scale as RCRC does. It was discussed that the same subcommittee to research health insurance also determine a pay scale based on reviewed job descriptions. The subcommittee should also investigate the advantages/disadvantages of

having Area II and RCRCA employees under one entity for health insurance. Lingbeek recommended discussion with Kay Gross, Cottonwood SWCD Manager, as she has recently worked with a former MCIT attorney to develop similar information for the TSA. Motion by Walling, seconded by Anderson, to adopt the Executive Board’s review and to approve the 1% merit increase as budgeted. Motion carried unanimously.

RCRCA – PERFORMANCE REVIEW – Wohnoutka, Water Quality Technician. Netzke conducted a performance review of Wohnoutka. She recommends a merit increase of 1% to Grade 5 Step P (\$21.51/hour). Motion by Drietz, seconded by Posthuma, to approve the increase as recommended. Motion carried unanimously.

OTHER BUSINESS. On September 5, the Redwood SWCD conducted a tour of conservation projects, many of which were partnered with Area II and RCRCA. The attendees enjoyed the diversity of projects and were impressed in the amount of funds/cost-share put on the ground. The Cottonwood SWCD also had a tour of projects a few weeks ago and the landowners were very appreciative of the conservation assistance.

ADJOURNMENT. With no other business to address, Area II Vice-Chairman Potter and RCRCA Vice-Chairman Lingbeek declared the meeting adjourned at 11:04 AM.

UPCOMING MEETINGS.

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 – 2:30 PM
December 2017 Board Meeting	December 7, 2017	Redwood Falls, MN – MN West Conf. Room – 9:00 AM
January 2018 Board Meeting	January 4 or 11, 2018	Marshall, MN – BWSR Conference Room, Marshall 9:00 AM