

AREA II

AREA II / RCRC

October 4, 2018 Board of Directors Meeting
BWSR Conference Room – Redwood Falls, MN

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

RCRCA Members Present: Dennis Potter, Greg Roiger, Norman Holmen, Clark Lingbeek, Glen Sorensen, Rick Anderson, Mark Meulebroeck, Lori Gunnink, Luke Johnson, Lon Walling and Ed Carter.

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

The meeting was called to order at 9:02 AM by RCRCA Chairman Holmen and Area II Chairman Johnson.

ADOPT AGENDA. Chairman Holmen asked for any additions to the Agenda. Netzke requested an addition for the September minutes which had been omitted. Motion made by Gunnink, seconded by Potter, to approve the revised Agenda. Motion carried unanimously.

AGENCY AND MEETING REPORTS.

MASWCD – Supervisor Lingbeek reported that a letter was sent to Dr. Gary Sands at the University of Minnesota to ask if they will rehire the position for the Department of Bio-products, Biosystems and Engineering. Watonwan 1W1P has six proposals from engineering consultants to review. Fish Lake in Cottonwood County has controversy with the adjoining landowner digging a ditch which drains to the lake. There has been considerable money spent on bioreactors to clean up the lake.

MN River Congress – Supervisor Lingbeek announced the upcoming Annual Meeting on November 8th at Turner Hall in New Ulm.

AMC – Commissioner Anderson reported that the board of directors will meet next week. AMC supports taking over the USACE 404 Permit process, however BWSR opposes this based on a legality.

YMRWD – John Boulton reported that their board will meet Monday, October 8. They are in the process of hiring a part-time Project Assistant; several applications were received. Tiling permits are coming in with the crops coming out. Two ditch systems (38 & 39) are now complete. Two floodwater retention projects are awaiting feasibility/engineering. The City of Ghent is having flooding issues again which is spurring renewed interest in the upstream retention projects.

APPROVE RCRC MINUTES of September 6, 2018 Board Meeting. Motion by Johnson, seconded by Potter, to approve the September 2018 Minutes as presented. Motion carried unanimously.

APPROVE AREA II MINUTES of September 6, 2018 Board Meeting. Motion by Potter, seconded by Anderson, to approve of the September 2018 Minutes as presented. Motion carried unanimously.

APPROVE RCRC TREASURER’S REPORT – September 2018. Netzke reviewed the September financials with the Board. Motion by Meulebroeck, seconded by Lingbeek, to approve the September Treasurer’s Report and for payment of the bills. Motion carried unanimously.

APPROVE AREA II TREASURER’S REPORT – September 2018. Netzke reviewed the September financials with the Board. Revenue received: \$4,124.33 Contract Services Income and \$24.72 Interest Income. The Administrative Grant agreement has been signed; funds will be forthcoming. The FY2019 Bonding Funds agreement has also been signed with October 2nd as the effective date. Expenses were routine. Bills for approval: \$3,871.00 Professional Services (Bolton & Menk) and Northern Business Products to purchase (2) 4-drawer file cabinets totaling \$570 plus tax. Discussion followed regarding a possibility of receiving file cabinets from county surplus. Motion by Anderson, seconded by Potter, to approve the September 2018 Treasurer’s Report and for payment of the bills if the surplus file cabinets are not suitable. Motion carried unanimously.

Revenue as recorded:

Contract Service Income (RCRCA)	\$ 4,124.33	Projects-Bonding	\$ -0-
Interest Income	\$ 24.72	County Levy	\$ -0-
State of MN-Administrative	\$ -0-	1W1P Grant Funds	\$ -0-
SWCD Tech Assistance	\$ -0-	1W1P-Contract Service	\$ -0-
Miscellaneous Income	\$ -0-	Other Income	\$ -0-

Paid bills are summarized below:

Administration	\$ 14,890.84	Office Supplies	\$ -0-
Bonding Project Funds	\$ -0-	Other Insurance	\$ -0-
Capitol Outlay	\$ -0-	Postage	\$ 50.00
Contract Services - RCRCA	\$ 1,139.48	Professional Services	\$ 2,160.00
Directors’ Expense	\$ -0-	Project Expenses Paid	\$ -0-
Directors’ Insurance	\$ -0-	Project Permit Fees	\$ -0-
Employee Expense	\$ -0-	Rent	\$ 837.00
Field Supplies	\$ -0-	Telephone	\$ 33.56
Investigating & Testing	\$ -0-	Utilities	\$ -0-
Maintenance & Repair	\$ 378.30	Vehicle Expense	\$ 326.49
Miscellaneous Expense	\$ 14.93		

Approved bills for payment are summarized below:

Professional Services	\$ 3,871.00
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RCRCA - APPROVE NEW COST SHARE APPLICATIONS: None

RCRCA CONTRACTS FOR PAYMENTS: None

AREA II NEW COST SHARE CONTRACTS:

FY2019 Bonding

MN Waterfowl Association - Lyon – Lake Marshall 32	410 Grade Stabilization
Shetek Prairie Chapter	
EST Cost: \$20,269.90	EST Cost Share: \$15,202.42

FY2019 Bonding

Steven Geis	Redwood – Charlestown 34	410 Grade Stabilization
EST Cost: \$148,320.00		EST Cost Share: \$68,000.00 (45%)
<i>EQIP Funding - \$23,241.00</i>		<i>Area II funding to reach 75% max of \$111,241.00</i>
<i>Redwood Flood Disaster 3A - \$20,000.00</i>		

FY2019 Bonding

Thomas DeCock	Redwood – Sheridan 1	410 Grade Stabilization
EST Cost: \$96,646.30		EST Cost Share: \$31,267.72 (32%)
<i>EQIP Funding - \$41,217.00</i>		<i>Area II funding to reach 75% max of \$72,484.72</i>

Motion by Walling, seconded by Gunnink, to approve the three new cost share contracts: Lyon – Lake Marshall 32, Redwood – Charlestown 34, and Redwood – Sheridan 1. Motion carried unanimously.

AREA II AMENDMENTS FOR COST SHARE CONTRACTS:

FY2016 Bonding

Tom Morley

AMENDED Cost: \$96,646.99

Cost to Date: \$93,409.68

Amend #3 Additional: \$5,168.28

Total Amended Cost: \$101,815.28

Redwood – Redwood Falls 18

410 Grade Stabilization

AMENDED Cost Share: \$72,482.25 (75%)

Paid Cost Share to Date: \$70,057.26 (75%)

Amend #3 Additional Cost Share: \$3,876.21 (75%)

Total Amended Cost Share: \$76,361.46 (75%)

Motion by Walling, seconded by Gunnink, to approve the amendment to the Redwood – Redwood Falls 18 cost share contract. Motion carried unanimously.

AREA II CONTRACTS FOR PAYMENT:

FY2016 Bonding

Tom Morley

AMENDED Cost: \$101,815.28

Partial Payment #1: \$25,476.60

Partial Payment #2: \$61,509.08

Partial Payment #3: \$6,424.00

Cost to Date: \$93,409.68

Final Payment: \$8,405.60

Total Amended Cost: \$101,815.28

Redwood – Redwood Falls 18

410 Grade Stabilization

AMENDED Cost Share: \$76,361.46 (75%)

Partial Payment #1 Cost Share: \$19,107.45 (75%)

Partial Payment #2 Cost Share: \$46,131.81 (75%)

Partial Payment #3 Cost Share: \$ 4,818.00 (75%)

Paid Cost Share to Date: \$70,057.26 (75%)

Final Payment Cost Share: \$6,304.20 (75%)

Total Amended Cost Share: \$ 76,361.46 (75%)

Motion by Walling, seconded by Gunnink, to approve final payment on Redwood – Redwood Falls 18 cost share contract. Motion carried unanimously.

EXECUTIVE DIRECTOR'S REPORT.

• **Blue Cross Blue Shield Insurance Meeting** – Account manager, Geoff Martinson, met with Area II and RCRC staff on September 18 to explain proposed plan changes. The only change from the existing plans is the \$500/individual or \$1000/family deductible which the \$25 office co-pay applies to. Staff from both organizations approved of this change in order to maintain premium coverages by the employer. Staff is requesting that the current \$1,500 cap on Flex Plan contributions be increased to the federal/state limits.

AREA II

- **Administration & Bonding Agreements** – Grant documents have been delayed with new contract staff at BWSR. Both agreements are expected by the end of September. *(Both agreements were executed on 10/2/2018.)*
- **Special Taxing District** – A public meeting was held on September 12 to discuss the two proposed dams near the Tracy Golf Course and the possibility of establishing a taxing district to collect the 25% local match over a period of 3 years. 80-90% of the audience voted in favor. The Redwood County Commissioners will host a public hearing in October to determine if public interest warrants the establishment of the special taxing district.
- **Hauschild-Thange** – Thompson Excavating has stockpiled the majority of the trees which were photographed for documentation in the event that more trees move from the neighboring property.

RCRCA

- **Cottonwood-Redwood WRAPS/TMDL** – Wenck presented the lake source assessment data and preliminary load and wasteload allocations based on current monitoring data, except the August and September 2018 data.
- **Lake Redwood/Houston Engineering (HEI) Meeting** – Netzke, Jim Doering & Keith Muetzel – City of Redwood Falls, and Bart Schultz & Dennis McAlpine – HEI met on September 7 to discuss project changes from the 2008 Plan. From current information gained from dredge contractors, the following changes will need to be addressed: longer pipe route to deliver slurry to the dewatering pond; 2 years of active dredging instead of the 1 year to remove the planned volume; one acre of area is needed for dredge assembly which is most likely on the east side of the lake rather than the south end; start dredging near the dam rather than the upstream end of the lake; dewatering pond cannot be farmed but seeded down to permanent vegetation; and 7-days/week operation of the dredge/pumps is allowable if decibel levels can be maintained.

• **LCCMR Work Plan Presentation** – The 10-minute PowerPoint presentation to the LCCMR Committee on September 13, 2018 in St. Paul went very well. Of all the presentations, Netzke’s was the only one that received compliments for being very complete and well-planned. Three-minute testimony was heard from two testifiers; one being former Senator Steve Moorse and former chairman of LCCMR. Moorse is now the Executive Director of the Minnesota Environmental Partnership (MEP). MEP believes using LCCMR funds in this fashion is unconstitutional and unethical of the lawmakers. Interest rates on LCCMR bonds will be 0.5%-1.0% higher than general obligation bonds making the payback more expensive. The legislators responded to Moorse, adding that the LCCMR funding was approved by a super-majority vote and that the governor could have line-item vetoed any or all of the projects. The Committee voted (12 to 5) to approve the presented work plans with the dissenting votes cast with the opinion that these worthy projects are more suitable for general obligation bonds than LCCMR bonds. LCCMR/MMB/MPCA are working to draft the contract with RCRC. *Commissioner Anderson added that today’s newspapers are reporting that the environmental groups intend to file a law suit against the State of MN for the intended use of the LCCMR trust funds in this manner.*

• **Environmental Fair** – Wahnoutka and Bruns presented at the annual event in Slayton on September 26 to introduce 9 schools of 5th-6th graders to the stream table. Approximately 212 students attended the 1-day event which has been reduced from a 2-day event. Photos have been posted to the RCRC website.

AREA II/RCRC – 2019 HEALTH INSURANCE CHANGE. Netzke reported that a BCBS Insurance Specialist discussed the proposed changes to the health insurance coverage. All the employees were receptive to the change and request to amend current policy by increasing the Flex Plan medical contribution cap from \$1,500 to \$2,500. Discussion followed regarding current liability to the organizations and how new hires could be managed to limit the risk. **RCRC** - Motion by Lingbeek, seconded by Gunnink, to change the 2019 Flex Plan medical contribution cap to \$2,500 and to draft new policy for 2019 protecting the organization when an employee resigns. Motion carried unanimously. **Area II** - Motion by Gunnink, seconded by Holmen, to change the 2019 Flex Plan medical contribution cap to \$2,500 and to draft new policy for 2019 to protect the organization when an employee resigns. Motion carried unanimously. The Boards would like to see the draft policy language in December for adoption in January.

LEASE ADDENDUM FOR AREA II/RCRC OFFICE SPACE. – Upon review of the lease, it was found that the lease automatically renews at the same rate unless a written 60-day notice of cancellation is received. No action is needed.

AREA II ENGINEER’S REPORT.

Projects under Construction. The following projects are currently under construction. Of course, all have been delayed by the recent wet weather. **Birch Cooley 19 Small Dam, Renville County.** The contractor has continued to struggle to get the banks stabilized and finished. The work is almost complete and seeding should be done in October. **Delhi 5 Grade Stabilization, Redwood County.** Bids were recently received with Ryan West Excavating as the low bidder. The construction start date has not yet been set. **Hansonville 27 Small Dam Repair, Lincoln County.** The contractor is scheduled to start the work next week.

Nordland 20 Small Dam, Lyon County. We have received the Corps permit for this project. Bidding will be scheduled as soon as bonding funds are available. **Alta Vista 18 Small Dam Repair, Lincoln County.** Plans for this project are completed and funding is being secured. **Charlestown 34 Small Dam, Redwood County.** Work on this project will start as soon as bonding funds are received and soil conditions allow. Wetland credits must be purchased first. **Springdale 19 Dams, Redwood County.** The project would include two larger dams in the area of the Tracy Golf Course. Another public meeting was held on September 12 to discuss the possible establishment of a special taxing district to fund the local share of the cost. The majority of landowners present at the meeting were in favor of the project. Before the district can be established, the county board will hold a public hearing to take testimony. **North Hero 18 Streambank Stabilization, Redwood County.** This bank stabilization project was initially designed with riprap protection, and then redesigned to incorporate some bioengineering in order to obtain the Public Waters Permit from DNR. The permit has been received. Bids were opened on September 25 with L&S

Construction being the low bidder at \$27,270.50. The second-low bidder was Ryan West Excavating at \$36,048.00 with the Engineer's Estimate at \$44,432.58. ***North Hero 30 Grade Stabilization, Redwood County.*** This project is located on property owned by Meadowland Farmers Co-op east of Walnut Grove. The intent is to construct a grade stabilization structure and clean an existing ditch in order to control drainage from a large ag watershed. Bids were received on September 25 with L&S Construction being the low bidder at \$88,567.28. The second-low bidder was Ryan West Excavating at \$101,446.30 with the Engineer's Estimate at \$115,773.64. ***Lyons 12 Small Dam Repair, Lyon County.*** This is a typical dam repair project. The plans are nearing completion. ***Lynd 15 Small Dam Repair, Lyon County.*** At the request of the Lyon County Highway Department, we are evaluating a culvert crossing under County Road 74 as well as the repair of a small dam directly downstream of the road crossing. The culvert may be replaced and we are tasked to coordinate the hydraulics of both the culvert and dam repair. ***Lake Marshall 32 Small Dam Repair, Lyon County.*** This project is located on land donated to the DNR; the local sponsor for the 25% match is the MN Waterfowl Association – Shetek Prairie Chapter. Bids were received on September 11 with the low bidder being Thompson Excavating at \$20,269.90. The second-low bidder was Ryan West Excavating at \$22,415.80 with the Engineer's Estimate at \$23,130.80. ***Gales 25 Road Retention, Redwood County.*** We have investigated a potential road retention project on CSAH 5 north of Walnut Grove where a bridge washed out in the July storm. The site is on a stream with a substantial watershed area and would require a large amount of fill material, as well as repaving a portion of the highway. Since the stream is a DNR Protected Water, we anticipate opposition from the DNR relating to fish passage and velocities. The County is proceeding with plans to replace the bridge while we prepare a cost estimate for a road retention option.

Coon Creek 26 (Lyon County) Wetland Restoration Engineering Request.

A large wetland complex was proposed to be restored as part of a ditch improvement project a few years ago. Disagreement between the landowner, BWSR, and others prevented the restoration as part of the improvement. The landowner wishes to see the restoration completed now that the land has more cropping history. The paperwork/permitting would be overseen by Jeremy Donabauer, who previously provided this service to the landowner. Since the improvement, the engineers that Donabauer utilizes have all retired, and Duane Hansel was specifically requested due to his familiarity with the project as Bolton & Menk provided engineering for the ditch improvement. John Biren from the Lyon SWCD, Netzke, and the landowner have met to discuss the possibility of the restoration and for engineering services provided by Area II/Hansel. Hansel is willing to investigate the feasibility of the wetland restoration now that the ditch improvement has been completed. If the restoration is not feasible, the landowner will likely sell the property. If the project is feasible, the landowner is willing to provide wetland credits to Area II in lieu of payment. The landowner, who lives out of state, will return the first week of November and wishes to meet with Biren, Netzke and Hansel to review the feasibility. The Board would like to see an estimated cost for engineering as it may be better handled as a Contract Services Agreement rather than wetland credit ownership. Netzke will report back to the Board at the December meeting.

Non-Board members were excused from the meeting for personnel performance reviews.

RCRCA – Performance Review – Bruns. Bruns is entering her 9th year of employment with RCRCA. She received a satisfactory review from Netzke who recommended a 1% increase as budgeted. Bruns would like to upgrade some of the office software to Windows 10 and 2016 Microsoft Office Suite Pro Plus. Motion by Lingbeek, seconded by Meulebroeck, to approve the recommendation of a 1% increase beginning this pay period. Motion carried unanimously.

RCRCA ADJOURNMENT – Chair Holmen adjourned the RCRCA meeting at 10:45 AM.

AREA II - Performance Review - Deschepper. Deschepper is entering his 26th year with Area II and he received a satisfactory review from Netzke. Netzke recommended a 1% merit increase as budgeted. Motion by Anderson, seconded by Potter, to approve the recommendation to increase DeSchepper's wage by 1%. Motion carried unanimously.

AREA II – Position Descriptions

Netzke provided the board with revised job descriptions for the Executive Director and Engineering Technician positions. Deleted text was indicated with ~~strikeout~~; added text was *italicized and underlined* to illustrate the

proposed changes. **Executive Director** - suggestions were made including: 1) add a Required Education/Work Experience section, 2) add Contract Services as needed, 3) add Other Assigned Duties, 4) change 'eLINK reporting' to 'required BWSR reporting', and 5) remove the Freedom to Act section. **Engineering Technician** – similar changes were requested. The Board would like a clean copy of the job descriptions to review in December, preferably condensed to two pages. A range of pay for both positions will need to be determined to develop a pay scale similar to RCRCA. As a side note, authorization for the Executive Director to sign agreements on behalf of the Board should be on January meeting agendas.

AREA II ADJOURNMENT. With no other business to address, Chairman Johnson declared the meeting adjourned at 11:21 AM.

UPCOMING MEETINGS.

November Board Meeting	Thursday, November 1, 2018	Redwood Falls – RACC – 2:30 PM
Annual Legislative Gathering	Thursday, November 1, 2018	Redwood Falls – RACC – 3:30 PM; (Registration at 3:00 PM)
December Board Meeting	Thursday, December 6, 2018	Marshall, MN – BWSR Conf. Room – 9:00 AM