

RED LAKE WATERSHED DISTRICT
Board of Manager's Minutes
July 14, 2016

President Dale M. Nelson called the meeting to order at 9:00 a.m. at the Red Lake Watershed District Office, Thief River Falls, MN.

Present were: Managers Dale M. Nelson, Allan Page, Terry Sorenson, Lee Coe, Les Torgerson, Gene Tiedemann and LeRoy Ose. Staff Present: Myron Jesme, Tammy Audette and Legal Counsel Delray Sparby.

The Board reviewed the agenda. A motion was made by Ose, seconded by Tiedemann, and passed by unanimous vote that the Board approve the agenda. Motion carried.

Motion by Sorenson, seconded by Tiedemann, to dispense reading of the June 27, 2016 Board meeting minutes and approve them as printed. Motion carried.

Motion by Coe, seconded by Torgerson, to dispense reading of the July 12, 2016 Board meeting minutes and approve them as printed. Motion carried.

The Board reviewed the Financial Report and Investment Summary dated July 13, 2016. Motion by Tiedemann, seconded by Sorenson, to approve the Financial Report and Investment Summary dated July 13, 2016 as presented. Motion carried. Manager Coe noted that three Certificate of Deposit are set to expire, one in July and two in September. It was the consensus of the Board, to check into reinvesting of the maturing Certificate of Deposits with the current holder. Staff member Arlene Novak discussed several options for the Board to consider for investing funds to obtain better interest rates. Some investment options discussed were CDAR and ICS as well as solicitation of quotes. Discussion was held on the investment of three-\$400,000 Certificate of Deposits. It was the consensus of the Board, to authorize Novak and Manager Coe, to further investigate options for investment purposes.

Peter Nelson-Pennington SWCD, Nicole Bernd-West Polk SWCD, and Tanya Hanson, Red Lake SWCD appeared before the Board to discuss funding shortfalls for the Red Lake River 1W1P Pilot Project. Hanson stated the Planning Group for the Red Lake River 1W1P will be requesting additional funding to complete the plan from the Board of Water and Soil Resources (BWSR) but it would not address money already spent. Hanson requested \$4,000 from the District for each SWCD, for a total of \$12,000, to cover expenses incurred from January to May, 2016. Questions was asked if the SWCDs had approached the Counties for additional money but recognized by doing so could delay the progress of completing the plan. It was also discussed that some of the costs overrun is due to the fact the 1W1P is a Comprehensive Plan which is a requirement in plans that include Watershed Districts. Motion by Tiedemann, seconded by Page, to approve the request from the Red Lake, Pennington and West Polk SWCD offices for \$4,000 for each SWCD to cover incurred costs for development of the Red Lake River 1W1P Pilot Project, RLWD Project No. 149. Motion carried. Hanson indicated that the Red Lake River

1W1P Policy Committee will review the letter to be submitted to BWSR at the July 20, 2016 meeting.

Staff member Arlene Novak presented the current year, 2016 Taxable Market Value Worksheet and two different options for the 2017 Payable Taxable Market Value (75% or 100%). Discussion was held on requesting the RRWMB to once again lower the percentage of levy amount of the current taxable market value. Motion by Coe, seconded by Tiedemann, to submit and letter on behalf of the District, to the RRWMB, requesting a reduction of the ad valorem taxable rate to 75% of the current taxable market value for 2017. Motion carried.

The Board discussed the Informational Meetings held on July 12, 2016 at the Gonvick Community Center for the Pine Lake Area Project, RLWD Project No. 26 and the Four Legged Lake Project, RLWD Project No. 102A. Manager Torgerson stated that he had three landowners that want to see the lake level higher than what is recommended on the Four Legged Lake Project. Administrator Jesme indicated that HDR is presently developing the Purpose and Need Statement for each project which is a requirement for permitting through the USACOE and included in the step process for NRCS funding. It was discussed that there may be an opportunity for the Four Legged Lake Project that once we get through the permitting portion of the RCPP program, we may choose to step away from the NRCS process to expedite the project. The Pine Lake Project would have additional environmental issues to work through. Administrator Jesme stated the one upstream landowner on the Pine Lake Project was surprised at how high the proposed water levels could be on his property and expressed concerns with the possible loss of trees. The Board reviewed a draft Operation and Maintenance Agreement with the Department of Natural Resources (DNR) for the Little Pine Lake Wildlife Management Area, also referred to as Site F. Jesme stated that the agreement is a good faith effort from the DNR to give the District an additional 275 feet of storage just by changing the Operation and Maintenance Plan. Jesme indicated that at some point we may want to consider changing the structure as part of the overall project costs to allow for safer operation.

The Board reviewed Change Order No. 1 in the amount of \$2,400 for the Odney Flaat Wildlife Dam Outlet Repair, RLWD Project No. 50A to Wright Construction, Inc. Staff member Loren Sanderson stated that the Change Order is to include 6.5 cu.yds. of Lean Mix Backfill due to conditions at the sites. The Project should be completed in two weeks. Motion by Tiedemann, seconded by Page, to approve Change Order No. 1 for \$2,400 to Wright Construction, Inc. for repairs to the Odney Flaat Wildlife Dam Outlet Repair, RLWD Project No. 50A. Motion carried.

The Board reviewed Pay Estimate No. 1 to Wright Construction Inc. for repairs to the Odney Flaat Wildlife Dam Outlet Repair, RLWD Project No. 50A in the amount of \$73,539.50. Motion by Tiedemann, seconded by Sorenson, to approve Pay Estimate No. 1 in the amount of \$73,539.50 to Wright Construction Inc. for the Odney Flaat Wildlife Dam Outlet Repair, RLWD Project No. 50A. Motion carried.

Staff member Loren Sanderson stated that the contractor had started dewatering at the Latundresse Dam Project, RLWD Project No. 50B. Construction should begin at the Miller Dam

Project, RLWD Project No. 50C within the next week. Sanderson noted that it was determined that there is a REA power line in the vicinity of the Miller Dam that may require a change order for the project.

The Board reviewed information in regard to ownership of the outlet structure on the Blackduck Lake. Legal Counsel Sparby stated that it appears that the landowners owns the bridge from each side and all of the right of way, but gives Hines Townships an easement to cross the property to access the structure. Manager Coe stated that he had been contacted by Engineer Nate Dalager, HDR Engineering, Inc. regarding recommendations for the installation of large boulders that would allow fish passage. Sparby stated that Hines Township could either deed the easement to the District or a Joints Powers Agreement could be drafted for the improvement and maintenance of the project. Motion by Coe, seconded by Ose, to move forward to present a Joint Powers Agreement to Hines Township for the improvement and maintenance to the Blackduck Lake Outlet Structure. Motion carried.

Administrator Jesme, Manager's Coe and Nelson and Staff Member Loren Sanderson attended the Red Lake Tribal Council meeting on July 12th to discuss extending the Special Land Permit for the Good Lake Impoundment, RLWD Project No. 67. The Red Lake Tribal Council agreed to an additional two year Special Land Permit agreement. The Red Lake Tribal Council encouraged the District to assist the Dahlen Family with their wetland violation and also work with the counties to have a Tribal Member on the RLWD Board.

The Board reviewed the Master Plan for the Red Lake River Corridor Enhancement Project, RLWD Project No. 159.

Quotes for construction of the Christine Ross Ring Dike were received from Ryan's Backhoe Service, LLC in the amount of \$32,123.16 and from Olson Construction TRF, Inc. in the amount of \$33,363.00. Motion by Tiedemann, seconded by Sorenson, to accept the low quote in the amount of \$32,123.16, from Ryan's Backhoe Service, LLC for construction of the Christine Ross Ring Dike, RLWD Project No. 129AP. Motion carried.

Administrator Jesme stated that as part of the RCPP funding process, there is a 30% local share required. Jesme asked if the Board wishes to absorb all of the local share or should the District submit a request to the RRWMB to assist with a portion of the local share. Motion by Tiedemann, seconded by Coe, to instruct Administrator Jesme to submit a request to the RRWMB to assist in assuming a portion of the 30% local share through the RCPP funding process. Motion carried.

The Board reviewed a Groundwater Information Session sponsored by the Minnesota Association of Soil and Water Conservation Districts to be held August 4, 2016 at 4:00 p.m. at the DNR/Pennington County Joint Operations Facility in Thief River Falls.

The Board reviewed the permits for approval. Motion by Ose, seconded by Page, to approve the following permits with conditions stated on the permit: No. 16046, Dale Schmitz, Louisville Township, Red Lake County; No. 16047, 16048, and 16050, Jay Giroto, Highlanding Township,

Pennington County; No. 16049, Jay Giroto, Badger Township, Polk County; No. 16053, Cymbaluk Farms, Inc., Lowell Township, Polk County; No. 16054, Richard Luckow, Fanny Township, Polk County; No. 16055, Jerry Hoffman, Excel Township, Marshall County; and No. 16056, Steve Linder, Garnes Township, Red Lake County. Motion carried.

Discussion was held regarding the Per Diem policy in the District's Personnel Policy. It was the consensus of the Board to research the matter further and discuss at a future Board meeting.

President Nelson stated that the Budget and Salary Committee met prior to today's meeting and will have a full recommendation at the July 28, 2016 Board meeting.

Administrators Update:

- Jesme and Manager Ose will attend the RRWMB meeting in Fertile on July 19, 2016.
- Jesme and staff member Arlene Novak participated in a telephone conference with a MnDNR Grant Specialist for the Glacial Ridge National Wildlife Refuge Project. The telephone conference was more of a report card on how the State grant staff is handling the grant the District currently has with the Legislative-Citizen Commission on the Minnesota Resources (LCCMR) in partnership with the USGS.
- Jesme spoke at the Thief River Falls Lions Club meeting on June 29th.
- Jesme and Manager Sorenson presented the 2015 Annual Report to the Polk County Commissioners on June 28th, followed by the presentation to the Red Lake County Commissioners along with Allan Page. Jesme and Manager Coe will attend the Beltrami County Commissioners meeting on July 19th and the Pennington County Commissioners meeting on July 26th with Manager Nelson.
- A Red Lake River 1W1P Policy Committee meeting will be held at the District office on July 20th to review the draft plan. Once the plan is approved by the Policy Committee, it will be up for a 60 day public review period.
- The new Trimble GPS equipment and software updates were delivered to the District office on July 13th. Staff members Sanderson and Olson participated in training in the use new equipment.

Discussion was held on the District's General Fund Levy. Legal Counsel Sparby stated that as part of the language for the certification it says the District "may" change the levy for the General Fund. Sparby indicated that the District would still need to advertise the General Fund Levy.

President Nelson discussed how the District handles contract services for engineering. The Board indicated that both firms that the District has been working with are very good firms and the Board has been pleased with the outcome. Legal Counsel Sparby stated that there is no requirement that the Board bid out contract services.

Manager Coe noted that Citizens State Bank-Roseau contacted Staff Member Arlene Novak indicating that they will renew the Certificate of Deposit set to mature on July 22, 2016 at the same rate. Motion by Tiedemann, seconded by Torgerson, to renew the Certificate of Deposit

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with Citizens State Bank-Roseau that will mature on July 22, 2016 at the same rate. Motion carried.

Manager Sorenson noted that the City of Erksine inquired to what is needed from them for repairs of the City of Erskine Memorial Park. Sorenson commented if we need a monetary commitment from the City? Discussion was held on the submittal of the grant and the possibility of contribution from the City, which could include in-kind work and future maintenance.

Motion by Torgerson, seconded by Ose, to adjourn the meeting. Motion carried.

A handwritten signature in blue ink that reads "LeRoy Ose". The signature is written in a cursive style with a horizontal line underneath it.

LeRoy Ose, Secretary