

RCRCA

AREA II / RCRCA

December 6, 2018 Board of Directors Meeting Redwood Learning Center – Redwood Falls, MN

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

RCRCA Members Present: Dennis Potter, Jeff Nielsen, Norman Holmen, Clark Lingbeek, Glen Sorensen, Rick Anderson, Mark Meulebroeck, Lori Gunnink, Paul Posthuma, Luke Johnson, Arvin Pater, Lon Walling and Ed Carter.

Others Present: Kerry Netzke – Executive Director, Joy Bruns – RCRCA Office Manager, John Boulton – YMRWD, Dick Holmberg – Auditor, and Brian Timm – Redwood SWCD.

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

ADOPT AGENDA. Chairman Holmen asked for any additions. Netzke requested discussion on Flexible Spending Limit; Walling requested discussion on the Gales 25 project within the Engineer’s Report. Motion made by Gunnink, seconded by Meulebroeck, to approve the Agenda as amended. Motion carried unanimously.

RECOGNITION OF RETIRING BOARD MEMBERS. Chairman Holmen announced that Commissioner Dennis Potter (12 years) and Supervisor Arvin Pater (5 years) are retiring from the RCRCA Board of Directors. Potter has also served 8 years on the Area II Board of Directors. They were each presented with a money clip with their name engraved and years of service to the organizations. The Boards celebrated the retirements with a cake during the meeting. Both were graciously thanked for their years of dedicated service.

AREA II FY2018 AUDIT – Dick Holmberg, CPA. Holmberg reviewed the audit with the Board of Directors. Area II was given an unmodified opinion which is the best opinion you can receive. There was a decrease in the net position due to the large number of projects that were completed. The Deferred Inflows and Outflows are related to the pension liability. PERA had a favorable return of 8.75% this past year. No concerns were found as reported in the Independent Auditor’s Report on Legal Compliance on page 27. All of the state funds were fully expended and reported on page 31. The Board commented that the over-expenditure supports Area II’s request to increase the biennial appropriation from the legislature. Commissioner Maatz requested that Netzke provide the history of Area II’s state appropriations and cuts to the member counties in order for the counties to draft letters of support to our local legislators, thus giving them documentation to increase our administrative funds. Given the large forecasted surplus for the State budget, the request to increase funding may be favorably received. Motion by Potter, seconded by Gunnink, for Netzke to provide a draft support letter for the member counties as discussed. Motion carried unanimously.

AGENCY AND MEETING REPORTS.

MASWCD – Supervisor Lingbeek reported that Area V held their meeting in Marshall on November 15 where Netzke presented on the Lake Redwood dredging project. MASWCD has requested historical photos from the SWCDs with some really neat photos and stories to be shared at the state convention which starts on December 9. Roland Cleveland is the nominee for President; Paul Krabbenhoft as Vice President. Ian Cunningham (Pipestone SWCD) is taking a leadership role with the national association (NACD). Troy Daniels is the new NRCS State Conservationist, stemming from Texas. He

announced the combining of some regional offices (Marshall is unaffected) and the need for more Job Approval Authority. Representative Rick Hansen, a former SWCD supervisor, is chairing the Environmental Finance Committee which should be advantageous to SWCDs. Granting taxing authority to SWCDs is still an issue, especially with AMC. Counties collectively contribute \$11.2 M to SWCD's annually; which ranges from \$1 M to one SWCD to only rent to another SWCD.

MN River Congress – Lingbeek reported that the annual meeting on November 8 experienced a small turnout due to the weather. There were several good discussions; water retention is a hot topic. Danielle Evers with the MN Agriculture Water Quality program announced incentives: \$100 to provide your paperwork, \$300 more upon acceptance, and up to \$5,000/year/producer to put towards water quality projects plus other benefits.

BWSR – Supervisor Nielsen asked members to watch for BWSR announcements as the board membership will have expiring terms soon. This will create openings for SWCD's, counties, water districts, and members-at-large. Vacancy information is available on the Secretary of State's website: <https://www.sos.state.mn.us/>

AMC – Commissioner Anderson reported that MCIT will cover Class III (low hazard) dams and drones starting in 2019. Commissioner Johnson is the Vice Chair of the Environment Natural Resources Committee. The Section 404 permitting assumption from the USACE was discussed at a meeting yesterday. WOTUS was discussed as this decision impacts the percentage of waters under federal jurisdiction.

YMRWD – Boulton reported that two ditch redeterminations have been completed and two retention projects are being worked on with Area II. YM County will be appointing a new member to replace James Kraus.

LQP-YB – Commissioner Maatz reported on a ditch (CD24) cleanout where opposition from DNR has been voiced. The county proceeded with the engineer's proposal, yet DNR continues to oppose and is requiring a permit before proceeding with the cleanout.

APPROVE RCRCA MINUTES of November 1, 2018 Board Meeting. Motion by Johnson, seconded by Lingbeek, to approve the November 2018 Minutes as presented. Motion carried unanimously.

APPROVE AREA II MINUTES of November 1, 2018 Board Meeting. Motion by Anderson, seconded by Potter, to approve of the November 2018 Minutes as presented. Motion carried unanimously.

APPROVE RCRCA TREASURER'S REPORT – November 2018. Netzke reviewed the financials with the Board. Revenue received: \$18,614.30 Grant Income, \$1,065.02 Contract Services Income, \$2,838.74 Interest Income, \$327.87 Contract Services Income – Moldestad, \$1,354.00 MCIT Dividend and \$341.06 Miscellaneous Income. Expenses were routine. Bills for approval: \$10,404.88 *Wenck Associates* – Consultant Fees for the Redwood and Cottonwood WRAPs. Motion by Lingbeek, seconded by Meulebroeck, to approve the November Treasurer's Report and for payment of the bills. Motion carried unanimously.

Revenue from the following sources was recorded:

Canoe/Kayak Rental	\$ -0-	Contract Services Income	\$ 1,065.02
Interest-Cash Sweep Acct/CD	\$ 2,806.27	Interest-Checking Acct	\$ 32.47
Grant Funds	\$ 18,614.30	Miscellaneous Income	\$ 2,022.93
Appropriations	\$ -0-		

Paid bills are summarized below:

Operations/Occupancy	\$ 1,892.31	Travel Expenses	\$ 346.51
Promotion/Education	\$ 439.91	Contract Services-Moldestad	\$ 437.16
Monitoring/Evaluation	\$ 1,401.30	Personnel	\$ 9,578.88
Project Costs	\$ -0-	Contract Services-Area II	\$ 2,418.78
Capital Outlay (Grant Related)	\$ -0-	Other Services & Charges	\$ 4,239.49

Approved bills for payment are summarized below:

Professional Services	\$ 10,404.88	Monitoring Equipment	\$ -0-
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APPROVE AREA II TREASURER'S REPORT – November 2018. Netzke reviewed the financials with the Board. Motion by Anderson, seconded by Potter, to approve the November Treasurer's Report and for payment of the bills. Motion carried unanimously. Netzke reported an insurance claim on the pickup; the back bumper hit a hidden tree stump in tall grass. The repair quote is \$824.90; MCIT will pay \$273.00 after the deductible. Holmen recommended paying the expense 100% if the claim will increase premiums and if no more damage is discovered. Motion by Holmen, seconded by Maatz, to authorize paying 100% contingent on MCIT's response to an increase in premium due to the accident claim. Motion carried unanimously.

AREA II CONTRACTS FOR PAYMENT:

Motion by Potter, seconded by Gunnink, to approve payment of the Lyon – Lake Marshall 32 cost share contract pending Hansel's signature after his vacation. Motion carried unanimously.

EXECUTIVE DIRECTOR'S REPORT.

• **Software Updates** – In the process of upgrading Area II and RCRCA computers with Windows 10 and 2019 Microsoft Office Pro packages, SW/WC encountered a few issues:

- Incompatibility with Shawn's home office printer and Joy's desktop printer for checks. New printers were purchased at very reasonable prices.
- Area II's engineering computers do not have enough 'horsepower' to support the upgrades, especially when the computers have been struggling to operate the AutoCAD Civil3D software. It is past time to replace both engineering computers. Monitors do not need to be replaced. A quote will be provided.

• **State Climatologist** – Ken Blumenfeld, Sr. Climatologist spoke at the SWCD employees meeting on November 27.

Although 2018 flooding was severe, it was not necessarily the worst in recent history. Blumenfeld was careful to offer his opinions, especially regarding flood outlook for spring 2019. He did state that the current soil moisture and groundwater levels as we enter winter is a concern with runoff over frozen ground.

AREA II

• **MCIT Insurance for Dam Liability** – Ron Antony notified Area II on November 13 that MCIT will be including dam coverage, both liability and defense, at no extra cost starting in 2019.

• **Kurtz Wetland Restoration (Lyon County)** – Netzke met with Mr. Kurtz and John Biren, Lyon SWCD to discuss the approach to restore the wetland upon his property with the completed ditch improvement. Hansel is estimating \$15,000 in engineering fees which Kurtz will reimburse to Area II as billed from Bolton & Menk. In addition, Area II and Kurtz can draft an agreement with a determined number of wetland credits being reserved for Area II projects at a discounted price per credit.

• **Shetek Area Lakes Association** – Netzke has been asked to speak at the newly formed organization's meeting on December 18. The association's goals include floodwater retention to improve water quality and safety of the campgrounds, residences and businesses. The group wants to work hand-in-hand with township, county and state partners.

• **Yellow Medicine 1W1P** – The Policy Committee met on November 19. The first BMP projects have been completed and the Yellow Medicine partnership continues to receive many positive comments from around the State. Other 1W1Ps are in awe of the ongoing cooperation between the SWCDs, counties and watershed organizations. The federal Regional Conservation Partnership Program (\$2.53 million for the 5 pilots) funds will soon be distributed. Training for the program will be in Mankato on December 5.

RCRCA

• **Cottonwood-Redwood WRAPS/TMDL** – The local work group met November 15 immediately following the Area V MASWCD meeting. Wenck will have a draft TMDL for the Redwood River ready by mid-December for review. The next local work group meeting will be January 17. The pre-WRAPS grant was thought to expire December 2018; however, it was discovered that it could be extended. By using this grant, money can be saved in the Redwood WRAPS grant to allocate towards the new River Eutrophication Standard (RES) impairment that exists in the lower reach of the Redwood River watershed. MPCA would like the RES TMDL to be a stand-alone document in the event that it, along with other RES TMDLs, are contested, and the entire TMDL document would not be delayed for EPA approval.

RCRCA 2019 DRAFT BUDGET. Netzke presented the board with a revised 2019 draft budget with minor changes since the November meeting. Discussion followed. Motion by Meulebroeck, seconded by Lingbeek, to approve the revised 2019 RCRCA Budget that includes a 2% COLA. Motion carried unanimously.

RCRCA – LAKE REDWOOD DREDGING PROJECT.

- a) **MEP vs Frans Lawsuit Update.** LCCMR shared a letter from MCEA to LCCMR regarding the status of the lawsuit. Commissioner Frans of MMB must respond to the complaint by January 21, 2019. MCEA states that seeking funding through other sources is supported by their organization.
- b) **Discuss Pursuit of General Obligation Bonds.** After discussion of the lawsuit status, a motion was made by Lingbeek, seconded by Johnson, to request general obligation bonds in 2019. Although 2019 is not a typical bonding year, the file could be drafted and introduced. Motion carried unanimously. Netzke was encouraged to discuss this approach with Senator Dahms and Representative Torkelson to ensure that they are in agreement with this approach and will introduce the language in 2019.
- c) **Spring Tour of Fountain Lake Dredging Operation (Albert Lea).** Netzke relayed an invitation from Houston Engineering to visit a dredging operation that is currently taking place in Albert Lea. Although it would be an educational trip, the consensus of the board was that as fiscal agents of the grant, any visits would need to be funded independent of the organization, with no public funds used for this purpose.

NOMINATING COMMITTEE FOR JANUARY BOARD ELECTIONS. Netzke informed the board that with Potter’s retirement as the Area II Vice-Chair and RCRCA’s Member-At-Large, these positions would need to be filled. Area II’s chairmanship will be open as Johnson has served two consecutive terms. RCRCA’s chairman, Norm Holmen, will likely need to step down due to another board obligation that meets the same day. After discussion, Johnson would accept the RCRCA chairmanship, and Maatz would accept the Area II chairmanship. RCRCA’s Member-At-Large will be determined during the January 2019 meeting. Gunnink and Anderson may also have conflicts with the existing meeting date due to the formation of this new board.

FSA – \$2,500 SPENDING LIMIT. Netzke asked the Boards if policy should follow the federal increase of the yearly contribution limit to \$2,700. **RCRCA** – Motion by Anderson, seconded by Potter, to maintain the FSA spending limit at \$2,500. Motion carried unanimously. **Area II** – Motion by Anderson, seconded by Potter, to maintain the FSA spending limit at \$2,500. Motion carried unanimously.

Prior to Holmen dismissing the RCRCA Board members, Nielsen asked if the Area II/RCRCA server is backed up off-site. Netzke confirmed nightly back up by SW/WC to two servers located in Marshall and Windom.

Chairman Holmen adjourned the RCRCA portion of the meeting at 11:02 am. The SWCD supervisors left the meeting.

UPCOMING MEETINGS.

January Board Meeting	Thursday, January 3, 2019	Marshall – BWSR Conference Room – 9:00 AM
February Board Meeting	Thursday, February 7, 2019	Redwood Falls – Learning Center – 9:00 AM
March Board Meeting	Thursday, March 7, 2019	Marshall – BWSR Conference Room – 9:00 AM

RCRCA Chair/Vice Chair

Date