

RED LAKE WATERSHED DISTRICT  
Board of Manager's Minutes  
December 22, 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 Lee Coe, Gene Tiedemann, Dale M. Nelson, Allan Page, Terry Sorenson, Les Torgerson and LeRoy Ose. Staff Present: Myron Jesme, Tammy Audette, Arlene Novak, and Legal Counsel Delray Sparby.

The Board reviewed the agenda. Administrator Jesme requested the addition of repairs to water quality equipment be added to the agenda. A motion was made by Sorenson, seconded by Page, and passed by unanimous vote that the Board approve the agenda, with the addition of repairs to water quality equipment. Motion carried.

Motion by Sorenson, seconded by Tiedemann, to dispense reading of the December 8, 2016 Board meeting minutes and approve them as corrected. Motion carried.

The Board reviewed the Financial Report and Investment Summary dated December 21, 2016. Motion by Tiedemann, seconded by Sorenson, to approve the Financial Report and Investment Summary dated December 21, 2016 as presented. Motion carried. Manager Coe stated that the District has a Certificate of Deposit that will mature on December 28, 2016 with Unity Bank North, Red Lake Falls.

Janet Wiskow, Unity Bank North, presented information on Certificate of Deposit Account Registry Service (CDARS) through Promontory Interfinancial Network, LLC. Wiskow stated, that Unity Bank North is considered a five star bank, working with the CDAR's Program through Promontory for six years. Through an arrangement with Promontory, Promontory will assist in placing funds in time deposits with depository institutions whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC). Wiskow explained that Unity Bank North can offer a better interest rate due to the fact that they do not have to cover the securities as the securities are covered by the depository institutions through Promontory. District staff would not be required to monitor the pledging/securities. There is no maximum dollar amount that can be invested into the CDARS Program. Staff member Arlene Novak questioned if the District would be able to invest with the CDARS Program and other banking institutions. Wiskow explained that the District would be required to provide the names of financial institutions the District is currently invested with. The current rate for investing into the CDARS Program is .20% over the current offered rate, which at this time is .75%. Terms for CD investments in the CDARS Program is three months to five years. There are no fees with the program, but an agreement with Unity Bank North and the District would need to be signed. Motion by Coe, seconded by Ose, to approve entering into agreement for enrollment with the CDARS Program through Promontory Interfinancial Network, LLC and with Unity Bank North. Motion carried.

Motion by Coe, seconded by Ose, to invest the Certificate of Deposit that will mature on December 28, 2016 at Unity Bank-North into the CDARS Program with Promontory Interfinancial Network, LLC through Unity Bank North. Motion carried.

Motion by Coe, seconded by Page, to grant Administrator Jesme the authority to disperse payment for additional invoices received for year-end billing purposes. Motion carried.

Staff member Arlene Novak reviewed the 2016 General Fund Budget as of December 21, 2016. Novak stated that payroll and any outstanding bills prior to year-end will be paid and are yet to be reflected in the balances. Motion by Ose, seconded by Torgerson to accept the 2016 General Fund Budget as of December 21, 2016 as presented. Motion carried.

Novak reviewed the proposed Capital Project Fund Transfers as of December 22, 2016. After discussion by the Board, motion by Sorenson, seconded by Tiedemann, to approve the Capital Project Fund Transfers as of December 22, 2016, as proposed, with adjustments to be made following final payroll and payments of the year, and year end interest allocation. Motion carried.

Novak reviewed the 2016 League of Minnesota Cities Insurance Trust Property/Casualty Dividend Report and noted that the \$960 dividend received is noted in this Financial Report.

The Board reviewed the disposal of property list. Motion by Torgerson, seconded by Coe, to declare the listed property as surplus and of no value to the District, and to properly dispose of the property listed. Motion carried.

The Board reviewed correspondence from the Campaign Finance and Public Disclosure Board.

Brad Johnson, Houston Engineering, Inc., stated that he obtained the parcel ownership for land located within the drainage area of the Black River Impoundment Project, RLWD Project No. 176. Johnson discussed the various wetlands found within the proposed impoundment area and requirements for U.S. Army Corps of Engineers permit jurisdiction. Discussion was held on scheduling a meeting with the local landowners for discussion of the inlet to the impoundment. It is anticipated that the Project Team will meet in January 2017. Manager Tiedemann discussed the cost percentage versus the storage. Further discussion was held on moving the dike to the west for additional storage. It was the consensus of the Board that Administrator Jesme contact the landowners for consideration of acquiring additional acreage to the west to expand the proposed impoundment area.

The Board reviewed Pay Estimate No. 1 in the amount of \$69,250 for repairs on the Erskine Memorial Park, RLWD Project No. 164 to Davidson Construction, Inc. Motion by Sorenson, seconded by Ose, to approve Pay Estimate No. 1 for \$69,250, for Davidson Construction, Inc. for repairs to the Erskine Memorial Park, RLWD Project No. 164. Motion carried.

Administrator Jesme stated that the West Polk SWCD has mailed cost share vouchers to 11 landowners who are Reinvest in Minnesota (RIM) participants for the Grand Marais Creek Channel Restoration Project, RLWD Project No. 60F. Three of the participants have not responded to the West Polk SWCD office. Administrator Jesme stated that he has drafted a letter, for Legal Counsel Sparby to review, to submit to all the RIM participants reaffirming the landowner's responsibility as stated in the recorded agreement with the District.

The District was notified that the West Polk SWCD received a \$103,000 Clean Water Legacy Fiscal Year 2017 Project and Practices Grant through the Board of Water and Soil Resources (BWSR) for repairs to the outlet of Polk County Ditch 63, RLWD Project No. 134. Final engineering and construction will proceed this summer.

Staff member Nick Olson discussed right-of-way on State Ditch No. 83, RLWD Project No. 14, for compliance with the buffer strip legislation. Discussion was held on purchase of additional right-of-way, maintenance, and funding.

The Board reviewed correspondence received from the RRWMB for cost share payments due for the USGS stream gage sites. These costs were approved by the Board of Managers previously and is a year to year contract with the USGS.

The Board reviewed correspondence from the Minnesota Department of Commerce Environmental Impact Statement Prepared Notice for Enbridge Energy Line 3 Pipeline Replacement Project.

The Board reviewed the permits for approval. Motion by Tiedemann, seconded by Ose, to approve the following permits with conditions stated on the permit: No. 16187, Harzske Farms, Cloverleaf Township, Pennington County; and No. 16188, Beltrami County Highway Department, Big Grass Township (unorganized), Beltrami County. Motion carried.

The Board reviewed Permit No. 16184, Todd and Debra Stanley, Reiner Township, Pennington County and Espelie Township Marshall County. Motion by Ose, seconded by Tiedemann, to table Permit No. 16184 for further review during spring runoff. Motion carried.

The Board reviewed Permit No. 16185, Thomas Barth, Kratka Township, Pennington County and 16186, Thomas Barth, Garnes Township, Red Lake County. Motion by Torgerson, seconded by Coe, to table Permit No. 16185 and No. 16186 for further review during spring runoff. Motion carried.

Staff member Corey Hanson reviewed the Red Lake River Watershed Restoration and Protection (WRAP) Project Update Newsletter that was sent out to approximately 440 landowners and various agencies.

The Board reviewed the agenda for the 34<sup>th</sup> Annual Red River Basin Land and Water International Summit Conference agenda to be held January 17-19, 2017 at the Ramada Plaza Hotel & Conference Center, Fargo, ND.

Staff member Ashley Hitt presented a quote in the amount of \$1,970 for repairs to the water quality sonde. Hitt stated that replacement parts for the sonde will soon be discontinued as the equipment is nearing the end of life span. Motion by Tiedemann, seconded by Page, to approve the request for repairs to the water quality sonde in the amount of \$1,970. Motion carried.

Administrators Update:

- Jesme and Manager Ose attended the RRWMB meeting on December 20, 2016 in Fertile.
- Jesme participated in the Red Lake River 1W1P TAC/CAC and Policy Committee meetings on December 21, 2016. The committee's reviewed the public comments to the draft plan as well as reviewing the Memorandum of Agreement being developed to assist the partners in assuring the implementation of the plan. The final approved plan as well as the approved MOA will be on the January 12, 2017, Board agenda.
- The Pine Lake Project Work Team met on December 16, 2016 at the District office. Discussion was held on the Purpose and Need Statement working towards the required RCPP eleven point process.
- The Four Legged Lake Project Work Team met on December 16<sup>th</sup> at the District office. Discussion was held on the Purpose and Need Statement working towards the required RCPP eleven point process. Discussion was held at the meeting concerning the recent cross section survey of each basin and proposed water elevations. With the exception of several landowners, it appears we are ready to proceed with the concept elevation that was approved at the previous meeting.
- Jesme attended the Pennington SWCD public buffer strip meeting on December 14, 2016. There were approximately 150 landowners in attendance.
- Staff member Corey Hanson attended the Pennington WRAC meeting held at the District office on December 12, 2016. The following items were discussed at the meeting: completion of a BWSR ditch inventory grant, TRF storm water project on Pennington County Ditches #96, 21 and 16, and three failed septic systems located on Chief's Coulee.
- A retirement party for Pennington County Commissioner Olive "Skip" Swanson will be held December 22, 2016 from 5:00 – 7:30 P.M. at the American Legion Club, Thief River Falls.

Nate Dalager, HDR Engineering, Inc., discussed Site F-Pine Lake WMA area for the Pine Lake Project, RLWD Project No. 26. Dalager asked for clarification if the District or the DNR will be designing the new structure for Site F-Pine Lake WMA. It was the consensus of the Board, to contact DNR staff to determine if they wish to take the lead on designing the new structure or if they wish for the District to move forward. Dalager anticipates the next Project Work Team meetings will not be held until April 2017.

President Nelson thanked Manager Coe for his dedicated service to the District Board of Managers and presented him with a token of appreciation. Manager Coe stated that he will contact Kay Mack, Beltrami County Administrator, and offer to continue on the Board until an appointment has been chosen.

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



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LeRoy Ose, Secretary