

RED LAKE WATERSHED DISTRICT
Board of Manager's Minutes
February 10, 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, Gene Tiedemann, LeRoy Ose, Les Torgerson, Allan Page and Terry Sorenson. Absent: Lee Coe. Staff Present: Myron Jesme, Tammy Audette and Legal Counsel Delray Sparby.

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

Motion by Tiedemann, seconded by Page, to dispense reading of the January 28, 2016 Board meeting minutes and approve them as printed. Motion carried.

The Board reviewed the Financial Report dated February 9, 2016. Motion by Sorenson, seconded by Tiedemann, to approve the Financial Report dated February 9, 2016 as presented. Motion carried. Administrator Jesme stated that staff reinvested the Certificate of Deposit that matured on February 5, 2016 with Border State Bank.

Staff member Arlene Novak reviewed the Asset Class Schedule. Novak stated that the current Asset Class Schedule had been set up in 2004 and modified once since that time. Currently the depreciation threshold for assets to be scheduled are at \$500.00 with varying years to full depreciation. Discussion was held with the auditors on whether to continue to depreciate technical items such as cell phones with the \$500 threshold with 3 years to full depreciation or expense the items with a separate tracking method. Novak questioned if the Board wishes to maintain the \$500.00 limit and depreciate the cell phones for 3 years or have them as a separate listing which may require more tracking. Novak also stated that the District's threshold for infrastructure construction/repairs had been set at a \$10,000 limit, and recommended to lower that limit to \$5,000. Motion by Ose, seconded by Torgerson, to maintain the threshold for smaller items purchased at \$500, to depreciate them over 3 years, and to reduce the infrastructure asset threshold to \$5,000. Motion carried.

Staff member Arlene Novak reported that the Northwest Service Cooperative had recently presented a health insurance rebate from the NWSC insurance pool. The refund amount of \$13,682.29 is a result of the 2013-2014 experience years and less insurance claims than anticipated. District staff received a rebate in 2015, for the 2013 year, that was distributed to current employees to offset their health insurance premium. Discussion was held on how to handle the disbursement of the rebate. It was the consensus of the Board to authorize Legal Counsel Sparby review COBRA health insurance and have Novak provide a breakdown of the cost percentage between staff and District.

The Board reviewed the permits for approval. Engineer Corkey Kleven, Red Lake County Highway Department appeared before the Board to discuss Permit No. 16004, Greater Minnesota

Transmission, LLC. Kleven stated his concerns with the proposed gas line within right of way of county roads, channels and ditches. Staff member Loren Sanderson stated that as part of the conditions to the permit, the applicant will be required to receive approval from the road authority prior to construction. Motion by Tiedemann, seconded by Page, to approve the following permits with conditions stated on the permits: No. 16001, Minnesota Department of Transportation, various townships, Beltrami, Marshall and Pennington Counties; No. 16002, BNSF Railway Company, Fanny and Euclid Townships, Polk County and No. 16004, Greater MN Transmission, LLC, Fanny, Parnell, Louisville and Red Lake Falls Townships, Polk and Red Lake Counties. Motion carried.

Administrator Jesme stated that the District received the executed NRCS Cooperative Agreement for the Pine Lake Area Project, RLWD Project No. 26. The District received for signature the NRCS Cooperative Agreement for the Four Legged Lake Project, RLWD Project No. 102A, with the executed agreement forthcoming. A Pine Lake Area Project Work Team meeting is scheduled for March 11th at 9:30 a.m. at the District office. Engineer Nate Dalager, HDR Engineering, Inc., stated that when all the requirements in the NRCS Cooperative Agreement are completed, in theory the District will have a selective alternative ready to go for construction. The Board reviewed the HDR Engineering, Inc., Task Order No. 2 Proposal, Project Understanding and Scope of Services Agreement. It was the consensus of the Board, to have Dalager present a project update at the February 25, 2016 Board meeting, with the Board reviewing the Task Order No. 2 Proposal prior to that time.

The Board reviewed the Northland Aerospace Program Team Agreement. Administrator Jesme stated that the team agreement would allow both the District and the Northland Aerospace Program, avenues to pursue grant funding in a team effort to capture funds available for the development of specific applications of the small unmanned aircraft systems within the District. Motion by Tiedemann, seconded by Torgerson, to approve the Northland Aerospace Program Team Agreement as presented. Motion carried.

The Board reviewed the Resolution for Formal Review and Public Hearing for the Red Lake River One Watershed One Plan (1W1P). Administrator Jesme stated that a hearing will be held in Polk, Red Lake, and Pennington County for each respective local governmental unit, with the District partnering with one of the county's for the hearing process. Motion by Ose, seconded by Tiedemann, to authorize the signature of the Resolution for Formal Review and Public Hearing for the Red Lake River One Watershed One Plan (1W1P). Motion carried.

Staff member Nick Olson discussed clearing and snagging that was completed on the Clearwater River, RLWD Project No. 3, located in Section 32, Garnes Township, Red Lake County. Olson stated that the District has jurisdiction over 22.5 miles of the dredged portion of the Clearwater River. The District hired an independent contractor to remove debris located within the river channel, with expenses accrued to date of \$14,870. Administrator Jesme stated that the Clearwater River is a legal drainage system with a benefitted area that has a fund balance for maintenance issues. Jesme stated that working conditions are favorable on the system, and asked for direction from the Board, if staff should direct the contractor to continue with the clearing and snagging which would exhaust the fund balance in the system. The District would levy the

legal ditch system in 2016 to increase the fund balance. Motion by Ose, seconded by Page, to authorize the staff, to direct the independent contractor to proceed with the clearing and snagging on the Clearwater River, RLWD Project No. 3 until weather conditions are no longer favorable. Motion carried.

MAWD dues for 2016 were presented to the Board. Motion by Torgerson, seconded by Sorenson, and passed unanimously to approve paying \$4,000 for the 2016 MAWD dues.

The Board reviewed information regarding the 18th Annual Joint Conference-RRWMB and Red River Basin FDR which will be held March 23-24th in Moorhead.

Discussion was held in regard to potentially changing the March 24, 2016 meeting date due to a conflict with the 18th Annual Joint Conference-RRWMB and Red River Basin FDR. It was the consensus of the Board to discuss this issue at the March 10, 2016 meeting.

Administrators update:

- The February 16, 2016 RRWMB meeting will be held at the District office at 9:30 a.m., followed by the Red River Basin FDR Workgroup meeting that afternoon.
- Jesme, Manager Ose, and Staff Member Sanderson attended a inter-agency impoundment meeting at Agassiz National Wildlife Refuge with staff from USFWS and MnDNR to care information concerning Thief Lake WMA and Moose River Impoundment. The handout for the meeting was included in the packet.
- Jesme will be leaving for the Rinke Noonan Drainage conference at 2:00 p.m. this afternoon for any Board members that wish to ride share.
- Brodin Sheet Metal, Inc. installed the dehumidifier in the District's utility room.
- Jesme will attend a meeting on February 17th at the Thief River Falls City Council Chambers to discuss a future road/drainage project on the west side of Thief River Falls. Jesme will report back to the Board at the next meeting.

Legal Counsel Sparby stated that Pennington County owns property in Section 34, Highlanding Township, Pennington County, which is located within the benefitted area of the Red Lake River, RLWD Project No. 2, under the jurisdiction of the District. Sparby stated the District has a recorded easement for right of way purposes to allow the District access for maintenance. Pennington County wishes to develop wetland banking credits within the property. Sparby stated that the District could limit the easement and do a Quit Claim Deed. Sparby further stated that the wetlands, if existing, may circumvent the right of way. It was the consensus of the Board, to have staff look at the site and report back to the Board at a later date.

Legal Counsel Sparby discussed the Staff Health Insurance Rebate and COBRA of health insurance as it relates to staff that have left the District.

Manager Ose reported on the RRWMB activity, stating that he will participate in a Public Relations Committee meeting in Moorhead.

Red Lake Watershed District

February 10, 2016

Page 4 of 4

Discussion was held on Buffer Strip legislation. Administrator Jesme stated that Governor Dayton has rescinded the portion of the buffer strip law which includes private systems language.

Motion by Ose, seconded by Tiedemann, to adjourn the Board meeting to the Drainage and Wetland Conference, to be held in St. Cloud on February 11, 2016 to allow the Board to participate in the conference. Motion carried.



LeRoy Ose, Secretary