



Red River Watershed Management Board

Board of Managers

John Finney, President-Humboldt LeRoy Carriere-Roseau Dan Money-Hallock Ben Kleinwachter, Vice President-Strandquist
LeRoy Ose-Thief River Falls Daniel Wilkens, Treasurer-Fertile Greg Holmvik-Ada Jerome Deal, Secretary-Wheaton
Naomi Goral, Administrator-Detroit Lakes

RED RIVER WATERSHED MANAGEMENT BOARD MEETING
May 16, 2017
Sand Hill River Watershed District, Fertile, Minnesota

The RRWMB met on Tuesday, May 16, 2017 at the Sand Hill River Watershed District, Fertile, Minnesota.

President John Finney called the meeting to order.

Members present were: LeRoy Carriere Dan Money
 Ben Kleinwachter LeRoy Ose
 Daniel Wilkens Greg Holmvik
 Jerome Deal

Others present were: Naomi Goral, Administrator
Ron Harnack, Project Coordinator
Henry Van Offelen, Red River Coordinator
Chuck Fritz, Director – International Water Institute
Dr. Jay Leitch
Nate Dalager, Engineer – HDR Engineering, Inc.
Kevin Ruud, Administrator – Wild Rice WD
Morrie Lanning, Barr Engineering, Inc.
Jerry Bents, Engineer – Houston Engineering, Inc.
Chad Engels, Engineer – Moore Engineering, Inc.
Jim Ziegler, Regional Manager – MPCA
Keith Weston, Consultant – RRRA
Lance Yohe, Interim Executive Director – RRBC
Dave Jones, Area Engineer – USDA-NRCS
Heidi Hughes, Public Information Consultant
Tracy Halstensgard, Administrator – Roseau River WD
LeRoy Stumpf, Congressman Peterson's Office
Julie Goehring, South Basin Manager – RRBC
Brad Bakken, Wealth Advisor – Bell Investments
Roger Hanson, Manager – Sand Hill River WD
April Swenby, Administrative Assistant – Sand Hill River WD
Rita Albrecht, Northwest Regional Director - MNDNR
Allen Wold, Manager – Bois de Sioux WD

Motion by Manager Deal to dispense with the reading of the minutes and approve as written with minor corrections, **Seconded** by Manager Carriere, **Carried**.

The Treasurer's report was presented and it was approved as read. **Motion** by Manager Deal to approve the Treasurer's Report, **Seconded** by Manager Kleinwachter, **Carried**.

The bills to be approved as of May 16, 2017, were as follows:

Date	Num	Name	Memo	Amount
05/16/2017	8346	ACS	Phone line, Fax/Internet	\$132.22
05/16/2017	8347	Bois de Sioux Watershed District	Redpath Project - Pay Req. No. 18	\$1,469,244.86
05/16/2017	8348	Bois de Sioux Watershed District	Project Team Reimbursement FY2017 (Direct)	\$13,508.30
05/16/2017	8349	Dot.Com Connection	Website maintenance	\$60.00
05/16/2017	8350	Heidi Hughes	Public Information Consulting Services	\$819.86
05/16/2017	8351	Henry Van Offelen	Meeting Expense - RRBFDWRG / 04-19-17	\$85.20
05/16/2017	8352	Houston Engineering, Inc.	TAC - Inv. No. 34193	\$5,032.25
05/16/2017	8353	International Water Institute	CWL River Watch - MPCA Pay Req. No. 4 (IWI No. 705)	\$29,029.31
05/16/2017	8354	Jon Schauer/Consulting Unlimited Inc.	Invoice No. 3514	\$1,507.50
05/16/2017	8355	Marco Technologies LLC	Photocopier Maintenance - Invoice No. INV4251107	\$369.74
05/16/2017	8356	MCI	Long distance service	\$41.32
05/16/2017	8357	Middle Snake Tamarac Rivers WD	Project Team Reimbursement FY2017 (Middle River)	\$11,824.05
05/16/2017	8358	Middle Snake Tamarac Rivers WD	Project Team Reimbursement FY2017 (Swift)	\$333.04
05/16/2017	8359	Naomi Goral	Reimbursed Expenses	\$500.07
05/16/2017	8360	Red Lake Watershed District	Project Team Reimbursement FY2017	\$3,901.55
05/16/2017	8361	Ronald D. Harnack	Project Coordinator Exp. - May 2017	\$867.51
05/16/2017	8362	Smith Partners PLLP	Invoice No. 38775, April 2017	\$4,746.19
05/16/2017	8363	Verizon	Conference Calling Charges	\$86.69
05/16/2017	8364	Widseth Smith Nolting & Assoc., Inc.	Invoice Nos. 116434-36	\$772.50
05/16/2017	8365	Wild Rice Watershed District	Farmstead Ring Dike Program - Pay Req. No. 5 (Visser)	\$1,250.20
05/16/2017	8366	Wild Rice Watershed District	Farmstead Ring Dike Program - Pay Req. No. 5 (Ramstad)	\$243.75
				<u>\$1,544,356.11</u>

Motion to approve and pay bills by Manager Ose, **Seconded** by Manager Deal, **Carried**. For further reference, copies of the bills approved are attached hereto in the Treasurer's Report.

Investment Options

N. Goral stated that at the April board meeting she reported contacting Bell Bank in Detroit Lakes to request information about banking services and scheduling Brad Bakken, Wealth Advisor, to meet with the board at today's meeting. Manager Finney welcomed Mr. Bakken and requested the Board of Managers to conduct introductions.

B. Bakken distributed a Bond Offering Report he developed following discussions with Manager Wilkens – Treasurer and N. Goral – Administrator. The investments included Certificates of Deposits (CDs) that are fully insured by the Federal Deposit Insurance Company (FDIC) and offered a fixed rate of return if held to maturity.

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Manager Finney inquired about the fees charged for managing investment accounts. Manager Kleinwachter noted his concern about the fees currently charged by the institution authorized as the depository for public funds for the board.

B. Bakken responded that N. Goral provided information to Shauna Yliniemi, Customer Service Specialist, who is developing a service charge comparison in conjunction with a member from their cash management team. N. Goral stated that after this information is completed it will be distributed to the board for review.

R. Harnack stated that in estimating the future funding needs of member districts for the next 12 – 18 months, the current balance of funds could be reduced by one-half to two-thirds. B. Bakken responded that for government entities, all amounts invested over \$250,000 must be secured with pledged securities or covered by a public depository bond in accordance with Minnesota Statutes.

Manager Finney suggested that rather than investing in individual CDs as the board has done previously, another option would be to request B. Bakken to develop a plan for investing up to \$10,000,000 over a certain time-period. R. Harnack suggested the Finance Committee could discuss the recommended time-period.

Manager Money referenced the five-year plans developed by member districts and suggested that the Finance Committee should review these plans as well as the board's Funding Commitments worksheet. He further noted that excess board funds could be deposited in an interest-bearing Money Market account and transferred to the primary checking account as needed.

Manager Finney stated that rather than developing a plan to invest \$10,000,000, to reduce the investment amount to \$8,000,000. He requested B. Bakken to coordinate with D. Wilkens and N. Goral regarding preparing information for the June board meeting.

District's Funding Requests

Manager Finney noted that due to a suggestion submitted by the Administrator's Advisory Committee (AAC), N. Goral had contacted him about moving this item higher on the agenda. Following discussion, the Board of Managers expressed no preference where this item was placed on the agenda.

No requests for funds were submitted this month.

Red River Retention Authority

K. Weston distributed the RRRRA Executive Director's Report. A meeting has been scheduled for Wednesday, May 17, 2017, between NRCS, RRRRA and RCPP watershed sponsors, staff and consultants to discuss RCPP planning efforts. Specifically, clarification is needed regarding when the benefit cost analysis needs to be completed during the NRCS watershed planning process.

K. Weston reported that formal letters were sent to the Sand Hill River and Wild Rice Watershed Districts encouraging them to begin RCPP watershed planning. The Wild Rice WD has scheduled meetings for both Moccasin Creek and South Branch of the Wild Rice River watersheds for June 12, 2017.

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K. Weston stated that on May 5, 2017 he met with the Work Group's Communication Team in Detroit Lakes, MN and discussed the RRRA's cooperative agreement relative to watershed outreach. Potential partnerships were addressed using NRCS funds for RCPP outreach in the 20 RCPP watersheds in the basin.

K. Weston added that at the May 5, 2017 meeting, he and N. Goral discussed the possibility of scheduling a joint Red River Water Resource District (RRJWRD) and RRWMB meeting and bus tour this summer. Manager Finney responded that he supported the idea and suggested meeting in either Grand Forks or East Grand Forks and touring RCPP projects in North Dakota and Minnesota. K. Weston stated that he would begin planning the event for Wednesday, July 19, 2017.

Water Quality Project Monitoring

C. Fritz distributed the IWI Monitoring and Education Activity Report. Staff continues to work on the Flood Damage Reduction story pages as reported at the previous Work Group meeting.

The River Watch funding bill is currently in the Clean Water Fund for \$125,000 each year of the biennium. R. Harnack continues to work toward the goal of \$150,000/year.

The IWI has engaged 5 new interns. Four are working on conditioning with one working on monitoring. Staffing needs continue to be evaluated.

Public Information Committee Report

Manager Deal, Chair of the Public Information Committee (PIC), reported that the Joel Heitkamp radio show will be broadcast June 1, 2017 from 8:00 a.m. to 11:00 a.m., live from the North Ottawa Impoundment Project.

A tour of the North Ottawa Impoundment Project is scheduled in conjunction with the 3rd International Sustainable Wetland Plant Management Conference hosted by the Red River Basin Commission at NDSU. The project is managed for habitat enhancement and water quality benefits along with flood damage reduction management. Cattail management is a key component to the multi-benefit management plan.

Manager Deal explained that the cost to retain Joel Heitkamp to broadcast live from North Ottawa is \$3,000.00 and inquired whether the RRWMB would consider sponsoring the public information effort in the amount of \$1,000.

Manager Money referred to the Governing Documents publication of the board and referenced **SECTION 4: Funding Procedures for Flood Damage Reduction Projects and Related Programs, Sub-Section III: Procedures for Review and Approval, Item C. General**, which states variations from the requirements for project and/or program funding requests may be allowed but only when receiving six affirmative votes of the Board.

It was **moved** by Manager Money and **seconded** by Manager Ose to vary from the requirements for project and/or program funding requests to consider sponsoring the Bois de Sioux public information effort in the amount of \$1,000. As there was no further discussion, a vote was taken. The **motion carried** unanimously.

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It was **moved** by Manager Ose and **seconded** by Manager Money to sponsor the Bois de Sioux public information effort in the amount of \$1,000. As there was no further discussion, a vote was taken. The **motion carried** unanimously.

Project Coordinator Report

R. Harnack distributed the Project Coordinator Report. The Senate has moved last year's bonding bill to the floor. The Senate bonding bill has \$11.5 million for flood hazard mitigation projects for various statewide flood projects. If this amount is not reduced, the Halstad and Redpath projects will likely receive funding. The bonding bill is expected to be one of the last bills passed as part of the end of the legislative session.

In the General Fund, funding for the Red River Basin Commission (RRBC) of \$100,000/year and the Red River Basin Flood Damage Reduction Work Group (Work Group) of \$264,000/year are part of base funding within the MDNR and BWSR in both the House and the Senate.

The House and Senate have proposed definition changes to the buffer law. Extending the date for implementation to 2018-19; non-shoreland public waters require only 16.5-foot buffers; and should funding not be available at 100% for landowners no buffer would be required.

D. Jones – NRCS, referred to the common alternative practices developed by the Board of Water & Soil Resources (BWSR) which details a "six-pack" of options to help landowners and soil and water conservation districts (SWCDs) interested in water quality protection options. This technical document provides an overview of the process and considerations conducted by SWCDs when assisting landowners in implementing the Alternative Practices provision in the Minnesota Buffer Law.

R. Harnack explained that due to his upcoming retirement, a replacement is needed for board representation on the Drainage Work Group (DWG). Currently, the two delegates representing the board on the DWG include R. Harnack and D. Wilkens. J. Deal also attends the meetings but on behalf of the Minnesota Association of Watershed Districts (MAWD).

Red River Basin Commission

J. Goehring, South Basin Manager – RRBC, reported on the "25 by 25" Water Quality Goal announced by Governor Mark Dayton. The Governor wants to hear from Minnesotans and will host a series of Town Halls over the summer and fall. In addition, he is calling on Minnesotans and civic organizations to organize their own Community Water Meetings this summer to provide further feedback and ideas. For more information and to register to host a Community Water Meeting this summer, visit: www.eqb.state.mn.us/25by25.

R. Harnack stated that he had been asked in St. Paul about Jeff Lewis leaving the Executive Director position at the RRBC. J. Goehring confirmed that J. Lewis was no longer with the organization and suggested that anyone with additional questions should contact the RRBC office at (218) 291-0422 or (701) 356-3183.

Administrator Report

A) Red River Basin Flood Damage Reduction Work Group

N. Goral reported that she attended the Work Group meeting conducted on Wednesday, April 19, 2017 at MnDOT in Detroit Lakes, MN.

Among the items discussed included RRWMB and member watershed district 5-year Capital Improvement Projects for FY2019 – 2023. H. Van Offelen conducted a PowerPoint presentation highlighting project summaries that included upcoming bonding needs as well as project maps and descriptions.

Work Group members, which included RRWMB representatives, suggested the Administrator's Advisory Committee further address this item at their April 21, 2017 meeting relative to posting similar information on the RRWMB website.

B) Administrator's Advisory Committee

N. Goral stated that she attended the AAC on Friday, April 21, 2017, at the Sand Hill River WD, Fertile, MN. Attendees included: Tracy Halstengard (Chair), Dan Wilkens, Myron Jesme, Dan Money, Kevin Ruud, Bruce Albright, Brent Silvis, and herself.

N. Goral reported that T. Halstengard discussed the Work Group meeting she attended on Wednesday, April 19, 2017 and questioned the purpose of the group why the organization continues to meet. D. Wilkens discussed the history of the Work Group. The Project Team manual was discussed and it was agreed that updates are needed.

N. Goral discussed the RRWMB's financial planning process and requested member districts to submit updated five-year plans. The presentation conducted at the previous Work Group meeting regarding project summaries with maps and project information that could be posted on the board's website with links to individual WD websites was also discussed. The AAC agreed to recommend to the RRWMB that H. Van Offelen and C. Fritz pursue this effort.

Other items discussed included a recent MAWD Association of District Administrator's (ADA) meeting, the MAWD Summer Tour, Public Outreach (H. Hughes), and Form B.

C) FDRWG Communication Team Meeting

N. Goral reported that on Friday, May 5, 2017 she attended the Communication Team meeting at the MPCA office in Detroit Lakes, MN. R. Sip – Chair discussed the 19th Joint Annual Conference, reviewed the compiled comments from the evaluation forms and outstanding activities that need to be completed, and discussed plans for the 2018 conference.

As next year marks the 20th anniversary of the joint conference and signing the Mediation Agreement, ways to recognize this milestone were discussed. Suggestions included developing and unveiling a new logo for the Work Group as well as inviting some of the original Work Group members to participate in a panel discussion.

The committee also suggested moving the dates of the conference earlier in the month to Wednesday, March 14, 2018 and Thursday, March 15, 2018 to avoid conflicting with the BWSR board meeting. Following discussion, the Board of Managers agreed to keep the dates the same as they have been in previous years which are the Wednesday and Thursday immediately following the regular monthly RRWMB meeting. The Board of Managers directed N. Goral to

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reserve the venue at the Courtyard by Marriott in Moorhead, MN for next year's event for
Wednesday, March 21, 2018 and Thursday, March 22, 2018.

Other items discussed at the Communication Team meeting included the summer workshops sponsored by Minnesota Farm Bureau scheduled on July 18, 19, and 20, 2017; and the June 1st North Ottawa Tour scheduled in conjunction with the 3rd International Sustainable Wetland Plant Management Conference conducted at NDSU.

D) Member District Visits

N. Goral stated that she attended the Red Lake Watershed District board meeting on Thursday, April 27, 2017, in Thief River Falls, MN and provided an update on RRWMB activities. The Strategic Planning Process was discussed and of major concern to their District was revising the Policy Manual so that both the board representative and alternate were board managers and that term limits were placed on the existing administrators on the board.

R. Harnack noted his concern about additional non-board member alternates participating as active board members. Currently, the two administrators on the board are designated alternates and not board members.

Manager Money stated that this issue was addressed when the Governing Documents was reviewed. R. Harnack added that from a county commissioner's standpoint, when a manager is appointed to a watershed district it's with the expectation that that person is going to be representing the interests of the district, not another designee. Manager Finney noted that he had the same concern and discussed this issue with John Jaschke, Executive Director – BWSR, and a compromise was agreed to and included in language in the Governing Documents publication.

Manager Money inquired about the specific concerns of the Red Lake WD. Manager Ose responded that the board's concerns were not regarding specific manager decision-making but rather the appearance of administrators as board managers on the RRWMB.

E) Annual Report

The 2016 Annual Report continues to progress. After the 2016 audit is completed, it will be incorporated into the report and a final draft copy will be circulated to the PIC for comment.

F) Upcoming Meetings/Conferences

1. **Human Resource Committee Meeting**, following today's board meeting.
2. **RCPD Meeting**, May 17, 2017, at 10:00 a.m., Houston Engineering, Inc., 1401 21st Ave N., Fargo, ND.
3. **Joint Powers Board**, May 24, 2017, Red River Basin Commission, Fargo, ND.
4. **3rd International Sustainable Wetland Plant Management Conference: Hybrid Cattail Management – Promises and Perils**, May 31st & June 1st, 2017, North Dakota State University, Fargo, ND.
5. **Red River Basin Flood Damage Reduction Work Group**, June 20th TRF, MN, (following the regular monthly RRWMB meeting, Red Lake WD, Thief River Falls, MN).
6. **Minnesota Association of Watershed Districts (MAWD) 2017 Summer Tour**, Wednesday, June 21, 2017 to Friday, June 23, 2017, Leech Lake Area, Bemidji, MN.

Red River Coordinator/TAC Report

H. Van Offelen discussed the State of Minnesota Income Contract between the MDNR and the RRWMB. The contract is to jointly fund the Red River Watershed Coordinator position with the State to provide ~ 30% of a full-time equivalent at a cost of \$28,000 for a one-year period from the RRWMB to coordinate activities between the MDNR and the RRWMB. The current contract will expire on June 30, 2017.

R. Albrecht requested that N. Goral forward the previous Income Contract and Red River Coordinator position description for consideration prior to the June board meeting. N. Goral responded that she would add this item to the June agenda.

H. Van Offelen explained that the TAC met and discussed the Regional Conservation Partnership Program (RCPP) as it relates to the RRBC Long Term Flood Solutions plan and the 20% basin-wide flow reduction strategy. J. Bents conducted a PowerPoint presentation highlighting the mainstem and local goals prior to RCPP funding, the intent of RCPP funding, and potential issues identified with RCPP projects.

H. Van Offelen distributed a handout of a flowchart depicting how projects have progressing through the RCPP process in trying to determine a federal interest. The TAC expressed their concern relative to a study developed for distributed detention storage (DDS) consistent with larger sites and mainstem benefits only to be misaligned or redirected to smaller, localized projects since a federal interest couldn't be identified.

R. Harnack noted that for the past several years flood damage reduction (FDR) projects have been implemented with state and local funding. Although receiving federal cost-share would be very beneficial for FDR projects, if federal interests can't be identified projects can still move forward securing local funds.

J. Bents explained that the flowchart is one method the board could use to avoid individuals making the wrong conclusion about projects that don't meet federal guidelines. N. Dalager added that the board could consider the flowchart as part of public information or "messaging." N. Dalager compared this process to when the State of Minnesota builds a road project and the costs exceed the benefits, however, the project still gets constructed.

Manager Finney suggested that the TAC meet prior to the June board meeting and address this issue again at the next board meeting. **Motion** by Manager Kleinwachter to authorize the TAC to meet prior to the June board meeting to further address their concerns relative to the potential issues identified with projects progressing through the RCPP process, **Seconded** by Manager Deal, **Carried**.

District Reports

- The Wild Rice WD reported on the Lower Wild Rice Project. The District continues to work with H. Van Offelen – MDNR and John Voz – RIM Easement and Working Lands Specialist, BWSR discussing potential uses for the funds received from the Lessard-Sams Outdoor Heritage Council (L-SOHC).

The District is reviewing documentation received from the Two Rivers WD and is considering various options for securing land rights.

Strategic Planning Session

J. Leitch distributed a handout of materials developed by the Strategy-Management Team of Morrie Lanning, Chuck Fritz, Ron Harnack, Jill Wilkey, and himself. He explained that J. Wilkey was added to the team as a former NDSU professor who is also an employment description, evaluation, and search expert.

Manager Finney reported that at the previous monthly meeting, Phase I of the Organization Chart of the Strategic Planning process was adopted by the board. He inquired whether all RRWMB managers had discussed this action with their respective boards. Following discussion, board managers indicated that not all member districts had been informed of the Strategic Planning effort and associated proposed changes. Manager Finney indicated that prior to proceeding with the Strategic Planning effort, the board must have 100% buy-in from all member districts.

J. Leitch concurred with Manager Finney and encouraged each RRWMB member to distribute the materials that were circulated at both last month's and today's board meetings with their respective boards for consideration. Manager Finney reiterated the importance of this issue and noted that the financial implications of proceeding with the Strategic Planning effort are significant.

J. Leitch noted that the more transparent the board is now, the better it would be in the future. Manager Wilkens inquired about what happens should one of the member districts object to proceeding with the Strategic Planning effort. Manager Finney responded that he wouldn't support moving forward with the plan unless all member districts are supportive.

Manager Finney requested N. Goral to distribute an email to all member district offices and administrators requesting that this item be discussed at their next monthly board meeting. He stated that at the June board meeting, each RRWMB member will be asked to comment on whether their respective board supports proceeding with the Strategic Planning effort.

The next meeting will be on June 20, 2017, at 9:30 a.m. at the Red Lake Watershed District, Thief River Falls, Minnesota.

There being no further business, the meeting adjourned at 2:45 p.m.

Respectfully submitted,

Jerome Deal
Secretary

Naomi L. Goral
Administrator