



Meeting Highlights – January 19, 2021

1. Elections and Annual Reorganization: The Red River Watershed Management Board (RRWMB) Managers held elections with all officers being re-elected to their current positions. Officers for 2021 are:

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| • John Finney, Joe River Watershed District | President |
| • Greg Holmvik, Wild Rice Watershed District | Vice-president |
| • LeRoy Ose, Red Lake Watershed District | Secretary |
| • Jason Braaten, Roseau River Watershed District | Treasurer |

Several resolutions were also passed as part of the annual reorganization related to regular meeting date and time, regular meeting location, legal counsel, per diem and mileage rate, invest/deposit of funds, annual audit, and authorization of the Technical Advisory Committee (TAC). RRWMB meetings in 2021 will continue to be held on the third Tuesday of the Month at 9:00 AM if held electronically and 10:00 AM in Ada at the RRWMB office when held in person pending social distancing requirements unless otherwise noted. RRWMB Committees were also reviewed, and it was determined that minor changes will include listing consultants and other non-RRWMB staff as advisory.

- 2. Annual Operational Plan (AOP):** A draft AOP was presented to the RRWMB Managers, who approved the AOP by consensus. The purpose of the AOP is to:
- **Provide Operational Continuity:** In times of uncertainty such as pandemic, long-term staff illness, board transition, consultant changes, restructuring/reorganization, and other changes to the RRWMB, this AOP is a guide for RRWMB Managers to ensure that the regular business of the RRWMB is completed.
 - **Illustrate Regular Work Activities:** The AOP provides information to the RRWMB Managers about the level, type, and amount of work that is being completed or addressed by staff and/or consultants. The AOP may also inform the RRWMB Managers as they review staffing levels.
 - **Guide Staff:** The AOP is also a guide to RRWMB staff to ensure that critical and regular issues and activities are addressed weekly, monthly, quarterly, and yearly.
- 3. Bremer Bank Presentation:** Mason Pender and additional investment staff from Bremer Bank attended the meeting and presented information regarding investment options for local units of government in accordance with Minnesota Statutes 118A. Information was also included to illustrate liquidity of funds, fees, a ladder approach, and structure for increasing interest earnings, and related matters. The Managers held discussion and have deferred the information to an internal committee to further review and to bring forth recommendations for the February 2021 regular RRWMB meeting. In addition, RRWMB legal counsel will review how investing in the portfolio as presented would meet Minnesota Statute 118A. Lastly the RRWMB Internal Controls and Treasurers Policy Manual will likely need to be adjusted to allow investments over 3 years.
- 4. 2020 End of Year Financial Report:** Detailed information was provided to the Managers about how the 2020 approved Operating and Project Budget compared to actual 2020 expenses. The RRWMB 2020 Operating and Project Budget was approved for \$7,792,970.00, with actual expenditures being 2,741,261.30. Below is information illustrating reductions or increases that occurred in the 2020 Operating and Project Budget categories on the next page.

Item	2020 Approved Budget	Actual Expenditures	Difference	Percent Change
Payroll Taxes	\$18,000.00	\$16,471.15	\$1,528.85	- 8.49%
Administrative – Executive Payroll and Benefits	\$221,980.00	\$219,570.54	\$2,409.46	-1.09%
Employee Expenses ¹	\$19,800.00	\$5,815.53	\$13,884.47	-70.63%
Manager Expense ¹	\$91,750.00	\$46,590.00	\$45,160.00	-49.22%
Office Operations ²	\$80,800.00	\$54,405.46	\$26,394.54	-32.67%
Coordinating Services	\$43,000.00	\$43,000.00	\$0.00	0.00 %
Mediation Expense ³	\$279,000.00	\$307,597.64	\$28,597.64	+9.30%
Professional Services ⁴	\$194,550.00	\$202,800.69	\$8,250.69	+4.07%
Program Funding ⁵	\$605,000.00	\$803,589.72	\$198,589.72	+24.71%
Project Funding ⁶	\$6,187,589.51	\$1,008,935.68	\$5,178,653.83	-83.69%
Public Relations ⁷	\$13,500.00	\$5,996.09	\$7,503.91	-55.58%
Technical Expense ⁸	\$38,000.00	\$26,488.80	\$11,511.20	-30.29%
TOTALS:	\$7,792,969.51	\$2,741,261.30	\$5,522,484.31	-64.82%

¹Expenses for employees and Managers were reduced due the pandemic, which limited or eliminated travel for normal meetings throughout the Red River Basin and to St. Paul for legislative activities from March 2020 through December 2020.

²No intern was hired in 2020 and thus no office equipment, furniture, or computer technology was ordered in 2020.

³Mediation expenses increased as a result of additional monitoring expenses, which was due to timing of disbursements for project team support and other Mediation expenses.

⁴An increase in professional services occurred due to the RRWMB Legislative Liaison compensation increasing from \$40,000/year to \$80,000/year and due to timing of when invoices were received for legislative services.

⁵Only \$200,000 was disbursed of the \$3,000,000 that was designated for the Water Quality Program and this was for Base Funding Projects. Since the Program was new in 2020, ten projects have been funded, with two being completed.

⁶Funds were disbursed to three Flood Damage Reduction projects in 2020 due to when project phases are ready for funding and reimbursement of expenses by the RRWMB.

⁷Expenses for public relations was reduced due to the pandemic, which affected travel, attendance at conferences and trade shows, limited advertising for events, in-person communication activities, and outreach activities.

⁸Technical expense was limited because of timing related to when projects are submitted to the RRWMB for funding and to begin the Step Process.

5. Newfolden Project Loan Advance Request: A request of \$350,000.00 was approved for the Middle-Snake-Tamarac Rivers Watershed District (MSTRWD) to complete engineering for the Newfolden Flood Damage Reduction (FDR) Project. The RRWMB Managers approved this funding request by resolution and the funding agreement is now ready for execution between the MSTRWD and the RRWMB. The Managers also heard that this project would apply for community funding through the Minnesota Flood Hazard Mitigation (FHM) Program.

- 6. RRWMB Priorities for the Flood Hazard Mitigation (FHM) Program Funding:** The RRWMB Managers recalled that on December 15, 2020, representatives from the Minnesota Department of Natural Resources (DNR) discussed 2020 allocations that had been recently approved through the FHM Program. The DNR informed the RRWMB that \$1.5 million would be available for FDR projects in the Red River Basin (RRB). The DNR indicated at that time that they would like the RRWMB to consider and develop priorities for the \$1.5 million that is currently available for RRB FDR projects. Based on input from member watershed district administrators, the RRWMB Budget and Finance Committee, and the RRWMB Legislative Committee, the following recommendations were brought forth and were approved by the RRWMB Managers:

Funding Recommendations for \$1.5 Million FHM Program Allocation to RRB.

Project	WD	Recommended Allocation	Step 2 SStar Value	Comments
Red Path Flood Impoundment Project	Bois de Sioux WD	\$ 500,000.00	90,544	Refer to quarterly report form for Project.
Goose Prairie Wildlife Management Area Project	Wild Rice WD	\$ 400,000.00	14,261	Refer to quarterly report form for Project.
Whitney Lake Sub-watershed Project: Retention Site A and C	Roseau River WD	\$ 350,000.00	56,711 – Site A 25,579 – Site C	Refer to quarterly report form for Project.
Klondike Clean Water Retention Project	Two Rivers WD	\$ 250,000.00	786,890	Refer to quarterly report form for Project.
TOTAL		\$1,500,000.00		

- 7. Water Quality Program Funding Needs for 2021:** The RRWMB Managers heard that approximately \$900,000.00 to \$1,000,000.00 is potentially needed for the 2021 RRWMB Water Quality Program based on information recently provided by member watershed districts. It was also shared that 2020 Water Quality Program commitments were just over \$2,100,000.00 and that only \$200,000.00 had been disbursed thus far for Base Funding. More information will be brought forth about Program funding commitments at the February 2021 regular RRWMB meeting.
- 8. Pine Lake FDR Project:** A virtual tour was held for the Pine Lake FDR Project of the Red Lake Watershed District and recommendations were brought forth from the RRWMB TAC regarding the Project. The RRWMB accepted the TAC recommendations and the Project is now able to proceed to Step 2 in the RRWMB funding process.
- 9. 2021 RRWMB Legislative Priorities:** The Managers heard recommendations from the RRWMB Legislative Committee regarding 2021 Legislative Priorities regarding continued funding for the River Watch Program, Flood Damage Reduction Work Group, and general policy matters. The managers approved the 2021 Priorities as recommended by the RRWMB Legislative Committee. A factsheet will be forthcoming to illustrate these priorities.
- 10. Funding Strategy:** A draft Strategy was discussed as recommended by the RRWMB Legislative Committee and it was noted that the RRWMB Strategic Plan adopted in December 2019 calls for a Funding Strategy. The Managers approved the Strategy as presented.
- 11. Next RRWMB Meeting:** Tuesday, February 16, 2021 at 9:00 AM to be held electronically.