

AREA II

AREA II / RCRCA

January 4, 2024 – Boards of Directors Meeting
Lyon County Government Center -- Marshall, MN and Virtual

Roll Call Voting on all motions.

AREA II Members Present: Jeff Veerkamp, Larry Anderson, John Maatz*, Joe Drietz*, Gary Crowley, Lori Gunnink* (joined at 10:00 AM), Luke Johnson, Rick Wakefield, and Glen Kack.

RCRCA Members Present: Jeff Veerkamp, Bill Eckstein, Larry Anderson, Clark Lingbeek*, Joe Drietz*, Gary Crowley, John Lanoue, Lori Gunnink*(joined at 10:00 AM), Paul Posthuma, Luke Johnson, Brad Kruisselbrink, Rick Wakefield, Brian Timm* and Glen Kack.

Others Present: Kerry Netzke – Executive Director, Joy Bruns – RCRCA Office Manager, Michael Peterson* – Peterson Company LTD (auditor).
**Virtual Attendance*

The meeting was called to order at 9:00 AM by RCRCA Chairman Johnson and Area II Chairman Anderson. Introductions were made.

ADOPT AGENDA. Chairman Anderson asked for any additions or corrections to the agenda. Netzke requested an addition for Area II Cost Share Contract Payment and a change to the July 2024 meeting date which falls on 7/4/24. **RCRCA** - Motion by Posthuma, seconded by Wakefield, to approve the agenda as amended. Motion carried unanimously. **Area II** - Motion by Veerkamp, seconded by Crowley, to approve the agenda as amended. Motion carried unanimously. Note: Michael Peterson will be joining via Zoom to review Area II Audit FY23. When he joins the meeting, we will pause for his presentation.

AGENCY AND MEETING REPORTS.

AMC – Commissioner Johnson reported that the AMC Drainage Conference will be in Alexandria on February 7-8. MN Rural Counties will meet on February 20 prior to the AMC Legislative Conference February 21-22.

MASWCD – Supervisor Lingbeek reported that the next Area V meeting will be in Marshall on 2/22/24. The state board will meet to address the approved resolutions on 1/29/24.

RCRCA – ELECTION OF OFFICERS. Netzke took over the meeting for the annual election of RCRCA Officers. Motion by Veerkamp, seconded by Kruisselbrink, to re-elect the current slate of officers: Johnson – Chairman, Lingbeek – Vice Chair, Meulebroeck – Treasurer, Posthuma – Secretary, Drietz – Member at Large, and Crowley – Public Relations & Information. Motion carried unanimously.

RCRCA MINUTES of December 2023 Board Meeting. Motion by Wakefield, seconded by Crowley, to approve the minutes as amended. Motion carried unanimously.

AREA II MINUTES of December 2023 Board Meeting. Motion by Johnson, seconded by Kack, to approve the minutes as amended. Motion carried unanimously.

RCRCA TREASURER’S REPORT – December 2023. Fiscal year-end financials were reviewed by the board. Motion by Anderson, seconded by Posthuma, to file the December 2023 Treasurer’s Report subject to audit and approve bills for payment. Motion carried unanimously.

AREA II FY23 AUDIT – PRESENTATION BY MICHAEL PETERSON WITH PETERSON COMPANY LTD. Peterson reviewed the FY23 Audit for Area II, starting at 9:15 AM. A clean audit report was given to the organization. Motion by Johnson, seconded by Veerkamp, to accept the Area II FY23 Audit report. Motion carried unanimously.

AREA II TREASURER’S REPORT – December 2023. Financials were reviewed by the Board. Revenue received: \$4,568.97 Contract Services Income, \$43,538.17 Water Quality & Storage Grant Funds, \$30.66 Other Revenue, and \$2,287.17 Interest Income. Bills for approval: \$4,494.50 Bolton & Menk Inc. and \$5,574.00 MCIT. Motion by Crowley, seconded by Kack, to file the December 2023 Treasurer’s Report subject to audit and to approve payment of the bills. Motion carried unanimously.

Revenue as recorded:

Contract Service Income (RCRCA)	\$ 4,568.97	Projects-Bonding	\$ 0.00
Interest Income	\$ 2,287.17	County Levy	\$ 0.00
State of MN-Administrative	\$ 0.00	SWCD Tech Assistance	\$ 0.00
Water Quality & Storage Grant	\$ 43,538.17	Miscellaneous Income	\$ 30.66

Paid bills are summarized below:

Administration	\$ 17,010.92	Office Supplies	\$ 0.00
Bonding Project Funds	\$ 0.00	Other Insurance	\$ 0.00
Capital Outlay	\$ 0.00	Postage	\$ 0.00
Contract Services - RCRCA	\$ 1,913.50	Professional Services	\$ 5,239.00
Directors’ Expense	\$ 0.00	Project Expenses Paid	\$ 0.00
Directors’ Insurance	\$ 0.00	Project Permit Fees	\$ 0.00
Employee Expense	\$ 38.54	Rent	\$ 837.00
Field Supplies	\$ 0.00	Telephone	\$ 50.16
Investigating & Testing	\$ 0.00	Utilities-Website	\$ 0.00
Maintenance & Repair	\$ 133.35	Vehicle Expense	\$ 531.59
Miscellaneous Expense	\$ 77.48	Continuing Education	\$ 0.00

Bills for approval:

Professional Services	\$ 4,494.50	Project Costs	\$ 0.00
Insurance	\$ 5,574.00		

RCRCA – DESIGNATE 2024 BANKING INSTITUTION. Netzke stated that HomeTown Bank has been our banking institution for several years and recommends remaining with them as there are no fees to conduct banking business. Motion by Wakefield, seconded by Anderson, to designate HomeTown Bank of Redwood Falls as our financial institution. Motion carried unanimously.

AREA II – DESIGNATE 2024 BANKING INSTITUTION. Netzke recommends staying with HomeTown Bank for the same reasons as RCRCA. Motion by Crowley, seconded by Drietz, to designate HomeTown Bank of Redwood Falls as our financial institution. Motion carried unanimously.

RCRCA – AUTHORIZE RCRCA OFFICE MANAGER TO EXECUTE ELECTRONIC FUNDS TRANSFERS. Netzke requested the board to authorize the RCRCA Office Manager to execute electronic funds transfers and electronic payments of taxes as required annually. These transfers are monitored by the Executive Director. Motion by Posthuma, seconded by Eckstein, to authorize the RCRCA Office Manager to execute electronic funds transfers. Motion carried unanimously.

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RCRCA – DESIGNATE EXECUTIVE DIRECTOR AS RCRCA GRANT SIGNATORY. Motion by Kruisselbrink, seconded by Eckstein, to authorize the Executive Director as grant signatory for RCRCA. Motion carried unanimously.

AREA II – DESIGNATE EXECUTIVE DIRECTOR AS AREA II GRANT SIGNATORY. Motion by Johnson, seconded by Crowley, to authorize the Executive Director as grant signatory for Area II. Motion carried unanimously.

RCRCA – APPOINT DELEGATE & ALTERNATE TO REDWOOD RIVER 1W1P POLICY COMMITTEE. Netzke anticipates the MOA being executed by February and meetings starting in March. A set meeting day/time (ex. 4th Thursday at 2:00) will be determined by the Policy Committee with meetings held in Marshall. Motion by Anderson, seconded by Posthuma, to appoint Meulebroeck as Delegate and Kruisselbrink as Alternate to the Redwood River 1W1P Policy Committee. Motion carried unanimously.

AREA II – APPOINT DELEGATE & ALTERNATE TO REDWOOD RIVER 1W1P POLICY COMMITTEE. Motion by Wakefield, seconded by Drietz, to appoint Crowley as Delegate and Veerkamp as Alternate to the Redwood River 1W1P Policy Committee. Motion carried unanimously.

AREA II & RCRC CONFLICT OF INTEREST DISCLOSURE FORMS. Conflict of Interest Disclosure Forms were provided to the boards for signature. These forms are signed and filed annually. The forms will be emailed to the board members who joined virtually after the meeting today.

AREA II – COST SHARE CONTRACT FOR PAYMENT.

2022 Water Quality & Storage Grant

Hagert Farms, Inc.	Redwood Falls 8/9 - Redwood	412 Terraces
EST Cost: \$141,793.25	EST Cost Share: \$ 106,344.93 (75%)	WQ&S Grant: \$ 92,314.12
		Federal EQIP: \$14,030.81
ACT Cost: \$156,793.25	ACT Cost Share: \$ 117,594.94 (75%)	<u>WQ&S Grant: \$ 66,980.77</u>
		Federal EQIP: \$ 50,614.17

NOTE: The City of Redwood Falls has approved providing 15% (10% local match by landowner) to the project, using a portion of the remaining City funds from the Lake Redwood Reclamation and Enhancement Project, due to the significant benefit to Lake Redwood. RCRC will approve this expenditure and issue the check.

City of RWF:	<u>\$23,518.99 (15%)</u>
Landowner:	\$15,679.22 (10%)

Netzke presented the Redwood Falls 8/9 – Terraces project for payment. After EQIP funding was awarded to the project, the grant funds needed were less than budgeted. Netzke will request that the grant funds being returned be reallocated to Lyon County for their project which will likely need additional funds. Motion by Johnson, seconded by Wakefield, to approve payment of \$66,980.77 for Redwood Falls 8/9 – Terrace project. Motion carried unanimously.

RCRC CONFLICT OF INTEREST DISCLOSURE FORMS.

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City of RWF:	<u>\$23,518.99 (15%)</u>
Landowner:	\$15,679.22 (10%)

Netzke presented the Redwood Falls 8/9 – Terraces project for payment on behalf of the City of Redwood Falls. Motion by Veerkamp, seconded by Kruisselbrink, to approve payment of \$23,518.99 for Redwood Falls 8/9 – Terraces project. Motion carried unanimously.

EXECUTIVE DIRECTOR'S REPORT.

- **Earned Sick & Safe Time (ESST)** Netzke and Bruns worked to revise timesheets and develop a tracking system for ESST. According to the new law, the first 48 hours of earned leave must be designated as ESST, and the remaining hours go into the regular Sick Leave bank. Unused ESST time can also be carried over with a maximum of 80 hours. Netzke acquired language from Lyon County, Redwood County, and the State of MN to draft policies for Area II and RCRCA.

AREA II

- **Yellow Medicine Watershed Pilot Water Storage Project** BWSR received a LCCMR grant to model pilot watersheds to identify and prioritize potential water storage sites. The Buffalo-Red Watershed District is the first pilot. Six meetings are scheduled to 1) establish goals, 2) review model-selected sites, 3) prioritize and rank sites, 4) determine feasibility, 5) review the draft document, and 6) approve the final strategy document. The grant expires June 30, 2024 so the project will have a very quick timeline. This first meeting was to introduce the modeling opportunity, procedure, and determine interest. The technical work group is indeed interested and asked to proceed.

- **General Fund Bonding** BWSR continues discussions with MMB regarding the release of the \$1.5M for Area II. MMB's interpretation of the 2023 language is that \$375,000 (local match) is to be in a designated account available as match for the funding. Netzke proposed that MMB release \$500,000 at a time as \$125,000 in match (Sinking Funds) is available. BWSR is confident that an agreement can be made with MMB to release the funds without legislative intervention to change the appropriation language.

- **Soil Borings** American Engineering Testing completed the soil borings for the 4 sites the week of December 11. No problems were encountered obtaining the samples and the weather did not interfere.

RCRCA

- **Cottonwood-Middle MN 1W1P** The Steering Team met virtually on December 20 to begin working on the Measurable Goals section of the plan, and to inform Houston Engineering on various practices and costs to input into the PTMApp model for the watershed. The Steering Team and Policy Committee will meet in person on January 17 at the Springfield Area Community Center.

- **Redwood 1W1P** A Kickoff Meeting was held on December 8 at the Lyon County Government Center. Marshall, Redwood Falls and Ghent have indicated their intent to join the MOA. The Lower Sioux Tribal Nation is considering joining and may exercise the "late addition" clause of the MOA where they can join by March 30, 2024. MOA members have been asked to appoint delegates and alternates at their January organizational meetings and a final draft of the MOA will be provided in early January. The Redwood County Attorney has requested some changes to the MOA for better clarification. Once the MOA is executed, the planning grant agreement from BWSR can be executed. Planning will start in Spring 2024.

- **Minnesota River – Mankato (Middle MN Round 2)** MPCA accepted the Surface Water Assessment Grant (SWAG) work plan and budget for the 3 sites to be sampled by RCRCA (Spring Creek, Crow Creek, and Wabasha Creek) over the 2024-2025 timeframe. The cost estimate of \$19,940.34 was rounded to \$20,000 by MPCA. Once the other partners submit their documents, grant agreements will be sent out for signature.

AREA II – ENGINEERS REPORT. *Springdale 24 Dam, Redwood County and Holly 10 Small Dam, Murray County.* The Corps of Engineers has determined that they still have jurisdiction over these projects. We are finishing responses to the Corps for the ongoing questions that they have raised. *Lake Shaokatan Dam, Lincoln County.* All work is completed. The County Board will be making final payment. The contractor will be meeting with the commissioners to request additional funds for demolition of the existing dam. Area II has advised the commissioners that the costs were incidental to the demolition bid item. *Lake Shaokatan 31 Dam Repair, Lincoln County.* The contractor has finished the punch list items for this project. Final payment paperwork has been sent to Yellow Medicine 1W1P. *CSAH 20 Road Retentions, Redwood County.* Field surveys have been started on two of the sites identified in this study for road retention projects. *Redwood Falls 8/9 Terraces, Redwood County.* Work is now completed on both projects funded by BWSR Water Quality and Storage Grant. Final paperwork is being processed. *Holly 20 Small Dam, Murray County.* We are in the early design stages for this project. The dam seems to have good storage characteristics, but the watershed is relatively small. The landowner wants to proceed with the project. American Engineering is boring the site as a subcontractor to Soil Technologies. *Rock Lake 2 Dam Repair, Lyon County.* We have completed the preliminary design for this project. Two alternatives have been considered with prices between \$115,000 and \$150,000. We plan to meet with the landowner to discuss these options. *Nordland 23 Small Dam, Lyon County.* We met with the landowners and DNR to discuss this dam on a DNR protected stream. The current meandering stream has a large oxbow which could be used for storage. It is still unclear at the end of the meeting the exact expectations of the landowners and to what extent the DNR will allow altering the stream. We are designing an intermediate-sized dam for further discussion. *Custer 11 Dam Repair, Lyon County.* This is an existing small dam in Garvin Park that has washed out. The site survey has been completed, and preliminary design is in process. A meeting was held with the parks department to refine the design desires and discuss potential permitting needs. Likely a cultural resources site review will be required and arranged by Lyon County. Preliminarily, excavation, grading, and berm work to be conducted by a hired contractor. Sand and seeding are to be provided and performed by County forces.

RCRCA – EARNED SICK AND SAFE TIME (ESST) POLICY LANGUAGE. Netzke presented a draft policy for the board to review and approve. Lyon and Redwood County shared their approved policies for guidance. Some additional policy changes were made to include Juneteenth as a paid holiday and delete dollar amounts associated with medical insurance benefits. Discussion followed. The board would like to change the dollar amounts for the Medical Flex and Dependent Flex to IRS-approved federal limits. For the ESST policy, the one individual annually designated by the employee should be more detailed as to when the designation is to be made. Motion by Crowley, seconded by Eckstein, to approve the Earned Sick and Safe Time Policy Language as written, but to be revised at the February meeting. Motion carried unanimously.

AREA II – EARNED SICK AND SAFE TIME (ESST) POLICY LANGUAGE. Netzke presented the same draft ESST policy and policy changes for Area II. Motion by Wakefield, seconded by Drietz, to approve the Earned Sick and Safe Time Policy Language as written, but to be revised at the February meeting in similar fashion to the RCRCA policy. Motion carried unanimously.

RCRCA – FY2023 AUDIT ENGAGEMENT LETTER. Netzke presented the engagement letter/quote of \$4,500 for Peterson Company LTD to perform the RCRCA FY2023 audit. Discussion followed. Motion by Anderson, seconded by Crowley, to accept the engagement of Peterson Company LTD to perform RCRCA's FY2023 audit. Motion carried unanimously.

OTHER BUSINESS AND ANNOUNCEMENTS. Netzke noted that the July 2024 meeting will fall on 7/4/24 and requested a change of date. Discussion followed concerning alternate dates. **RCRCA** – Motion

by Kack, seconded by Posthuma, to change the meeting to July 9, 2024 at 2:00 PM in Marshall. Motion carried unanimously. **Area II** - Motion by Johnson, seconded by Kack, to change the meeting to July 9, 2024 at 2:00 PM in Marshall. Motion carried unanimously.

ADJOURNMENT.

With no other business, Chairman Johnson and Chairman Anderson adjourned the meeting at 10:31 AM. The next meeting will be on February 1, 2024 at Redwood County Learning Center.

UPCOMING MEETINGS.

February Board Meeting	Thursday, Feb. 1, 2024	Redwood Co Govt. Center, Redwood Falls
March Board Meeting	Thursday, March 7, 2024	Lyon County Government Center, Marshall
April Board Meeting	Thursday, April 4, 2024	Redwood Co Govt. Center, Redwood Falls

Larry Anderson, Area II Chairman

Date