



524 4th St South, Sauk Centre, MN 56378
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Minutes October 11, 2010 Meeting

MINUTES

Sauk River Watershed District Regular Meeting

Monday, October 11, 2010

7:00 PM – Regular Meeting – Sauk River Watershed District Office, Sauk Centre

Managers Present:	Bob Mostad, Larry Kuseske, Jim Kral, Jim Rothstein, Dan Coughlin, Virgil Rettig, Vern Vangness, Todd Foster, Jason Scherping
Staff Present:	Holly Kovarik, Administrator; Mike Hayman, Ditch/Permit Coordinator, Adam Ripple, Attorney (Rinke-Noonan)
Guests Present:	Bob Bjork, Dave Blommel, Kayla Quade, Jana Quade, Darla Stanford, John Arceneau, and Starla Arceneau
Manager's Absent:	

1. **The meeting was called to order by President Jim Rothstein at 7:00 p.m. and the Pledge of Allegiance was recited.**
2. President Rothstein asked for additions to the agenda. Administrator Kovarik noted the revised agenda that was provided to everyone in attendance. The proposed agenda was reviewed and a few items were added by Manager Mostad. **Manager Coughlin moved to approve the agenda with the items added by Manager Mostad. Manager Foster seconded the motion. The motion carried with all in favor.**
3. **Consent Agenda (*approved by one motion*)-President Jim Rothstein**
 - a. Financial Report September 1-30, 2010
 - b. June 15, 2010 Regular Meeting Minutes
 - c. August 17th, 2010 Regular Meeting Minutes
 - d. August 24th, 2010 Special Meeting Minutes
 - e. September 21, 2010 Regular Meeting Minutes
 - f. Project 05-01 Eden Valley Project Dismissal and Cost Payment Agreement
 - g. Project 05-01 Eden Valley Project Order Amending Conditions of Project Dismissal and Terms and Conditions of Payment Costs and Expenses
 - h. Cynthia Kohman SRF loan one year extension for the construction of a septic system.
 - i. DNR Shoreland Habitat Grant Application (Grand Lake Shoreland Assessment and Habitat Restoration Project)
 - j. Buermann SRF Loan Contract extension for feedlot project from 10 to 15 years (agreement attached)
 - k. Resolutions –
 - 84-10** September Journal Entries
 - 85-10** Expenditure Journal Entries-Continued Audit-Revised with corrections from KDV
 - 86-10** Recommending a Resolution to the MAWD Board Regarding Management of Transferred Drainage Systems
 - 87-10** MPCA SRF Loan Resolution for Amendment to Loan No. SRF0170 with the Sauk River Watershed District (Extends SRWD contract with MPCA out from 10 years to 15 years)

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1. Loans, Grants, Appropriations

• **Loans**

- (1) David and Shirley DiBrito SRF Payment Request
Septic System \$5,860.06
- (2) Myron Messelt Septic System SRF Loan Project
Approval \$10,000

• **Grants-**

- (1) Dorothy Gmyrek Cost Share Payment Request \$175.00
Shoreline Restoration Project

• **Appropriations**

1. Health Partners November Premium \$3,129.50
2. Wenck General Engineering \$490.50
3. Pope SWCD Farmbill Position Support \$1,000
4. Graphic Edge T-shirts Water Fest \$4,445
5. League of Minnesota Cities Insurance Trust Dues \$1,485
6. KDV Continued Audit \$7,500

m. **Added Items to Consent Agenda**

1. Appropriation-Rinke-Noonan \$4,041.50 Legal Fees
2. Adjusting Entries: (see attached email)

CR 505-10000-39203	\$4,446
DR 505-11000	\$4,446
DR 570-10000-720	\$4,446
CR 570-11000	\$4,446
CR 505-1000-39203	\$77,216
DR 505-11000	\$77,216
DR 550-10000-720	\$77,216
CR 550-11000	\$77,216
3. Mid Minnesota Excavating Inc CD9 Repair Payment Request
\$2,515.00
4. Cost Share Contract Thomas Zidon Shoreland Restoration \$7,000
5. Shawn Gaughan Cost Share Rain Gardens & Buffer Strip
Payment Requests (Check to: Shawn Gaughan \$4,410.00 and
Check to: G&H Construction \$5,051.25) contingent upon
providing copies of paid receipts and check stubs
6. To authorize the Administrator to participate in the Stearns
County Wetland Appeals Panel as an alternate per the request
from Stearns County
7. To approve the submittal of Battle Point Park for MAWD Project
of the Year-(Submitted to meet deadline of October 8th)
8. To authorize the legal counsel to review the draft Incentive
Program Policies and Procedures prepared by staff.
9. To authorize the Administrator to send a letter to BWSR asking
for a 6 month extension on the Drainage Records Modernization
grant process due to new records brought forth by Stearns

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County.

10. To approve attendance to the MAWD Annual Conference to any staff and managers that would like to attend, including all expenses related to the conference to be held December 2-4, 2010.
11. To certify to the respective county the assessment for David DiBrito for a Septic System \$7,000 loan approved at the 9/21/10 Board Meeting
12. To approve payment to Bob Mostad for storage of weed harvester equipment in the amount of \$350.

Manager Mostad gave a brief history of how it came to be that the storage of the weed harvest equipment in his shed. Manager Rothstein stated that Manager Mostad's fee of \$350 is more than fair. **Manager Coughlin moved to approve consent agenda item M 12 to approve the payment of \$350 to Manager Mostad for storage of the weed harvester equipment. Motion was seconded by Manager Kral. The motion passed with all in favor with Manager Mostad abstaining.** There were no further comments or questions on the consent agenda. **Manager Coughlin moved to approve the remainder of the consent agenda. Motion was seconded by Manager Kral. The motion passed with all in favor.**

4. Old Business

- (a) Boundary Adjustment with North Fork Administrator Kovarik gave a brief history on the CD9 Boundary adjustment. At the last meeting, the board approved a joint petition and resolution in combination with the North Fork Crow River Watershed District. After a meeting with the landowners, it became apparent that these landowners have benefit from CD 7, which lies in the North Fork Crow River Watershed District, as well as CD 9. The resolution to the matter is to determine which ditch they benefit more from. It has been determined that only one parcel will ultimately benefit more from CD 9. The revised petition states that only Innocent Roelike's property benefits more from CD 9. **Manager Coughlin moved to rescind the previous petition and resolution approved by the board at the last meeting. Motion was seconded by Manager Foster. Motion passed with all in favor. Manager Coughlin moved to approve the revised petition and resolution. Motion was seconded by Manager Kral. Motion passed with all in favor.**
- (b) CD 15 & 26 Updates Mike Hayman reported that the Viewers have finished up their Reports and are making the adjustments to their electronic and actual plat maps. The board will have those revisions at the one of the next meetings to act on.
- (c) Ecosystem Services Joint Powers Agreement Administrator Kovarik indicated that the agreement is close to being done. This item will be addressed at a future meeting. Manager Kuseske questioned what should be in the draft versus in the policies Administrator Kovarik indicated that a set of policies will be needed to further defining the program.
- (d) 2011 Calendar of Events/Goals & Objectives Administrator Kovarik told the board that the Goals and Objectives were updated as per the Special Board Meeting from August. If there are any additions to the 2011 Calendar of events, they can still be added.

5. New Business

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- (a) Citizen Advisory Board Meeting President Rothstein informed the board that the Citizen Advisory Meeting will be held November 16th at 5:00, followed by speaker Heiko Schoenfuss prior to the Board Meeting at 7:00. President Rothstein has heard Heiko speak and recommends that everyone should be there.

6. **Open Discussion for the Public** Bob Bjork asked about the levy for the weed harvester's operating expenses. The City of Sauk Centre had also approached the District wondering if they would be certifying a levy for 2011. The board had decided at that point, there would be nothing certified for 2011. There is a sufficient balance in the account and in the past years, minimal harvesting has been required.

7. Reports

a. Administrator's Report-Administrator Kovarik

1. **Ditch Files Resolution to Recognize Process of Transfer** Administrator Kovarik informed the board that the District should officially recognize the process by which the files are transferred. She also informed them that Mike Hayman copied the original files just found by the county but the District was not able to keep them. Hayman informed the board that the District had received most of the original ditch files when the ditches were turned over, however, the county has requested them back. Administrator Kovarik reminded the board of the MAWD resolution passed at the last meeting requesting clarification because of the conflicting language in 103D and 103E dealing with who becomes the official public record holder when the ditch authority responsibility is transferred from the county to a Watershed District.
2. **Marco Agreement-Copier** Administrator Kovarik updated the board on continued problems that staff has been having with the printer. Administrator Kovarik has been in communication with Marco regarding these problems and possibly a new lease agreement. The new lease agreement would cost \$30 less per month and provide the office with a new copier and printer, plus Marco would credit the last service call, and split the current overage invoice. **Manager Coughlin moved to approve the presented contract with Marco. The motion was seconded by Manager Foster. The motion passed with all in favor.**
3. **Contract Recording** Administrator Kovarik informed the board of the backlog of cost share contracts that need to be recorded and a possible process in which to do that. Adam Ripple assisted the Middle Fork Crow River Watershed District on a recording process where instead of recording each individual contract, each parcel would be put into once notice per county which would require only one fee, rather than a fee per parcel. The only catch is that the actual contract document isn't recorded against each property so there may be more questions later on by lenders or people doing title work when the home is sold or bought. Attorney Ripple cautioned that the biggest problem with this method is finding the actual legal description for the property. The legal description on the property tax statement is abbreviated, however, some counties have this information online. Adam said that he would be willing to work with the Watershed District to get this

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process in motion and Julie, the paralegal at Rinke Noonan could process the information. **Manager Coughlin moved approval on the contract recording as outlined by Administrator Kovarik and Adam Ripple. Motion was seconded by Manager Kral. Motion passed with all in favor.**

4. **Overall Plan RFP and Process** Administrator Kovarik is pulling information together would like to table discussion until the next meeting.
5. **Junk Yard Follow up-information referred to County waiting for response** Administrator Kovarik is having discussions back and forth with the county and when she hears the status and how it will be addressed, she will bring it to the board.
6. **RMB Lab Visit-** President Rothstein reported on the inspection done on the lab. They still haven't moved into their new building and so another inspection will have to be done after they move.
7. **Battle Point Park Beach Discussion** Administrator Kovarik informed the board that the Todd County Park Board had questions about the side of the shoreline restoration, and if they could expand the beach area. Different pools of funds were used to do that project and the major concern is that taking part of the beach out of native vegetation, which was put in for erosion control, would be regressing. The county would like to take out an 80 foot section. The DNR has serious concerns with doing that and are not in favor of taking that area out. **Manager Kral made a motion to go along with DNR recommendations and deny any changes to the current restoration at Battle Point Park. Motion seconded by Manager Vangsness. Motion passed with all in favor.**

b. **Ditch/Permit Inspector Report-Michael Hayman**

- (1) **Permit: 07-06 Rivers Bend Phase II Westwood/Sauk Rivers Edge changes**
Inspector Hayman notified the Board of changes to the plan set and development of Rivers Bend. The project currently holds permit, under the old administrative rules, through 2013. Language in that permit requires notification to the District of any changes, and continuation of work. Hayman has reviewed all changes, with this discussion being notification to the Board.
- (2) **Permit: 07-05 MinnCan Pipeline-** Natural Resources Group, on behalf of MinnCan pipeline, has requested a permit re-issuance and one year extension to correct trench sustenance in an agricultural area. The excavation and cover repairs will all occur in upland areas and a SWPPP and NPDES permit will be followed. **Manager Coughlin made motion to approve extension of permit 07-05. Motion seconded by Manager Foster. Motion passed with all in favor.**
- (3) **CD9 Repair Order-Approval Needed-** Based on previous inspection reports and a public hearing on the repair report, **Manager Foster made motion to approve the Repair Order for Stearns County Ditch 9. Motion seconded by Manager Coughlin. Motion passed with all in favor.**
- (4) **CD9 Seeding-** Inspector Hayman gave an update on the CD9 cleaning that recently took place on Bert Yarkes's property. A quote for seeding had been received, but Hayman was of the opinion that District staff could easily provide labor and materials for seeding at a lesser cost to landowners. **Manager Coughlin made a motion that District staff complete the seeding on the**

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recently repaired portion of Stearns County Ditch 9. Motion seconded by Manager Kral. Motion passed with all in favor.

- (5) **CD24 Inspection Report-Presentation & Direction from Board Needed-** Inspector Hayman gave a short presentation on the Inspection Report for Stearns County Ditch 24, highlighting current issues that have been identified on the ditch system. A memo on the recommended proceeding and corresponding Order directing initiation of proceedings has been provided by Attorney Kolb. Attorney Ripple noted that the repair proceedings could be handled in conjunction with the proceeding recognizing the current ditch alignment. **Manager Coughlin made motion to approve the Order Directing Initiation of Proceeding as provided. Motion seconded by Manager Kral. Manager Mostad discussed the MN DNR's responsibility with such proceedings. Motion passed with all in favor.**

- c. **Attorney's Report-** Adam Ripple apologized for John Kolb being gone on such short notice. He had nothing to report.
- d. **Calendar Items: Melissa Roelike Anniversary, October 1st scheduled monitoring ends, MAWD Conference Discussion** Administrator Kovarik asked who was interesting in attending the annual MAWD Conference.
- e. **Committee Reports**
- (1) **Budget Committee Report** President Rothstein led into discussion on the Budget. Manager Coughlin reported on behalf of the budget committee. The committee operated on the limitation of the general fund levy being set at a maximum of \$580,000 which required a minimum of \$75,000 be cut. The committee did take into account the unofficial notice that the District received 4 separate grants and those numbers are reflected in the budget. While those grants help offset, it has been recognized that the grant reimbursement to certain positions has been much less than presumed in previous years. The consensus of the committee was to present a viable budget that can stand on its own. With over 50% of the total budget dominated by personnel and personnel overhead costs, such a cost reduction was going to inevitably affect personnel at some level. The budget committee met twice went through various scenarios to come up with the recommended budget. This budget does not take in to account unforeseen things happening as there is no contingency fund to fall back on and the committee hopes for an uneventful 2011. Manager Coughlin wanted to note for the record that Administrator Kovarik's participation in the process was requested by the board and that she wasn't running the committee. Her role was limited to only what she was directed to do by the committee. Manager Coughlin informed the board that the grants are now demanding outcome based focus rather than a data base focus which means there is less demand for monitoring and less need for the same level of personnel in that department. The committee had to reduce the number of work hours in the monitoring area. The committee also analyzed options such as an across the board percentage cut of staff salary, cut health benefits, salary freezes, drop numerous staff down to part time, or require furloughs. The solemn conclusion the committee came to, based

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on the impact of the set levy, was to drop the equivalent of one full-time position. Based on the committee's analyses of job descriptions, they determined which positions had mission critical elements to it or were tied to mission critical elements to the mission, vision and purpose of the organization. Based solely on that analysis, it was determined that the Assistant Administrator position was the only position that didn't fall into the category of "mission critical". Manager Coughlin presented to the board the budget recommendations as the committee saw fit.

President Rothstein opened the floor for discussion.

Manager Mostad shared his tax statement with the Board and calculated the amount he would have had to pay, had the board raised the levy 22% at being only an extra \$2.28 per year. Manager Mostad stated this was a good return for the money. He stated he is not in favor of cutting any positions, especially with the TMDL's coming. The District needs good people and if the District needs to borrow money, it should be done.

After considerable discussion, several items were referenced including: permitting and inspection fees, auditing, bookkeeping, and Banyon software expenses, in-house accounting vs. contracted accounting, contributions to outside agencies for positions, and borrowing the funds to balance the budget shortfall. All of these items were additional to other cuts and or adjustments made in the budget committee's recommendations for the 2011 budget. It was noted that these changes are items that can be looked at but would make minor impacts to the overall status of the budget.

Manager Mostad made a motion to make every effort to cut everywhere but personnel, freeze wages, including Manager wages, and to look at big figures and cut everywhere we can. In addition to go on a month by month basis as necessary and if short funds to borrow funds to make the budget.

Manager Coughlin stated that the committee already had addressed the big line items in the budget committee recommendation before the board. **Manager Rettig seconded the motion.**

Manager Coughlin referenced the August board meeting where it was discussed and made clear that all Managers should be conscious of policies in place regarding communications between members between meetings.

Administrator Kovarik also clarified that the board set the levy at \$580,000 in August which brought us down this path of cuts. In order to not have any cuts to staffing the 22% increase to the budget should have been approved. She also stated that this was a difficult process and that with the levy set at \$580,000 there was no way around cuts to staffing.

Manager Coughlin restated that it was not the intent to upset anyone. This is simply the recommendation of the committee based on the budget set by the

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board of \$580,000. This is what the District has been trying to address for the last four years, dependence on grants. In addition you don't pay long term with short term money and if this organization does not address this issue it is just delaying the inevitable.

A roll call vote was called by President Rothstein: Manager Coughlin-no, Manager Rettig-aye, Manager Vangsness-aye, and Manager Foster-no, Manager Mostad-yes, Manager Kuseske-yes, and Manager Scherping-no, Manager Kral-no, and Manager Rothstein-no. The motion failed 5 to 4.

Manager Foster made a motion to approve the Budget Committee recommendations as presented. Manager Kral seconded the motion.

A roll call vote was called by President Rothstein: Manager Coughlin-aye, Manager Rettig-no, Manager Vangsness-no, Manager Foster-aye, Manager Mostad-no, Manager Kuseske-no, Manager Scherping-aye, Manager Kral-aye, and Manager Rothstein-aye. The motion passes 5 to 4.

Manager Coughlin made a motion to approve the draft letter as presented by legal counsel-John Kolb and to authorize the attorney and staff to include a possible severance agreement to include any funds budgeted for that particular position through the end of the 2010 calendar year.

Attorney Ripple clarified that the position remains intact until the end of the year and that the budget is not finalized until the hearing next month.

The motion passed with Managers Mostad and Rettig opposed.

Manager Coughlin made a motion to suggest that Inspector Hayman be in charge while Administrator Kovarik is away on vacation this next week. Manager Foster seconded the motion. The motion passed with all in favor.

(2) Board Member Meeting Reports-None

- 8. Items for Next Meeting Agenda**
- 9. Adjourn-Manager Kral made a motion to adjourn the meeting at 10:10 p.m. and Manager Coughlin seconded the motion. Motion approved.**

NEXT MEETING: Regular Meeting– November 16, 2010- Sauk River Watershed District Office Sauk Centre MN

Jim Rothstein, President

Date

Jim Kral, Vice President

Date

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Jason Scherping, Secretary

Date

Dan Coughlin, Treasurer

Date

Virgil Rettig

Date

Vern Vangsness

Date

Larry Kuseske

Date

Robert Mostad

Date

Todd Foster

Date

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