

524 4th St South
Sauk Centre, MN 56378
Phone: (320) 352-2231
Fax: (320) 352-6455
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MEETING MINUTES – 4/20/2010

Regular Meeting
7:00 p.m. Sauk River Watershed District Office
April 20, 2010

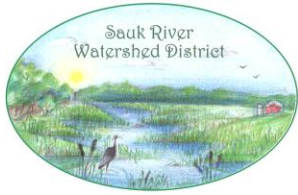
Managers Present: Dan Coughlin, Jim Kral, Larry Kuseske, Robert Mostad, Virgil Rettig, Jim Rothstein, Jason Scherping and Vernon Vangness.

Staff Present: Holly Kovarik, Administrator
Starla Arceneau, Assistant Administrator, Lynn Nelson, Environmental Project Coordinator, Mike Hayman, Ditch/Permit Coordinator.

Guests Present: Dave Blommel, Bob Bjork, Jason Weinerman, John Harren, Duane Pung

Manager's Absent:

1. President Kral asked that a moment of silence be taken in remembrance of former Board Member Richard Raeker who passed away this past month.
2. **The meeting was called to order by President Jim Kral at 7:00 p.m. and the Pledge of Allegiance was recited.**
3. President Kral stated that Administrator Kovarik and Attorney Kolb were stuck in traffic coming back from a meeting and would be there by 7:30 p.m.
4. President Kral asked for additions to the agenda. There were several items added to the agenda. The proposed agenda was reviewed. **Manager Coughlin moved to approve the agenda with the additions and Manager Rothstein seconded the motion.** The motion passed with all in favor.
5. The consent agenda was reviewed by President Kral. The following items were included on this consent agenda.
 - a. Approval of minutes of the March 16, 2010 regular meeting
 - b. Financial Report March 1-31, 2010
 - c. Resolutions –
 - 33-10 Data Practices Act Information Request Form & Copy Charges
 - 34-10 Stearns County PF Contract
 - 35-10 Viewers Meeting Associate Membership & Attendance Approval
 - 36-10 LIDAR Training
 - 37-10 St. Cloud Rain Garden Initiative Fund
 - 38-10 Sinclair Lewis Rain garden Project
 - 41-10 Pope/Stevens Conservation Day Donation
 - 42-10 Douglas Co. Groundwater Festival Tent Use
 - 43-10 Middle Fork Crow River Watershed District Enviroscape Use
 - 44-10 Friends of the Sauk Donation & Tent Use
 - 45-10 Fair Booths & Parade Floats 2010
 - 46-10 March Journal Entries
 - d. Loans, Grants, Appropriations
 - **Loans**
 - (1) Craig & Nancy Glander \$10,000 Septic System
 - (2) Daniel Schneider \$10,000 Septic System
 - **Grants**
 - (1) Bernice Mensen \$1,000 Shoreline Restoration
 - **Appropriations**
 1. Rinke-Noonan - \$14,766



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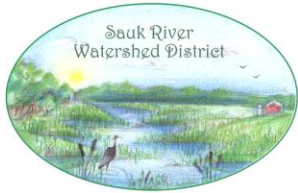
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2. Houston Engineering - \$1,698.30
 3. Wenck - \$26,121.30
 4. Wenck - \$6,287.10
 5. Bio Builder- \$2,334.00
 6. KDV - \$13,375
 7. Tech Check - \$270.77
 8. Todd County Auditor - \$674.00
 9. University of Wisc - \$11,880.00
 10. JBA Associates - \$4,001.00
 11. Barr Engineering - \$9,427.48
 12. Fred Arnzen - \$9,603.93
 13. Wenck \$7,884.08
- e. After reviewing the items on the consent agenda, three items (Approval of minutes of the March 16, 2010 regular meeting, Resolution 42-10 Douglas County Groundwater Festival Tent use and 44-10 Friends of the Sauk Donation and Tent Use) were pulled for further discussion. A **motion was made by Manager Rothstein and seconded by Manager Coughlin and carried unanimously to approve the following items on said consent agenda:** Financial Report March 1-31, 2010, Resolutions –33-10 Data Practices Act Information Request Form & Copy Charges, 34-10 Stearns County PF Contract, 35-10 Viewers Meeting Associate Membership & Attendance Approval, 36-10 LIDAR Training, 37-10 St Cloud Rain Garden Initiative Fund, 38-10 Sinclair Lewis Rain Garden Project, 41-10 Pope/Stevens Conservation Day Donation, 43-10 Middle Fork Crow River Watershed District Enviroscape Use, 45-10 Fair Booths & Parade Floats 2010, 46-10 March Journal Entries, Loans, Grants, Appropriations - Craig & Nancy Glander \$10,000 Septic System, Daniel Schneider \$10,000 Septic System Grants - Bernice Mensen \$1,000 Shoreline Restoration, Appropriations - Rinke- Noonan- \$14,766, Houston Engineering -1698.30, Wenck- \$26,121.30, Wenck - \$6,287.10, Bio Builder - \$2,334.00, KDV-\$13,375, Tech Check - \$270.77, Todd County Auditor -\$674.00, University of Wisc - \$11,880.00, JBA Associates - \$4,001.00, Barr Engineering - \$9,603.93, Wenck - \$7,884.08.

In response to pulling the March 16, 2010 meeting minutes Manager Coughlin clarified that there needed to be a word changed to correctly reflect his comments from the March 16th regular meeting. Manager Coughlin stated that on item #8 that the correct word is requested instead of directed. Manager Coughlin further clarified that the Board can direct but the Managers can request. Manager Rettig pulled Resolutions 42-10 and 44-10 and asked if there were inspections of the tents when they are returned. Inspector Hayman said that the tents are checked out and inspected when returned. **Manager Rettig then made a motion to approve the March 16th regular meeting minutes with correction, Resolution 42-10 Douglas County Groundwater Festival Tent Use and 44-10 Friends of the Sauk Donation and Tent Use. Manager Coughlin seconded the motion. The motion passed with all in favor.**

Lynn Nelson gave a presentation on the Monitoring Results for 2009. The board thanked Nelson for an informative presentation.

Administrator Kovarik and Attorney Kolb arrived during this time. They had been at a meeting for the Ecosystem Services Project in Mankato.



6. **OLD BUSINESS**

(a) President Kral recessed the regular meeting for the continuation of the County Ditch 9 Public Hearing. Attorney Kolb reviewed the opinion of the consulting Viewer in regards to the 1985 Viewers Report. The benefit roll from the 1985 viewers report is a reasonable distribution of benefits and he stated that a redetermination of benefits would not be necessary. Attorney Kolb addressed a few additional items such as the repair report and the possibility to acquire the grass buffer strips. Attorney Kolb stated that it is necessary to determine if the strips had already been acquired or not.

Manager Scherping mentioned that there was some sort of paperwork or waiver that the Stearns SWCD had some of the landowner's sign that required a one rod buffer strip. The staff will check with the Stearns County SWCD office to determine what exists. The staff will report back the information found. President Kral asked for public comment with none. **Manager Coughlin moved to close the public hearing. Manager Rothstein seconded the motion. The motion passed with all in favor.**

Manager Kuseske had questions about the culverts and how they are plugged and when that will be taken care of. Administrator Kovarik indicated the process and the next steps. This would be addressed during the repair proceedings which would be the next step after the re-determination of benefits process is completed.

The repair report has the information about the culverts and Manager Kuseske questioned if that information was given at the hearing.

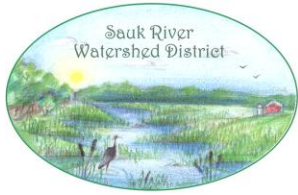
Manager Rothstein concurred with recommending requesting staff to contact the Auditors office to follow the proceedings and determine what has all transpired.

Attorney Kolb indicated we will investigate and verify if the buffer was acquired, make sure each manager has been able to view the engineers report for the repair, hand walk the 1985 re-determination of benefits to the auditor so that it gets recorded properly, and have a draft set of findings prepared for the next meeting.

Manager Kuseske indicated that he would like to add one comment to find out if the people were levied and what that was.

Administrator Kovarik indicated that the repair report was provided to the managers previously and indicated she would provide this information again to the Managers.

(b) **Review of Audit Deficiencies:** Administrator Kovarik and Attorney Kolb reviewed the process they undertook that was directed by the board as a result of the Audit Findings. This internal review of policies and procedures will be further reviewed by KDV, the District's Auditors. This process will result in a standardization of the processes and record keeping. Administrator Kovarik and Attorney Kolb reviewed the Sauk River Chain of Lakes Restoration Project that began in 2002/2003 timeframe. They went through the whole project of the SRCL Cont from the beginning to the end. This internal review highlighted areas where changes will be needed in processes. The entire process will help to develop procedures to eliminate any future



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deficiencies like what were highlighted in the recent Audit. This will require the entire District including the staff to discipline them to a procedure so that we can eliminate some of the items outlined in the Audit. Attorney Kolb stated that this is not the first time that this organization tried to go through this process and that this was tried in the 2002/2003 timeframe. Attorney Kolb indicated that this was due to not having the continuity with the Administrator role that the entire process was also not completed. Attorney Kolb recommended allowing Administrator Kovarik to finish the process because the end result will be a better organization.

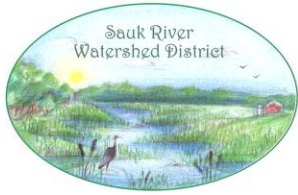
Manager Coughlin clarified the intent of the original motion was not to embarrass or single out anyone in particular. The intent was to address the findings in the Audit and address the process and procedures and move onto utilizing them. Manager Coughlin stated that it is imperative to look at the Audit findings and to address the items as this will go a long way to demonstrating to the state auditor and the public that the Board seeks to address audit issues in a complete and timely manner. Manager Coughlin said he appreciated the efforts the staff, attorney, and auditor have put toward addressing the findings presented in the audit and helping continue to preserve the core of the District's fiscal integrity.

Manager Mostad stated that he appreciated Manager Coughlin bringing the items forth and for Attorney Kolb helping to address his concerns with the items raised at the last meeting. Manager Mostad explained some of the past experiences he has had with audits while Administrator of the District and noted that though the annual audits typically had findings from time to time, to his knowledge there has never been any fraudulent activity in the organization.

7. REPORTS:

Administrator's Report-Administrator Kovarik

- (1) **Joint Powers Agreement:** Attorney Kolb and Administrator Kovarik met with Shannon Fisher on the Ecosystem Services project and will be able to have a Joint Powers Agreement to review at the May regular meeting. Attorney Kolb shared his thoughts about the project and that we are feeling more comfortable with the project and the process. In addition the process does not have to be over complicated.
- (2) **Resolution 39-10 Sauk Lake Aquatic Vegetation:** Manager Coughlin moved to approve Resolution 39-10. Manager Kuseske seconded the motion. The motion passed with all in favor.
- (3) **Resolution 40-10 Pope County Farmbill Position:** Manager Coughlin moved to approve Resolution 40-10. Manager Rothstein seconded the motion. The motion passed with all in favor.
- (4) **Health Insurance Renewal:** Administrator Kovarik went thru several scenarios and options related to employee health insurance options. She explained that switching to a different insurance carrier and/or adjusting the deductible amounts for various options could result in a savings over what is paid for the current plan the employees are under. The Managers discussed the various options and also noted that the staff had previously asked the Board to forego any consideration of cost of living adjustments and to contemplate taking that proposed allocation and put it towards the employer contributions for health insurance

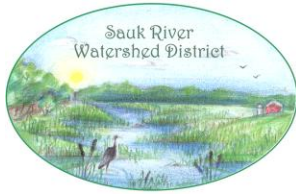


benefits.

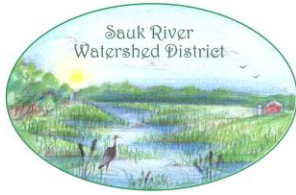
Health Insurance Renewal: Manager Coughlin made a motion to authorize the Administrator to contract with the District's insurance agent to establish a new employee health insurance coverage plan with Health Partners for 2010-11 and for the District to contribute any savings between the old and new plans plus any unused cost of living budget allocations to employee Health Saving Accounts; resulting in no net impact on the budget while still providing a benefit to employees. Manager Rothstein seconded the motion. The motion passed with all in favor.

Administrator Kovarik asked for clarification on the motion. Manager Coughlin stated that whatever saves the organization the most money and then can be returned in benefit to the staff is the option that should be selected.

- (5) **Insurance Renewal & Payments: Manager Coughlin moved to approve the Insurance renewal with the League of Minnesota Cities Insurance Trust and to authorize the payment of the premium due \$12,285 as presented. Manager Kuseske seconded the motion. The motion passed with all in favor.**
- (6) **Other Cd's Discussion: Administrator Kovarik reviewed transfers: Middle Sauk Continuation - \$450.73, Osakis Phase III - \$1700.16, Big Sauk Cont - \$17,530.07, Big Birch Cont - \$7,971.41 and SRCL Cont - \$1,097.75. Manager Coughlin moved to approve the closeout of these accounts and to the transfer of the funds to the general account. Manager Mostad seconded the motion. The motion passed with all in favor.** Kovarik also reviewed other transfers: CD6-\$87.50, JD1-\$2,210.05, CD11- \$901.80, CD 51 - \$136.93, CD 17 - \$35, CD19 - \$111.00, CD 24 - \$202.40, CD-9- \$18,094.99 and Weed Harvest - \$11,596.83. **Manager Coughlin moved to authorize the transfer of the funds. Manager Rothstein seconded the motion. The motion passed with all in favor.**
- (7) **Soil & Water Conservation Society Conservation Society Conference meeting: Administrator Kovarik and Manager Kuseske will be attending the Conference. Manager Coughlin moved to allow up to \$4000 sending up to three people to the conference. Manager Rothstein seconded the motion. The motion passed with Manager Rettig opposing.**
- (8) **Eden Valley Barr Bill/Meeting Update: Administrator Kovarik reviewed the meeting the details of the meeting recently held to address the Eden Valley Petition and indicated that now it is up to Eden Valley. Administrator Kovarik and Attorney Kolb also reviewed that a bill had been received from Barr engineering which is over the cost that was previously quoted. Administrator Kovarik will discuss the bill with Barr and bring back more details at the next regular meeting.**
- (9) **Boundary Issue Update: Administrator Kovarik sent a letter to the City of Kimball and Clearwater Watershed District. Kimball is not located within the Sauk River Watershed District. This matter has been resolved.**



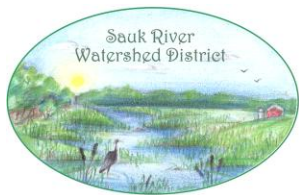
- (10) **University Funded Intern Position:** Administrator Kovarik reviewed a memo to work with the Minnesota Pollution Control Agency and the University of MN to conduct an in-depth research project within the District. MPCA would fund one intern to conduct the research. Office space would be needed and the person would be paid through the District. **Manager Coughlin moved to authorize entering into an agreement with the University for this intern position with the understanding that the majority of the funding will be coming from outside Agencies with the District only covering incidentals. Manager Kuseske seconded the motion. The motion passed with all in favor. Manager Coughlin also moved to post the position if the partnership proceeds. Manager Kuseske seconded the motion. The motion passed with all in favor.**
- (11) **Weed Harvest Crew Discussion:** The current Crew Chief had surgery and doesn't feel that he will be able to complete the harvesting season. There was discussion on advertising for two positions. **Manager Coughlin moved to post the job openings. Manager Mostad seconded the motion. The motion passed with all in favor.**
- (12) **County Annual Report meeting schedule** was reviewed by Administrator Kovarik. These meetings have all been scheduled with every county within the watershed.
- (13) **MRBI proposal:** Dennis Fuchs from the Stearns County SWCD has asked for a letter of support. **Manager Rothstein moved to submit a letter of support. Manager Coughlin seconded the motion. The motion passed with all in favor.**
- (14) **LCCMR Proposal:** **Manager Coughlin moved to approve final applications. Manager Rothstein seconded the motion. The motion passed with all in favor.**
- (15) **Event Newsletter:** **Manager Rothstein moved to allocate \$2500 for the newsletter. Manager Coughlin seconded the motion. The motion passed with all in favor.**
- (16) **Summer Pontoon tour with the Managers and Citizens Advisory** will be held on Monday, July 26th, 2010.
- (17) **Set Summer Bus Tour Date:** will be scheduled in August to tour the Middle Sauk area.
- (18) **Approval of minutes of the March 4, 2010 CD 9 Hearing:** Tabled until a future meeting.
- (19) **Jesse Hagemeyer Feedlot Project:** Lynn Nelson reviewed the eligible project costs and the extra funds requested. There was concern that the revised 2010 application (2008) may be considered an expansion project and the District cannot use incentive dollars to fund expansion projects. The decision was up to the board to allocate loan dollars for the extra project costs. The board tabled their decision until the May regular meeting to gather more information on this project.



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- (20) **Todd County:** Administrator Kovarik has met with Todd County on septic evaluation project that Todd County has undertaken on three lakes within the District. (Maple, Big Birch and Osakis). At a future meeting the District may be asked to participate in the program. So far the county has reviewed files internally only. Site inspections have not been conducted.
- (21) **Selling of Truck:** Administrator Kovarik mentioned that the 92 Ford Ranger is ready to be put up for sale the blue book value is \$1,750. **Manager Rothstein moved to sell the truck for the best offer. Manager Coughlin seconded the motion. The motion passed with all in favor.**
- (22) **DER application:** **Manager Coughlin moved to approve staff to complete and submit a DER application before the May 21st deadline. Manager Mostad seconded the motion. The motion passed with all in favor.**
- (23) **Ecosystem Services CIG Proposal.** **Manager Coughlin moved to approve the proposal as presented. Manager Rothstein seconded the motion. The motion passed with all in favor.**
- (24) **Extra SRF Loans for approval – Shawn Collins- Shoreland – Michael Hart - Septic, Brad Moening - Shoreland -\$2,500. Jim DeRose (Riverside Resort) for an additional \$2000. Manager Coughlin moved to approve the SRF loans. Manager Vangness seconded the motion. The motion passed with all in favor.**
- (a) **Ditch/Permit Inspector Report-Mike Hayman**
- (1) A Friends of the Sauk River Clean-up day is scheduled for May 1st at the Rivers Edge Park in St. Cloud.
- (2) Drainage Buffer Report 2009 was submitted to Joel Peterson from the Board of Water and Soil Resources.
- (3) **County Ditch 15 & 26:** The Final Viewers Report should be submitted to the District within the next two weeks. Manager Rothstein asked if anyone had concerns about the processes taking place with the County Ditch 15 & 26 re-determination of benefits as it is important to have these concerns addressed during the process. There were no concerns raised by the public present.
- (4) **County Ditch 17:** The beavers have been trapped and another dam will need to be removed.
- (5) Administrative Approval form/process: **Manager Coughlin moved to approve the draft form for use by the staff. Manager Rothstein seconded the motion. The motion passed with all in favor.**
- (6) **Permits:**
- 10-02 CSAH 4-County Road 134 -138 Bridge & Road Work
 - 10-03 St. Cloud VA Medical Roadwork
 - 10-04 CSAH 4 Resurface
-



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- 10-05 O'Reilly Auto Parts

Manager Coughlin moved to approve the four permits as presented with the stipulation and from here on out that staff treats mill and overlay as repair and not as new construction. Manager Kuseske seconded the motion. The motion passed with all in favor.

(c) Attorney's Report-No Attorney Report

- Calendar Items –2010 Board Appointments. Manager Coughlin moved to send letters to the Counties as applicable. Manager Rettig seconded the motion. The motion passed with all in favor.

(d) Board Member Meeting Reports- None

8. OPEN DISCUSSION FROM THE PUBLIC: None
9. ITEMS FOR NEXT MEETING AGENDA: None

President Kral said that the MPCA gave the District a great compliment that they get more data from the SRWD than any place else. Administrator Kovarik also mentioned that we have received excellent feedback from the Annual Review Publication.

10. ADJOURNMENT: President Kral adjourned the meeting at 9:55 p.m.

Secretary, Virgil Rettig
 Recording Secretary, Starla Arceneau

_____	Date	_____
Jim Kral		
_____	Date	_____
James Rothstein		
_____	Date	_____
Dan Coughlin		
_____	Date	_____
Virgil Rettig		
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Bob Mostad		
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Larry Kuseske		
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Jason Scherping		
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Vernon Vangsness		