

# Sauk River Watershed District

524 Fourth Street South

Sauk Centre, MN

56378

Phone: (320) 352-2231 Fax: (320) 352-6455

Website: [www.srwdmn.org](http://www.srwdmn.org)

Regular Meeting  
Approved  
August 5, 2008

President Kral called the meeting to order. Managers present: Coughlin, Hensley, Kral, Kuseske, Kutter, Raeker, Rettig, Rothstein and Mostad. Also present: Jason Weinerman, BWSR; Bob Bjork, BSLA; Heather Lehmkuhl, Mike Hayman, Zach Gutnecht, Tara Borgerding, Lynn Nelson, Adam Hjelm, Melissa Roelike, Starla Arceneau, Interim Administrator and Recording Secretary.

The Board recited the Pledge of Allegiance.

The proposed agenda was reviewed. A motion was made by Manager Rettig to approve the agenda with additions. Manager Coughlin seconded it. The motion passed with all in favor.

Oath of Office was read and signed by Managers Rothstein and Raeker. Attorney John Kolb suggested that Manager Coughlin also sign a new oath of office seeing that he is beginning a new 3-year term on the board. Manager Coughlin signed a copy of his oath of office after the meeting was concluded.

After reviewing the items on the consent agenda, a motion was made by Manager Kutter and seconded by Manager Coughlin and carried unanimously to approve the following items on the said agenda: State Revolving Funds and Approval of Permit 08-11. The motion passed with all in favor.

The July 15, 2008 minutes were reviewed. Manager Coughlin made a motion to approve the minutes with an amendment noting that Manager Hensley personally opposed the estimated \$50,000 increase in wages and benefits noted in the working draft of the 2009-10 budget. Manager Kuseske seconded it. The motion passed with all in favor.

The Financial Report was reviewed. Manager Hensley questioned the credit card usage and the two donation checks for the outhouse. Arceneau explained that waders were purchased that were previously approved thru the appropriation sheet and that when the credit card is used a receipt is attached to the invoice. The two donation checks have not been deposited due to a miss communication between Hensley and Arceneau. Hensley requested that the checks be cashed and reimbursed to the Big Sauk Lake Association. Manager Kutter made a motion to approve the Financial Report. Manager Rettig seconded it. The motion passed with all in favor.

Zach Gutknecht gave a PowerPoint presentation on his summer experience with working the Education Program. Tara Borgerding and Mike Hayman also gave a PowerPoint on their summer experience with the Monitoring Program. The Board thanked the interns for their informative presentations.

The Activity Report was reviewed. There was discussion on when and to whom the District should send memorials to. Manager Mostad made a motion to give the Interim Administrator and President Kral authorization to purchase memorials on an as-needed basis with a \$50 donation limit; with funds being derived from the memorial donations voluntarily made by the managers. Manager Coughlin seconded it. The motion passed with all in favor.

The board set up an Educational Workshop for Thursday, August 14, 2008 at 7:00 PM. The Staff will post the meeting with the following discussion items: Pay Equity, 2009-2010 Budget and the Future Goals of the Watershed District.

Managers Kuseske and Kutter gave a presentation on their tour of County Ditch 26 and 15. Manager Kutter made a motion to order an inspection on County 26 and 15. Manager Coughlin seconded it. The motion passed with all in favor. Manager Kuseske made a motion to order an inspection of County Ditch 9. Manager Kutter seconded it. The motion passed with all in favor. Arceneau asked the board who was going to perform these inspections. Managers Kuseske, Mostad and Raeker will work with Dave Bailey to complete the inspections.

Attorney Kolb gave the Attorney's Report. Kolb reviewed the bond and enclosure forms to the two new Board Members. Kolb will be meeting with the representatives from Eden Valley to discuss the future direction.

The Lower Sauk Project work plan is near submittal to the Board of Water Soil Resources and the Department of Natural Resources.

The District is currently working with the Minnesota Pollution Control Agency on implementing the TMDL's and Impaired Water strategies.

Kolb gave an update on Lake Maria and Big Fish Lake. Kolb cautioned the Managers that these are landowners issues and the District should not get involved.

Kolb asked for clarification if the Board would like Sharon Klumpp to attend another meeting to review her report. Manager Coughlin made a motion to invite Klumpp attend the educational workshop to observe the meeting and to report her observations at a follow up workshop with the board at a later date. Manager Mostad seconded it. A roll call vote was taken. Coughlin-Aye, Raeker-Aye, Rettig-Nay, Hensley-Nay, Kutter-Aye, Kuseske-Aye, Rothstein-Aye, and Mostad Aye. The motion passed.

The County Ditch 9 meeting that was scheduled for August 19, 2008 will be reschedule after the inspection is completed.

Kolb reviewed the EAW for the Central Lakes Sanitary District that will be discharging it's wastewater into the Long Prairie River. Kolb suggested that since it doesn't affect the Watershed District that no comments be submitted.

Kolb handed out a letter from Sharon Hobbs, Rinke-Noonan Law Firm, to Manager Hensley answering his questions regarding petty cash and sick leave.

There was discussion on whether to send Sharon Klumpp's memo to the Agency Partners. Manager Coughlin made a motion to distribute Klumpp's memo to the District's Agency Partners. Manager Kutter seconded it. The motion passed with all in favor.

Manager Hensley gave a report on a visit to the Judicial Ditch 2 site. Hensley requested a copy of the legal correspondence to Tom Anderson regarding buffer area along Judicial Ditch 2. Kolb will review his files, locate the letter and give a copy to Manager Hensley.

Manager Coughlin gave the Budget Report. Managers Coughlin and Mostad suggested that staff put together their recommendations on future projects and a long term budget plan for known capital items. Manager Coughlin made a motion to direct staff to provide the Board with the anticipated cost of future projects and a long term budget plan for known capital items. Manager Kutter seconded it. The motion passed with all in favor.

No Nominating Committee Report.

No Personnel and Salary Committee Report.

No Rules Report.

No Professional Services Committee Report.

Manager Mostad mentioned that the Weed Harvest Equipment is stored for the winter.

On August 6<sup>th</sup> Managers Coughlin and Kuseske will attend a Water Quality Trading meeting.

Manager Coughlin suggested re-scheduling Kathleen Murphy to attend the August 19<sup>th</sup> regular meeting. Manager Coughlin made a motion to invite Kathleen Murphy to the August 19<sup>th</sup> meeting. Manager Hensley seconded it. The motion passed with all in favor. Manager Hensley asked Arceneau to copy Murphy's reports for the board to review prior to the meeting.

Jason Weirnerman from the Board of Water and Soil Resources (BSWR) offered the opportunity to have the BWSR staff attend a meeting to give clarification on what the BWSR is and the role they have with the District. The staff will post it for August 19<sup>th</sup> at 6:00 pm.

Manager Hensley reported that he called Attorney Sharon Hobbs to question the usage of Petty Cash to pay temporary help \$80 to accompany the monitoring staff in the field. Hensley requested the petty cash fund be accounted for the same way the treasurer's report. Manager Coughlin questioned if the board was worried about an \$80 issue, a bigger issue was who was going to pay for Attorney Hobb's advice seeing that such legal work was not covered under the District's retainer with Rinke-Noonan. Manager Hensley said that he had asked at a prior meeting for clarification on when it was okay for a manager to contact the District's Attorney. He stated that he believed he was justified in contacting the attorney because his personal belief was that the seriousness of the charges warranted him taking such action.

Interim Administrator Arceneau stated in the activity report that the issue being discussed began when there was a need for a second person to go out on a monitoring trip in accordance with the district's safety protocols. She noted that she informed President Kral of her daughter being the second person on the monitoring trip because no one else was available at the time. President Kral approved that the payment of her daughter out of petty cash.

Arceneau also explained that she also contacted Attorney John Kolb to confirm that the petty cash account was allowed to be used to pay temporary employees, and he indicated at that time that he saw no problem with that arrangement.

Manager Hensley commented that as a board member he felt that there was deceit in Arceneau's earlier presentation to the board. Attorney Kolb told the Managers that he had already discussed

this issue with Manager Hensley under the retainer fee well before Manager Hensley called Attorney Hobbs.

Kolb acknowledged that the advice he had given Arceneau had ultimately been proven to be incorrect and that now everyone knows that petty cash accounts cannot be utilized to pay payroll for employees, temporary or otherwise. He said that Arceneau based her actions in good faith upon the advice of himself and President Kral and that he rejected the notion that anything deceitful had been done.

Arceneau said that when she was first put in the position of interim administrator she specifically asked the board what she should do when she needed advice on particular decisions that needed to be made and that the board clearly noted that if questions come up that she was to seek the advice of the President. Arceneau said that was exactly what she did and that she believed she did absolutely nothing improper with this situation.

Manager Coughlin made a motion to accept Arceneau's paragraph in the current Activity Report as the formal explanation of what occurred with the petty cash matter and for the board to consider this matter closed. Manager Mostad seconded it. The motion passed with all in favor.

Manager Kuseske reviewed the Minnesota Association of Watershed District's process for the upcoming resolutions and Project of the Year.

President Kral reminded the board of the August 11<sup>th</sup> informational meeting in Osakis on Wastewater Management.

Manager Coughlin asked that Arceneau give an overview of the budget at the upcoming educational workshop. Manager Coughlin made a motion to pay Arceneau to attend the Educational Workshop to give a brief presentation on the budget. Manager Kuseske seconded it. The motion passed with all in favor.

Heather Lehmkuhl addressed her concerns about the secrecy of the upcoming educational workshop and how everyone needs to work on the lack of trust between the staff and the board. Manager Coughlin then made a motion to invite the staff to the workshop on their own time. Manager Rothstein seconded it. The motion passed with all in favor.

The meeting was adjourned.

Secretary, Virgil Rettig  
Recording Secretary, Starla Arceneau