

SAND HILL RIVER WATERSHED DISTRICT

January 8, 2019

1. **Attendance:** Chairman Stuart Christian called the January 8, 2019 meeting to order at 8:00 AM at the District Office. Other managers present were Clayton Bartz, JJ Hamre, Dan Vesledahl and Roger Hanson. One staff member was present April Swenby – Administrator. Others in attendance include Daniel Wilkens, Bill Downs – Landowner, and Zach Herrmann – Houston Engineering.
2. **Welcome:** Chairman Christian welcomed Swenby as Administrator, and thanked Wilkens for his years of service. Wilkens added by thanking the board managers for a great 45 years. Wilkens commented on the drainage progress that the district has made over the past 45 years and the economic benefit of the improved drainage. Wilkens showed much appreciation for his retirement party.

Wilkens asked for the floor as he was unable to stay for the entire meeting. Wilkens added that this week he'll be attending Judy Desharnais retirement party and the last Drainage Work Group meeting for this session, followed by a meeting with Ann Wessel from BWSR for an interview on drainage in the Red River Valley. He'd also like to make contact with Greg Knoff and Jim Curran to get more information on the Vesledahl Wetland Banking Status and the land transfer status. Wilkens didn't feel that there was enough transition time for transferring the Administrator position to Swenby. He'd like to continue to work with Swenby regarding the status of the projects that are outstanding. He stated that he contacted PERA regarding the limitations of the phased out retirement program and confirmed that Wilkens can become an employee again beginning February 1, 2019 and stated he is open to it to help aid the transition. Wilkens also stated that he'd like to propose half his former salary.

Transition boundaries and the transfer of Administrator were discussed. Wilkens added that his intentions are to offer his knowledge of what he knows and where outstanding projects stand.

3. **Board Effect Training:** The managers were given a training session to view their monthly packet.
4. **Approval of the Agenda:** A **Motion** was made by Manager Hamre to approve the agenda as presented, **Seconded** by Manager Bartz, **Carried**.
5. **Minutes:** A **Motion** was made by Manager Hanson to approve the minutes from the December 4, 2018 meeting, **Seconded** by Manager Vesledahl, **Carried**.
6. **Treasurer's/Financial Report:** April Swenby read the Treasurer's Report. A **Motion** was made by Manager Vesledahl to approve the Treasurer's Report for December, **Seconded** by Manager Bartz, **Carried**.

The managers reviewed their expense reports and reported on activities for the month. The following bills were reviewed:

April J. Swenby	1,000.00
Carter Mosher	150.00
City of Fertile	39.00
Daniel Wilkens	21,004.90
Dennis Olsen	353.46
East Polk Soil and Water District	24,487.64
Fertile Hardware Hank	92.93
First Community Credit Union	2,107.29
Garden Valley Telephone Company	235.93
Houston Engineering	1,428.50

JC & J Trucking, Inc.	13,260.90
Kaitlyn Fuglseth	157.50
Liberty Township	280.00
Marco	856.62
Opdahl's Donuts	27.00
Otter Tail Power Company	519.91
Polk County Planning and Zoning	78.57
Sam's Club	3,939.40
Sarah Wise	77.00
Todd's Landscaping	375.00
True North Steel	602.64
Wild Rice Electric	130.88
TOTAL	<u><u>71,205.07</u></u>

Swenby noted that the following bills were paid December 31, 2018. She noted reimbursement request for the RCPP program and the Project Team are date sensitive, thus the reason for cutting checks before the meeting. The check for the RRWMB is for a tax levy reimbursement and requires payment to be made in 2018. The checks were cut and held and will be mailed upon today’s meeting approval.

Red River Watershed Management Board	116,360.30
Houston Engineering	<u>17,707.50</u>
TOTAL	<u><u>134,067.80</u></u>

Swenby also noted that the Treasurer’s report presented does not include the allocation of interest to funds. The December Treasurer’s will be reprinted at a later time; however, the Treasurer will sign the journal entries that represent the entries for interest affecting the balances.

The balances for promised cost sharing for the East Polk SWCD were given to the managers.

Manager Vesledahl asked Swenby to find out what the actual dollars received is for the tax levy, vs. what is delinquent. Vesledahl would like that information for determining appropriate spending and levying.

7. Engineer's Report

Targeted Watershed Program: A series of small dams/riffles is planned to be inserted near the Carlson Coulee. Last February Herrmann sent the plans to DNR because it is a public waters. Herrmann has been in communication with MnDNR fisheries regarding the need for the project and has provided them with the information they have requested. Herrmann is optimistic that bidding can be let this winter. Herrmann also felt that next fall is a good time line for beginning the installation of the riffles. Herrmann suggested blowing the two dams that are in the area. He would also like to see the trapping take place throughout the winter.

Fish Passage and Grade Stabilization: The Corp 404 permit has been issued.

Nicole from WPSWCD is planning a meeting with funding entities.

Carlson Coulee (Targeted Watershed Grant): Carlson Coulee design is underway. Apply for permits and bidding in spring 2019. Herrmann discussed with MN DNR concerns and provided additional information that they had requested. The MN DNR is reviewing the project.

Sand Hill Lake Outlet: The landowner has been approached by the MNDNR about rerouting Ditch #83. Herrmann suggests asking the landowner one more time from the watershed perspective, and if the landowner is not receptive, he suggests revisiting a work-around using riffles/boulders to obtain the required 3% slope.

Kittleson Creek Outlet: Herrmann asked about construction scheduling. The managers felt that construction can take place any time as the farm workers have alternate routes.

RCPP: Herrmann received comments on the Purpose and Need Statement and noted they were primarily about clarification on specific issues, and also to incorporate WQ/NRE as secondary objectives.

Annual Inspections: Herrmann stated that the district is out of ROW signs. Herrmann would like to get a quote on signs so that they are ready to go and possibly ordering in bulk may save money. The manager agreed that would be a good idea to get a quote.

Union Lake Pumping: Herrmann gave a review of the pumping project and process of moving forward with the easements. Herrmann stated the first step is to get cost estimates of the pipe.

8. Administrator Report:

Administrator's Meeting: Swenby has contacted Tracy Halstengard to be added to the list of Administrator's to be included in on the Administrator meetings. The next Administrator's meeting is February 26, 2019 at the RLWD office.

WRWD Manager (Public Information Request): A manager of the WRWD met with Wilkens and Swenby in December asking for the papers that the district had leading up to the decision of the SHRWD's withdrawal of the RRWMB. Additionally, he asked for the proposals that the SHRWD had presented to the RRWMB for shared office space.

Board Effect: Swenby set up board effect and attended the online required training for the software that will be used in the future for SHRWD board manager information. Swenby has purchased 5 iPads (resulting in three different trips to Grand Forks/Fargo due to a low credit limit on the Sam's Club credit card and lack of store inventory) and a 75" TV. The TV was installed and iPads were set up in December.

Sales Tax Exempt Status: The district has filed for sales tax exempt status at Sam's Club in the state of North Dakota. Upon the purchase of the iPads, the sales tax would have resulted in over \$300. All purchases at Sam's Club will be sales tax exempt in the future. A new membership will need to be obtained and Wilkens is the primary account holder of the prior membership. A letter was given to Chairman Christian authorizing Swenby to be the primary account holder to obtain a sales tax exempt membership, abolishing the previous membership. A copy of the letter was given to the managers for board review.

RRBC Annual Conference: The RRBC Annual Conference is January 15 – 17 at the Alerus Center in Grand Forks. Five rooms have been reserved for the conference. Links were provided to the managers for downloading the conference agenda. Manager Hanson will be attending.

MAWD Legislative Breakfast: The MAWD Legislative Breakfast is February 20 – 21. Swenby has reserved four rooms. Links were provided to the managers for downloading the agenda. Manager Vesledahl and Manager Hanson will be attending.

Wilken's Retirement Party: Swenby spent many hours planning and preparing for the retirement celebration of Wilkens. It is estimated that about 120 people were served. A thank you was extended to Houston Engineering for their contribution toward the meal honoring Wilkens.

Health Benefits: Swenby has been working with Brady Martz to implement the new health plan for employees for the district, not to exceed \$1,000 per month. She has opted for MN PEIP. The district will pay \$1000 and Swenby will pay the balance towards medical benefits. Swenby will also be adding to an HSA monthly. Because the district will no longer be offering a cafeteria plan, proposed personnel manual changes were given to the managers for approval. A **Motion** was made by Manager Bartz to approve the following changes for 5.1 of the Personnel Manual, **Seconded** by Manager Vesledahl, **Carried**.

5.1 Medical Benefits Plan

All full time employees receive an allocated amount set by the board, currently \$1,000, towards medical insurance or HSA accounts. The Sand Hill River Watershed District uses the MN PIEP group for medical insurance. The allocated amount can be used towards health, dental, disability, and/or life insurances. Part-time employees are eligible to participate in the group at their own expense. Should a full time employee elect to not participate in the group health insurance plan, the allocated amount can be placed in an HSA account, not to exceed annual limits set by federal and state laws.

All employees can contribute funds on a salary deduction basis into a health savings account of their choice. Please see the office manager for details.

All full time employees can participate in Sand Hill Watershed Simple Retirement Plan administered by our plan sponsor to be determined.

The benefit plan and employer policy will determine eligibility. This outline of available benefits is provided with the understanding that this information could change at any time. Continuation of any benefits after termination of employment will be solely at the employee's expense and only permitted by policies and statutes.

Application for Tax Exempt Status: The application for tax exempt status for all of the district property (district office, Climax Home Sale Property, Union Lake Erosion Control, and Liberty Township) have been submitted.

Partnering Agencies: Throughout the winter months, Swenby would like to meet with the Townships (at the very least a letter of introduction), IWI, RRBC, RRWMB, County Commissioners to formally introduce herself as the Administrator of the SHRWD and suggests a lunch meeting with the appropriate leaders. The WD Administrators will meet during the Administrator's meetings. In December, Swenby met with Kenny Pederson, EPSWCD and Nicole Bernd, WPSWCD and discussed the future relationship of the SHRWD and the SWCD's and informed them of her new role as Administrator.

Transition Information: The Fertile Journal will be writing an article to let the people of the district know that Swenby will be transitioning as the Administrator. Swenby updated the web-site to let the

public know of the point of contact. The e-mails relating to Daniel.wilkens@sandhillriverwatershed.org and shrwd@gvtel.com have all been forwarded to April.swenby@sandhillwatershed.org as per the managers request. The district will need to continue to pay for the e-mail account for at least 6 months to enable an auto responder message for people who continue to e-mail Wilkens. Wilkens confirmed to Swenby his phone number was a personal number but he would relay all future calls pertaining to the Watershed to the office and direct them to Swenby. Hosted phone service processes began and it was noted that this will save the district money.

Swenby presented proposed job descriptions for the hiring of an Administrative Assistant. The job description was presented as entry level work consisting of data entry, minute and note taking, accounts payable processes, file management and permit database management. Swenby stated that the digital document management system that has been implemented (e-file cabinet) is a great tool, but does involve maintenance for keeping up and takes a significant amount of time. In an effort to save time, Manager Vesledahl suggested that the district not keep paper files going forward. The digital software will keep track of all files and there is no need for redundancy. All managers agreed to eliminate keeping paper copies going forward, at Swenby's discretion. Some paper files are required and necessary.

Chairman Christian suggested waiting 6 months for evaluation before exploring hiring an Administrative Assistant.

Cell phone reimbursement: Cell phone costs are about \$140 per month. Swenby would like to ask for an increase from \$75 to \$115 for a cell phone reimbursement. A **Motion** was made by Manager Hanson to increase the cell phone reimbursement to \$100 for Swenby, **Seconded** by Manager Hamre, **Carried.**

IRS Mileage Rate Increase: The IRS announced that mileage reimbursement rates will be \$.58 cents per mile driven for business use, up from **\$54.5 cents** in 2018.

Building project: Last fall Swenby and Wilkens worked on a draft plan and have a rough sketch from the Crookston Building Center and the plan was provided. The board suggests getting prices for a plan with a basement and without and to get rough estimates for the framing/structure. Manager Vesledahl suggested asking the FSA office for their building plans to visit building new for cost comparisons.

MN Campaign Finance Board: All public officials must review and recertify his or her statement of economic interest annually, make any modifications necessary to reflect changes that occurred during the past calendar year, and recertify the statements as true and correct. All managers received a form in the mail. Swenby stated that additional forms are at the district office.

Payroll/PTO: While employees signing their own paychecks is not prohibited because two authorized signatures are required, it has been in the SHRWD's best practices to avoid employees signing their own pay checks. Quickbooks automatic payroll deposits is just under \$2 per check and must be done two days in advance of the pay date. As an alternative, Swenby suggested using Chairman Christian as a signer for payroll, with Swenby's secondary signature for her paycheck, but suggested not including other reimbursed expenses in pay checks. Other reimbursed expenses can be reimbursed monthly at board meetings and not be included in on a paycheck. This will ensure proper checks and balances by the full board as the paycheck amount will be the same every pay period and can be easily double checked by all board managers.

Swenby also asked for directional policy revisions for comp hours and PTO hours and reporting accountability for these types of paid leave. Currently, she records all of her hours in Quickbooks and labels where her time is spent. If there are hours put in over 40 hours, she has been in the practice of using them within the pay period and record them as comp hours. Now that she is salary she'd like some instruction for comp hours.

Discussion was not held regarding comp hours and was focused towards PTO. The personnel manual does not state policies for Administrator accountability and Swenby would board direction for editing that portion of the manual. This month, she e-mailed Chairman Christian to inform him of a sick day that would be used, but would like direction for future instances such as these. The managers agreed to continue the practice of letting the Chairman Christian know of used PTO that is not able to be reported in advance at regular monthly meetings. Swenby stated that Chairman Christian signs her paychecks and all PTO is recorded on the paycheck. The managers would also like Swenby to keep track of her hours for manager viewing if requested. Swenby stated that she is already utilizing QuickBooks "timesheets" to track her time and has for years. It is available for manager viewing.

February Board Meeting: Swenby will be unavailable from January 31 – February 10. The next board meeting date was discussed. The board authorized Swenby to pay regular bills prior to the next board meeting date set for February 14, 2019 to avoid late fees. Chairman Christian or Treasurer Bartz will review the bills before they are paid.

RRWMB: Swenby and Manager Hanson attended the RRWMB meeting on December 18, 2018 in Ada. Meeting highlights can be found on the RRWMB web-site at www.rrwmb.org.

Stream Gaging: In the past, the district has cost shared with the RRWMB for the district's share for the Sand Hill River gage at Climax. For 2019 the total cost for the gage is \$17,564. The Sand Hill's Share is \$6,266 (other portions are paid by USGS locally and federally). In prior years, the RRWMB would split the Sand Hill's share. At the RRWMB meeting the RRWMB decided that because the Sand Hill does not provide revenue to the RRWMB, they would not contribute towards that gage, even though it is necessary for monitoring flow on the Red River and all data is shared within the Red River Valley and beyond. This gage is also used by the LID for the pumping operating plan. An e-mail from Chris Laveau, Hydrologic Data Program Chief was given to the managers for their review. A **Motion** was made by Manager Bartz to continue to fund the gage at Climax, **Seconded** by Manager Vesledahl, **Carried.** Manager Christian suggested talking to MnDNR to see about cost sharing opportunities.

City Ring Dikes: The contract was executed in December and a request was submitted and approved for \$34,352. Swenby has sent an e-mail to Dave Hauff and Jeff Langan regarding the transfer of the land (from the home sales). The original intent was to transfer that land to the City of Climax. The district can discuss with the City of Climax for costs associated with the transfer.

Clean Water Funds Grant: Swenby applied for a CWF grant sponsored by the Conservation Corp to clean the section of river starting at Rindahl downstream to Polk County # 1.

Polk County # 1 Bridge Replacement: Swenby will meet with Richard Sanders in January to discuss the possibility of coordinating together to develop a safe spot for river recreation in conjunction with the bridge replacement. Stuart Christian suggested talking to Stephanie Klamm as well.

Rock Riffles Signage: Swenby has submitted all information to Premier Signs for adequate and required signage near the project. The district has ordered two smaller 17" x 22" signs with reflective

graphics on aluminum for \$47.00/each and two 30”t x 48”w larger detailed sign on polymetal signboard for \$160.00/each. Drafts of the signs were given to the managers for review. Manager Vesledahl suggested waiting with the language due to the extra riffles. Swenby will reach out to the Lessard-Sams Outdoor Heritage Council to let them know that the signs are ready and prepared, but due to the extra riffles, the board has decided to wait for implementation so that the language on the sign can accurately reflect the number of riffles.

Beaver Bounty Program: Swenby prepared a mailing list of all of the Townships to inform them of the new amount of reimbursement for troublesome beaver. She and Wilkens revised the contract and a cover letter to inform the Townships and ask them for a new commitment. Swenby mailed new contracts to all of the townships in our district. As contracts are received, Swenby will update the district web-site to reflect the participating townships.

MPCA biological assessment staff: Cary Hernandez, MPCA has requested a meeting in January with the biological assessment staff. Swenby will schedule a meeting Hernandez. An e-mail was given to the managers detailing the contents on the requested meeting.

Rules and Regulations: BWSR has no additional comments on the current version of the draft rule. They are awaiting receipt of the adopted version and to make final determination of adequacy. Swenby has not received comment from local transportation companies. The Sand Hill Advisory Committee has not provided any comments. Swenby suggests holding a public hearing at the February 14 meeting to allow for public comment according to MN Statute before the formal adoption of the rules. A **Motion** was made by Manager Hanson to hold a public hearing concerning proposed amendments to the Permit and Drainage Rules of the Sand Hill River Watershed District, **Seconded** by Manager Bartz, **Carried**. Manager Hanson suggested holding the public hearing at 9 AM on February 14, 2019.

Project Team Meetings: A Project Team meeting is scheduled for January 24, 2019 at 10 AM.

Administrator Direction and future goals: Wilkens has left the following verbal notes of status reporting. Swenby would like direction from the board for proceeding with the following projects. Wilkens has expressed interest towards staying active for some of these projects to see them through fruition and is open to consulting for the board.

- Project #5: ROW payments, ROW marking, Seeding, Beaver Trouble
- Buffers: Sand Hill Ditch Buffer and ROW
- Ditch #80: ROW payments, Construction to begin in Spring 2019
- LID: Gauge. Pipe
- Vesledahl Wetland Banking: Follow up on PILT Payment. Sponsor another landowner meeting
- Verdell Olson Dam: Dam Safety Permit, finish construction in the spring
- Bear Park Structure/Area: Herrmann is evaluating best solutions for the structure inconsistencies, Beaver Dam Removal
- Drainage Work Group Meeting Attendance

The managers discussed options for Wilkens and discussed pay scale options. The managers discussed the value of the history of all of the projects and the knowledge Wilkens brings to the table. Manager Vesledahl stated that the above listed work is now Swenby’s job description and felt that is who the district is paying to handle such matters.

The managers tabled this discussion.

Manager Vesledahl asked if Swenby will be attending the Drainage Workgroup meeting this month along with Wilkens. Swenby can call into the drainage work group meeting for this week to be apart of it.

Calendar and January Work Plan: Swenby highlighted her calendar for January and presented a task list for January.

9. Other Business:

RRWMB Questionnaire: The managers reviewed the questionnaire and provided responses to each question. It was noted that we are not a voting member, however, the RRWMB in the future still has local dollars from reserves that will be spent. The managers discussed the fact that are not a voting members of the RRWMB and are not a part of the RRWMB and agreed it was not the district's place to critique the RRWMB. In the end, the managers decided to opt out of sending a response to the questionnaire. The managers stand by their decision to exit the RRWMB and hope that the RRWMB does not change their mission set by statute of flood control and reducing flooding on the Red River of the North. The consensus of the SHRWD mangers was opposition to the RRWMB funds being used for anything other than flood control on the Red River of the North.

Reorganization of the Board: Annual reorganization of the Board was conducted. Chairman Christian turned the meeting over to Manager Vesledahl who asked for nominations for **Chairman of the Board**. Manager Hanson nominated Manager Christian for Chair. Nominations were called for three times by Manager Vesledahl. No further nominations were made. **Motion** to cease nominations and have the secretary cast a unanimous ballot for Stuart Christian for Chairman by Manager Bartz **Seconded** by Manager Hamre, **Carried**. Manager Vesledahl returned the chair to Chairman Christian.

Chairman Christian asked for nominations for **Vice Chairman** of the Board. Manager Hanson nominated Manager **Vesledahl** for Vice Chairman. Nominations were called for three times by Chairman Christian. No further nominations were made. **Motion** to cease nominations and have the Secretary cast a unanimous ballot for Vesledahl for Vice Chairman by Manager Bartz, **Seconded** by Manager Hamre, **Carried**.

Chairman Christian asked for nominations for **Secretary of the Board**. Manager Bartz nominated Manager **Hamre** for Secretary. Nominations were called for three times by Chairman Christian. No further nominations were made. **Motion** to cease nominations and have the Secretary cast a unanimous ballot for Manager Hamre for Secretary by Manager Vesledahl, **Seconded** by Manager Bartz, **Carried**.

Chairman Christian asked for nominations for **Treasurer** of the Board. Manager Hanson nominated Manager **Bartz** for Treasurer. Nominations were called for three times by Chairman Christian. No further nominations were made. **Motion** to cease nominations and have the Secretary cast a unanimous ballot for Manager Bartz for Treasurer by Manager Hanson **Seconded** by Manager Vesledahl **Carried**.

Manager Hamre made a **Motion** for the following: That the Fertile Journal is designated as the official newspaper of the SHRWD. That the following financial institutions be designated as official depositories for SHRWD funds: Red River State Bank of Fertile. That the District's consulting engineering firm is Houston Engineering, PO Box 5054, Fargo, ND. That the attorney for the District is David Hauff, Firm of Anderson and Bottrell, PO Box 10247, Fargo, ND. That mileage for District business is reimbursable at a per mile rate coinciding with the allowable IRS mileage rate. That manager per diem is set at \$25 per hour with a maximum daily total of \$75.00 as prescribed by State

law. **Seconded** by Manager Bartz, **Carried**.

A **Motion** was made by Manager Vesledahl to authorize Stuart Christian, Clayton Bartz, and April Swenby as the current signers, **Seconded** by Manager Hamre, **Carried**.

A **Motion** was made by Manager Bartz to April Swenby as an authorized signer to the Business Rewards Credit card with FCCU giving them the ability to use the assigned credit card on behalf of the district, **Seconded** by Manager Vesledahl, **Carried**. Credit card charges are always listed on the bills to be paid individually for the managers to review each month. Both meeting minutes and one signature are required for any future additions/removals to this credit card.

A **Motion** was made by Manager Vesledahl authorizing the April Swenby and Clayton Bartz as authorized representatives regarding the Membership Savings account and credit card listing them on the entity authorization form, **Seconded** by Manager Hamre, **Carried**.

One signature is required to withdraw funds from the Reward Savings account at First Community Credit Union. One signature is also required to open/close any accounts with First Community Credit Union.

When new employees or new Treasurers represent the Sand Hill Watershed District, proper documentation will need to be reflected for the credit card.

Public Comment: There was no public comment brought before the board.

10. **Permits:** No permits were presented to the board.

11. **Adjournment:** The next regular meeting will be held **Tuesday, February 14, 2019 at 8 AM (NOTE the DATE CHANGE)**. As there was no further business to come before the board, a **Motion** was made by Manager Hanson to adjourn the meeting at 12:17 PM, **Seconded** by Manager Hamre, **Carried**

April Swenby, Administrative Assistant

JJ Hamre, Secretary