



**TITLE:** FACILITIES MEETING MINUTES

**DATE:** JULY 23, 2019

## 1. ATTENDANCE:

Chairman Stuart Christian called the facilities meeting on July 23, 2019 to order at 7:00 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 Milt Yergens - Architect

## 2. APPROVAL OF THE AGENDA:

A **Motion** was made by Manager Bartz to approve the agenda, **Seconded** by Manager Hanson, **Carried**.

## 3. PLAN APPROVAL:

The floor was given to Milt Yergens who presented draft plans to the managers. Discussions was surrounded by HVAC options based off the plan. The plan included optional airlock doors for the entrance, and it was highlighted that those were optional. Yergens suggested some spot elevations of the property before a plan is finalized. The group discussed exterior finish options.

The managers unanimously agreed to move forward based off the plan presented. A **Motion** was made by Manager Bartz to authorize Yergens to move forward with construction documents based off the plans presented, **Seconded** by Manager Vesledahl, **Carried**. Manager Vesledahl would like a 3-D rendering of the plans.

## 4. PROPERTY LINES:

The managers asked Swenby to converse with the neighbor for additional land or an easement to ensure an alley way is secured.

## 5. PERMITS

Swenby suggested obtaining a building permit. The managers asked Swenby to hold off on applying for a permit until a more finalized plan is obtained.

## 6. SEWER LINE

The tarring company is in town end of August. The managers agreed to move forward with a sewer line to take advantage of the likely more cost-effective tar that will be needed to fill in after the excavation of the sewer line.

A **Motion** was made by Manager Vesledahl to authorize Swenby to move forward with a sewer line, **Seconded** by Manager Hanson, **Carried**

## 7. BASEMENT CLEANOUT

There is a fair amount of garbage in the watershed basement and items that belong to other entities. Swenby suggested that the basement be cleaned out before the district puts a permanent structure.

The managers agreed to give 30 days to people/organizations to remove their items, with the hopes of being able to clean the basement out before the weather gets too cold.

## 8. DISTRICT BANKING - INVESTMENTS

**Collateral:** The districts 2018 audit has concluded that the district's bank account is under collateralized. In the past, First State Bank of Fertile has monitored the district's collateral and has taken care of ensuring that the district's bank balance was sufficiently collateralized. Communication was not made regarding this arrangement during their change of ownership. Red River State Bank does not automate this for account holders.

There are two options that have been explored:

Red River State Bank (RRSB) suggests an *Insured Cash Sweep (ICS)* through the *Promontory Interfinancial Network, LLC*. This ICS program isn't fully automated. Staff will be involved in determining how much money needs to be deposited or withdrawn from the Watershed's ICS account, through RRSB, on any given day. Staff will do that by either calling or sending an email with the withdrawal amount or the deposit amount in order to keep our balance, in the account at RRSB, at or below the FDIC insured threshold of \$250,000. The district will receive a monthly statement from ICS. The bank suggests the set up a GL account to account for the movement of funds to and from ICS. The funds will still be accessible when the district needs them and belong to the Watershed. This program keeps all our funds on account with RRSB but some of those funds are deposited with other financial institutions without the district having to open up an account at those financial institutions. At Red River State Bank, they offer interest at the same rate a checking account has, which is .15 percent.

As a comparison, Swenby called Bremer, who the RRWMB used with the same type of program. Bremer offers a similar program at a current 2.28% interest rate, variable money market. Bremer has stated that the variable rate is competitive. Like the RRSB, this is not fully automated and requires one more GL account. Staff can transfer money using an on-line system or by writing paper checks. The district can still keep their checking account at RRSB and the account can be at or below \$250,000 for collateral requirements. If additional money is needed in the checking account, staff can withdraw from the money market account. Collateral would be provided in the form of an irrevocable standby letter of credit which is issued by the Federal Home Loan Bank and would be allotted as a tri-party agreement with the Federal Home Loan Bank, Sand Hill River Watershed District and Bremer Bank. Per Minnesota Statute 118A.03 the irrevocable standby letter of credit would fall within the permissible collateral sources. The letter of credit will be accompanied by written evidence that the Federal Home Loan Bank's public debt is rated "AAA/a" or better by Moody's Investor Service, Inc., or Standard & Poor's Corporation. An irrevocable standby letter of credit will be at least equal to 100% of the amount on deposit at the end of any business day. Bremer has the ability to increase the amount of collateral pledged with notification from the Sand Hill River Watershed District. If we receive the notification by 2:00 p.m., every attempt will be made to get the collateral increased for that day's business.

Both options are limited where we can only draw down funds up to six times per month.

Manager Vesledahl would asked Swenby to check with Ultima and Unity for additional comparisons.

## 9. ADJOURNMENT:

The next regular meeting will be held Tuesday, August 6, 2019 at 8 AM. As there was no further business to come before the board, a **Motion** was made by Manager Vesledahl to adjourn the meeting at 12:23 PM, **Seconded** by Manager Bartz, **Carried**.

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April Swenby, Administrator

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JJ Hamre, Secretary

