



524 4<sup>th</sup> St South  
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MEETING MINUTES

Regular Meeting  
7:00 p.m. Sauk River Watershed District Office  
January 27, 2009

<b>Managers Present:</b>	Dan Coughlin, Chub Hensley, Jim Kral, Larry Kuseske, Sharen Kutter Richard Raeker, Virgil Rettig, Jim Rothstein, and Bob Mostad.
<b>Staff Present:</b>	Holly Kovarik, Administrator Starla Arceneau, Recording Secretary and Andrew Dotseth
<b>Guests Present:</b>	Tom Anderson, Ron Kleinschmidt, Jason Weinerman, BWSR; Jason Scherping, Jeff Hoppe and Duane Pung, County Ditch 26 and 15 Landowners
<b>Manager's Absent:</b>	

1. **The meeting was called to order by President Kral and the Pledge of Allegiance was recited.**
2. President Kral asked for additions to the agenda.
3. The proposed agenda was reviewed. **A motion was made by Manager Coughlin to approve the agenda with additions. Manager Rothstein seconded the motion.** The motion passed with all in favor.
4. The consent agenda included:
  - a. Approval of minutes for the January 6, 2009 meeting
  - b. January 1 through January 14, 2009 Financial Report
  - c. Judicial Ditch 2 Permit

After reviewing the items on the consent agenda, **a motion was made by Manager Coughlin and seconded by Manager Kutter and carried unanimously to approve the following items on the said agenda: Approval of minutes for the January 6, 2009 meeting, January 1-January 14, 2009 Financial Report.**

Manager Hensley requested that the Judicial Ditch 2 permit be pulled from the consent agenda and asked Tom Anderson, Douglas County Ditch Inspector for more information on how this project would be completed. Anderson said that due to concern from landowners of the high water conditions for prolonged periods of time in the Judicial Ditch 2 prompted the Joint Ditch Authority to address several identified concerns that need to be addressed. 1) The restriction at the outlet of Lake Osakis. 2) Aquatic vegetation growth in the Ditch in the summer months. 3) The carp barriers at the sediment ponds. The Joint Ditch Authority Board ordered the Ditch Inspector to proceed with the process to clean out the outlet since the outlet is part of the ditch repair. According to a map Anderson handed out the channel from 9+03 through 10+81 has narrowed down from the original width of 14 feet to 7 feet or less. The Joint Ditch Authority plans are to restore the channel back to the original 14 feet width and remove a sand bar that will be disposed on an upland site. The work will be done on the ice in February and the Joint Ditch Authority has begun to prep the site already. All permits have been completed which were required. The outflow to Lake Osakis is not affected because this is controlled by the dam. **Manager Rothstein made a motion to approve the Judicial Ditch 2 permit. Manager Mostad seconded the motion. The motion passed with all in favor.**



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5. The Administrator's Report was reviewed. Kovarik reviewed the following information:
  - a. Kovarik provided a clarification on the health Insurance policy for the board of managers to review. If the board of managers approves the policy Kovarik will put together a resolution for the board of managers to approve at the next regular meeting. Manager Coughlin asked for clarification on how the current \$270 stipend was arrived at. Manager Hensley stated that prior to the existing policy all staff members collected a stipend of \$270 until the previous Administrator came aboard and there was a push for coverage in house to be established. Lynn Nelson was the only staff that did not enroll in the new policy and Nelson was grandfathered in at the already established \$270. Everyone else came aboard on the new policy even though some of them in reality lost money. Two or three staff would have been better off to stay with the \$270 stipend but the only way it would work would be if they came aboard. The District policy needed so many participants to meet the qualifications to have a plan and those coming aboard were part of the qualification. Lynn is the only staff that is grandfathered in to receive \$270 cash in lieu of benefits prior to taxes that is paid directly to Nelson less the applicable taxes. This is taxable income in Nelson's scenario.
  - b. Kovarik read the motion that was brought back on the table. ***"Manager Coughlin made a motion to clarify the health insurance policy based on the auditor's recommendations with the additional language that the compensation be offered to all employees towards other health insurance benefits for the actual cost not to exceed \$270 presently being offered as part of the health insurance package."*** ***Manager Rothstein seconded the motion.*** Manager Hensley questioned the statement of the actual cost. Kovarik clarified that in this scenario the Administrator's actual cost would be around \$170 for the health insurance and this payment would not include the extra towards family coverage. This payment would go directly to the Administrator's insurance company. The motion passed with Hensley and Kutter opposing.
  - c. Kovarik was recently approached by Mandy Fisher of Prairie Lakes Coop to have a booth at the February 17th Prairie Lakes Coop Annual Meeting in Alexandria. There is no cost and this would be a good public relations event. Kovarik also mentioned in the future we should look into other expos or events where the District should have booths. ***Manager Rothstein made a motion to have display at the Prairie Lakes Coop Annual Meeting. Manager Kutter seconded the motion. The motion passed with all in favor.***
  - d. Kovarik reviewed the new Pay Equity Report. The report shows the District is in compliance and Kovarik will post the report as required for 60 days. ***Manager Coughlin made a motion to approve the Pay Equity Report. Manager Rothstein seconded the motion. The motion passed with all in favor.***
  - e. Kovarik met with the staff to review the monitoring programs and what the expectations for the upcoming season were going to be, based upon the grants funds available, and what the staff saw for the upcoming work load. Lehmkuhl ran some numbers for Kovarik that showed quite a bit more data points that the District will be collecting (8000) this year compared to last year (6000). Kovarik recommended allowing Intern Borgerding to continue on as an intern through the spring 2 days a week and then



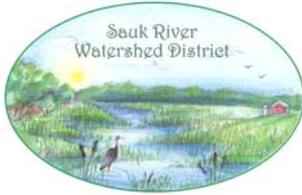
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fulltime for the summer months. Borgerding will be working on the Battle Point Shoreland Restoration Project as part of a masters program and thesis. Borgerding would also be available to assist the monitoring crew if needed. Kovarik also recommended hiring two water monitoring interns for this season based on the work load. Kovarik informed the board that the internship position had already been posted without the Administrator's knowledge but this issue has been addressed. The situation as far as posting the position without the Administrator's knowledge or the board's approval. Kovarik asked for official approval to go ahead with the hiring process. **Manager Kutter made a motion to hire two interns plus keep Borgerding on. Manager Mostad seconded the motion.** Manager Coughlin questioned that this was communicated clearly to the staff that only the board has authority to hire/fire and post such items and that this will never happen again. Kovarik said it was very clearly stated the Administrator has zero tolerance for these issues. Any items of this nature should have been from the Administrator and should then have gone to the board asking for permission to be posted. This was communicated to the staff by Administrator Kovarik. Manager Rothstein stated it was nice that the Administrator took care of the situation but that it is also nice that the District has ambitious employees as long as the District teaches them what format to do these items. **The motion passed with all in favor.**

- f. Kovarik asked for permission to go out for Request for Proposals (RFP'S) for this year's monitoring lab services. **Manager Coughlin made a motion to direct staff to create a RFP for monitoring lab services. Manager Kutter seconded the motion. The motion passed with all in favor.**
- g. Kovarik reviewed the draft annual report. Kovarik also explained that the Annual Report and Plan is tied to our Overall Plan. Kovarik also mentioned that the District Board may want to address in the future to align their budgeting with their planning. Kovarik said the draft annual report is a work in process and will keep the board informed as the report comes together. Manager Coughlin suggested that the goals and objectives are followed up in the Activity Report for each month and explaining the current progress. Manager Kuseske expressed that our partners should give an official presentation to the board of managers on the accomplishments for the previous year.
- h. Kovarik informed the board that the Public Employees Retirement Employers 2009 contribution rates have increased from 6.5% to 6.75%.
- i. Kovarik is reviewing the data needed to determine the total for the Interim Administrator's extra compensation and will report once this has been accomplished
- j. The sediment pond borings on site with the Joint Powers Board Engineers has been completed. The core sampling will be conducted at another date. The Engineers from the Joint Powers Board will present the information once it becomes available.
- k. Kovarik has been meeting with the Engineering Firms on the Sediment Ponds and the Eden Valley Project.
- l. Kovarik gave an update on the several meetings and workshops attended.



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- m. The Legislative Breakfast and the Day at the Capital will be held March 18<sup>th</sup>- 19<sup>th</sup> in the cities. Managers interested in attending should let Kovarik know by the February 3<sup>rd</sup> regular meeting. Kovarik will setup meetings with the local legislatures.
  - n. Kovarik handed out For Your Information (FYI) that the board could review that included the MAWD 2008 Annual Report and the Road Salt Symposium.
  - o. Kovarik reviewed the MAWD talking points that were develop by MAWD for Watershed Districts to use to incorporate the information to submit to the local legislatures. Kovarik will develop a letter and bring a draft to the next regular meeting.
  - p. Future items that will be discussed will be the Scholarship Program and the R.I.V.E.R Award recipient.
  - q. Kovarik asked for authority to pursue doing a newsletter and the publication of the annual report with the local papers. The board approved by general consent to go ahead with the newsletter and annual report publication process and give a quote to the board.
  - r. Kovarik and Arceneau have been working on the Expenditures vs. Actual report for the board to review.
  - s. Kovarik informed the board that someone is interested in purchasing the Zodiac Boat. The Average price now is \$1,220. The board suggested that the staff get an offer and bring the information back to the next board meeting.
  - t. Kovarik requested President Kral's signature on the Bond Council Opinions that were approved at the last board meeting.
  - u. Kovarik is working with legal council on the Joint Powers Agreement for Shawn Beauduy's position.
  - v. Kovarik and Dotseth met with Houston Engineering on the grant to complete the Drainage Record Modifications.
  - w. Kovarik said that the handicap doors have been installed but the electrical and the widening of the hall door should be completed soon.
  - x. Kovarik informed the Board that the W2's have been mailed
6. Manager Hensley asked for re-clarification on the motion regarding health insurance. Hensley questioned that since the motion reads for the actual cost of health insurance if this will attain to Lynn's stipend as well. Manager Coughlin said that it pertains to all employees.
  7. Manager Raeker reviewed the resolution proposal to have the District staff research the carp control more and develop a relationship with the professor to see what the cost



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would be and how the professor can help the District and to bring back that information to the Board before any decision is made.

*“Whereby one of the goals of the Sauk River Watershed District is to improve water quality.*

*Whereby research has proven that carp have a detrimental effect on water quality.*

*Whereby the leading researcher on the carp life cycle and possible control and removal techniques is Prof. Sorensen from the University of Minnesota Department of Fisheries.*

*It is hereby entertained that the Sauk River Watershed District open negotiations with Prof. Sorensen to gain access to his research findings and to have Prof Sorensen enter into a consultant role with the Sauk River Watershed District It is proposed that a staff member from the Sauk River Watershed District would contact Prof. Sorensen to discuss options. One of the options would be to gain access to regular updates from Prof. Sorensen’s Dept in exchange for a monetary grant. In addition, the Sauk River Watershed District would ask to meet with Prof Sorensen on yearly bases to consult on our current carp control problems.*

*In conclusion, we are seeking for the Sauk River Watershed District Board to approve this fact finding mission by a Sauk River Watershed District staff member. Then if this is approved, a proposal would come back to the board for their consideration.”*

**Manager Raeker to move forward with the resolution process. Manager Coughlin seconded the motion. The motion passed with all in favor.**

8. Manager Kuseske attended the MAWD meeting on Monday, January 26<sup>th</sup> where they discussed two major things the District will see this year in legislation. 1) There are some counties that are very adamant that the county have approval of Watershed District’s budgets. Manager Kuseske said that MAWD’s opinion is that no the county can’t do that because if one County doesn’t approve the budget the District has no budget. Attorney Kolb clarified that this bill is coming out of Washington County in particular and there is some discussion in Anoka as well and portion of Chisago County that some County Board’s frustration of these Districts are arranging those District’s budgets and the impact are having on the level of accountability that those districts are providing back to those County Boards. Kolb said there was a time when Stearns County jumped on the band wagon for awhile until the SRWD Board was proactive and talked with the Stearns County Board about how the budget process works. Stearns County has cooled off a little bit now and if the legislation would pass the legislation would require all 5 Counties to approve the budget before the District would have a budget. Kolb said that the talking points were developed by MAWD to discuss the challenges that are related to this specific legislation. Kolb said that if the board feels strongly about this issue the board then should figure out what the District’s position is



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and then talk with the entire District's County Commissioners. Manager Hensley stated there should be a unified position. Hensley stated that the District shouldn't have nine board members going in nine different directions. Kolb recommended that the board look at the talking points and establish a position and move forward. **Manager Mostad made a motion to support MAWD's position and their talking points. Manager Kuseske seconded the motion.** Manager Hensley asked to delay this action until he has a chance to talk with the Todd County Commissioners because there is a history of strong opposition of the way the District handles the budget and that Manager Hensley doesn't want to vote on something right now that he's not sure he could totally support. Manager Hensley also questioned the cushion in the budget and his County auditors expressed the same concern. **Manager Hensley made a motion to table until the next meeting. Manager Coughlin seconded the motion. The motion passed with all in favor.**

2) Manager Kuseske discussed what's coming up with the 3/8% money from the Clean Water Legacy Amendment and from what the MAWD board have heard. The implications are that the legislature may not approve the money that was approved in the previous year's budgets and that the entire District will have to rely on is the new money. Kovarik asked for Jason Weinerman to comment. Jason Weinerman from the Board of Water and Soil Resources said that the 3/8% amendment language is very specific and that this funding is supplemental funding and should not be a replacement for existing funds. This funding is fundamental funding and there will be a whole host of people that will examine the budget on an annual basis to make sure the agencies will not take a hit. Manager Rothstein said that the District or other entities will need to watch this funding to make sure that the funds are utilized as intended.

9. President Kral asked for comments on the County Ditch 26 and 15 Re-determination of benefits.
  - a. Kovarik reported on the two individual estimates and on the process in appointing a viewer. Both Viewers have a team of three, engineering experience, and are both qualified to do the Viewing. Kovarik and Dotseth talked with several people and organizations that have worked with both viewers and the only difference was the travel cost due to the location and the years of experience. Administrator Kovarik also showed examples of the reports that would be generated by both viewers. **Manager Hensley made a motion to hire JBA. Manager Rettig seconded the motion.** Duane Pung a landowner asked if an informational meeting could be held before hiring a viewer. Manager Hensley stated that it would be good information to have the viewer brought in for that meeting. Attorney Kolb said the first thing the Board needs to do is to direct Kolb to establish a Findings of Facts regarding the Re-determination of benefits and an Order that the District will do a Re-determination of Benefits and an Order that appoints the viewers. Kolb also said that in the Statute there is a requirement that the proceedings of a re-determination of benefits require a first meeting of the viewers in which time the landowners are notified and the Viewers explain the process of the viewing. Manager Coughlin recommended holding off on voting until after the presentation.
  - b. Attorney Kolb and Inspector Dotseth gave a PowerPoint presentation that reported the following information:



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- October 2003-the SRWD took over as the drainage authority.
- May 2004 to May 2007 – 4 requests for repair
- October 2007-The Board approved establishing maintenance funds for 6 out of 12 ditches. This built up funds for estimated future maintenance.
- October 2007-The Board approved a letter being sent to benefiting landowners of ditches.
- October 2007-A letter was sent to benefiting landowners on assessments.
- November 2007-The CD 26 landowners attended a board meeting with concerns on the assessment.
- November 2007-The CD 26 landowners requested a motion to be approved to rescind and expunge assessments of \$9,970.58.
- November 2007-The CD 15 landowners requested a motion to be approved to rescind and expunge assessments of \$3,000.
- December 2007 dollars in CD 26 funds = **\$ -1,239.12**
- December 2007 dollars in CD 15 funds = **\$ -387.43**
- January 2009--Current dollars in CD 26 funds= **\$ -2,874.61**
- January 2009 --Current dollars in CD 15 funds = **\$ -1,142.56**
- Informal Decisions/Findings of the Drainage Authority were done on the existing determinations of benefits and benefited areas which do not reflect current and existing actual benefits and benefited areas (This is based on landowner comments and review of existing benefits rolls and mapping).
- Drainage systems are in need of some repair. (This is based on maintenance history and ordered inspection (Kuseske/Kutter); motion 8/5/08)
- In County Ditch 26 there are 132 parcels currently “benefited” and 1,491 acres currently “benefited”.
- In County Ditch 15 there are 65 parcels currently “benefitted” and 777 acres currently “benefitted”.
- There are 2,268 acres total currently “benefited” under this current scenario.
- LIDAR shows the possibility of an estimated 40,724 acres of true potentially benefited land.
- Redetermination of Benefits--If the drainage authority determines that the original benefits or damages determined in a drainage proceeding do not reflect reasonable present day land values or that the benefited or damaged areas have changed, the drainage authority may appoint three viewers to redetermine and report the benefits and damages and the benefited and damaged areas.
- Redetermination in Conjunction with Repair--At the hearing on the repair report, if the drainage authority determines that property not assessed for benefits for the construction of the drainage system has been benefited by the drainage system, the drainage authority shall appoint viewers before the repair contract is awarded.
- Repair after the construction of a drainage system has been completed--The drainage authority must maintain the drainage system that is located in its jurisdiction, and provide the repairs necessary to make the drainage system efficient.
- The drainage authority shall have the drainage system inspected on a regular basis.



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- Open drainage ditches shall be inspected at a minimum of every five years and annually when buffer strip violations are found.
- Consolidation after the benefited area of a drainage system has been redetermined by the drainage authority or in connection with drainage proceedings.--The drainage authority may consolidate two or more systems to provide for the efficient administration of the system consistent with the redetermination of the benefited area.
- Abandonment--A drainage system may be abandoned only by petition of at least 51 percent of the drainage system.
- If the drainage authority determines that the drainage system serves any useful purpose to any property or the general public, the petition for abandonment must be denied.
- After abandonment of a drainage system, a repair petition for the drainage system may not be accepted and the responsibility of the drainage authority for the maintenance of the drainage system ends.
- Issues for the Drainage Authority--The issues before the drainage authority are as follows:
  - Whether to repair the ditches;
  - Whether to redetermine benefits and if yes, by independent process or in conjunction with repair;
  - Whether to consolidate the ditches; and
  - Whether conditions exist that would justify abandonment of the ditches

**Manager Kutter made a motion to amend Manager Hensley's motion to have Attorney Kolb complete the necessary Findings of Facts and Orders and to complete a Repair Conjunction with this action. Manager Coughlin seconded the motion. The motion passed with all in favor. President Kral asked for a vote on the hiring of JBA. The motion passed with all in favor.**

- c. The board discussed having an informational meeting in Freeport. **Manager Rothstein made a motion to setup an informational meeting. Manager Coughlin seconded the motion. The motion passed with all in favor.**

10. Attorney Kolb will review the revised Joint Powers Contract and the proposed rules at the next regular meeting.
11. President Kral introduced the City of Osakis Engineer Bob Kleinshmidt.
12. Miscellaneous Agenda Items included:
  - a. Manager Rettig addressed the huge snow piles along the Sauk River. The board approved by general consent to have Administrator Kovarik to write another letter to the City.
  - b. President Kral reported he met with Paul Baker to review the work needed on the banks of the CR 71 bridge. The board suggested Administrator Kovarik call and give an update to Dan Lais from the Department of Natural Resources.



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13. Kovarik showed the new management tool she purchased to track staff as they come and go from the office.
14. The meeting was adjourned.

Secretary, Virgil Rettig  
Secretary, Starla Arceneau