

Shell Rock River Watershed District
Regular Meeting Minutes
September 14, 2021

Managers present: Mick Delger, Joe Pacovsky, Gary Pestorious and Al Bakken

Managers absent: Brad Kramer, Mike Hanson, and Dan DeBoer

Chairman Pestorious called the meeting to order at 8:30 a.m. on September 14, 2021 at the Shell Rock River Watershed District, 214 W. Main St., Albert Lea, MN 56007.

Chairman Pestorious opened the public hearings to review the 2022 Administrative Levy, Debt Service Levy, and Administrative and Project Fund Budgets. Chairman Pestorious called for comments three times. No one from the public wished to speak. Chairman Pestorious closed the public hearings.

Manager Delger offered the following motion:

Move to approve the consent agenda as follows:

- a. Minutes of the August 10, 2021 SRRWD Regular Board Meeting
- b. August 2021 Treasurer's Report Subject to Audit
- c. August 2021 Project Fund Treasurer's Report Subject to Audit
- d. Authorize Payment of Claims
- e. Authorize Payment of Project Fund Disbursements

Manager Bakken seconded the motion.

After discussion, a vote was taken and the motion was unanimously approved.

Manager Pacovsky offered the following motion:

Move to approve the agenda with additions: 8G - Resolution 2021-19 Amendment to MN Clean Water Partnership Loan Agreement, 9E - One Watershed, One Plan (1W1P) update, and 11A – Main Street Flood Mitigation Project discussion.

Manager Delger seconded the motion.

After discussion, a vote was taken and the motion was unanimously approved.

Administrator Henschel provided an overview of the 2022 budgets and levies. The total proposed Administrative budget for 2022 is \$267,000.00 and the proposed Project Fund budget is \$8,900,000.00. The proposed Administrative levy is \$250,000.00, Liability Insurance Fund levy \$17,000.00 and the Debt Service levy is \$168,000.00.

Manager Pacovsky offered the following motion:

Move to approve the 2022 Administrative Levy and Certify the Administrative Levy to the Freeborn County Auditor-Treasurer.

Manager Bakken seconded the motion.

After discussion, a vote was taken and the motion was unanimously approved.

Manager Bakken offered the following motion:

Move to approve the 2022 Debt Service Levy and Certify the Debt Service Levy to the Freeborn County Auditor-Treasurer.

Manager Delger seconded the motion.

After discussion, a vote was taken and the motion was unanimously approved.

Manager Delger offered the following motion:

Move to approve the 2022 Liability Insurance Levy and Certify the Liability Insurance Levy to the Freeborn County Auditor-Treasurer.

Manager Pacovsky seconded the motion.

After discussion, a vote was taken and the motion was unanimously approved.

Manager Bakken offered the following motion:

Move to approve the 2022 Administrative Budget.

Manager Delger seconded the motion.

After discussion, a vote was taken and the motion was unanimously approved.

Manager Bakken offered the following motion:

Move to approve the 2022 Project Budget.

Manager Pacovsky seconded the motion.

After discussion, a vote was taken and the motion was unanimously approved.

Administrator Henschel provided an update on the Fountain Lake Restoration Project. After four years of dredging on Fountain Lake, the dredging contractor's work is nearing completion. Over 1,200,000 cubic yards of sediment has been removed from Fountain Lake. In the coming weeks, J.F. Brennan and Company, Inc., will begin to remove some pipeline and demobilize the barges and the dredge from the site. The contractor is requesting to keep some pipeline and the gravel pad at the staging area intact. It is the consensus of the Board of Managers to agree to this request. Administrator Henschel will schedule a time to discuss with the council members at an upcoming city council meeting.

Administrator Henschel discussed the Minnesota Clean Water Partnership Program. The District applied for the 10-year zero interest loan in February as a means to improve cash flow for the Fountain Lake Restoration Project. The District was approved for the loan award of \$1 million dollars. The District requested and was approved for a \$500,000 amendment.

Manager Bakken offered the following motion:

Move to introduce Resolution 2021-19 as follows:

Resolution 2021-19
Amendment to MN Clean Water Partnership Loan Agreement

BE IT RESOLVED by the Shell Rock River Watershed District Board that, as Project Sponsor and Loan Sponsor, on April 13, 2021 the Board passed a Resolution to enter into the Minnesota Clean Water Partnership Project Implementation Loan Agreement along with the Minnesota Pollution Control Agency to conduct the Fountain Lake Restoration Project.

BE IT FURTHER RESOLVED by the Shell Rock River Watershed District Board that Administrator Andy Henschel, or designee was authorized by resolution of the Board, to serve as Project Representative and represent the Board in all matters which, according to the conditions of the Minnesota Clean Water Partnership Project Implementation Loan Agreement, do not specifically require action by the Board.

BE IT FURTHER RESOLVED by the Shell Rock River Watershed District Board that Administrator Andy Henschel was authorized by resolution to execute loan disbursement requests for the above referenced project to the Minnesota Pollution Control Agency on behalf of the Board.

BE IT FURTHER RESOLVED by the Shell Rock River Watershed District Board that, Andy Henschel, be authorized to execute the Minnesota Clean Water Partnership Project Implementation Loan Agreement Amendment No. 1 to increase the total loan to \$1.5 million, for the above referenced Project on behalf of the Board, as Project and Loan Sponsor. This is retroactive to and amends the previous Resolution with respect to the SRF0343 Clean Water Partnership Project Implementation Loan Agreement.

WHEREUPON the above resolution was adopted at regular meeting of the Shell Rock River Watershed District Board this 14th day of September, 2021.

Manager Delger seconded the motion.

On a roll call vote, the following managers voted in favor of said resolution: Bakken, Delger, Pacovsky, and Pectorious. Chairman Pectorious declared the resolution passed.

Project/Program Manager, Courtney Phillips, discussed the plans for the Headwaters Streambank Habitat Restoration (AMA) and Shell Rock River Streambank Restoration (WPA). The project went out for bid and two bids were received. The lowest qualified bidder was Minnesota Native Landscapes. Construction will begin this winter.

Manager Bakken offered the following motion:

Move to introduce Resolution 2021-18 as follows:

Resolution 2021-18
Bid Award
Project 2020-01
Headwaters Streambank Habitat Restoration (AMA) and Shell Rock River Streambank Restoration (WPA)

WHEREAS, The Shell Rock River Watershed District Board of Managers (“Board of Managers”) pursues the mission of implementing reasonable and necessary improvements to the water-related and other natural resources within its boundaries;

WHEREAS, The Shell Rock River Watershed District (the “District”) is charged with implementing the Shell Rock River Watershed District Watershed Management Plan (the “Plan”);

WHEREAS, the District has two projects with parcels located in close proximity to each other and the overall scope of work encompasses engineering and construction over the two projects for a better cumulative result to accomplish the streambank restoration;

WHEREAS, the two projects were initiated on August 10, 2021 by Resolution 2021-17 Establishing the Headwaters Streambank Restoration (AMA) and Shell Rock River Restoration (WPA);

WHEREAS, a Request for Bids was sent August 11, 2021; and

WHEREAS, two bids were submitted to the District ranging from \$889,017.00 to \$930,739.00.

THEREFORE, the Board of Managers hereby finds that the proposed Project has the ability to promote the public interest and welfare in conformity with the Plan as set forth above.

NOW THEREFORE, be it resolved that the Shell Rock River Watershed District hereby:

Sec. 1: Awards the Contract to Minnesota Native Landscapes as the lowest bid and in the best interests of the District for Headwaters Streambank Habitat Restoration (AMA) and Shell Rock River Streambank Restoration (WPA); and

Sec. 3: Authorizes the District Administrator to sign all documents to proceed with the Project.

Manager Delger seconded the motion.

On a roll call vote, the following managers voted in favor of said resolution: Bakken, Delger, Pacovsky, and Pectorious. Chairman Pectorious declared the resolution passed.

Courtney explained the temporary easement with David and Susan Hengesteg. On the WPA portion of the previously stated project, the SRRWD is requesting to access the project on the landowner's field.

Manager Delger offered the following motion:

Move to approve easement with David and Susan Hengesteg.

Manager Pacovsky seconded the motion.

After discussion, a vote was taken and the motion was unanimously approved.

Courtney continued with a Lessard Sams Outdoor Heritage Council (LSOHC) update. She and Administrator Henschel testified before the Council to request \$3,640,600 for Phase XI to complete future habitat restoration projects that will restore, protect, and enhance the watershed. Allocation amounts will be awarded on October 7, 2021. Administrator Henschel discussed his opposition to the Board of Water and Soil Resources (BWSR) request to assist watershed districts and Soil and Water Conservation Districts (SWCD) with LSOHC funds for projects.

Courtney provided an update on BWSR Conservation Project Tour. As a host, Courtney discussed projects of interest in Freeborn County including the Owen's and Wasmoen wetland restorations. She received lots of positive feedback from attendees.

Courtney concluded with a 1W1P update. The draft plan is being reviewed and after changes, the plan will go out for a formal review.

During Manager's Items, Manager Bakken and Dan Dorman discussed the project goals and possible solutions of the Highway 65 Albert Lea Main Street Project.

Administrator Henschel provided a brief update regarding the Confined Disposal Facility (CDF) Cells 2 & 3. The SRRWD is now in litigation with the CDF contractor, Veit & Company, Inc. and engineer, Ramboll, regarding the berm failures on Cells 2&3. Mediation is expected in 2022.

Manager Bakken offered the following motion:

Move to adjourn the meeting.
Manager Pacovsky seconded the motion.
After discussion, a vote was taken and the motion was unanimously approved.