

**Shell Rock River Watershed District
Regular Meeting Minutes
January 12, 2021**

Managers present via teleconference: Brad Kramer, Gary Pestorius, Al Bakken, Joe Pacovsky and Dan DeBoer

Managers absent: Mike Hanson and Mick Delger

Vice-Chairman Pestorius called the regular meeting to order on January 12, 2021 at 8:30 a.m. via teleconference as provided by Minnesota Statute 13D.021 Sub. 1. All SRRWD staff and board members can hear one another, the meeting is recorded and streamed live via www.shellrock.org and Facebook, and all votes are taken by roll call.

Manager Kramer offered the following motion:

Move to approve the consent agenda with change: Remove Item 2E from Consent Agenda because Administrator Henschel requests the opportunity for discussion. Item 2E will be moved to Item 4K as Motion to Authorize Payment of Claims after SRRWD Financial Technician Subtracted out Veit's Pay App 19.

Manager Pacovsky seconded the motion.

On a roll call vote, the following managers voted in favor of said motion: Pacovsky, Bakken, Kramer, DeBoer, and Pestorius. Vice-Chairman Pestorius declared the motion passed.

Manager DeBoer offered the following motion:

Move to approve the agenda with additions and changes:
Agenda item 4H – Change Motion to Approve to Motion to Research.
Agenda item 4I – Add Motion to Approve Continued Services with Americana Insurance
Agenda item 4J – Add Resolution 2021-02 MPCA Clean Water Loan Application
Agenda item 4K – Motion to Authorize Payment of Claims after SRRWD Financial Technician Subtracted out Veit's Pay App 19.

Manager Kramer seconded the motion.

On a roll call vote, the following managers voted in favor of said motion: Pacovsky, Bakken, Kramer, DeBoer, and Pestorius. Vice-Chairman Pestorius declared the motion passed.

Administrator Andy Henschel explained the following statutory items:

Manager Bakken offered the following motion:

Move to approve audit services with Hill, Larson, Walth & Benda, P.A.

Manager DeBoer seconded the motion.

On a roll call vote, the following managers voted in favor of said motion: Pacovsky, Bakken, Kramer, DeBoer, and Pestorius. Vice-Chairman Pestorius declared the motion passed.

Manager Pacovsky offered the following motion:

Move to approve continued services with Briggs and Morgan P.A.

Manager DeBoer seconded the motion.

On a roll call vote, the following managers voted in favor of said motion: Pacovsky, Bakken, Kramer, DeBoer, and Pestorius. Vice-Chairman Pestorius declared the motion passed.

Manager DeBoer offered the following motion:

Move to approve legal services with Peterson, Kolker, Haedt & Benda, LTD.

Manager Pacovsky seconded the motion.

On a roll call vote, the following managers voted in favor of said motion: Pacovsky, Bakken, Kramer, DeBoer, and Pestorius. Vice-Chairman Pestorius declared the motion passed.

Manager Pacovsky offered the following motion:

Move to designate Albert Lea Tribune as the official legal newspaper.

Manager DeBoer seconded the motion.

On a roll call vote, the following managers voted in favor of said motion: Pacovsky, Bakken, Kramer, DeBoer, and Pestorius. Vice-Chairman Pestorius declared the motion passed.

Manager Kramer offered the following motion:

Move to designate US Bank as the depository for District funds.

Manager Pacovsky seconded the motion.

On a roll call vote, the following managers voted in favor of said motion: Pacovsky, Bakken, Kramer, DeBoer, and Pestorius. Vice-Chairman Pestorius declared the motion passed.

Judy Erickson, Lobbyist for the SRRWD, provided a legislative update. The legislative session started last week and will focus on the budget. The SRRWD's priorities are bonding for the Fountain Lake Restoration Project and watching as the Lessard Sams Outdoor Heritage Council (LSOHC) and Legislative-Citizen Commission on Minnesota Resources (LCCMR) go through the legislative process. The SRRWD will continue to focus on the bonding outlook.

Administrator Henschel continued with an update on the Confined Disposal Facility (CDF) Cells 2 & 3. Claims due to the berm failures are pending with the contractor, Veit & Company, Inc. and the engineer, Ramboll. The District has engaged outside counsel and litigation begins next week.

Administrator Henschel explained the need to research a line of credit up to \$1,000,000.00 to help with short term cash flow issues as the SRRWD was not included in the bonding bill. Manager Bakken requested to be involved.

Manager DeBoer offered the following motion:

Move to approve researching a line of credit with US Bank.

Manager Bakken seconded the motion.

On a roll call vote, the following managers voted in favor of said motion: Pacovsky, Bakken, Kramer, DeBoer, and Pestorius. Vice-Chairman Pestorius declared the motion passed.

Administrator Henschel continued with the added statutory agenda item.

Manager Pacovsky offered the following motion:

Move to approve continued services with Americana Insurance.

Manager Kramer seconded the motion.

On a roll call vote, the following managers voted in favor of said motion: Pacovsky, Bakken, Kramer, DeBoer, and Pestorius. Vice-Chairman Pestorius declared the motion passed.

Administrator Henschel continued with the added resolution. He explained that this resolution is to submit an application to the Minnesota Pollution Control Agency (MPCA) for a Clean Water Partnership Loan. This loan would be for expenses that occur in 2021 including the Fountain Lake Restoration Project. A bond rating is required. This loan would not affect future bonding.

Manager DeBoer offered the following motion:

Move to introduce Resolution 2021-02 as follows:

Resolution 2021-02
MPCA Proposal Submission Approval

WHEREAS, the Shell Rock River Watershed District (the "District") will be submitting a proposal to the Minnesota Pollution Control Agency (the "MPCA") to conduct the following project: Fountain Lake Restoration Project;

WHEREAS, Andy Henschel, District Administrator be authorized to submit a proposal for the above-mentioned Project and shall have the authority to represent the District in all matters that do not specifically requires action from this body;

WHEREAS, that submittal of a proposal does not obligate the District to accept a grant and/or a loan if so offered;

THEREFORE, be it resolved:

1. Andy Henschel, District Administrator is authorized to submit a proposal to the MPCA and is the authorized representative for the District;

Manager Kramer seconded the motion.

Manager Pacovsky questioned retroactive payments.

On a roll call vote, the following managers voted in favor of said motion: Pacovsky, Bakken, Kramer, DeBoer, and Pestorius. Vice-Chairman Pestorius declared the motion passed.

Administrator Henschel continued with the motion that was removed from the Consent Agenda. The SRRWD is working with Ramboll regarding the final billing with Veit. The SRRWD does not have all the data they need at this time to submit payment for the claim. The SRRWD Financial Technician subtracted Veit's Pay App 19 from Claims.

Manager Pacovsky offered the following motion:

Move to authorize payment of claims after SRRWD Financial Technician subtracted out Veit's Pay App 19.

Manager Bakken seconded the motion.

On a roll call vote, the following managers voted in favor of said motion: Pacovsky, Bakken, Kramer, DeBoer, and Pestorius. Vice-Chairman Pestorius declared the motion passed.

Project/Program Manager, Courtney Phillips, provided an update on the LSOHC – Phase 10 proposal. The Minnesota Management and Budget (MMB) under-predicted the funds available this year and each proposal received an increase of roughly 16%. The District received an increase of \$211,000.00 bringing the total to \$1,547,000.00. A new workplan was submitted.

Courtney continued with an update on the Miller Tract. The project is located east of Alden and north of Interstate 90 in the County Ditch 54 system. The project is funded through multiple phases of the LSOHC Habitat Restoration Program and the work will be done in phases as well. Phase one of engineering is underway which includes Barr Engineering working on the modeling to re-route the tile south of the Interstate to remove water from the ditch system and hold it in wetlands on the United States Fish and Wildlife Service (USFWS) property. The petition process has started for the tile abandonment and the SRRWD will be connecting with affected landowners.

No reports were provided from the Board of Managers.

The Board of Managers did not have any additional items they wanted to discuss.

Administrator Henschel reminded the Board of Managers that the next board meeting has been scheduled for February 9, 2021.

Manager DeBoer offered the following motion:

Move to adjourn the meeting.

Manager Pacovsky seconded the motion.

On a roll call vote, the following managers voted in favor of said motion: Pacovsky, Bakken, Kramer, DeBoer, and Pestorius. Vice-Chairman Pestorius declared the motion passed.