

BUFFALO-RED RIVER WATERSHED DISTRICT

BARNESVILLE, MINNESOTA 56514

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MINUTES FOR MANAGERS' MEETING July 19, 2011

The Board of Managers, Buffalo-Red River Watershed District (BRRWD), held a special meeting on Tuesday, July 19, 2011, at 7:30 PM onsite at 1501 4th AVE N in the Barnesville Commercial Park, followed with a meeting in the Barnesville office. BRRWD Managers present were Gerald L. VanAmburg, Roger G. Ellefson, Curtis M. Nelson, John E. Hanson, and Breanna L. Paradeis Kobiela. Others attending included: Bruce E. Albright, BRRWD Administrator, and Julie Jerger, Secretary, Houston Engineering, Inc. (H.E.); Matt Olson, CCIM, Property Resources Group; Realty; and Margaret Follingstad, Architect, YHR Partners.

The Board convened their onsite meeting at 7:30 PM in the Barnesville Commercial Park where they inspected a vacant building that the BRRWD might be able to use as temporary office, or a possible purchase.

At 8:10 PM, the Board reconvened in the Barnesville office. Follingstad presented the detailed construction cost estimate for the new office building. The probable cost of the new building is \$567,000. Rick Gunderson, Civil Engineer, H.E., has prepared the site plan for the new construction. The base bid for the exterior site work is \$75,909 with future parking lot expansion option costing \$47,980. The Information Technology (IT) cost estimate from John Murray, IT Manager, H.E., was \$50,934. Albright prepared a proposed budget for the new building project. The total estimated cost for the project is \$820,057. The City of Barnesville's Development Control Board needs to review the building plans before the BRRWD can go to construction. Karen Lauer, Executive Director, Barnesville Economic Development Administration (EDA), hopes to be able to arrange a time for the Control Board to meet in August. Prior to that meeting, Gunderson will need to provide a site drainage plan for the Control Board's review and some parking lot revisions. The group discussed the interior layout, parking lot/expansion, and estimated costs.

The Board discussed how to finance the new building. Albright explained that we could use a build-to-own loan in association with the local banks. This process would include a loan package with a set interest rate over a 5-7 year payment schedule with a balloon payment at the end of the term. Nelson suggested that we could finance the building in house. The Board discussed this proposal and our current cash flow/project assessment practices.

Follingstad thought we would be able to go to bids for the project in September, and possibly the contractor could get the building shell up and do the interior work during the winter. We might get good bids from contractors who would like to have winter work lined up. The group discussed the bidding process. Albright pointed out that our current office lease expires 9/01/11, and we won't be able to stay in this building. We probably won't get into the new office until next summer. We will need to find a temporary office space in Barnesville. Paradeis Kobiela noted that we might have to look for temporary space in a different city. The Board discussed the use of the Commercial Park building as a temporary office or possibly renovating it for our permanent office. There are a few other possible temporary office spaces in Barnesville that Albright will investigate.

Albright asked the Board if they wanted to refer the building project budget to the Advisory Committee for their review and recommendation. Nelson and Ellefson felt that the cost estimate for the new building was

very high, and the Advisory Committee would object to the price. Nelson pointed out that the Bois de Sioux Watershed District built their building for under \$300,000. The group discussed other recent watershed district building projects. VanAmburg and Paradeis Kobiela had reservations about the commercial park building. Albright felt we needed to be able to compare both building options as finished spaces. The group discussed the cost of bringing the commercial park building up to code. Albright suggested that we should have a certified building inspection of the Commercial Park property, and we should request Follingstad to provide a renovation estimate. Don Sakry is the commercial building inspector for the City of Barnesville. Follingstad noted that her firm could also assess of the condition of the building. VanAmburg felt we needed more information before the Board could make a decision regarding this option. **Motion** by Hanson to authorize Albright to hire a building inspector to assess the condition of the Commercial Park building, and to provide Follingstad with the inspection report and the building plans so she can prepare a renovation estimate. **Seconded** by Ellefson. **Approved.** Albright will contact Sakry and the realtor this week to obtain a key and the building plans.

Project No. 50, Cromwell Township. The Board discussed the counter proposal we received from Roger Minch, Kenneth Wouters' attorney. The Board felt that the proposal was not acceptable, and we will have to proceed with the condemnation proceeding. Since our deadline for getting access to the Wouters property for an appraisal expired last Friday, Attorney Tami Norgard, Vogel Law Firm, will go to court this week to petition for access to the Wouters' property for our Appraiser, Rose Hoefs. Because of the emergency nature of the project, Norgard will ask the Court to expedite the hearing. The BRRWD requested that a Clay County Deputy accompany Hoefs when she conducts her appraisal. Albright may need to provide a deposition for the petition hearing, and Norgard requested that the Board be available to attend, if necessary.

Project No. 49, Oakport Flood Mitigation/Crystal Creek. Albright, Erik S. Jones, Engineer, H.E., and Managers VanAmburg and Paradeis Kobiela will meet with Jeff Schaumann, Oakport Township Chairman, and a few Crystal Creek landowners to discuss their ongoing projects.

State Government Shutdown. The Board discussed the Legislature's progress to end the current Government shutdown. Albright noted that the Governor's office called Jones on Friday to find out what we need for Project No. 39, Georgetown Levee Improvement. Jones said that we will need approximately \$3.2 million to complete the project. The Governor plans to add funds for the Georgetown levee project as a line item in his budget. Jones also offered the Governor's representative funding information for other BRRWD projects, but they were only interested in Georgetown at this time.

Conservation Corps. Albright noted that the Conservation Corps contacted him regarding possible projects/work that the BRRWD could use the crews to complete. The Board felt that we don't have anything for the group at this time. Albright suggested that we might be able to make use of the program/workers in the future.

Red River Watershed Management Board (RRWMB) Membership. VanAmburg discussed a meeting that he, and Managers Paradeis Kobiela and Nelson had with the Clay County Commissioners regarding the BRRWD's membership in the RRWMB. He noted that the Commissioners were very clear that they felt we should rejoin the RRWMB. VanAmburg listed reasons he felt that the BRRWD should consider rejoining including our need for project funding and the importance of the BRRWD's participation in basin-wide flood damage reduction and retention activities. The RRWMB would also like to have the BRRWD provide input for the revision of their Governing Documents. VanAmburg noted that we could even rejoin on a one-year trial basis. Albright explained that we would need to make a decision regarding our membership soon because the RRWMB levy needs to be listed on our preliminary 2012 Budget Hearing notice. Because our hearing notice, including special assessments and project/ditch assessments, has to be published three weeks prior to the 8/22/11 2012 Budget Hearing, the Board will review and approve the

notice at the 7/25/11 regular meeting. We have to file our preliminary budget with the County Auditors by 9/15/11 and certify it by December 15, 2011. VanAmburg explained that if we add the levy to our preliminary budget on 7/25/11, we don't need to make a final decision until our December meeting. If we decide against membership, we can always remove it in December, but we can't add it. He stressed the need to consider rejoining now before the budget is set. Albright distributed a letter from the RRWMB regarding our membership.

The Board had an extended discussion regarding this issue. Ellefson and Nelson spoke against rejoining because of the amount of money we would need to levy as members of the RRWMB and historical problems with funding eligibility for our projects (STar Value). Hanson was concerned that the BRRWD's representation on the RRWMB is not proportionate to the amount of the BRRWD's tax revenues. Ellefson suggested that we should add an Otter Tail County Manager and another Becker County Manager to the BRRWD Board so that we would have a seven-member board to give these counties better representation. He questioned why Clay County should have more Managers on the BRRWD than all the other counties combined. VanAmburg felt that the BRRWD should be in a position to work with the other basin agencies/organizations in the decision making process to address basin flooding problems. Ellefson thought that our Advisory Board supports the decision to stay out of the RRWMB. He felt that the BRRWD would be eligible for possible federal funding for retention that Representative Collin Peterson has proposed for the Red River Basin. The group discussed possible changes that the RRWMB could make that would influence the BRRWD to rejoin. They were not ready to vote on rejoining at tonight's meeting. VanAmburg hoped that the Board could discuss this issue again at the 7/25/11 meeting.

Manager Appointments. Nelson noted that he and Manager VanAmburg were reappointed today as Clay County Managers.

Next Meeting. The Board of Managers, BRRWD, will hold their next regular meeting on Monday, July 25, 2011, at 8:00 PM.

Adjournment. Chairman VanAmburg adjourned the meeting at 10:30 PM.

Respectfully submitted,

John E. Hanson, Secretary