Red River Watershed Management Board

Board of Managers

John Finney, President - Humboldt
Daniel Wilkens, Treasurer - Fertile
Roger Mischel - Warren

Greg Holmvik - Vice President-Ada
LeRoy Carriere - Roseau
LeRoy Ose - Thief River Falls

Jerome Deal, Secretary - Wheaton
Dan Money - Hallock

Robert L. Sip, Executive Director
Nikki Swenson, Executive Assistant

Date: May 8, 2018

To: Red River Watershed Management Board Managers

From: Robert L. Sip, Executive Director

Subject: May 15, 2018 RRWMB Meeting Notice

The next scheduled meeting of the RRWMB will be held at the Sand Hill River Watershed District, 219 North Mill Street, Fertile, MN on Tuesday, May 15, 2018 at 9:30 AM.
AGENDA
RED RIVER WATERSHED MANAGEMENT BOARD
TUESDAY, MAY 15 - 9:30 AM
SAND HILL RIVER WATERSHED DISTRICT
219 NORTH MILL STREET, FERTILE, MN

1. Call Meeting to Order

2. Meeting Additions and Adoption of Agenda

3. Approval of Meeting Minutes:
   April 17, 2018 regular meeting minutes.  Decision Item

4. Financial Reporting:
   a. Treasurer's reports.
      • December 2017  Decision Item
      • January 2018    Decision Item
      • February 2018   Decision Item
      • March 2018      Decision Item
      • April 2018      Decision Item
   b. Review and approve bills.  Decision Item

5. Funding Requests:
   a. Project step process reports and applications.  None
   b. Other requests for funding:  None

6. Request for Inquiry – Investment Services  Decision Item

7. Insurance Coverage Quote – League of MN Cities  Decision Item
   • Waiver Form
   • Prior Acts Form

8. Internal Controls – Credit Card Policy  Decision Item

9. Federal Flood Revolving Loan Fund  Decision Item

10. Legislative Issues:
    a. Legislative report.  Information Item
11. Reports:
   a. Internal RRWMB Committees
      - Red River Basin Coordinator Report
      - Public Information Committee
   b. External Committees
   c. Executive Director Report
      b. Audit.
      c. Upcoming outreach activities.
      d. Schedule Budget/Finance Committee Meeting
         - 2018 Budget/Levy Process

12. Agency and Partner Reports:
    A. Member Watershed Districts
    B. State Agencies:
       - MN Department of Natural Resources
       - MN Department of Agriculture
       - MN Board of Water and Soil Resources
       - MN Pollution Control Agency
    C. Federal Agencies:
       - NRCS, ACOE, and USFWS

13. Advisory Comments:
    A. Agricultural Stakeholder Groups
    B. Counties, Cities, and Townships

14. Upcoming Meetings:
    - Next RRWMB Board Meeting Location?

15. Adjourn
Red River Watershed Management Board

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John Finney, President - Humboldt
Daniel Wilkens, Treasurer - Fertile
Roger Mischel - Warren

Greg Holmvik - Vice President - Ada
Jason Braaten - Roseau
LeRoy Ose - Thief River Falls

Jerome Deal, Secretary - Wheaton
Den Money - Hallock

Robert L. Sip, Executive Director
Nikki Swenson, Executive Assistant

DRAFT UNTIL APPROVED
RED RIVER WATERSHED MANAGEMENT BOARD MEETING
April 17, 2018 Meeting Minutes
Red Lake Watershed District | Thief River Falls, Minnesota

1. Call to Order: The Red River Watershed Management Board (RRWMB) met on Tuesday, April 17, 2018 at the Red Lake Watershed District, Thief River Falls, Minnesota. John Finney called the meeting to order. Members present were: LeRoy Ose, Greg Holmvik, Dan Money, Jason Braaten, Daniel Wilkens, Roger Mischel, and Jerome Deal.

Others present included:
- Rodger Hemphill, Interim Red River Coordinator, Minnesota Department of Natural Resources (MN DNR)
- Tara Jensen, Bookkeeper, Wild Rice Watershed District (WRWD)
- Dan Vesledahl, Manager, Sand Hill River Watershed District (SHRWD)
- Joel Praska, Administrator, Middle Snake Tamarac Rivers Watershed District (MSTRWD)
- Mark Anderson, Manager, Buffalo-Red River Watershed District (BRRWD)
- Peter Fjestad, Manager, BRRWD
- Nate Dalager, Engineer, HDR Inc.
- Blake Carlson, Engineer, WSN Engineering, Inc.
- Myron Jesme, Administrator, Red Lake Watershed District (RLWD)
- April Swenby, Administrative Assistant, SHRWD
- Ted Priester, Executive Director, Red River Basin Commission (RRBC)
- Tracy Halstensgard, Administrator, Roseau River Watershed District (RRWD)
- Kevin Ruud, Administrator, WRWD
- Roger Hanson, Manager, SHRWD
- Keith Weston, Executive Director, Red River Retention Authority (RRRA)
- Rita Albrecht, Regional Manager, MN DNR
- Jerry Bents, Engineer, Houston Engineering Inc. (HEI)
- Tony Nordby, Engineer, HEI
- Chad Engels, Engineer, Moore Engineering
- Chuck Fritz, International Water Institute (IWI)
- Arlene Novak, Bookkeeper, RLWD
- Robert L. Sip, Executive Director, RRWMB
Meeting Additions and Adoption of Agenda: Executive Director Robert L. Sip requested to add the annual audit to the agenda to Item 5. Motion to approve the Agenda with the addition was made by Mr. Deal and Seconded by Mr. Mischel, Carried.

2. Sand Hill River Watershed District (SHRWD): Mr. Finney asked the members for their thoughts on the SHRWD resolution to opt out of the RRWMB. Executive Director Sip provided some general information about dates and timelines regarding the issue. Mr. Finney asked Mr. Wilkens if the SHRWD had a meeting yet to discuss this matter. Mr. Wilkens stated that there had not been a meeting yet and he questioned some of the dates in the agenda item that Mr. Sip had prepared for the Board today. There were questions about when the letter and resolution from the SHRWD were received by the RRWMB. Mr. Wilkens stated that the resolution and letter from the SHRWD to the RRWMB was emailed and a hard copy sent by regular mail before the April 1, 2018 deadline.

Mr. Sip received the email on March 27, 2018 and then the letter on April 2, 2018. April Swenby of the SHRWD stated that she emailed a copy to the RRWMB on March 27, 2018 and mailed hard copies the same day. Kevin Ruud stated that the letter was received at the WRWD office on Saturday, March 31, 2018 and then the RRWMB received it on April 2, 2018.

Mr. Wilkens commented on the length of time it took to receive information from the data request and stated that the request was sent to the RRWMB on March 6, 2018. Mr. Wilkens discussed the SHRWD letter and resolution regarding the professional and independent opinion of the executive assistant position. The SHRWD independent review was sent to Mr. Finney only. Mr. Wilkens stated that the financial accountability is in progress and had concerns about the cost comparisons.

Mr. Wilkens said that resigning a joint powers agreement takes time and if the SHRWD leaves it would not be until October 2018. He stated that he thought the idea was to retain the SHRWD in the RRWMB. Mr. Ose asked Mr. Wilkens if progress is being made. Mr. Holmvik asked Mr. Wilkens if the RRWMB provided answers and Mr. Wilkens stated that the SHRWD would like Mr. Sip to go through the items in the RRWMB letter. Mr. Wilkens stated that we need to get resolution on these issues.

Mr. Finney stated that financial accountability is a concern of all member districts as part of the strategic plan. Mr. Finney said that the RRWMB has made a good effort to move forward and cited examples such as the RRWMBs independent review of the accounting system. He also discussed how closing the books each month is important and gave some examples that he had been involved with. Mr. Deal discussed some examples that the BDSWD has dealt with regarding their accounting system and stated that anytime there is transition and change that there should be a fresh look at the accounting system.
Red River Watershed Management Board

Mr. Finney asked Roger Hanson of the SHRWD about the RRWMB letter to the SHRWD and inquired if there had been a meeting to discuss the letter. April Swenby replied that there has not been a meeting, but a response was sent by the SHRWD to Mr. Finney which included the independent human resources review. She stated that they are awaiting the RRWMB rebuttal regarding the financial outlook and said that the SHRWD came up with a very different financial outlook going forward than what was presented by the RRWMB. She said that it may be more of a communication issue. Mr. Finney stated that the cost comparison had limited scope. Mr. Finney stated that there were costs in 2017 that would not occur in 2018 and that there would be costs in 2018 that will not re-occur in 2019.

April Swenby briefly discussed how the RRWMB and the SHRWD financial analyses differed and Mr. Finney stated that the real number is probably in the middle of the two. Mr. Wilkens said that he thought it was premature to resign the joint powers agreement. Mr. Finney discussed the budget process, which is in July 2018 and he asked the SHRWD if they were on board with getting issues resolved. The SHRWD responded positively.

Mr. Money discussed the items in the SHRWD letter and resolution and had questions about the independent human resources review conducted by the SHRWDs consultant and they responded that the review was done. Mr. Money said he was on the hiring committee for the executive assistant and no one has asked him any questions about the RRWMB hiring process. He asked if we are moving forward on other issues and both he and Mr. Braaten asked if a meeting of both boards should be done. Mr. Sip stated that he and Mr. Finney met with the SHRWD on March 22, 2018, a RRWMB Budget and Finance Committee was held on March 20, 2018, and that the independent review of the accounting system has occurred. Mr. Sip also stated that a meeting was held with accountants from member watershed districts to advise on the RRWMB accounting system.

Mr. Money asked if we are addressing the issues and moving forward and stated that we want to keep the SHRWD on board. He stated that any meeting would need to have members of both organizations. Mr. Wilkens talked about the redaction process and stated that some of the information was over and under redacted. Mr. Wilkens said that item 1 still needs an answer back from the RRWMB. Mr. Wilkens stated that there needs to be a meeting to discuss the financials and to finalize reports as most of the problems are communication based.

Mr. Holmvik talked about setting the budget and problems associated with using different comparisons and the fact that the levy needs to be set soon. Mr. Ose asked what the purpose was of the human resources review. Mr. Wilkens stated that Roger Hanson attended the meeting last year in East Grand Forks and wanted to make sure the reorganization was cost effective. Mr. Holmvik asked if we incorrectly hired someone and stated that people have been employed, a process was used to hire people, and the process is over.
Mr. Finney discussed what was in the human resources review by the SHRWD. Mr. Money asked what the purpose was of the review and again stated that no one asked him about the process. He stated that the process is completed, and staff have been hired. Mr. Wilkens said that candidate 1 did not accept the job and the SHRWD is asking about the credentials of the applicants.

Mr. Money asked additional questions about how to address the human resources review. Mr. Sip stated that he and Mr. Finney attended the SHRWD meeting on March 22, 2018 and did not discuss capabilities and skill sets of individual candidates due to data privacy issues. Sip stated that the RRWMBs attorney did the redactions for the data request and staff only sent the final information to the SHRWD. Mr. Sip also stated that at the December 2017 RRWMB meeting, the Board approved the hiring process, interview committee, timelines and deadlines, and salary range and stated that the board was well aware of the entire process.

Mr. Finney discussed the difficulties of seeing redacted information versus seeing the entire cover letters and resumes. Mr. Money asked if the SHWRD wants the RRWMB to change something and Mr. Wilkens said that they want awareness.

Roger Hanson stated that the RRWMB is not doing what is best for the members, that things have gone too fast and too far and that things are out of control from a financial standpoint with costs. Mr. Deal stated that he fails to see the same problems because the RRWMB Managers have been involved with all aspects of the reorganization process. He stated that we have gone from a loose structure to an open structure with transparency and that there has been change. Mr. Deal said that he cannot see the problems.

Mr. Wilkens asked if the joint powers agreement would be resigned or if the RRWMB would wait until all the issues are addressed. Mr. Deal stated that the RRWMB would wait. Dan Vesledahl stated that the information was provided to the RRWMB for their review regarding the human resource review. Mr. Sip asked for clarification about item 2 on the resolution regarding the financial record accountably and how to accomplish that. Mr. Wilkens said he and Mr. Sip would get together to address the issues.

Mr. Money asked if Mr. Wilkens and Mr. Sip have gotten together and that the issues should not have gotten to this point. Mr. Deal also stated that the two parties need to get together and if they cannot, then a third party may need to be hired. Mr. Holmvik and Mr. Braaten both asked questions about the Treasurer’s reports and if they balance. Mr. Sip stated that they balance.

Mr. Wilkens stated that if we look at the Treasurer’s reports they don’t balance but they are easy to fix. Mr. Wilkens said that December 2017 and January 2018 do not balance, and it is the same error. Mr. Holmvik said that the December 2017 report balanced but Mr. Wilkens said the same error was re-occurring in December 2017 and January 2018. The Board stated collectively that the RRWMB and SHRWD staff should meet to discuss and there were questions about if the two groups could work together.
Red River Watershed Management Board

Myron Jesme stated that new staff were not here in December 2017 and asked why the month of December was not closed. Mr. Wilkens said that previous staff closed the books in November and there were several questions about the work that was completed in 2017 and why or why not certain things were completed. There were additional questions of Mr. Wilkens about the activities of previous staff in December 2017.

Mr. Wilkens responded that the SHRWD staff worked on the January 2018 report. Mr. Finney stated that we need to get this work done as soon as possible with all parties. Mr. Ose asked if they can all work together. Mr. Wilkens stated that if there were answers and guarantees, then his board may reconsider. Mr. Deal made a Motion to use a third-party entity to address financial issues by July 1, 2018 and the motion Failed due to a lack of a second. Mr. Ose asked about the independent review of the accounting system and the group of accountants that met recently. There was discussion about the 500 accounts in the RRWMBs chart of accounts and how it should be handled moving forward. The recommendations from the group of watershed district accountants agreed that most of the work could be done in house except if some outside expertise would be needed.

Mr. Holmvik asked if we are going to go through this every month and given that Mr. Wilkens is retiring, said that we need to decide about the next Treasurer and that they need to be involved each month. Mr. Wilkens agreed and stated that someone on the Board needs to volunteer. Mr. Holmvik said that this needs to happen now and Mr. Wilkens said that someone needs to step up to the plate.

Mr. Wilkens also talked about internal controls and how the RRWMB staff and Treasurer are critical to working on internal controls. Mr. Braaten stated that he will step up to take over as Treasurer and he discussed his experience with being a treasurer for other organizations. It was Board consensus to have Mr. Braaten involved with the Treasurer and staff. Mr. Holmvik stated that Mr. Braaten needs to be comfortable with the processes. Mr. Sip said that a meeting would be scheduled soon with Mr. Braaten, Mr. Wilkens, Nikki Swenson, and himself to address the financial issues.

3. Approval of Meeting Minutes: Regarding the February 20, 2018 RRWMB regular meeting minutes, Mr. Wilkens asked for discussion and he referred to page 5 of the meeting packet regarding the office location RFP. It stated that “He did not know his board wanted him to present the Sand Hill proposal at today’s meeting.” He did not agree that he said that, but the audio confirmed those were the words he used. It was decided to leave as is. Motion by Mr. Money to dispense with the reading of the minutes for March 20, 2018, Seconded by Mr. Ose. Carried.

Mr. Money asked for clarification on Page 29 and stated he would like the minutes to reflect that his watershed does not use QuickBooks, he was just commenting on the transaction to fee ratio. Mr. Wilkens asked why he and Mr. Money were listed as Alternates. Mr. Finney presented discussed some history regarding this matter and discussion was held.
Mr. Finney suggested changing the use of Manager or Alternate to just using last names and there was no opposition. A Motion by Mr. Money to approve the March 20, 2018 meeting minutes, Seconded by Mr. Deal, Carried.

4. **Financial Reporting:** Mr. Finney stated that he wants to delay approval of the January, February, March, and April Treasurers Reports until next month. He stated that in his discussion with April Swenby that the December issue has been rectified and the December 2017 financial report has been approved. He also stated that he would like the books closed monthly to ensure transparency.
The bills presented for approval as of April 17, 2018, were as follows:

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<th>Date</th>
<th>Name</th>
<th>Memo</th>
<th>Amount</th>
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<tr>
<td>04/01/2018</td>
<td>Arvig</td>
<td>May Office Rent</td>
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<td>Arvig</td>
<td>Phone &amp; Internet</td>
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<td>03/23/2018</td>
<td>Cardmember Services</td>
<td>Stamps</td>
<td>$50.00</td>
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<tr>
<td>04/16/2018</td>
<td>Courtyard by Marriott</td>
<td>Regular Board Mtg &amp; March Conf</td>
<td>$22,071.04</td>
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<td>03/30/2018</td>
<td>Donna Kristianson</td>
<td>QuickBooks Review and Meeting</td>
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<tr>
<td>04/16/2018</td>
<td>Dot.Com Connection</td>
<td>March Services</td>
<td>$60.00</td>
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<td>03/21/2018</td>
<td>Houston Engineering, Inc.</td>
<td>TAC Meetings</td>
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<td>03/31/2018</td>
<td>International Water Institute</td>
<td>RRBDIN Reimbursement</td>
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<td>03/31/2018</td>
<td>McCollum Hardware</td>
<td>Power Strip &amp; Carpet Sweeper</td>
<td>$60.98</td>
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<tr>
<td>04/02/2018</td>
<td>Midwest Radio Fargo Moorhead, Inc.</td>
<td>March Conference Broadcasting</td>
<td>$2,750.00</td>
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<td>04/16/2018</td>
<td>Minnesota UI Fund</td>
<td>05106716 Quarter 1 of 2018</td>
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<td>MN PEIP</td>
<td>Coverage for 5-1-18 thru 5-31-18</td>
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<td>04/02/2018</td>
<td>Moore Engineering, Inc.</td>
<td>TAC Meeting</td>
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<td>03/27/2018</td>
<td>Morris Electronics Inc.</td>
<td>Remote Work for Rob &amp; Nikki</td>
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<td>03/30/2018</td>
<td>Norman County Index</td>
<td>Business Cards</td>
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<td>Northwest Beverage</td>
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<td>04/10/2018</td>
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<td>Notary Stamp, Monitor and Cable, Labels,</td>
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<td>Batteries, Computer Equipment</td>
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<td>Conference copies and postage</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$103,313.45</strong></td>
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Motion to approve and pay bills along with manager vouchers presented by Mr. Deal, Seconded by Mr. Ose. For further reference, copies of the bills approved are attached hereto in the Treasurer’s Report.

5. Funding Requests: Mr. Sip distributed a letter regarding the upcoming audit for the Board to review. He stated that the fee range for the audit is $6,900 to $7,100 and the appropriate signatures would be needed. Mr. Money made a Motion to accept the Brady Martz engagement letter, Mr. Ose Seconded. Carried.

Joel Praska, Administrator of the MSTRWD requested $7,000 from the RRWMB for information kiosks in five locations between the Red Lake Watershed District and the Middle Snake Tamarac Rivers Watershed District. There will be one kiosk at four impoundment projects and one at the Audubon Society area right across from the Agassiz Valley impoundment site. This project was brought to the RRWMB in March 2018 and the RRWMB requested that funds also be asked of the RRRA. The RRRA opted to not fund the project and Mr. Praska is here today to request funds. Motion to approve by Mr. Braaten, Seconded by Mr. Deal. Mr. Money wanted some additional breakdown information for each and Mr. Praska provided additional discussion. Carried.

6. Budget and Finance Committee: The following recommendations were presented to the Board by Mr. Sip on behalf of the Budget and Finance Committee for approval:

A. Accept the Bremer Bank proposal and authorize the Executive Director and Treasurer to contact Bremer Bank to accept the interest rate, reduce or eliminate fees, and turn off the sweep account. Authorize the Executive Director in conjunction with the Treasurer to transfer funds as needed due to the sweep account being eliminated.

B. Authorize an RFP process to obtain interest rates and financial services information from lending institutions in the Red River Basin - Minnesota portion.

C. Authorize the Executive Director to solicit professional services for QuickBooks services as recommended by the independent review of the RRWMB accounting system.

The Committee met on March 20, 2018 after the RRWMB regular meeting. Mr. Sip stated that a recent American Federal interest rate on a 60-month CD was 2.23 percent, which is much higher than the Bremer proposal. Sip stated that a draft bank list is available, and he recommended a laddered or staggered investment strategy guided by the RRWMB Investment Committee or Budget and Finance Committee. Mr. Deal made a Motion to approve moving forward with A and B above, Seconded by Mr. Money. Carried.
Mr. Sip reviewed recommendations from the accounting group that met consisting of Arlene Novak, Tara Jensen, April Swenby, Nikki Swenson, Dan Wilkens, and himself on April 11, 2018. Mr. Sip distributed the recommendations of the group that met, which included reducing the 496-line items in Quick Books to a manageable amount, the ability to be able to call a firm with expertise in Quick Books, moving away from the excel spreadsheet, and creation of a new company file. Sip requested approval to contact the auditing firm for questions and guidance on Quick Books as needed. Motion to approve by Mr. Mischel, Seconded by Mr. Braaten. Carried.

7. **Office Space Lease**: The Board reviewed the updated lease agreement and discussion was held regarding the length of time of the lease. Mr. Finney had questions about Sections 3 and 17 of the lease and concerns about dictating terms past 10 years for future RRWMB Board members. Mr. Holmvik provided some additional thoughts and Mr. Sip stated that legal counsel from the RRWMB and WRWD made recommendations and had input into the language of the lease. Kevin Ruud provided additional information about the language. Mr. Ose provided his thoughts about the lease and Mr. Holmvik stated that the lease is ok as written, given that the overall cost of a future lease will be more than the present time. Mr. Money stated that future parties can request changes. Motion to approve the lease agreement by Mr. Deal, Seconded by Mr. Braaten. Mr. Wilkens voted against the motion. Carried.

8. **Insurance Coverage**: Mr. Sip reviewed current various policies and inquired with the MN County Insurance Trust (MCIT) and the League of MN Cities. He received a preliminary quote from the League of MN Cities and the initial finding is that it would be between $5,000 and $5,5000 for similar or equivalent coverages for half the price of the current policies. Mr. Sip stated that MCIT indicated they can do joint powers agreements but it is more difficult with more processes included for them to provide a quote. At this point he did not receive any quotes from MCIT but could contact them for a quote. Mr. Wilkens inquired about bonds, who was bonded, and at what amounts. Mr. Sip stated that Mr. Finney and Mr. Wilkens are bonded for $100,000 each and that the remaining board members are bonded for $1,000 each. Mr. Finney asked if the RRWMB has errors and emissions coverage and Mr. Sip stated that the RRWMB is covered under its director and officer’s coverage.

9. **Legislative Issues**
   A. **Legislative Report**: Mr. Sip presented the written report on behalf of RRWMB Legislative Liaison Lisa Frenette. Mr. Finney discussed a recent email from BWSR regarding Drainage Work Group recommendations for the legislature this session. Discussion ensued about the buffer Administrative Penalty Order process that was recently released regarding the $500 per foot lineal fee. Mr. Deal discussed his experience as the BWSR Board Chair several years ago and the makeup of that board at the time. Over the past several years, the BWSR Board has grown to close to 20 members. There was brief mention of the nitrogen fertilizer rule. There were no further questions about the legislative report.
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10. Reports:
   A. Internal RRWMB Committees:
      i. Red River Basin Coordinator – Rodger Hemphill provided an overview of the March Conference. He also gave an overview of the upcoming May 16, 2018 Flood Damage Reduction Work Group meeting, which will be held at the Tamarac National Wildlife Refuge near Detroit Lakes. Mr. Hemphill stated that input received from the Conference will be discussed at the Work Group meeting. Regarding FDR grants, $191,819.06 has been submitted for Quarter 2 requests, with $13,172.74 remaining. Quarter 3 requests will be forthcoming. For the Ring Dike Grant, $235,000 is left as of last month in that fund with $42,461 slated to be submitted.

      Mr. Hemphill stated that the Red River Basin feasibility study update has been requested. The Comprehensive Watershed Management Plan for the Red River Basin has been approved by the US Army Corps of Engineers. The plan has several recommendations regarding snag clearing, modeling, and other water quality and natural resources issues.

      Mr. Finney asked which watershed districts still have ring dikes left to build. WRWD stated that they have one left to build at the current time. Mr. Money asked about a meeting of the Feasibility Committee and he gave some additional background of that group.

      ii. Executive Director Report – Mr. Sip discussed a bank list requested by the Board and developed by Nikki Swenson. He also discussed openings on the BWSR Board and the need for a representative from the Red River Basin. The Governor’s Office will be making appointments in the near future.

   B. External Committees: None.

   C. Agency and Partner Reports:
      International Water Institute - Chuck Fritz provided a written report and the main item of discussion was the collection of new LIDAR data, which is several years old already. He stated that the ND Joint Board is interested in updating LIDAR and discussed the advancements in the technology. Over time, the cost of LIDAR has become more reasonable. Mr. Jesme asked about how to distribute any new information more efficiently. Mr. Fritz stated that the LIDAR viewer and download portal were the methods to distribute data.
Red River Watershed Management Board

Red River Retention Authority – Keith Weston provided a written report and mentioned that Deb Walchuk is the new Red River Basin Coordinator and her office is in Bemidji now. On April 3, 2018, he, John Finney, and Gary Thompson met and went through the RCPP watershed planning and agreements. Curt Elke, Acting MN State Conservationist, appointed Dave Jones as the lead for technical point of contact for the review points.

Dave Jones is the new State Conservation Engineer for MN and will be transferring to St. Paul. The RRRA applied for a Conservation Collaboration agreement and will be sending out another postcard in the 19 RCPP project areas. Mr. Weston has been working with partners to extend the individual contribution agreement in North Dakota. Swan Creek in North Dakota stopped planning but is putting together a technical report. Mr. Weston sent out notices to watershed districts to introduce Debra Walchuk and to provide several RCPP updates.

The RRRA had a meeting right after the annual conference and there is a small budget for outreach. Mr. Holmvik asked about the finance handout that was provided and had questions about tracking of local watershed district in-kind and other contributions. Mr. Weston stated that more information could be shared.

Red River Basin Commission – Ted Priester stated that the RRBC is working on finalizing their water quality strategic plan over the next few weeks. Mr. Priester discussed a water quality credit trading pilot program that may be funded this year. He discussed some additional modeling work with the US Army Corps of Engineers regarding an update to the long-term flood solutions document. He made mention of a subwatershed project with NRCS regarding integrated subsurface and surface drainage in Cass County.

11. Advisory Comments: There were no advisory comments presented.

12. Upcoming Meetings: None listed.

13. Adjournment: The next meeting will be on Tuesday, May 15, 2018 at 9:30 a.m. at the Sand Hill River Watershed District, Fertile, MN. There being no further business, the meeting was adjourned at 12:03 PM.

Respectfully submitted,

Jerome Deal
Secretary

Nikki Swenson
Executive Assistant
## Red River Watershed Management Board
### Bills To Be Approved Summary
#### All Transactions

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<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Arvig</td>
<td>871.26</td>
</tr>
<tr>
<td>Cardmember Services</td>
<td>155.11</td>
</tr>
<tr>
<td>International Water Institute</td>
<td>3,770.00</td>
</tr>
<tr>
<td>Northwest Beverage</td>
<td>17.00</td>
</tr>
<tr>
<td>Office Supplies Plus</td>
<td>153.13</td>
</tr>
<tr>
<td>Ralph's Food Pride</td>
<td>37.74</td>
</tr>
<tr>
<td>Smith Partners PLLP</td>
<td>7,413.56</td>
</tr>
<tr>
<td>Subway</td>
<td>43.91</td>
</tr>
<tr>
<td>Verizon</td>
<td>-21.97</td>
</tr>
<tr>
<td>Widseth Smith Nolting &amp; Assoc., Inc.</td>
<td>1,433.75</td>
</tr>
<tr>
<td>Wild Rice Watershed District</td>
<td>193.89</td>
</tr>
</tbody>
</table>

**TOTAL**                                       **14,067.38**
Red River Watershed Management Board

BOARD AGENDA ITEM

Agenda Item Title: Inquiry for Investment Services
Meeting Date: May 15, 2018
Item Type: Decision
Prepared By: Robert L. Sip, Executive Director

Background: The Budget and Finance Committee discussed investment options and the development of an investment strategy using various investment tools at the March 20, 2018 Committee meeting. At the April 2018 regular RRWMB meeting, the Board authorized the development of an RFP process to obtain interest rates and financial services information from lending institutions in the Red River Basin - Minnesota portion. Attached is a draft Inquiry for Investment Services for discussion.

Action Being Requested: Approve the attached Inquiry for Investment Services.
Red River Watershed Management Board

DRAFT - INQUIRY FOR INVESTMENT SERVICES
MAY 4, 2018

The Red River Watershed Management Board (RRWMB) is seeking to invest public funds into a financial institution according to applicable state and federal banking and financial regulations. This is an initial inquiry for services and the RRWMB is seeking proposals by 10:00 AM, Friday, June 1, 2018. The RRWMB is requesting information from your financial institution for the following:

- Process or methods used to secure investments (pledged securities, letters of credit, or other forms of security).
- Investment services and recommendations.
- Available investment tools such as CDs, money markets, and savings accounts.
- Yearly or monthly banking fees and pricing information for services.
- Interest rates.
- History of your financial institution in working with government entities to invest public funds.
- Experience and qualifications of your investment staff.
- Security protocols, processes, and procedures to ensure that public funds are protected from cyber-attacks.

The RRWMB will only be investing funds in financial institutions located in the Minnesota portion of the Red River Basin. The RRWMB may also consider only investing funds in financial institutions that are located within the jurisdictional boundaries of a current member watershed district (see attached maps on Pages 2 and 3). All proposals should be submitted electronically to:

Robert L. Sip
Executive Director
Red River Watershed Management Board

Office Address:
11 5th Avenue East
Ada, MN 56510
rob.sip@rrwmb.org
www.rrwmb.org
218-474-1084 (Cell)
218-784-9501 (Office)
The Red River Watershed Management Board

The Red River Watershed Management Board and Member Watershed Districts
Minnesota Watershed Districts

Metro Watershed Districts

1. MINNEHAHA CREEK
2. RILEY-PURGATORY-BLUFF CREEK
3. NINE MILE CREEK
4. LOWER MINNESOTA RIVER
5. PRIOR LAKE-SPRING LAKE
6. CAPITOL REGION
7. RAMSEY-WASHINGTON METRO
8. SOUTH WASHINGTON
9. VALLEY BRANCH
10. BROWNS CREEK
11. CARNEILIAN-MARINE-ST. CROIX
12. RICE CREEK
13. COON CREEK
14. COMFORT LAKE FOREST LAKE

Updated 11-2016
Red River Watershed Management Board

BOARD AGENDA ITEM

Agenda Item Title: Insurance Coverages
Meeting Date: May 15, 2018
Item Type: Decision
Prepared By: Robert L. Sip, Executive Director

Background: In April 2018, the Red River Watershed Management Board (RRWMB) Managers discussed current insurance coverages on the next page. Inquiries were made with the League of Minnesota Cities and Minnesota Counties Insurance Trust over the past months. The League of Minnesota Cities has provided quotes for various coverages. A quote was not received from the League of Minnesota Counties due to timing issues.

The tort limits through the League of Minnesota Cities is $500,000/$1,500,000 and umbrella policies are available. The new total annual premium for coverage through the League of Minnesota Cities will be:

Workers Comp: $1,228
Directors/Officers and Employment Practices Liability: $2,876
Property/Liability: $3,058
New Total Premium: $7,162

Action Being Requested: The League of Minnesota Cities requires the completion of the attached Prior Acts Application and Liability Coverage Waiver Forms. The RRWMB Managers must make a motion related to coverage waivers each year.
Red River Watershed Management Board

**Current RRWMB Coverages:**

<table>
<thead>
<tr>
<th>Insurance of Policy Type</th>
<th>Company Name</th>
<th>Plan Administrator</th>
<th>Annual Premium</th>
<th>Expiration or Renewal Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>Western National Mutual Insurance Company</td>
<td>Waypoint Insurance Advisors</td>
<td>$288</td>
<td>2/3/18</td>
</tr>
<tr>
<td>Property</td>
<td>Western National Mutual Insurance Company</td>
<td>Waypoint Insurance Advisors</td>
<td>$384</td>
<td>2/3/18</td>
</tr>
<tr>
<td>General Liability</td>
<td>Western National Mutual Insurance Company</td>
<td>Waypoint Insurance Advisors</td>
<td>$5,919</td>
<td>2/3/18</td>
</tr>
<tr>
<td>Workers Comp</td>
<td>RTW</td>
<td>Waypoint Insurance Advisors</td>
<td>$655</td>
<td>7/20/18</td>
</tr>
<tr>
<td>Public Official Bond</td>
<td>The Ohio Casualty Insurance Company</td>
<td>Liberty Mutual Surety</td>
<td>$903</td>
<td>1/30/18</td>
</tr>
<tr>
<td>Total Yearly Premium:</td>
<td></td>
<td></td>
<td>$11,038</td>
<td></td>
</tr>
</tbody>
</table>
April 13, 2018

Waypoint Insurance Advisors, Inc.  
Covered Party: Red River Watershed Management Board

Effective Date: 5/31/2018

## RENEWAL PREMIUM SUMMARY

### Common Coverages

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Deductible</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>$</td>
<td>$105.</td>
</tr>
<tr>
<td>Mobile Property</td>
<td>250.</td>
<td>Not Covered.</td>
</tr>
<tr>
<td>Municipal Liability</td>
<td>5,000.</td>
<td>2,061.</td>
</tr>
<tr>
<td>Automobile Liability</td>
<td>250.</td>
<td>79.</td>
</tr>
<tr>
<td>UM/UIM $200,000 all owned autos</td>
<td>250.</td>
<td>Included.</td>
</tr>
<tr>
<td>Basic Economic Loss Benefits (PIP) all owned autos</td>
<td>250.</td>
<td>Included.</td>
</tr>
<tr>
<td>Automobile Physical Damage</td>
<td>250.</td>
<td>Included.</td>
</tr>
<tr>
<td>Crime</td>
<td>250.</td>
<td>Included.</td>
</tr>
<tr>
<td>Petrofund</td>
<td>NA.</td>
<td>Included.</td>
</tr>
<tr>
<td>Defense Cost Reimbursement</td>
<td>NA.</td>
<td>Included.</td>
</tr>
</tbody>
</table>

Experience Factor Modifier: 1.000

Expiring Experience Factor Modifier: 1.000

---

(Applied to Municipal Liability, Auto Liability, and UM/UIM) The modifier is calculated with a formula which compares the city's actual loss history with the amount of losses that would be expected for a city of that size if the city were a perfectly average LMCIT member. If the city's losses and expenses are better than average the city receives a premium credit. If the city's losses and expenses are worse than average, the city receives a premium debit.

### Optional Coverages

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Deductible</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond</td>
<td>$206,000.</td>
<td>393.</td>
</tr>
<tr>
<td>Equipment Breakdown</td>
<td>250.</td>
<td>420.</td>
</tr>
<tr>
<td>Excess Liability Limit:</td>
<td>NA.</td>
<td>Not Covered.</td>
</tr>
<tr>
<td>Liquor Liability Limit:</td>
<td>NA.</td>
<td>Not Covered.</td>
</tr>
<tr>
<td>Fireworks</td>
<td>$</td>
<td>Not Covered.</td>
</tr>
<tr>
<td>No Fault Sewer Back Up Limit:</td>
<td>$</td>
<td>Not Covered.</td>
</tr>
<tr>
<td>Airport Liability</td>
<td>$</td>
<td>Not Covered.</td>
</tr>
</tbody>
</table>

TOTAL: $3,058.

---

**DO NOT PAY UNTIL YOU RECEIVE INVOICES**

**TORT LIMIT:** $500,000/$1,500,000

LEAGUE OF MINNESOTA CITIES INSURANCE TRUST

145 UNIVERSITY AVE. WEST
ST. PAUL, MN 55103-2044
PHONE: (651) 281-1200 FAX: (651) 281-1298
TOLL FREE: (800) 925-1122 WEB: WWW.LMC.ORG

PREMSUMXM(11/11)
Comments: If the expiring covenant includes additional interests (mortgagee, loss payee, additional insured) you will find a schedule of those interests included with the Premium Breakdown. Please review, update and return to your LMCIT Underwriter.

Renewal is subject to signed and dated Waiver Election Form. Please forward at your earliest convenience.

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Optional Coverage Quotes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Deductible</td>
</tr>
<tr>
<td></td>
<td>Approximate Premium</td>
</tr>
</tbody>
</table>

Optional coverage(s) are not bound unless the covered party has requested that coverage be bound and LMCIT has sent a written confirmation. Optional coverage quotes are valid for 30 days after the date of this letter.
League of Minnesota Cities Insurance Trust
Group Self-Insured Workers' Compensation Plan
145 University Avenue West St. Paul, MN 55103-2044 Phone (651) 215-4173

Notice of Premium Options for Standard Premiums of Less than $25,000

RED RIVER WATERSHED MANAGEMENT BOARD
PO BOX 763
DETROIT LAKES, MN 56502

Agreement No.: WC 1001471_Q-1
Agreement Period:
From: 07/20/2018
To: 07/20/2019

Enclosed is a quotation for workers’ compensation deposit premium. Note: Renewal Coverage will be bound as per the expiring coverage arrangement, including coverage for elected and appointed officials, with the premium indicated on the quote, unless the member or agent sends a written request not to bind renewal coverage.

<table>
<thead>
<tr>
<th>PAYROLL DESCRIPTION</th>
<th>CODE</th>
<th>RATE</th>
<th>ESTIMATED PAYROLL</th>
<th>DEPOSIT PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,228</td>
<td></td>
</tr>
<tr>
<td>Manual Premium</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit</td>
<td>0.90</td>
<td></td>
<td>-123</td>
<td></td>
</tr>
<tr>
<td>Standard Premium</td>
<td></td>
<td></td>
<td>1,105</td>
<td></td>
</tr>
<tr>
<td>Deductible Credit</td>
<td>0.00%</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Premium Discount</td>
<td></td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Net Deposit Premium</td>
<td></td>
<td></td>
<td>1,105</td>
<td></td>
</tr>
</tbody>
</table>

SEE ATTACHED SCHEDULE FOR DETAILS

Agent:
01007 Waypoint Insurance Advisors
7900 Excelsior Blvd Ste 2000
Hopkins, MN 55343-3460
Notice of Premium Options for Standard Premiums of Less than $25,000  
(Con't)

OPTIONS

Please indicate below the premium option you wish to select. You may choose only one option and you cannot change options during the agreement period.

1. ☐ Regular Premium Option

2. ☐ Deductible Premium Option
   Deductible options are available in return for a premium credit applied to your estimated standard Premium of $1,105. The deductible will apply per occurrence to paid medical costs only. There is no aggregate limit.

<table>
<thead>
<tr>
<th>Deductible per Occurrence</th>
<th>Premium Credit</th>
<th>Credit Amount</th>
<th>Net Deposit Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ $250</td>
<td>1.00%</td>
<td>-11</td>
<td>1,094</td>
</tr>
<tr>
<td>☐ $500</td>
<td>1.80%</td>
<td>-20</td>
<td>1,085</td>
</tr>
<tr>
<td>☐ $1,000</td>
<td>2.90%</td>
<td>-32</td>
<td>1,073</td>
</tr>
<tr>
<td>☐ $2,500</td>
<td>5.50%</td>
<td>-61</td>
<td>1,044</td>
</tr>
<tr>
<td>☐ $5,000</td>
<td>7.50%</td>
<td>-83</td>
<td>1,022</td>
</tr>
<tr>
<td>☐ $10,000</td>
<td>11.00%</td>
<td>-122</td>
<td>983</td>
</tr>
<tr>
<td>☐ $25,000</td>
<td>17.50%</td>
<td>-193</td>
<td>912</td>
</tr>
<tr>
<td>☐ $50,000</td>
<td>23.00%</td>
<td>-254</td>
<td>851</td>
</tr>
</tbody>
</table>

This quotation is for a deposit premium based on your estimate of payroll and selected options. Your final actual premium will be computed after an audit of payroll subsequent to the close of your agreement year and will be subject to revisions in rates, payrolls and experience modification. While you are a member of the LMCIT Workers' Compensation Plan, you will be eligible to participate in dividend distributions from the Trust based upon claims experience and earnings of the Trust.

If you desire the coverage offered above, please return this signed document for the option you have selected.

This quotation should be signed by an authorized representative of the city requesting coverage.

_________________________    ____________________  ____________________
Signature                  Title                      Date
Notice of Premium Options for Standard Premiums of Less than $25,000
(Con't)

CONTINUATION SCHEDULE FOR QUOTATION PAGE

<table>
<thead>
<tr>
<th>REMUNERATION</th>
<th>RATE</th>
<th>CODE</th>
<th>DESCRIPTION</th>
<th>EST. PREM</th>
</tr>
</thead>
<tbody>
<tr>
<td>160,000</td>
<td>0.72</td>
<td>8810</td>
<td>CLERICAL OFFICE EMPLOYEES NOC</td>
<td>1,152</td>
</tr>
<tr>
<td>18,200</td>
<td>0.42</td>
<td>9411</td>
<td>ELECTED OR APPOINTED OFFICIALS</td>
<td>76</td>
</tr>
</tbody>
</table>

Manual Premium  1,228
Re: Red River Watershed Management Board - ForceField NFP Package

QUOTATION VIA: EMAIL

<table>
<thead>
<tr>
<th>Quote Expiration Date</th>
<th>05/31/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured</td>
<td>Red River Watershed Management Board</td>
</tr>
</tbody>
</table>
| Address               | 9 East 4th Avenue  
                          Ada, MN 56510 |
| Policy Period         | From: 05/31/2018  
                          To: 05/31/2019 |

<table>
<thead>
<tr>
<th>Coverage Sections and Premium</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors and Officers Liability Coverage Section</td>
<td>$2,108</td>
</tr>
<tr>
<td>Employment Practices Liability Coverage Section</td>
<td>$768</td>
</tr>
<tr>
<td>Fiduciary Liability Coverage Section</td>
<td>N/A</td>
</tr>
<tr>
<td>Employed Lawyers Liability Coverage Section</td>
<td>N/A</td>
</tr>
<tr>
<td>Crime Coverage Section</td>
<td>N/A</td>
</tr>
<tr>
<td>Kidnap and Ransom/Extortion Coverage Section</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total Policy Premium</strong></td>
<td><strong>$2,876</strong></td>
</tr>
</tbody>
</table>

Limit of Liability and Retention For Each Coverage Section
(Other than the Crime and Kidnap and Ransom/Extortion Coverage Sections)

<table>
<thead>
<tr>
<th>Coverage Section</th>
<th>Separate Limit of Liability</th>
<th>Shared Limit of Liability</th>
<th>Retention*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors and Officers Liability Coverage Section</td>
<td>$1,000,000</td>
<td></td>
<td>All Claims: $5,000</td>
</tr>
<tr>
<td>Employment Practices Liability Coverage Section</td>
<td>$1,000,000</td>
<td></td>
<td>All Claims: $5,000</td>
</tr>
<tr>
<td>Third Party Liability Coverage Sublimit of Liability</td>
<td>Included</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
*With respect to all Coverage Sections listed above, no Retention amount is applicable to Non-Indemnifiable Loss.

<table>
<thead>
<tr>
<th>Aggregate Limit of Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,000,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Coverage Limits and Sublimits</th>
<th>Limit of Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedicated Excess Coverage for Insured Persons (D&amp;O)</td>
<td>N/A</td>
</tr>
<tr>
<td>Derivative Demand Coverage (D&amp;O)</td>
<td>N/A</td>
</tr>
<tr>
<td>Strategic Response Costs Coverage (D&amp;O)</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

**Punitive Damages Coverage Options for D&O and EPL Coverage Sections**

<table>
<thead>
<tr>
<th>D&amp;O Punitive Damages Sublimit of Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPL Punitive Damages Sublimit of Liability</td>
</tr>
<tr>
<td>Shared Punitive Damages Sublimit of Liability for D&amp;O and EPL</td>
</tr>
<tr>
<td>X No Punitive Damages Sublimit of Liability for D&amp;O or EPL*</td>
</tr>
</tbody>
</table>

*With respect to Punitive Damages Coverage, if "No Punitive Damages Sublimit of Liability for D&O or EPL" is selected above, the Limit of Liability for Punitive Damages shall be equal to either the D&O or the EPL Coverage Section Limit of Liability.

<table>
<thead>
<tr>
<th>Coverage Dates</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors and Officers Liability Coverage Section</td>
<td>Pending or Prior Date: 05/31/2006</td>
</tr>
<tr>
<td>Employment Practices Liability Coverage Section</td>
<td>Pending or Prior Date: 05/31/2006</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Discovery Period</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>75%</td>
</tr>
<tr>
<td>2 Years</td>
<td>100%</td>
</tr>
<tr>
<td>3 Years</td>
<td>125%</td>
</tr>
<tr>
<td>4 Years</td>
<td>150%</td>
</tr>
<tr>
<td>5 Years</td>
<td>175%</td>
</tr>
<tr>
<td>6 Years</td>
<td>200%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Insurer</th>
<th>Policy Forms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allied World Specialty Insurance Company - Admitted</td>
<td>NP 00001 00 (07/15) - ForceField Not-For-Profit Package Declarations</td>
</tr>
<tr>
<td></td>
<td>NP 00004 00 (07/15) - ForceField Not-For-Profit Package General Terms and Conditions</td>
</tr>
<tr>
<td></td>
<td>NP 00010 00 (07/15) - ForceField Not-For-Profit Package Employment Practices Liability Coverage Section</td>
</tr>
<tr>
<td></td>
<td>NP 00007 00 (07/15) - ForceField Not-For-Profit Package Directors and Officers Liability</td>
</tr>
</tbody>
</table>

27
### Coverage Section

<table>
<thead>
<tr>
<th>Premium Due Date</th>
<th>30 Days from effective date of policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quote Expiration Date</td>
<td>05/31/2018</td>
</tr>
</tbody>
</table>

### Endorsements

1. **IL 00005 22 (07/07)** - Notice Concerning Policyholder Rights in Insolvency Under the Minnesota Insurance Guaranty Association Law
2. **NP 00028 22 (01/10)** - Minnesota Amendatory Endorsement (Professional Liability coverages)
3. **NP 00050 00 (05/10)** - OFAC Exclusion (Office of Foreign Assets Control)
4. **NP 00056 00 (01/10)** - Broad Professional Services Exclusion
5. **NP 00132 00 (05/11)** - Fair Labor Standards Act Coverage, Defense Costs Only - Subject to Retention and Sublimit (FLSA Limit: $50,000)
6. **NP 00133 00 (05/10)** - Pre-Approved Crisis Management Firm
7. **NP 00134 00 (06/10)** - Duty to Defend Coverage (Hammer clause - D&O, EPL or Fiduciary)
8. **NP 00180 00 (01/13)** - Excess Benefits Tax Coverage - With Sublimit ($100,000)
9. **NP 00187 00 (05/14)** - Additional Defense Costs Outside the Limit - Capped Amount ($1,000,000)
10. **PN 9001 (01/15)** - Terrorism Policyholder Notice

### TERMS AND CONDITIONS

This quote is strictly conditioned upon no material change in the risk, including a submission being made to the insurer of a claim or circumstance that might give rise to a claim, between the date of this quote and the policy inception date. In the event of such a change in risk, the insurer may, in its sole discretion, amend or withdraw this quote.

All other terms and conditions as per our Policy Form and any applicable endorsements referenced herein.

Thank you for choosing Allied World Specialty Insurance Company a member company of Allied World Assurance Company Holdings, AG
LCMITE Prior Acts Application

<table>
<thead>
<tr>
<th>Name of entity:</th>
<th>Red River Watershed Management Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requested effective date of coverage:</td>
<td>5-31-18</td>
</tr>
<tr>
<td>Requested retro date:</td>
<td>5-31-06</td>
</tr>
</tbody>
</table>

You are receiving this document because your entity recently initiated an application for coverage from the League of Minnesota Cities Insurance Trust. LMCIT liability coverage is provided on a claims-made basis, which means a claim needs to be reported during the coverage term in order for LMCIT coverage to respond. In addition, the incident or issue giving rise to the claim also needs to have occurred after the retro date that will be stated on the declarations page of the LMCIT coverage document.

In order for LMCIT to establish a retro date prior to the start of coverage with LMCIT, an applicant must tell LMCIT about all known incidents, occurrences, or issues that have the potential to lead to a claim or suit against the applying entity or its officers, employees, or volunteers. A form to do so is enclosed.

- LMCIT will review any known incidents or issues and evaluate their impact on our ability to provide coverage for potential claims that might arise.

- **Important note:** If a known incident or issue is not disclosed at this time, LMCIT may exclude coverage for claims arising out of the non-disclosed incident or issue.

**Known incidents, occurrences, or issues that have the potential to give rise to a claim or suit include, but are not limited to, those involving:**

| Bodily injury, property damage, or personal injury | Police liability |
| Employment practices                              | Open meeting law |
| Land use regulation; housing development or redevelopment; enterprise operations such as utilities, telecommunications services or similar things; or city debt obligations. | Any others with the potential to lead to a claim or suit for money damages or other relief |

**Action Items**

1) If you are aware of any of these potential claims, it’s important to report all incidents, issues, or potential claims to your current carrier.

2) Please provide copies of the enclosed Department Head Prior Acts Statement to each department head, including but not limited to: city manager or administrator, police department, human resources, fire department, parks and recreation, utilities, public works, and any other department heads or directors. Each department head should complete the form, sign it and return it to you. Once you have forms from all of the department heads, please return them to your agent or your LMCIT underwriter.
### Department Head Prior Acts Statement

<table>
<thead>
<tr>
<th>Name of entity:</th>
<th>Red River Watershed Management Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department</td>
<td></td>
</tr>
<tr>
<td>Department head name and title:</td>
<td>Robert L. Sip, Executive Director</td>
</tr>
<tr>
<td>Requested effective date of coverage:</td>
<td>5-31-18</td>
</tr>
<tr>
<td>Requested retro date:</td>
<td>5-31-06</td>
</tr>
</tbody>
</table>

LMCIT needs to know about an entity’s past incidents that have the potential to lead to a claim before it can start to provide liability coverage.

After reviewing records and canvassing employees, are you aware of any incidents, occurrences, or issues that occurred between the requested retro date and the requested effective date of coverage that have the potential to give rise to a claim or suit include, but are not limited to, those involving:

- Bodily injury, property damage, or personal injury
- Employment practices
- Land use regulation; housing development or redevelopment; enterprise operations such as utilities, telecommunications services or similar things; or city debt obligations.
- Police liability
- Open meeting law
- Any others with the potential to lead to a claim or suit for money damages or other relief

Please check one:

- [x] No, I am not aware of any incidents or issues that have the potential of causing any of the types of claims above.

- [] Yes. If yes, provide details below

If yes, have they all been reported to your prior insurance carrier during the policy period or extended reporting period? ________

Signature of department head ________________________ Date ____________________

Please return this completed form to your city manager/clerk/administrator.
LIABILITY COVERAGE – WAIVER FORM

LMCIT members purchasing coverage must complete and return this form to LMCIT before the effective date of the coverage. Please return the completed form to your underwriter or email to p@tech@lmc.org

This decision must be made by the member's governing body every year. You may also wish to discuss these issues with your attorney.

League of Minnesota Cities Insurance Trust (LMCIT) members that obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. The decision has the following effects:

- **If the member does not waive the statutory tort limits**, an individual claimant would be able to recover no more than $500,000 on any claim to which the statutory tort limits apply. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to $1,500,000. These statutory tort limits apply regardless of whether the city purchases the optional excess liability coverage.

- **If the member waives the statutory tort limits and does not purchase excess liability coverage**, a single claimant could potentially recover up to $2,000,000 for a single occurrence. (Under this option, the tort cap liability limits are waived to the extent of the member’s liability coverage limits, and the LMCIT per occurrence limit is $2 million.) The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to $2,000,000, regardless of the number of claimants.

- **If the member waives the statutory tort limits and purchases excess liability coverage**, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

LMCIT Member Name

Check one:

☐ The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04.

☐ The member **WAIVES** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04 to the extent of the limits of the liability coverage obtained from LMCIT.

Date of city council/governing body meeting ________________

Signature__________________________________________ Position__________________________________________

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TOLL FREE (800) 925-1122 WEB www.lmc.org
Red River Watershed Management Board

BOARD AGENDA ITEM

Agenda Item Title: Credit Card Policy
Meeting Date: May 15, 2018
Item Type: Decision
Prepared By: Robert L. Sip, Executive Director

Background: The Budget and Finance Committee discussed internal controls at the March 20, 2018 Committee meeting. One item discussed was an internal control policy for credit cards. At the December 2018 regular RRWMB meeting, the Board authorized the Executive Director to obtain a credit card with a $20,000 limit. Staff have applied for and received two credit cards with a limit of $1,000 as issued by the credit card company. The credit cards were applied for through the RRWMBs current financial institution. As a result, a draft internal control policy is included for discussion by the Board.

Action Being Requested: Approve the attached Credit Card Policy.
Pursuant to Minnesota Statutes section 103D.325, subdivision 4, the Red River Watershed Management Board (RRWMB) Managers may authorize the use of a credit card by RRWMB staff. The Managers delegated to the Executive Director the authority to acquire a Company credit card account and to use the credit card to make purchases on behalf of the RRWMB on December 19, 2017 at the regular Board meeting.

- **MS 103D.325, Subdivision 4. Credit Card Use:**
  The managers may authorize the use of a credit card by any watershed district officer or employee otherwise authorized to make a purchase on behalf of the watershed district. If a watershed district officer or employee makes a purchase by credit card that is not approved by the managers, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or watershed district policy applicable to watershed district purchases.

  [https://www.revisor.mn.gov/statutes/?id=103D.325](https://www.revisor.mn.gov/statutes/?id=103D.325)

  The Executive Director and Executive Assistant are authorized to use the credit card in accordance with this policy. The policy is adopted to increase the capacity of the RRWMB to efficiently carry out its mission while maintaining the integrity of its financial systems and accounts. The policy will minimize the RRWMBs exposure to the possible loss of funds through theft or misuse of the credit card.

1. **Account Management.** The company credit card will be issued in the name of the Red River Watershed Management Board, and the Executive Director and Executive Assistant will be the sole authorized signatory. The Staff will protect against theft, loss or unauthorized signatory. The event of loss, theft or unauthorized use of the credit card, the Staff will contact the credit card provider immediately to report the card lost or missing and to take further prudent measures to secure the RRWMB account and prevent loss of funds, including but not limited to stopping payment on an unauthorized charge, stopping all charging privileges, or requesting a new account number and card.
2. **Purchases Authorized.** The Company credit card may be used to purchase supplies, equipment, and services necessary for the efficient administration of company business. The credit card may be used for travel expenses, for registration and fees for approved education and outreach activities, and other approved program expenses. The credit card may not be used to purchase engineering consulting services, legal services, or capital project elements, or fuel for personal vehicles. The credit card may not be used to obtain cash advances.

3. **Unauthorized Purchases.** The acquisition of a credit card account provides the Company staff with an additional means of making purchases necessary for the conduct of Company business; it does not expand the Executive Director’s authority to make purchases on behalf of the Company. The Company credit card may not be used to make personal purchases, and the Staff will be personally liable for the amount of any purchase made by the credit card that is not approved by the Managers. All Company purchases by credit card will comply with all applicable statutes, rules and Company policies.

4. **Balance Policy.** The balance due on the Company credit card account will not exceed the amount set by the Managers by resolution. The Executive Director will ensure that there are budget funds available to pay for all purchases made with the credit card. The Company’s acquisition and use of a credit card is solely to facilitate efficient administration of Company business and may not be used as a means of incurring debt. Payment of the entire amount due and owing on the Company credit card each month will be presented to the Board of Managers for approval. Pursuant to such approval, the amount due and owing will be timely paid in full to ensure that interest does not accrue.

5. **Payment Administration.** All purchases made by credit card must be itemized and described in detail, as other current items payable, at the Company’s regular monthly meeting. Credit card purchases must be documented by detailed receipts, showing the item or service purchased, the vendor, date and amount. Such information will be compiled and presented at the regular monthly meeting of the Board of Managers, along with the Company account to which each purchase is proposed to be charged. The request for payment of a credit card invoice will be accompanied by a declaration, signed by the Executive Director, stating that the credit card payment demand is just and correct and that no part of it has been paid.

Approved on: ________________, 2018

John Finney
Chair, RRWMB

Robert L. Sip
Executive Director, RRWMB
BOARD AGENDA ITEM

Agenda Item Title: Federal Revolving Loan Fund for Flood Mitigation
Meeting Date: May 15, 2018
Item Type: Decision
Prepared By: Robert L. Sip, Executive Director

Background: The Pew Charitable Trust is asking various partners to sign-on to a letter to Congress asking for the creation of a State Flood Mitigation Revolving Loan Fund. The Minnesota Association of Watershed Districts has also been asked to sign-on. Pew’s Flood-Prepared Communities Initiative is working with national partners on this, including the American Planning Association, Association of State Floodplain Managers, and the National Institute of Building Science. As Congressional support is built for the concept, state and local participation will be important.

The Revolving Loan Fund model asks the Federal Emergency Management Agency to offer low-interest loans to state governments to be used to help reduce the risk of flooding, such as by elevating homes, schools, or hospitals, turning repeatedly flooded areas into parks or open space, or improving storm drainage systems. According to a 2018 report by the National Institute of Building Sciences, for every $1 dollar spent on hazard mitigation, the nation saves $6. In the case of riverine flood, projects involving acquisition or demolition of flood-prone buildings save $7 for every dollar invested.

Action Being Requested: To be determined by the Managers.
NEEDED: A New Federal-State Partnership to Fund Mitigation

Flooding is the most costly and common natural disaster across the U.S., claiming lives, damaging households and businesses, and straining government budgets for flood response and recovery. Just since 2000, the nation’s most destructive floods and tropical storms have resulted in estimated losses exceeding $500 billion, according to the National Oceanic and Atmospheric Administration. As Congress grapples with the price of recovery from 2017 hurricanes, it is clear that the federal government must break the cycle of paying to rebuild over and over again. It can do so – with a $4 to $1 return on investment – by increasing support for pre-disaster mitigation.

A Proposed State Revolving Loan Fund

S. 1507, authored by Senators Reed of Rhode Island, Kennedy of Louisiana, and Menendez of New Jersey, would authorize the Federal Emergency Management Agency (FEMA) to provide states with funding to establish revolving loan funds aimed specifically at pre-disaster mitigation. This proposed cost-sharing partnership, administered with a 20 percent match by states and tailored to unique local needs, could provide a long-term, self-sustaining source of financing for a wide range of critically needed flood projects, including floodproofing or elevation of structures, buyout of repeatedly flooded properties, or larger projects across communities and neighborhoods such as improved stormwater management.

*Don’t grant programs for mitigation already exist?*

Under the Stafford Act, there are two key grant programs aimed at supporting mitigation: the Hazard Mitigation Grant Program (HMGP) and the Pre-Disaster Mitigation Grant Program (PDM). Neither has been sufficient to meet the nation’s pressing flood mitigation needs.

HMGP, the larger of the two, is made available to states after a Presidentially-declared disaster, during the recovery process. FEMA provides states funding on a cost-share basis for projects that will help in preparation for another flood. Very significant disasters can open the possibility of large sums being made available. The difficulty, however, is that these monies come only after a disaster has occurred, at a time when the state is struggling to manage major recovery projects as well. It can be difficult under this construct to make advance plans for use of such funds, set thoughtful priorities for action, and create strong institutional capacity within the states and localities to reduce risk.
The PDM program, FEMA’s primary vehicle to help states and local communities take mitigation actions before major storms, is more modest in size than HMGP, and yearly demand for these grants far exceeds available funding. Of the $277.6 billion that the federal government obligated on disaster assistance from 2005 to 2014, very little went to this program to help communities reduce their risks before hurricanes and floods hit. According to a recent report by the U.S. Government Accountability Act, spending on the PDM grants fell from $157 million in 2005 to $19 million in 2014.

**Pre-Disaster Mitigation Spending Decreased From $157 Million in 2005 to $19 Million in 2014**

![Graph showing decreasing spending from 2005 to 2014.]

Note: FEMA Pre-Disaster Mitigation grant spending (millions of dollars)


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**Why a revolving loan fund rather than a grant program?**

For communities with significant flood risks, comprehensive mitigation can be a large undertaking that will require multiple activities, often including expensive long-term projects or assistance to individuals, businesses, or other local institutions. A revolving loan fund offers the potential for creating a relatively stable source of funding for that ongoing work and is well suited to helping a community and its residents make important incremental advancements on a broad portfolio of mitigation plans.

Once capitalized, a revolving loan fund can be managed to create a relatively predictable flow of dollars linked to an identified “pipeline” of projects and matched to the capacity of the state agency helping to manage and oversee projects. As payments on outstanding loans are returned to the fund, new projects can be undertaken and new opportunities assessed. In this way, even a modest federal expenditure for an RLF program can leverage a lasting and large return on investment, growing over time and fostering an enduring commitment to preparation and mitigation.
Are there existing models for revolving loan fund programs?

Many states and municipalities have experience with revolving loan funds, and the approach has been used to support affordable housing, renewable energy, clean water, energy efficiency, and other community interests.

The Clean Water SRF (CWSRF) program was established in 1987, when the Environmental Protection Agency’s (EPA) direct funding of wastewater infrastructure shifted to capitalization grants for state-administered revolving loan funds. Under this construct—as proposed in S. 1507—the states add their own dollars to funds provided by the federal government and manage the monies to make loans, and in some instances grants, to communities. Some states leverage these dollars further with revenue bonding. As principal and interest is paid, the dollars “revolve,” allowing additional projects to be undertaken. From the program’s inception through 2016, this approach has leveraged $41 billion in federal monies for $118 billion of investment in clean water infrastructure.

The success of CWSRF also led to the 1996 creation of a similar program for drinking water. The Drinking Water SRF (DWSRF) funds construction and rehabilitation of critical drinking water infrastructure as well as technical assistance and other efforts to ensure the safety of public water supplies. For this program, federal assistance through the years has totaled just over $19 billion, fostering total investments of more than $32.5 billion through 2016.

Can’t the existing revolving loan funds pay for mitigation projects?

Though limited dollars from both of these funds have been used for flood preparedness, flood mitigation is not the overall objective of the CWSRF or the DWSRF programs. Many important flood mitigation projects, such as building elevations, dry or wet flood proofing, homeowner buyouts, or creation of berms or floodwalls, would not be eligible for funding. The mitigation SRF proposal is designed specifically for flood preparedness and risk reduction. Moreover, the mitigation SRF would be administered by FEMA, which has proper authorities and expertise to manage it.

Could a new revolving loan fund help individuals and communities that can’t afford to repay loans?

In similar fashion to the provisions of the Clean Water Act and the Safe Drinking Water Act, S. 1507 sets basic parameters regarding eligibility, repayment schedules, and collateral or other sources of revenue available to loan applicants. States would operate their new mitigation programs within these parameters, but would be able to offer loans at lower rates or make outright grants in certain instances, largely based on the economic capacity of a community or income level of residents and applicants.

For additional information, please contact Laura Lightbody, llightbody@pewtrusts.org or Velma Smith, vsmith@pewtrusts.org
State Revolving Loan Fund for Flood Mitigation

Numerous studies have shown that flood mitigation actions taken before a storm can save lives and dollars. But while payoff for pre-disaster mitigation can run upwards from $4 for every $1 invested, federal spending for post-disaster recovery still far exceeds pre-disaster spending. New proposals to fund state-run revolving loan funds would help to shift the focus of federal disaster spending and allow states to plan for and implement priority projects to prevent flood damages. Though new to the Federal Emergency Management Agency (FEMA), the revolving loan fund model has been used with great success by many states to upgrade drinking water infrastructure and improve water quality.

Federal capitalization provides initial funding

States add share

State gives low-interest loans & grants for mitigation

Principal & interest returns to the fund and becomes available for new projects

States & communities may leverage funds by issuing bonds

State works with communities to select top priority projects for funding, such as improved stormwater management, home buyouts and elevations, wetlands restoration, and open space protection

For additional information, please contact Laura Lightbody, llightbody@pewtrusts.org or Velma Smith, vsmith@pewtrusts.org
Needed: A New Federal-State Partnership for Flood Mitigation

State revolving loan funds would reduce risk and save taxpayers money

Overview

Flooding is the most costly and common natural disaster across the U.S., claiming lives, damaging households and businesses, and straining government budgets for flood response and recovery. As severe weather events have spiked in recent decades, it is clear that the federal government must break the cycle of paying to rebuild properties in vulnerable areas that flood repeatedly. It can do so — with a $6-to-$1 return on investment — by increasing support for state disaster preparedness efforts, starting with a new revolving loan fund program.
Current programs fall short of flood mitigation needs

Two key grant programs of the Federal Emergency Management Agency (FEMA) support projects aimed at reducing disaster risk: the Hazard Mitigation Grant Program and the Pre-Disaster Mitigation Grant Program (PDM). However, neither has been sufficient to address the nation's pressing need to prepare for floods. Of the $277.6 billion that the federal government spent on disaster assistance from 2005 to 2014, very little went to mitigation. In fact, spending on PDM grants fell from $157 million in 2005 to $19 million in 2014.

Figure 1
Pre-Disaster Mitigation Spending Decreased From $157 Million in 2005 to $19 Million in 2014

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States need a stable source of funding for more disaster mitigation

State revolving loan funds would enable more communities to take measures to reduce risk, such as elevating buildings, putting vents in the lowest level of structures to reduce pressure on the walls and allow floodwater to pass through, buying out homeowners, and larger-scale projects such as improving stormwater management and building berms or flood walls.

Each fund would be capitalized with dollars from FEMA and the state. States would manage their funds under general principles established by FEMA but tailored to the state’s unique flood risks and priorities. As payments on outstanding loans are returned to the state funds, these flood mitigation dollars would become available for additional projects. This approach allows each state to establish a relatively predictable flow of money to a pipeline of new projects. In this way, even a modest federal expenditure can leverage a large return on investment and foster an enduring commitment to preparation and mitigation.

The revolving loan fund is a tested model

Many states and municipalities have experience with revolving loan funds. They have been used to support affordable housing, renewable energy, clean water, energy efficiency, and other community interests.

The Clean Water State Revolving Fund program, for example, has financed improvements to wastewater infrastructure. From its inception in 1987 through 2016, the program has leveraged $41 billion in federal monies for $118 billion worth of clean water infrastructure. Its success led to the creation in 1996 of the Drinking Water SRF. Just over $19 billion in federal assistance to this program has fostered more than $32.5 billion in investments through 2016.
A better investment of our taxpayer dollars

Severe weather events have spiked in recent decades. Since 2000, flood-related disasters in the U.S. have accounted for more than $750 billion in losses,1 with taxpayers footing much of the bill through federal recovery programs. Congress must invest more wisely by allocating money to a revolving loan fund program for flood mitigation and encourage states to participate. It is vital to establish this program soon to enable communities to reduce the risk of lives lost and damage before the next storm hits.

Endnotes


4 Ibid.


For further information, please visit:
pewtrusts.org/flood-prepared-communities

Contact: Laura Lightbody
Email: ilightbody@pewtrusts.org
Project website: pewtrusts.org/Flood-prepared-communities

The Pew Charitable Trusts is driven by the power of knowledge to solve today’s most challenging problems. Pew applies a rigorous, analytical approach to improve public policy, inform the public, and invigorate civic life.
SUPPORT FOR THE STATE FLOOD MITIGATION REVOLVING FUND:

American Planning Association  National Resources Defense Council
American Rivers  Reinsurance Association of America
American Society of Civil Engineers  Smart Home America
Association of State Floodplain Managers  The Nature Conservancy
Enterprise Community Partners  The Pew Charitable Trusts
Insurance Institute for Business & Home Safety  Union of Concerned Scientists
National Institute of Building Sciences  U.S. Resiliency Council

THE PROBLEM

Flooding is the costliest and most common natural disaster in the U.S., claiming lives, damaging households and businesses, and straining government agencies that provide flood response and relief. Since 2000, flood-related disasters have cost over $750 billion. The federal government and states need to pursue more investment before disasters strike to help protect our communities and lower the cost burden on American taxpayers in future floods.

THE VALUE OF FLOOD MITIGATION

According to a 2018 report by the National Institute of Building Sciences, for every dollar spent on hazard mitigation, the nation saves $6. In the case of riverine flood, projects involving acquisition or demolition of flood-prone buildings save $7 for every dollar invested. The benefits come largely from avoided property damage, casualties associated with storms, and savings when businesses and communities quickly return to normal following a flood event.

Despite these findings, the federal approach to flood disasters continues to focus on response and recovery while underinvesting in preparation. In too many instances, infrastructure or homes are rebuilt as they were, only to flood again. Investments in pre-disaster mitigation have historically failed to meet demand, perpetuating this cycle of loss and repair. Although the federal government spent $277.6 billion from 2005 to 2014 on overall disaster assistance, the Federal Emergency Management Agency (FEMA) has spent just $600 million on its Pre-Disaster Mitigation grant program over the same time period.

NEEDED: A NEW FEDERAL-STATE PARTNERSHIP

The federal government can break the cycle of paying to repeatedly rebuild by increasing investments before disasters strike. FEMA and other federal agencies, however, cannot solve this problem alone. Localities and states are key decision-makers for policies that affect flood risk, with clear authorities to guide new development away from hazardous areas and enforce building standards that will protect lives and property.

A cost-sharing partnership, capitalized, in part, with federal monies administered by states, and tailored to unique local needs, could provide a long-term, self-sustaining source of financing for a
wide range of projects. Since its inception in 1987, for example, the Clean Water State Revolving Fund has leveraged $41 billion in federal investments and 7.6 billion in corresponding state contributions for $118 billion in high priority water quality projects. The revolving loan fund model, also used successfully for drinking water treatment facilities, energy efficiency projects, and economic development, could address the nation’s flood preparation needs as well.

THE SOLUTION

Legislation introduced in Congress for a State Flood Mitigation Revolving Fund program (S. 1507) would create a new partnership with states to provide low-interest loans for projects that save lives and dollars.

With federal backing and local engagement, this legislation would allow each state to select and implement the types of mitigation projects best suited to the unique flood hazards it faces. Projects supported by the individual state revolving funds could include elevations and flood proofing of public buildings, businesses, and residences; improvements to stormwater management; assistance to local residents who wish to move out of harm’s way; or converting frequently flooded areas into open space amenities.

With billions of dollars and countless lives at risk, and following yet another year of record-breaking storms and floods, now is the time for Congress to act.
Red River Watershed Management Board

**BOARD AGENDA ITEM**

**Agenda Item Title:** Legislative Report

**Meeting Date:** May 15, 2018

**Item Type:** Information

**Prepared By:** Lisa Frenette

The legislature is in the final stretch of the legislative session and there is still a lot of work to be done. Conference committees have started with every bill being wrapped up in one 600 plus page bill. This should be interesting because the Governor has announced that he will veto an Omnibus bill that is loaded with every topic heard by the committees in each body. This veto doesn't even take into consideration policy provisions the Governor has publicly announced that he wouldn't support.

**Flood Damage Reduction:** The House presented its Capital Investment (bonding) bill last week. The matched the Governor's recommendations of $20 million for flood damage reduction. Rep. Dan Fabian has been a staunch supporter of a larger flood damage reduction bill and by all accounts this funding is one of the largest in years for flood damage reduction. The Senate's Bonding bill is due out by the end of the week.

**Buffer Tax Credit (HF4295/SF3960):** A bill was recently heard in Taxes and is moving the the House Legacy committee which would give farmers a $50 per acre tax credit appropriated through the Clean Water fund. Landowners would be required to fill out paperwork with their County Auditor to receive the credit. The language is controversial because it is an open-ended appropriation from the Clean Water fund and it has no expiration date. The Senate bill is currently in the Tax committee.

**Modifying Watershed District Provisions (HF3805/SF3379):** This bill was introduced in mid-March to accommodate a developer who was upset with buffers he was required to put in for a development. We were assured that the language was introduced for discussions purposes only but have recently learned that they would like to find commonalities that could be inserted into conference committees without having a hearing or vetting with watershed districts. They are asking watersheds to agree to the following language:

- Limit watershed buffers to 25 feet.
- Mandatory SONARS for watershed districts.
- Remove "pre-settlement" standards.
- Compensation for divesting of water rights.

This document prepared by: Lisa Frenette, RRWMB Legislative Liaison
1. FDR work group – The next work group is scheduled for May 16th in Detroit Lakes at the Tamarac National Wildlife Refuge. The primary focus of this meeting is reviewing the strategic planning input gathered at the March Conference. There will be a presentation about the monitoring activities performed by the IWI relating to the FDR project and review of the current Accelerated Grant applications. During the May FDRWG meeting there will also be discussion about FDRWG and TSAC membership to update the current lists.

2. FDR grants- Status of the FY2018 grant for implementation of the 1998 mediation agreement. The request for expenses for the third quarter have been sent out to the project teams. Once all the expenses are gathered the third quarter request for reimbursement will be submitted.

3. Project Acceleration Grants- Two applications for project acceleration grants have been received. The applications will be reviewed at the May FDRWG meeting. The two projects applying for grant funds are Black River Impoundment and Swift Coulee. For FY18 $23,000 was budgeted for this work item.
Red River Watershed Management Board

BOARD AGENDA ITEM

Agenda Item Title: Public Information Committee Update
Meeting Date: May 15, 2018
Item Type: Information
Prepared By: Robert L. Sip, Executive Director

Background: The Public Information Committee (PIC) met on April 30, 2018 to discuss several items including the RRWMB website, communication and outreach assistance from the Red River Basin Commission, past and recent communication activities, the need for new factsheets and outreach information, conference display needs, and outreach during the strategic plan update. Attached are two outreach pieces that have been recently developed, and include the following:

- PIC May 2018 Update
- Current RRWMB Goals

A factsheet regarding the RRWMB levy is being developed and monthly meeting highlights are being distributed each month in additional to a factsheet illustrating the results of the March 2018 Conference. Contact has been made with several of the member watershed districts to attend their upcoming board meetings. In addition, the Association of Minnesota Counties and the Minnesota Association of Townships have district or regional meetings scheduled for this summer. Staff have been in contact with these two organizations to determine if the RRWMB can present and share information about the RRWMB.

Action Being Requested: None – information only.

This document prepared by: Robert L. Sip, RRWMB Executive Director
Current Goals

1. COORDINATION - It is a supporting objective of the RRWMB to provide leadership for the coordination of projects and programs related to water management. The RRWMB accepts this leadership role as a matter of policy.

2. FINANCIAL SUPPORT - It is a supporting objective of the RRWMB to participate in funding initiatives which include projects and related programs that encourage consideration of mainstem benefits and enhance environmental and water resources. It is current policy of the RRWMB to participate in funding of member watershed district initiated projects meeting RRWMB established criteria for financial support and other initiatives beneficial to the basin.

3. BASIN PLANNING - The RRWMB assists private, local, state, interstate, federal, or international water management and natural resource activities within the Red River Basin, through coordination and assistance with implementation. The RRWMB assists planning efforts at all levels within the Red River Basin and is committed to supporting basin planning efforts as a matter of Board policy.

4. WATER QUANTITY - The RRWMB supports projects and programs for the alleviation of damage by floodwater, with an additional emphasis on maintaining low flow conditions for the aquatic environment and providing water supply for public use. It is Board policy to support flood control and water conservation projects.

5. WATER QUALITY - It is a supporting objective of the RRWMB to provide assistance for studies, programs, initiatives and projects to improve water quality. It is a policy of the RRWMB to support ongoing studies, initiatives, and programs for the improvement of water quality.

6. EROSION AND SEDIMENTATION - It is a supporting objective of the RRWMB to provide assistance for studies, programs, and initiatives, including cooperative efforts with other agencies, to reduce soil erosion and sedimentation. It is a policy of the RRWMB to support studies, programs, and initiatives conducted by federal, state and local agencies for the reduction of soil erosion.

7. EDUCATION - It is a supporting objective of the RRWMB to support development of informational and educational programs related to water and natural resource management concerns. It is a policy of the RRWMB to utilize education as a tool to inform the public on issues related to the conservation of water, soil, and the preservation and enhancement of natural resources in the basin.

8. RESEARCH - It is a supporting objective of the RRWMB to provide assistance for basic and applied research related to natural resources management within the Red River Basin. It is a policy of the RRWMB to commit to an administrative and financial role in supporting and sponsoring relevant research related to water and natural resource management within the Red River Basin.

9. PUBLIC INFORMATION - It is a supporting objective of the RRWMB to inform the public of water management activities and concerns. It is a policy of the RRWMB to promote a strong public information program to educate the public regarding its operations and initiatives.

10. CONFLICT RESOLUTION - The RRWMB shall work toward the resolution of conflicts regarding water management. The RRWMB is committed to the resolution of conflicts and methods to reduce conflict include, but are not limited to negotiation, mediation, arbitration, or legal action. It is a policy of the RRWMB to commit itself to the speedy and efficient resolution of any conflicts related to managing the basin’s water resources.

MAY 2018
The Red River Watershed Management Board (RRWMB) is working on a strategic plan that will include outreach to local units of government. The RRWMB will be increasing outreach and communication efforts in the coming months and has implemented the following to increase transparency and to share more information about its activities:

Public Office Location - The RRWMB has established its principal place of business in Ada, Minnesota. The office will be co-located with the Wild Rice Watershed District in mid to late 2018. RRWMB staff are temporarily located in the Arvig Building in Ada. This is the first time the RRWMB has had a public office and staff are looking forward to your visit to Ada.

Annual Conference - The joint event between the Red River Basin Flood Damage Reduction Work Group and the RRWMB provides a venue for knowledge sharing, technical transfer of information, relationship building, and the opportunity for the RRWMB to share information about current activities.

Communication Plan - In 2016, the RRWMB finalized a communication plan that will guide its outreach and communication efforts. This document also builds off of data and information that was received during a Public Information Campaign from 2008. In addition, the University of Minnesota Completed a Social Science Assessment of Conservation in the Red River Basin in 2014. This study provides a wealth of information that the RRWMB can draw from social attitudes related to water and natural resources management and flooding. The study can be found here:


We look forward to working with you and your organizations in 2018 and beyond.
Executive Director Report
May 15, 2018

The Red River Retention Authority has assisted with the following activities and participated in the following functions since RRWMB meeting on April 17th.

1) Participated in April 24th and May 10th Red River Basin Agricultural BMP Workshop planning team teleconferences. Workshop is now being proposed for April 9 and 10, 2019 at the University of Minnesota Crookston campus.

2) Developed a second RCPP watershed postcard (see attached draft). I requested NRCS review and approval of the draft and postcard was to be mailed out April 27th. This mailing is part of the RRRA’s agreement 68-6633-16-512 with NRCS.

3) I have contacted the Minnesota WD’s with RCPP watersheds requesting to be on an upcoming board meeting agenda so Debra Walchuk, NRCS, RRB Coordinator and I can get an update on the status of RCPP watershed plans and to offer assistance in the plans completion. We plan to meet with all WDs by the first week of June. To date we have meet with the following WD’s:
   • Two Rivers WD - April 11th
   • Bois de Sioux WD - April 19th
   • Wild Rice WD - April 25th
   • Sand Hill WD - May 1st
   • Red Lake WD - May 10th

4) On May 3rd I provided a brief RCPP watershed update to US Senator John Hoeven and North Dakota Governor Burgum at the Fargo-Moorhead Chamber of Commerce Ag Committee meeting held at the chamber’s Moorhead office. Rob Sip, Executive Director, Red River Watershed Management Board also accompanied me. I expressed a need for future RCPP funding and PL83-566 Small Watershed Program funding in the next one to two years.

5) I attended the Red River Joint WRD meeting on May 9th in Hillsboro, ND. I gave a brief Executive Director report in which I specifically discussed the need for some ND WRDs to request one-year extensions to their RCPP watershed contribution agreements. Also emphasized that the 1-year extension is a one-time extension and there are no other extensions of their existing contribution agreement.

6) I will be on leave May 11 through May 16, but can be contact by email rrra@ideaone.net or 701-566-2121.
IS YOUR FARM’S SOIL READY FOR THE NEXT BIG RAIN?
DID YOU KNOW?

More than 80% of the annual sediment lost in field runoff occurs in the months of May and June. Controlling soil loss during this critical period also controls significant amounts of the phosphorus and nitrogen in surface runoff. Conservation practices in the right places will help reduce these losses and retain water in the soil profile.

Visit nd.nrcs.usda.gov and mn.nrcs.usda.gov

Red River Basin of the North
Regional Conservation Partnership
Program Project Areas

Red River Basin of the North Regional Conservation Partnership
Program Project Areas

- Improving the health of your soil by:
  - Reducing Erosion
  - Building Soil Organic Matter
  - Improving Soil Water Holding Capacity
  - Increasing Soil Infiltration Rate
  - Reducing Salinity
  - Improving the Nutrient Cycle

Learn about soil health and what farmers are doing to reduce sediment and nutrient losses and reduce runoff. Contact your local NRCS Service Center and Soil and Water Conservation District for technical and financial assistance to address resource concerns on your farm and ranch. Ask about a no obligation consultation of where the most critical areas are located on your farm.
April - May 2018 International Water Institute Activity Report

FDR, Condition, Watershed, and SWAG Projects:

- The 2018 WPLMN project is underway with a sampling schedule that will follow hydrograph conditions throughout the months with ice free conditions. Staff have also started load calculations working with 2016 flows and concentrations. Sixteen (16) contract loads of the 42 are complete. 2017 field and lab data has been submitted to the State system for samples collected through December 2017.

- WPLMN contract amendment/extension process for the 2018 and 2019 sample seasons is complete. A contract amendment was executed April 2, 2018. The amended contract has sunset date of June 30, 2020.

- BRRWD monitoring project for 2018 will begin in April upon contract execution. We are currently preparing a bid to collect samples for bacteria, nutrients, and sediment at 27 sites monthly April through October 2018. Field and lab data will be submitted to the State system.

- MN Department of Ag pesticide project will resume in May. Eight (8) sites will sampled in the Red River Basin for nutrients and pesticides. Four (4) sites; Roseau at Caribou, Snake at Alvarado, Tamarac at Florian and Two at Hallock will be sampled bi-monthly May through August. And four (4) sites; Snake at Alvarado, Tamarac at Stephen, Red Lake at Fisher, and Grand Marais Creek will be sampled bi-monthly May through September.

- The 2017 rapid floristic quality assessment (rFQA) protocol work at 10 FDR project areas within the Red River Basin is complete. Project areas assessed include: Euclid East, Lockhart, Norland, Ross, Angus Oslo #4, Angus Oslo #1, Brant Angus Coulee, West Intercept, Manston Slough and Palmville Fen. The focus of the monitoring covered biological quality/biological condition, of wetlands within these project areas. 2017 results were presented March 20, 2018 at the Technical Seminar in Moorhead. Final reports with supporting data and documentation was submitted to the DNR/FDR Project Coordinator and the RRWMB Executive Director on February 2, 2018.

River Watch:

- The 23rd annual River Watch Forum was held February 7, 2018 at the Alerus Center in Grand Forks. Three-hundred (300) students attended. The River Watch teams created a plan for a service project focusing on stewardship of a local waterway. All teams crafted a project proposal which included: (1) clear project description, (2) benefits the project will provide a local waterway, and (3) a plan of action to ensure it is completed. Annual awards were presented along with a full day of breakout session learning opportunities.

- The work plan for the 2018 -2019 RW-CWL project was approved by MPCA. Contract execution occurred January 24, 2018. New work plan activities include River of Dreams for elementary students and the establishment of continuous monitoring stations at 6 basin locations.

- The final report for the 2016 – 2017 RW-CWL project is complete. The report was sent to RRWMB Executive Director on April 25, 2018 and was distributed to all the required legislative committees, the MPCA and MDE Commissioners and was posted to the IWl website. A final request for reimbursement and project closeout paperwork were also submitted.

- Two (2) North Dakota River Watch schools (Larimore and Minto) presented at the ND Water Quality Monitoring Conference in Bismarck on March 7th and 8th. The schools gave an overview of their monitoring sites including results as well as highlighted other watershed education activities they were involved in 2017.
RRWMB Mainstem Flood Damage Estimate/BCA
- Presentation to RRWMB 4/16 (prior to the strategic planning session.
- Met with RRWMB Executive Director / TAC 5/1/18 to discuss next steps
  - No follow-up presentation to MN FDRWG.
  - TAC will recommend exploring “other ways” to justify DDS projects at the next RRWMB meeting.

PTMApp
- ND hydro-conditioning continues.
- Wild Rice (ND) inputs completed/QAed. PTMApp processing underway.
- Planning PTMApp landowner Stewardship meetings scheduled for May 25.
- Asked by county commissioners to present James River PTMApp (and other IWI Web Tools) at 7 ND county meeting June 21st.
- Per request, provided PTMApp budget for entire remaining RRB in US and Ca to Lance Yohe.
- Updates/bug fixed to ND PTMApp site.
  - Working on maintenance and training work plan/scope.
- MN PTMApp site moved to MN IT.
- Roseau Watershed PTMApp processing completed/QAed.
  - DRAFT “Top 100 Projects” map shared with partners
  - Project update memo and PPT shared with partners.
  - Workshop scheduled May 30th – Last task identified in the LCCMR Project.
- Bois de Sioux/Mustinka Watershed PTMApp agreement executed with Technical Service Area 1 ($60K).

Administration
- Staff evaluations
- Office furniture (donation) secured.
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- WRWD-Wild Rice Watershed District
- RLWD-Red Lake Watershed District
- BdSWD-Bois de Sioux Watershed District
- BRRWD-Buffalo Red River Watershed District
- FDRWG-Flood Damage Reduction Work Group
- 1W1P-1 Watershed 1 Plan
- PT-Project Team
- WRAPS-Watershed Restoration and Protection Strategies
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