

Little McDonald Kerbs Paul Lake Improvement Annual Meeting
July 6, 2019 (approved)

Perham Area Community Center

Agenda

Call to Order: Jim Nigg called the meeting to order at 9:00 AM.

1. Introductions: Board Members, guests- Jim Nigg introduced present and past board members. Current board members attending were Jim Nigg, Mark Plencner, Bill Putnam, Glenn Schreier, Ardell Weigandt, Dan Gleason, Blair Anderson, Al Bierdeman and Denny Davidson. Guests present were Mike Opat and Pat Downs of Moore Engineering, John Shockley of Ohnstad Twichell law firm and lobbyist Cap O'Rourke. Jim N. also acknowledged Dennis Sazama for his contributions. Kathy Anderson made motion to accept the agenda. Hank Willenbring seconded. Motion passed.

Old Business:

2. Secretary's Report-Approve 2018 meeting minutes.

Roger Neitzke made a motion to approve the 2018 meeting minutes, Joe Esser seconded Motion passed, 2018 Annual Meeting minutes approved.

3. Water Quality and Testing Reports. Secchi Disc readings: Paul Lake: May 13 feet, June 13 feet- Maggie and Trent Swanson. Kerbs Lake: May 14 feet, June 15.5 feet- Cindy and Larry Mollins. Little McDonald Lake: May 16 feet, June 16 feet-Bonita and Jim Haider.

4. Lake Water Levels. Little McDonald Lake: Ice-off, April 28, lake level +10.0" OHW. July 2019 +14.0" OHW-Dave Wenzel. Paul Lake: Ice-off, April 26, lake level +10.5" OHW. July 2019 +17.5" OHW-Glenn Schreier.

5. Zebra Mussel testing. RMB Labs continues to do our testing. Again there has been no presence of veligers. An adult was spotted in Little Mac. This could have been introduced by a boater or an animal.

6. Project Engineer's Report. Mike Opat. Mike passed out a sheet summarizing the project details. The maximum combined discharge to the Otter Tail River is 20 cubic feet/second. (cfs). This equates to the LMKP LID pumping 15 cfs and the DLD LID pumping 5 cfs. If the DLD LID is not pumping we can pump 20 cfs. Pumping started in Sept. 2018 and the project will be substantially completed by Nov. 2019. The project is expected to come in under budget. The pumps will be operated by Otter Tail County. Kevin Fellbaum is in charge of determining when the pumps will operate. The

pumps can be operated during the winter. Variables include the level of downstream lakes, etc. Monitoring gauges are either staff gauges or markings on structures (dams, bridges, culverts). These gauges are installed on the LID lakes, Otter Tail River (multiple locations), and downstream lakes (Little Pine, Big Pine, Rush and Mud). So far 1.2 billion gallons have been pumped. Pumps have been off since March 25 due to downstream water levels. There has been a maintenance fund set up for the common leg with both the LMKP and DLD LIDs contributing. Our LID is building up a fund for future pump maintenance and/or replacement. Funds will also cover required testing and monitoring. Our LID has hired Northwest Services (Mike Kurkowski) to maintain the system. He is under an annual contract. The LID has elected to utilize the off-peak power supply to save money. Our average monthly electricity cost is about \$5,500.00. This is below our initial projections. Special assessments to the LID will be \$1,459,000. This is below the initial estimate of \$2.5 million. The assessment hearing is scheduled for August 24, 2019. Assessments will be finalized after the hearing and will appear on the 2020 Tax statements. Mike reminded us that easement areas are private property and are allowed for pipeline construction and maintenance only. They are not to be used for public access to lakes or private property. The LMKP LID owns 5 acres around the pump station. It is fenced with locked gates and access is controlled by the LID board. A question was brought up about the lights on the pump house. When pumps are running the green lights are on. Moore Engineering donated a metal plaque to be placed near the pump house.

7. Project Coordinator's Report. Pat Downs. Any money left is to pay for small jobs remaining by the contractors, ie. seeding, etc. Pat presented a Project Expense Summary sheet. The project cost has been \$11,296,378.00 to date. Of that figure, \$7,012,765 has been for the LMKP leg and \$4,283,613 for the DLD & common leg. The final forecasted cost is \$11,374,000. There will be a long-term bond for \$1,459,000 required. The initial assessment was expected to be \$2.5 million. This is for project costs above the \$10 million state money. We are working on getting state funding for this amount. Brian Hagen and Seth Novak, of Little Mac, commented on an abandoned common septic system on the north side of Little Mac. It was decommissioned in 2015 and they are trying to get any utility locating costs eliminated. They said that when dealing with Gopher One be specific about who pays for it.

8. Legislative Report-Angela Willenbring and Capp O'Rourke. When seeking additional monies for the Kerbs outlet/channel, 2020 is the next state bonding year. Two bills were introduced this year. We asked for \$1.375 million for cost overruns. The 2020 state bonding bill will be approximately 1-3 billion dollars. The cash availability under which our request falls is about \$150 million. Reps. Bud Nornes and Bill Ingebretson are working hard for us. Angela asked that we keep in contact with our reps on this.

9. Kerbs Lake Outlet/Channel update-Blair Anderson. A task force of lake residents has been formed to address it and make a recommendation to the

LID Board. This task force includes Jim Nigg, Blair Anderson, Dawn Edvall, Kathy Anderson, Jim McLeod and Angela Willenbring. The money will come from the 2020 session. A resident of Little Mac and Kerbs Lake then presented a list of objections to the proposed channel project. Jim Nigg answered her objections by commenting that we do not do anything without legal consultation. A resident of Little Mac commented about signage near the area where water flows from Little Mac into Kerbs and was unhappy that his grandchildren were hollered at when kayaking near that area.

10. Chapter 429 Report-John Shockley, LMKP-LID Attorney. John reaffirmed that the initial assessment was going to be \$2.5 million. It is now \$1.459 million. The interest rate on the bond will be 4.65%. There will no penalty for an early pay-down. He recommends payment of the first year, and then waiting to see if the funding for an additional one million comes from the state. The August 24, 2019 meeting should answer all questions. The Chairperson called for a emergency Board of Director's meeting, following the Annual Meeting, to approve the necessary Chapter 429 resolutions.

11. Treasurer's Report-Bill Putnam. He presented the 2018 budget and all expenses. He said that the cost for going under the railroad tracks was the largest unexpected project expense. This included the labor and insurance. Roger Neitzke made motion to approve this budget report. Joe Esser seconded. Motion passed. He then presented the 2019 YTD expenses through 6/30/2019. The \$15,000.00 for lobbying was the only unexpected expense.

New Business:

12. Election of New Board Members. Jim Nigg recognized the outgoing board members: Ardell Weigandt –served 2 terms. Glenn Schreier-served 2 terms. Al Bierdeman-served 1 term. Job Well Done!!! The new candidates were then introduced-Boone Caughey-Paul Lake, Steve Kulik-Kerbs Lake, and Steve Nelson-Kerbs Lake. Dave Dunning made motion for a unanimous ballot to be accepted. Jim McLeod seconded. Motion passed.

13. Proposed 2019-20 Budget-Bill Putnam. The Board of Directors has a audit being conducted as a routine Board practice. Results will be posted when the audit is complete. He included \$7,500.00 for this. Potential operational expenses are \$95,500.00. Line items which include a reserve fund for pump replacement (\$9,000.00) and a common-leg maintenance fund (\$2,000.00) will be eliminated. This will bring the 2020 LID Operating Budget to \$111,000.00. This is one thousand dollars more that 2018-19. An addition was made to this budget report that the LID treasurer use funds from LID reserves to establish an interest generating account for pump house equipment repair for \$75,000.00 and to pay in full the LMKP-LID contribution to the LMKP-DLD Common Leg Maintenance Account of \$16,000.00. Joe Esser made motion to approve this budget. Roger Neitzke seconded. Motion passed.

14. Please visit The LMKP-LID web page for updated information on LID activities. Huge thanks to Jeff Lohman and Marcia Weigandt for their work with this site.

15. Adjourn-Bonita Haider made motion to adjourn the meeting at 10:25 AM. Charlie Stark seconded. Motion passed.

Special Notice: LMKP-LID Chapter 429 Assessment meeting, Saturday, August 24, 2019, 9:00 AM, Perham PACC. Please try to arrive early so we can get everyone registered and start promptly at 9:00 AM.