

**THESE MINUTES HAVE BEEN PROOF READ BUT NOT OFFICIALLY APPROVED**

**Little McDonald Kerbs Paul Lake Improvement District**

**Annual Meeting**

**July 9, 2016**

**Perham Area Community Center**

The annual LID meeting was called to order at 9:00 A.M. by President Roger Neitzke.

LID Board members were introduced: Roger Neitzke, Jim Nigg, Bill Putnam, Mark Plencner, Joe Esser, Ardell Weigandt, Glenn Schreier, Dan Gleason, and Les Konley.

Mike Opat and Pat Downs, project engineer and project coordinator of Moore Engineering were also introduced.

Roger reminded the audience of the red and green voting cards.

**Secretary's Report**

Copies of the 2015 annual meeting secretary's report were sent to each member prior to this meeting. No additions or corrections were indicated by the members. A motion was made by Jerry Otteson with a second from Judith Lightowler to approve the 2015 LID Annual Meeting Minutes. Motion carried.

**Treasurer's Report by Bill Putnam**

Bill reminded residents that income happens in June and November when assessments come in from the county. A line of credit is necessary to cover any bills not eligible for state bonding funds. State Bonding dollars became available July 1, of 2015. A review of the LID 2016 income, \$180,000.00, (approved at \$285,000.00 and lowered to \$180,000.00 as pumping was not needed). Operations expense including general operating and special projects plus outlet operational expenses were reviewed. Checking balance was listed as \$96,332.83, remaining state grant dollars at \$7,223,780.27. The line of credit balance is \$348,733.15 after interest paid and loan paid totaling \$151,266.85. Al Bierdeman asked a question if the line of credit can be paid off? Answer, yes using Temporary Bonding dollars to be approved in August of 2016 at a much lower interest rate saving LID district interest dollars. Another question: how much is the archeology going to cost:? and who is doing the work? Mike Opat responded about \$100,000.00 and Blondo Consulting has been hired to do the work. Sue Mayhuber asked if the archeology costs were budgeted? Answer: they will be covered with state bonding dollars. Another question from Dave Lydeen regarding what Moore expenses were for? Answer: permitting, EAW study, well studies, project design etc. A general question surfaced that bills submitted by contractors should be available and Bill P. indicated that they will also be included on the web page after each LID board meeting. A motion was offered by Al Bierdeman with a second by Jim McLeod that the treasurer's report be approved. Motion carried.

## **Temporary Bonding**

John Shockley, LID District attorney has arranged for \$1,500,000.00 of General Obligation Temporary Improvement Bonds. These Bonds will close on August 3, 2016 and will be available at 1.375 %. Some of these bond dollars will pay off the existing line of credit, which carries a 4% interest rate, These funds will be located in an interest bearing account at United Community Bank and will be used for expenses not eligible for state bond dollars such as Right-of-way-costs above appraised values etc.

## **Water Quality**

Little McDonald resident Jim Haider reported that he and his wife Bonita do the water sampling together each month on the third weekend of each month from May through September. Lake Association volunteers then transport the water samples to RMB Labs in Detroit Lakes for testing. Secchi disc readings measure the depth of the water clarity. On May 20,2016 it was 16 feet, on June 21 it was 23 feet. Many factors can have an effect on the readings such as windy weather prior to testing. Larry Mollins reported similar readings on Kerbs Lake that he samples with his wife Cindy.

Dave Wenzel who has measured the lake water levels on Little Mac, for many decades, stated freeze-up,in 2015, on December 27 and ice-off on April 6. This was a very late ice on and an early ice off. A water level reading on July 8 showed that Little Mac is down 5.75 inches this year with the present level just over two feet above ordinary high level. Glen Schreier does the water level readings on Paul Lake. On July 8,2016, Paul Lake is 2.23 feet above Ordinary High Water. Thanks to these volunteers for the work they do.

## **Zebra Mussel Testing**

President Roger Neitzke reported that the LID District Lakes were tested for zebra mussels the first week of July and results are not available at this time. The DNR inspected docks and lifts on our LID lakes last fall,2015, and found no evidence of attached zebra mussels. A trained dog helped in this inspection. 2016 results will be posted with LID meeting minutes when the DNR releases the results. Zebra mussels will not affect our venting project.

## **Ditch 25**

Roger Neitzke stated that the Board of Directors has reviewed the necessity of our LID being a part of that drainage system. The original plan was to use gravity flow and drain into the Ditch 25 connected chain of lakes. The listing of our LID lakes as infested with zebra mussels along with a restricted pumping operating plan makes that plan very expensive and not a good choice to vent our high water levels. A motion was made by James Mann with a second by Judy Lightower to withdraw from the Ditch 25 drain system and avoid associated county assessments. Discussion followed with Fred Bauch saying we should stay in as he noticed a very small assessment to his county taxes. Jeff Volk also indicated his interest in staying in the ditch 25 system. The motion failed,39 for withdrawing, 49 in favor of staying in.

## **Election of Board Members**

Mark Plencner has served two three year terms and was not eligible for another term. Chairperson Neitzke thanked Mark for his service. Mark will continue to serve as a committee person on the finance and 429 committees. Glenn Schreier, Paul Lake, and Ardell Wiegandt and Alan Bierdeman of Little Mac had their names advanced to the ballot. Resident Jerry Otteson made a motion that a unanimous ballot be cast with a second by Jeff Volk. Motion carried. Glenn Schreier, Ardell Wiegandt and Alan Bierdeman were elected to a three year term.

## **429 Assessment Report**

Mark Plencner reviewed the Chapter 429 Assessment Process. A Project hearing was held in September of 2015 at which residents were provided with the maximum assessment that they would receive. The Committee continues to review comments. Another hearing will be held at a later date, possibly after construction starts. Property owners will be afforded an opportunity to discuss assessments. Costs exceeding the grant amount and in-eligible expenses would be assessed to LID district residents.

## **Project Coordinator's Report**

Pat Downs, the project coordinator from Moore Engineering, reported on the State Bonding Funds of which \$7.4 million was apportioned to the LMKP LID. The grant start date was July 1, 2015. These funds are controlled by the Minnesota Department of Natural Resources and reimbursed through Otter Tail County. Grant Bond funds expended through June 30, 2016 are \$318,443.55. This provides a balance of \$7,081,566.45. Other activities of the Coordinator's responsibilities include: follow-up information for the County and the DNR. Follow up payments, assist committee communications, landowner contracts, permitting tasks, archaeology contacts and any general project tasks assigned by the Board of Directors.

## **Project Engineer's Report**

Since the 2015 LMKP LID Annual Meeting Mike Opat, project engineer, has provided assistance in developing land appraisals, permitting, archaeology surveys, DNR permits, right-of-way negotiation and acquisition and final design of the project. Mike stated that the Conditional Use Permit would be applied for in July/August, a test drain would be completed in August to determine flow rate from Little Mac, archaeology work completed in August /September, bidding for the project let in October/November with construction starting in 2017. All of this is dependent on timely permitting and right-of-way acquisition completed.

Questions: How many landowners are there? 12 including Paul and Little Mac, Q. How many would eminent domain affect? From 1-6. Could there be a delay with eminent domain process? 4to 6 months. Q. what is the Paul Lake to Little Mac connection? From Paul Lake to Rusche to Little Mac near the old public access. Q. is Rusche a part of this? No. Does Rusche benefit? Water will pass through Rusche, they are not part of the LID District.

## **Proposed 2016-17 Budget**

LID Treasurer, Bill Putnam, explained the proposed 2016-17 budget. This was established at \$140,600.00. The 2015-16 budget was approved at \$180,000.00. The budget was broken down into General Operating Expenses, General LID special projects, and Outlet Operating Expenses. Resident Dennis Anderson made a motion to approve the proposed 2016-17 budget. Joan Covington provided a second, there was no discussion, and the motion carried.

Rusche Lake resident, Glen Anderson spoke regarding why Rusche Lake was not included in the LMKP LID district.

Jeremy Flatau spoke explaining information that has been shared and answers needed for his family members regarding the proposed venting pipeline.

Residents were reminded to attend LID meetings that are posted in the local paper and on the web page and to visit the LMKP LID website frequently for current and updated information. [www.lmkp-lid.com](http://www.lmkp-lid.com)

The next annual meeting will be July 8, 2017.

Meeting adjourned at 10:43 A.M.