

Little McDonald, Kerbs & Paul Lakes Improvement District  
May 9, May 12, 2017 Minutes approved  
Perham Area Community Center

The meeting was called to order at 3:00 pm by Chairperson Roger Neitzke.

LID members: Present: Roger Neitzke, Jim Nigg (via phone), Bill Putnam, Les Konley, Dan Gleason, Joe Esser, Ardell Weigandt, and Al Bierdeman. Member absent: Glen Schreier.

Residents attending: Johnne Bierdeman, Allan & Karen Dammann, Darrel Nordik and Renee Putnam from Little Mac. Doc. Kupferschmidt from Paul Lake.

Mike Opat and Pat Downs were in attendance from Moore Eng. and John Shockley from Ohnstad Twichell.

A motion was made by Ardell W. to approve the agenda with a second by Les K. with the addition of information about LID insurance from Overland as noted by Bill P. Motion carried.

A motion was made by Ardell W. to approve the minutes from the April 25<sup>th</sup> meeting **with the correction** noted with second by Les K. Motion carried.

Old Business:

Roger N. brought up and summarized the project public meeting held on May 1. He note it was attended by 86 people that signed in. The meeting content laid out the project plan. There was 1 question/comment noted from the Little Pine Lake Association that they would like an automated system to shut off the pumps. It was noted that all the County Commissioners were present at the meeting. Bill P. was later asked by a potential landowner that attended the meeting about assessments on a property as he was looking at buying a property that is in the LID. Bill provided him the information.

New Business:

Bill P. handed out the monthly financial statement with the regular LID bills that are due and for approval. Bill noted he paid the Otter Tail County COLA for \$1,090.00 for water testing, meeting room expenses of \$167.80, office supply expenses of \$133.15 and insect spraying for \$50. He noted the checking account balance at the end of April was \$46,168.81 and a balance of short term bond financing of \$1,311,005.53. Bill stated the remaining balance of the State Bond funds at the end of April was \$6,555,630.27. He also noted the utility reserve fund was growing at about \$15 per month because of interest.

A motion to accept the financial report and approve the payment of the bills was made by Joe E. with a second by Al B. Motion carried.

Bill handed out the summary reimbursement report that will go to Otter Tail County noting the current expenses from the engineers and attorneys for April for \$67,011.40.

Bill handed out the worksheet summary of expenses for the east route engineering and ROW work. It was noted the worksheet totals needed to be updated, however the individual expenses are all being noted and are correct. Bill will send out an updated copy to the board members.

Bill also handed out the cumulative report of both the state bonding funds and the interim bond funds. For the reimbursement report to Otter Tail County there are 5 invoices from Moore and 1 invoice from Ohnstad Twichell for the earlier noted \$67,011.40. It was also mentioned we should check in with

County Auditor Stein and ask for his reimbursement summary report. Pat D. will follow-up with Wayne Stein to get his report.

A motion to approve the invoices and submit the reimbursement report to Otter Tail County was made by Al B. with a second by Les K. Motion carried.

Bill noted there are current bills for approval to the PACC for \$47.50 for meeting room expenses and the Focus for \$107.45 for meeting notice publishing.

A motion to pay these bills was made by Al B. with a second by Ardell W. Motion carried.

Bill noted a letter from Overland Insurance about their upcoming premium renewal and billing notice. Overland requested a copy of the long term financial obligations related to the interim Bonding. Bill was not sure of the new premium charge at this point. Bill asked attorney John S. about the amount of needed liability coverage for the LID? John noted by statutory limitations on claim maximums he recommended the LID carry \$350,000 per occurrence and \$2,000,000 umbrella coverage for claim maximum. John noted the larger risk would be a stacked claim against both LMKP and DLD since this is joint project. Bill anticipated the premium billing yet this month of May.

Bill also noted he was contacted by another possible lake LID property purchaser about LID the project operating expenses. Bill noted the person should check the website for information and he explained that project operating expenses are not known at this point with many variables still ahead.

Bill is also expecting the 1<sup>st</sup> installment of assessments from the County for 2017 taxes and assessments in early June, likely before the next meeting. The 1<sup>st</sup> installment is usually about 60% of the annual total. It was noted the normal LID expenses are about \$12,000 or \$13,000 to conduct normal business outside the outlet project.

#### Land Acquisition Committee Report:

It was discussed on how the LID would get reimbursed by the state bond funds to easements and any land purchases. It was noted that we would submit the appraisal report with the reimbursement report and the LID should be reimbursed for the appraised value.

A final payment is due the Richter's for their easement. A motion was made to issue the check for \$26,220 by Joe E. with a second from Bill P. Motion carried. It was noted we need someone to hand deliver the check on May 10 and have the Richter's sign the settlement statement noting their receipt of the funds. The deed from the Richter's has been delivered to the LID. Joe E. will deliver the check and get the necessary signature.

It was noted that we need checks for Dan Gleason for \$500, Glen Anderson for \$1,500 and the Kronbeck's for \$175,000 plus the amount for 2017 taxes as these transactions are likely to close be the next meeting.

A motion was made by Jim N. with a second from Joe E. to give the referenced checks to Ohnstad Twichell until all the needed closing documents are finished and signed. One check to the Kronbeck's will be for \$175,000 and a second check will be issued by Bill and sent to Ohnstad Twichell when the final tax amount is confirmed and to include other closing costs to be paid by the LID, which will be about \$1,700 to \$1,800 dollars. Motion carried.

Bill asked about updates on the joint leg expenses. Roger noted the finance committee will need to meet to discuss this.

Jim N. asked about the route options B or C land offers and counter offers. It was noted the Joe Krueger's provided a counter offer. Jim said it would be nice for the land committee to meet to then present a counter offer to the Krueger's. Roger agreed the land committee should study the options. Mike Opat passed out a map of the routes, new cost estimates and the companion ROW estimate handout. The time line was discussed on the Krueger offer. It is still noted the County CUP permit application deadline is still looming to keep the project moving yet this year. The Krueger counter was presented by their attorney for \$375,000. The new project estimates note with using that counter offer amount make the route B & C about equal. Needs for the CUP application were discussed and the tight timeline for a plan set and then all the signatures needed. Mike reported the archaeologist finished his work and both routes have been cleared. Wetlands were not able to be delineated because the vegetation has produced enough new growth yet. Soil borings are set for this week. Updates have continued to be sent to the landowners along route B. It was noted again about the signatures needed for the CUP from Paul Lake owners, Rush Lake owners and Little Mac owners.

Discussion was held about the route options and their risks, merits and costs and then the timing to keep moving forward with the CUP application. It was noted that if the LID where to own property for a component of the project, the LID would not be taxed on that property. It was noted the CUP timeline cannot be missed.

A motion was made by Jim N. with a second from Ardell W. to present a counter offer to the Krueger's at \$225,000 with a final response by Friday. (May 12) or move to route B. General discussion was held. It was noted with this delay the CUP planning would require paperwork, plans and other analysis (wetlands and soil borings) developed for both the B route and the C route to meet deadlines. The motion and second were withdrawn by the makers. Discussion revolved around a way to lower the price with the Krueger's and still meet the CUP deadline.

A motion was made by Ardell W. with a second by Dan G. to make a counter offer of \$250,000 to the Krueger's with 2 days for a final response and acceptance. Joe E. is to make the counter offer to their attorney. If the Krueger's offer a 2<sup>nd</sup> counter offer the land committee would meet to discuss and respond. Motion carried; 6 in favor and 2 against.

The board would like to have a teleconference about the final route. It was noted they need a central location for the public to listen to the discussion and that location will be at the PACC. It should be noticed on the website. Roger noted the teleconference would then be on Friday (May 12) at 1:00 pm. A conference connection will be set up by Moore.

#### Engineers Report:

Mike O. noted at the public meeting the comments from John Chose, from the Little Pine Lake Assoc. on their preference for an automatic monitoring and remote operation of the pumps. Mike looked into some options with USGS gauges, manual reporting, and SCADA system. The USGS system is cumbersome and costly. Otter Tail County noted that they operate 7 other pumping systems and do not require automated systems.

Mike noted that on the Friday call he will need approval on 1) the route 2) authorize the submittal of the CUP 3) approval of the draft operating plan.

#### Coordinator items:

Pat D. mentioned the other land items still moving forward on the Anderson-Zarling lot transaction and the needed paperwork from Dan G. that we are working on.

Roger mentioned the annual meeting preparations needed are the budget and the new board member to replace him as his 2 terms are concluding.

The next board meeting is set of June 6 @ 3:00 pm at the PACC.

The annual meeting will be July 8<sup>th</sup> @ 9:00 am at the PACC.

Ardell W. moved with second from Al B. to recess the meeting. With no objection, the meeting was recessed until Friday, May 12, 2017, 1:00 p.m. at the PAAC Center in Perham, MN.

Little McDonald Kerbs Paul Lake Improvement District

#### May 12, 2017 Minutes

These Minutes are from the recessed, continuation of the May 9 LID meeting (Not Approved)

Perham Area Community Center

The meeting was called to order at 1:00 PM by Jim Nigg.

LID members present: Jim Nigg, Joe Esser, Ardell Weigandt, Les Konley, Dan Gleason, and Glenn Schreier.  
Attending via teleconference: Bill Putnam, Roger Neitzke, and Al Bierdeman.

Guests attending: Mike Opat-Moore Engineering, Darrel Nordick-Little McDonald Lake (LM), AL Dammann (LM) and George Kupferschmid- Paul Lake (P). Attending via teleconference was attorney John Shockley of Ohnstad-Twichell law firm.

A. Approval of Pipe Route: Mike Opat and Joe Esser- Gave an update on talks with landowners. The Kruegers are waiting on their attorney. An offer for use of their land has been made. They want limited personal access, ie. not for public use, used for hunting, etc. He does not want it to be developed. It would also be gated. Trees would be planted on the temporary easement, as agreed upon by the Kruegers and the LID. The LID would be buying 5 acres and the easement.

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Ardell W. asked about any possible hurdles down the road. Joe E. talked with Brian Freeland regarding this and the answer was no.

Bill P. asked about the offer made to the Freelands and is it a verbal agreement. Jim N. said that we will vote today and then draw up a purchase agreement.

Bill P. asked if we will sell the Kronbeck property to the Freelands. Yes.

Al B. made a motion that we select option C which includes 5 acres with replacement of trees and limited access from 450<sup>th</sup> St. Ardell W. seconded it. The motion carried 9-0.

Joe E. made a motion that we pay the Freelands the amount agreed upon for use of their property and then we will sell them the Kronbeck property. Ardell W. seconded it and the motion carried.

Mike Opat will contact the Hamanns, the Legacy Group , and the Schossows' to inform them that their properties are no longer being considered.

B. Approval to Draft the Operating Plan: Mike Opat-The plan has been updated. It will be submitted as a draft. Ardell W. made a motion to accept the draft. Les K. seconded it. Motion carried. Joe E. would like us to bid everything at 20 cfs with an alternative at 25 cfs. He would like to see this wording in the CUP process.

C. CUP (Conditional Use Permit) Authorization from County: Mike Opat-Deadline for CUP is the 24<sup>th</sup> of May. This will be submitted as a single joint plan with Devils Lake. We will go forward if Devils Lake is not ready.

D. Submitting CUP to County without Devils Lake: Joe E. made motion to submit our CUP to the County. If Devils Lake is not ready, we will go forward. This includes the common leg. Ardell W. seconded it. Motion carried 8-0. Jim N. signed the CUP application today.

Ardell W. made motion to adjourn at 1:40 PM. Les K. seconded it.

Next meeting is June 6, 2017, 3:00 p.m., at the PACC.