

SAND HILL RIVER WATERSHED DISTRICT

SPECIAL MEETING

March 22, 2018

1. **Attendance:** Chairman Stuart Christian called March 22, 2018 special meeting to order at 6 PM at the District Office. Other managers present were Dan Vesledahl, JJ Hamre, Roger Hanson and Clayton Bartz. One staff member was present: April Swenby – Administrative Assistant. Others in attendance: Zach Herrmann – Houston Engineering, Rob Sip – Executive Director of the RRWMB, John Finney – Chairman of the RRWMB.

Swenby informed the meeting attendees and managers that the meeting was being recorded.

2. **Approval of the Agenda:** A **Motion** was made by Manager Hanson to approve the agenda as presented, **Seconded** by Manager Hamre, **Carried**.
3. **Ditch # 80:** Herrmann presented the preliminary engineers report. Herrmann highlighted that the report reflects the changes and revisions that the landowners implemented at the last informational meeting. Herrmann reviewed the project with the new managers using a map for a point of reference and described the location of the project. A **Motion** was made by Manager Hamre to approve preliminary engineers report for Ditch # 80, **Seconded** by Manager Bartz, **Carried**. Herrmann will present the report to BWSR and MnDNR for the comment period. The comments will be presented at the preliminary hearing. There have not been any additional comments or questions from the landowners since the last informational meeting. Herrmann hopes to have the preliminary hearing within the next month.
4. **Joint Powers Agreement:** Chairman Christian opened the meeting up to Sip and Finney to respond to the letter that the Sand Hill River Watershed District sent containing various areas of concern (letter attached). Finney explained that over the last couple of days the RRWMB has worked though several concerns, acknowledging that it is not only the SHRWD that has concerns. The group decided to begin their discussions with the topic of the office location.
 - A. **Office Location:** Finney admitted that he too wanted the office located right in Fertile, due to the centralized location, however this was a board action. He stated that the WRWD presented a solid offer and asked Swenby to make copies of the proposal. The proposal was the one distributed at the February RRWMB board meeting. Finney stated that the WRWD's proposal was very comparable to the one given by the SHRWD. The SHRWD managers had received a copy of this proposal from Wilkens.

Vesledahl began stating that it was his understanding that there was a comment made at the February board meeting that the SHRWD's proposal was not made in a timely entry, although according to the February RRWMB meeting minutes, that was not the reason the Sand Hill's proposal was not selected. Vesledahl agreed that while the Sandhill's was not submitted by the deadline, it appears that the WRWD submitted a revised proposal after the fact and Vesledahl stated that the process appears to be a "let's see who comes in smaller and we'll match it". Sip acknowledged that the SHRWD's proposal was late, and prior to that the time was extended a couple of times. Sip disagreed and stated that the proposal given by the WRWD has not changed and there have been no revisions made to the proposal.

The SHRWD managers noted that according to the written proposal submitted by the WRWD, their proposal was contingent upon preliminary estimates. Vesledahl stated that the SHRWD's proposal was very firm and was very specific with what was offered, and that the WRWD's was very flexible leaving many variables about the proposal. The WRWD proposal specifically states that the proposed options for lease agreements (even the one-time payment of \$120,000) was based on preliminary construction estimates. Vesledahl disagreed with Kevin Ruud who spoke at the public hearing on Tuesday in Moorhead; Ruud testified

that the Sand Hill's proposal would be more expensive. Vesledahl stated that even with utilities, comparing apples for apples, the Sand Hill proposal is still \$150 per month less than the WRWD's proposal, even at the cash up front price of \$120,000 (or \$1,000/month). Vesledahl stated that it was his impression that the discussion was dropped at the RRWMB February meeting and the two proposal's financial outcomes were not discussed.

Finney confirmed that at the hearing on Tuesday, it was defined that the WRWD was presenting a solid price of \$120,000, and that the WRWD would absorb any additional costs past the \$120,000 (according to Vesledahl this is a revised proposal by removing the contingency and that this price was originally tentative based off of preliminary estimates). The RRWMB is planning on paying the \$120,000 "up front" and that was always their intention. Vesledahl stated that if the SHRWD's proposal was tossed because it was late, then the WRWD is even less timely, as they were able to revise their proposal at the hearing, offering an upfront cost option that is firm, contradictory to the initial proposal which was flexible. Vesledahl argued that the RFP did not indicate that the RRWMB was looking for a "cash up front price" as an option. Finney did not look it up and couldn't confirm if it was a board decision, but it was always his impression that the RRWMB would pay cash up front, not a monthly fee. Vesledahl expressed disappointment that Sip did not analyze the numbers and consider Fertile as a viable option, and questioned if it was a predetermined decision.

Sip denied the location being a predetermined decision. Sip stated that he did not have anything to do with the original RFP, and that it was done by a consultant. Sip stated during his interview, he was asked where he would like the office. Sip reminded the SHRWD that in the end, the RRWMB gave him the authority to choose the location of the office.

Hanson stated that at the February RRWMB meeting it appeared that it was all orchestrated before hand and it was a slam dunk. Sip stated it wasn't him that set it aside, it was a board decision.

Vesledahl was firm stating that in the original RFP there was not an option of an original buy out and feels that WRWD was given an option that the SHRWD wasn't. Vesledahl called it a "loophole" that was found to reduce the cost to compete with the SHRWD's proposal. He stated that it seems Ada was predetermined and that is his impression.

Finney stated that the initial stages of the office location discussion, Finney was in support of Fertile. Christian states that it makes the SHRWD skeptical of the RRWMB and questions if it is Sip pushing this or is it board direction. Sip stated he keeps them well informed of where things are going and his approval and authority comes through the board. Vesledahl agrees and sees that the board has passed a lot of their oversight obligations onto the Executive Director, and does not disagree with that statement.

Hanson agreed with Vesledahl and that he feels the board gave Sip too much power, too soon. Hanson stated that he did not feel this was Sip's fault and recollected the same pattern with the previous Administrator, lack of board oversight which resulted into the need for a Strategic Plan. Due to the lack of board oversight, the previous Administrator faced the brunt of all the RRWMB's delegated and approved decisions, and did not see much changing within the RRWMB to prevent this from happening again. Finney didn't want to go into details about former employees, but did state that Wilkens was on board with Strategic Planning. Finney agreed to some point that it was easy to let the Administrator run the joint and took accountability for the tasks delegated and approved consultants hired in the past. Finney also disagreed and explained that there are constraints on Sip and a Human Resource meeting will be held to evaluate employees in six months. Finney stated that he is hopeful

that when we move into the next stages of the Strategic Plan, many new processes will take place. Manager Hanson confirmed that Finney's response answered his questions, but it didn't make him feel any better.

- B. EXECUTIVE ASSISTANT QUALIFICATIONS:** Finney confirmed that he too has the same concerns as the SHRWD with the qualifications of the Executive Assistant. Finney did not know the qualifications of the assistant and Vesledahl argued that he should know, and that it is a board responsibility. The Sand Hill Board managers were clear that this has nothing to do with Swenby. They all understand that she was offered the position and turned it down.

Vesledahl agreed that this is a very important job and wonders if there were some better qualified people who were overlooked. Vesledahl doesn't know Swenson and he isn't personally attacking her. Vesledahl stated that this is strictly professional and is only inquiring about her qualifications professionally. Vesledahl feels that the answer lies in the 21 other resumes that were submitted and what pool there was to pick from. Vesledahl stated that Wilkens, the RRWMB treasurer, is uncomfortable signing the Treasurer's records, and his signature is naming him as a responsible party. Sip confirmed that the RRWMB would respond to the SHRWD's request submitted through the DPA, but asked for consideration as the RRWMB was planning for a conference and was involved in the MAWD Legislative Days.

Manager Hanson asked if the Executive Assistant met the criteria in the job description. Sip stated will not discuss what criteria she met and didn't meet. Sip will send the information as he was not 100% sure what was private and what is public information.

- C. FINANCIALS:** On Tuesday, a Budget and Finance Committee meeting was held. Finney stated that the next Treasurer won't be as involved as Wilkens. Vesledahl argued that they should be. The RRWMB is planning on getting Sip, Wilkens and Swenson on board with a consultant to help. Finney explained that a couple of different software options are used to track funds and pass through grants. Their hope is that an efficient way will be established to take care of pass through grants. December's books were approved at the Budget and Finance Committee meeting. There are three months' worth of Treasurer's reports that have not been finalized and the consultant will help with that as well.

Sip asked for the opportunity to discuss finances and the current status. Sip stated that there was initially a lot of work to do obtaining files, passwords, and equipment. The domino effect of obtaining all of the information resulted in the lag of time. Sip announced that Bremer Bank gave a proposal for increasing interest income for the RRWMB and earmarked the interest income the RRWMB has been missing out on will essentially pay for the office expenses.

The RRWMB is redefining internal control policies. Sip stated that six people have been working the QuickBooks files since December. Hanson asked why the records management practices have to be changed as it has worked for all of these years, it's been correct according to the audit reports, and it has balanced. Finney explained that there is a more efficient way to manage the money and pass through accounts instead of using multiple software's. Sip informed the managers that the RRWMB has recently decided to hire a consultant to help fix some issues that have been coded in the software in the past and rectify the issues they are encountering. Christian asked how long will this take and asked if there was a timeline for this. Finney did not have an exact timeline, but later in the meeting promised that the finances will be in good shape within 45 days.

Sip stated that part of their problems was being “off” \$130.50. Swenby took this moment to explain, as this was also brought up at the Budget and Finance Committee meeting and stated it was obvious this was directed at her. Swenby agreed that the transaction that is in question was her date error. She did not know why she used the wrong date, likely going too fast, and recollected that she had less than 10 hours to reconcile, enter in all of December/January transactions and produce a draft report, all with no prior knowledge of the RRWMB’s operations. It was a mistake, and you can simply change the date and make a note on the reconciliation report. Swenby confirmed that was the purpose of running these reports and admitted that each month at the Sand Hill she runs multiple reports several times, fine tuning all of her transactions each month to ensure accuracy, before presenting a report as final. She stated that this mistake does not hinder the capability of running a report that balances. Sip stated he does not place blame on anyone.

Vesledahl stated that it dovetails to the person that you hired. Vesledahl stated his understanding is that Swenson’s experience is very minimal with QuickBooks. Vesledahl commented that it seems as though these issue were present in January and the RRWMB was looking for someone that has very specific qualities. If consultants are needed, the employee needs to be able to understand and work with the consultant and Vesledahl was unfamiliar with Swenson’s background and was asking for more information. Sip did not want to talk about the qualifications of the Assistant publicly. Manager Christian asked Sip if he understood the Sand Hill’s concern and Sip acknowledged that he did understand.

Vesledahl stated that information should not be thrown in front of the manager at a board meeting (meaning the revised minutes and revised Treasurer’s reports). Sip stated that in the past, managers received public meeting notice, treasurers report, minutes, and the agenda. The managers would not get anything additional until the day of the meeting. With new processes in place, Sip stated that a week before the RRWMB meeting, the managers get a full packet to come to the board prepared. Sip can’t make these people read it, but sometimes the packets are 70-80 pages long making it a lot of information. Sip said that no one can say they do not receive any of the information. Vesledahl asked about Sip’s employment contract and long-term disability; recollecting that managers verified at the meeting on Tuesday state they had not seen it. Sip stated that his contract was reviewed last November and was unsure why Dan Money hadn’t received a copy of the contract. The board approved the terms of his contract before he began. Finney stated that the consultants hired were delegated to negotiate the contract for Sip. Finney verified that he himself, had not read the contract. Vesledahl stated that after the contract was negotiated, the board should have had the opportunity to look it over. Finney could not recollect the process, however, Sip stated that the board did have the opportunity to review the contract.

Sip confirmed that the RRWMB has reduced costs and that various consultants (computer/accountant) are no longer used. The RRBC will be utilized in the future for communications needs and educational/outreach needs. State agencies will be a partner. Sip stated he is fully and cognitively aware of the financial accountability. As an example, Sip’s health insurance is \$500 less per month than the previous person. Sip estimates that the savings could be \$70,000 - \$100,000. Chairman Christian confirmed that is what the Sand Hill is looking for. Sip stated he will be getting 2 – 3 prices for everything they are buying. Sip will provide exact numbers to the SHRWD of the RRWMB’s future outlook. Establishing an office has been costly, and Sip did not know of anyone disputing the need for an office but acknowledged that stating just to get office supplies added an expense. The board gave Sip authority to enter into contracts up to \$5,000 and Sip confirmed at that point he will confer with the Chairman.

Sip assured the managers that Wilkens receives all of this information. The managers did not argue that they had not received information from Wilkens. When Sip and Finney left for the evening the managers revisited this topic and felt that Wilkens does a good job relaying all matters of the RRWMB back to the SHRWD and all paper that the RRWMB gives, is passed onto the SHRWD.

- D. **ALTERCATION:** An altercation between Nikki Swenson and Daniel Wilkens was reported to the Sand Hill River Board of managers. It was noted that the altercation happened on March 22, 2018 and Wilkens provided a written statement. Vesledahl acknowledged that he only has one side of the story, pointing out that Swenson is an assistant with a board. Vesledahl confirmed that he understood the altercation was very confrontational and was under the impression that it was not initiated by Wilkens. Sip said he was not there and stated that from what he heard, Swenson did not initiate it. Sip preferred to avoid discussing this matter due to hearsay. Finney agreed.
- E. **ADDITIONAL CONVERSATION:** The conversation then again led back to the discussion of the location. Finney empathized that the SHRWD feel “stanked” that the RRWMB didn’t accept their proposal. Several managers in unison chimed to confirm “this is not what it’s about.” Hanson stated that he would rescind the offer if he could and wouldn’t accept the offer for them to come here now anyway. Vesledahl added by saying that is not about where the office is located and that it was only the process. Finney reminded Vesledahl that there was a deadline that the SHRWD didn’t meet. Vesledahl argued that the deadline was extended for the WRWD to provide a “sweater deal”, by accepting an offer that wasn’t in the specs and changed flexibility. He confirmed that the information brought before the board today did not change his perspective on the process.

Sip did state that some office furniture will need to be purchased, as the items the RRWMB currently owned is not in good shape. Finney stated that there is furniture available from the Retention Authority in a storage container and RRWMB has already paid for. Finney stated that the RRWMB will be using and didn’t foresee a lot of furniture needed.

- F. **RRWMB RESPONSE:** Finney explained the benefits of the RRWMB for protecting the local communities to protect against flooding and keeping water out of the Red River. As Finney resides on the Northern end, the RRWMB mission is quite near and dear to him. If the RRWMB’s mission can move forward, it’s a win/win for him. For the SHRWD to move away from the organization, it would not be good. Finney expressed their sincerity, and explained he has never been a part of an organization that has done so much good. Finney would hate to see the RRWMB lose a member and a good member. Finney explained that we are all volunteers, doing their best. He firmly believes that the RRWMB is a great organization to belong to and we are all here for the betterment and protection of the surrounding communities.

Chairman Christian stated that Wilkens has always preached to stay with the highs and lows of the RRWMB. Christian explained that the SHRWD does not want to put their name on something that is unstable, namely the financial stability.

Sip stated that he agrees with Finney. Sip agreed that they care, or they wouldn’t be here tonight, as the RRWMB does not want to lose another member. Sip assured he strives to do everything he can to address the concerns, acknowledging the challenges. Sip stated he would like to move more slowly with Phase 2 of the Strategic Planning.

Hanson explained that if the SHRWD does opt out, it must be done by April 1 or we are

stuck for another year. Finney joked by saying “don’t say stuck” and Hanson jokingly decided to stick with the word stuck. Vesledahl stated that is why the timeline was so imperative, and not having the documents needed to help make a good decision is unfortunate. Vesledahl stated that having the wrong person in charge of your finances can create havoc for businesses. Vesledahl was clear that he is not saying she is or isn’t qualified, but he is strictly looking at the process and what qualifications the other candidates had.

Hanson asked Sip for his perspective regarding the recent happenings and with the words that have been exchanged, how can we work together? Hanson reminded Sip that private conversations have taken place that can’t be undone. Hanson asked Sip if he and Wilkens can get a long, given the division that has been created. Sip stated that he has told Wilkens and he has told his board that he doesn’t have any problem working together. Sip agreed this conflict needs to go away. Hanson felt that words can’t be taken back after they’ve been spoken.

BREAK: Sip and Finney left at 7:12 and the managers took a break. Swenby stopped recording at the start of the break. The meeting was recorded as a courtesy to Sip, Finney and the RRWMB to ensure that there would be no question how either party was represented in the final recording of the minutes. The managers agreed that the recording was no longer necessary.

5. Sand Hill Board Discussion:

The managers reviewed the letter of inquiry that was initially sent to the RRWMB and highlighted the items not discussed tonight and they are as follows:

1. The legalities of benefit entitlements and the consequences of decreasing a salary (the salary in lieu of benefits for the Executive Assistant): The managers briefly discussed the RRWMB’s attorney’s response that was submitted by Sip that Wilkens forwarded to the managers. The attorney verified that the employee remains entitled to benefits. While this topic was never discussed nor was there a resolution, the attorney verified the concerns the of the SHRWD.
 2. Bachelor Degree Equivalency Defined: The RRWMB did not define their parameters set during their hiring process for a bachelor degree equivalency.
 3. Executive Assistant Qualifications: Sip did not want to discuss the qualifications of his Executive Assistant due to the boundary of private vs. public and the managers agreed to respect those boundaries. Because of those boundaries, the reason for QuickBooks training, knowledge for QuickBooks, and justification for lack of reporting/inaccurate/incomplete reporting was not discussed by the RRWMB.
 4. Conflict of Interest/Hiring Committee: The SHRWD and the RRWMB did not discuss conflict of interest and the WRWD Administrator (formerly Swenson’s boss), being on the committee that hired her.
- A. **Office Location:** The managers discussed historical minutes of the RRWMB. The minutes stated that in August Manager Holmvik confirmed his preference for an office location was Fertile and Manager Wilkens recommended that the public office should be where the

Executive Assistant is located. The board agreed at that time to collaborate with the new Executive Director to establish a location. It was decided at that time to use the location as a negotiating tool for the most qualified applicant and they did not want to limit the number of applicants by selecting a location that wasn't viable to a qualified candidate. At the December 2017, the board decided to present the location in the same fashion as it was presented for the Executive Director position, stating the location could be located in Fertile, Ada or Thief River Falls, but contradictory stating also that it would be determined by the Executive Director. No motions/seconds were made to delegate this authority.

The February 2018 approved RRWMB board meeting minutes state "Manager Holmvik said that the decision was made by staff and it would be unfair to make them move. Manager Braaten agreed with Managers Holmvik and Ose about leaving the decision up to staff on the office location."

Swenby confirmed that when she was offered the position, she was only offered contingent that the temporary office location be in Ada and confirmed that Sip could not promise that the location would ever permanently be in Fertile, as it all came down to dollars and cents. The managers reflected on Swenby's written statement at the time of the job offer. Swenby's statement highlighted suggestions for negotiations which included 2-3 days per week remote location for the Executive Assistant (half Ada/half home office) or a temporary office space in Fertile as multiple spaces were available at the time. Swenby offered negotiating salary in exchange for a more flexible location. Travel five days a week was a concern for Swenby. Swenby turned down the offer because negotiations could not be agreed upon.

- B. **RRWMB Finances:** The managers reviewed Sip's response to the transition and lack of financial reporting. The managers agreed that transition takes time, but didn't know that the answers given answered their questions for the lack of reporting. Swenby gave the opinion that the date error she made should not prohibit the RRWMB from producing a Treasurer's report, because even with that error, Swenby was able to produce a report that balances. She confirmed that mistakes like these are the reason journal and adjusting entries are given as an option, and are immaterial to the overall financial outlook and the ability to produce a report that tells constituents how their money flowed throughout any given month. While she can't speak for Wilkens, she was under the impression that Wilkens was more concerned that the staff didn't know it had to balance.

The managers continue to remain skeptical of the qualifications and ability of the Executive Assistant given the RRWMB's need for hiring a consultant and the additional QuickBooks Training given to Swenson early in February. The managers also noted that Sip stated the communications would be passed to the Red River Basin Commission, when the job description states that the Executive Assistant is responsible for those communications tasks. The managers discussed the pay scale offered to the Executive Assistant in relation to the tasks that will be passed to the RRBC and the items that require state agency or the support of other organizations.

Vesledahl talked about his experience with hiring processes. In this case, they melded a communications expert and a proficient bookkeeper in their initial job description. In his experience, if a candidate cannot be found that meets the requirements of the job description, a new job description is written and the position is relisted, and this can take multiple tries.

- C. **Altercation:** Additional discussion was held regarding the confrontation in the hallway between the Wilkens, RRWMB Treasurer and the Executive Assistant. Vesledahl asked what the RRWMB Human Resource policy was for grievances and Swenby was unable to

give him that information and was unaware of such a policy.

- D. **SHRWD Finances:** The managers discussed the tax levy and the repercussions of a tax drop, should the SHRWD withdraw their membership; then re-join again considering the repercussions of increased taxes, positioning taxpayers back to the current levy. The managers also visited the SHRWD financial status by reviewing the fund balances of the SHRWD. Swenby estimated a high \$300,000 annual drop in the Construction fund. The Construction fund is the fund that provides things like our match for grant dollars, the LOMAS, Bear Park beaver control, and has paid for the sediment basins. While the Sand Hill is very attentive to receiving and applying for grant dollars, other options may include fund balance accounting for our admin time. Swenby stated that the Sand Hill has built a great network, namely the Soil and Water Districts who are notably good at applying and receiving grant dollars. The Buffalo Red Watershed District withdrew its membership years ago; however, Moorhead is in their tax base which provides more tax dollars than the Sand Hill. The Buffalo Red Watershed may be a good resource to ask for financial advice for managing without the Construction levy. Manager Hanson stated that there are no projects “in the hopper” due to the landscape of the district as most storage is on channel. The district will still be able to apply for Clean Water Fund Grants and City Ring Dike Funds, and they can still apply for Project Team reimbursements. The district will lose the cost share of the web-site, typically \$1,500 per year.

The managers also discussed the required handicapped accessibility that is needed for the district office. If they are not a part of the Joint Powers Agreement such a large meeting room would not be required and wondered if there were revisions that could happen within the existing structure that would satisfy accessibility.

E. **Manager Comments:**

Manager Bartz: Manager Bartz didn't think the Sand Hill was being treated fairly, but he's been here such a short time, he found it difficult to make a position. Bartz questioned if fences were willing to be mended and felt the RRWMB is set in their way. Bartz felt that the biggest aspect was financial accountability. If the money of the SHRWD could flow and keep up without the Joint Powers Agreement, he'd vote to withdraw the membership.

Manager Vesledahl: Vesledahl would like to let the process take more time and pondered maybe taking another year to get things figured out and not make decisions in haste. If it is determined that the RRWMB has made poor decisions during the hiring process and the decisions can't be rectified, he'd chose to withdraw April 2019. Vesledahl did not think he had all of the information he needed to factually make the right decision. Vesledahl also stated he is new at the board and would like to hear the opinions of the other managers, stating he's not opposed to withdrawing. He was hopeful that if the Sand Hill has a seat at the RRWMB table, they could still have a voice to invoke change.

Manager Hamre: Hamre felt the evidence leans towards history repeating itself; lack of board direction, more consultants, and questionable location process.

Manager Hanson: Hanson does not foresee any change in the future from a board standpoint and has a difficult time foreseeing good relations between Sip and the Sand Hill Board of Managers, given the division that has already taken place by our questions. He thinks the Sand Hill Watershed is tainted now, because they asked the tough questions. During the March Conference, it was obvious that they have rallied their forces with strong voices, opposing the SHRWD. Manager Hanson reiterated that the Sand Hill's anticipated projects

are few and far between in the future.

Manager Christian: Christian has concerns with the tax evaluation fluctuation and the repercussions of decreasing for a year, and then opting back in if things improve and changes are made, thus increasing taxes. Conversely, Christian also feels that the SHRWD does not want their name associated with the RRWMB, while many unanswered questions do not look favorable to the RRWMB.

- F. **Data Privacy Request:** The managers discussed the option of having Sip send the resumes directly to our attorney, asking our attorney or a Human Resource Specialist to provide a summary of the qualified applicants, to present a non-biased and objective analysis of the 21 applicants. The timing was an issue if the Sand Hill wanted this information before the April 1 deadline. All managers agreed that it was unfortunate the deadline was fast approaching. It was verified that there is not a chance of an extension of the April 1 deadline as the Governing Documents require the resolution by that date.
- G. **Manager Options:** The managers were asked to think about their perspective and if after tonight's conversation ponder if they feel that the RRWMB will make any changes and provide oversight of their employees, without delegating important roles. They were asked to consider the financial capabilities and responsibilities that the RRWMB staff have.

The managers decided they had three choices:

1. Withdraw membership of the Joint Powers Agreement by April 1, 2018
2. Continue with the Joint Powers Agreement, and continue to seek answers to questions, allowing one more year for the transition.
3. Take all the information gathered tonight and think a little longer. Hold another special meeting to formerly make a decision.

- H. **Action Items:** Due to the time restraints and lack of information provided by the RRWMB, the Sand Hill Board of managers found it difficult to decide with 100% percent certainty, but felt there was enough information to remain steady. After such a long withstanding relationship with the RRWMB, the managers discussed the options they face, and the following resolution was adopted:

A **Motion** was made by Manager Hanson, adopt the following resolution:

WHEREAS, pursuant to the authority conferred upon participants in Minnesota Statute Section 471.59 and 103D the Joint Powers Agreement was made, and

WHEREAS, the Joint Powers Agreement states that participants wishing to withdraw membership must do so by April 1 any year the agreement is in force; and

WHEREAS, the Joint Powers Agreement withdrawals will be effective the following October 1 and any district withdrawing shall forfeit its investment in board funds and assets and further, shall not affect any levy in process as of the date of said resolution; and

***THEREFORE, BE IT RESOLVED** that the Sand Hill River Watershed District hereby withdraws their participation as a member of the Red River Watershed Management board effective October 1, 2018 and will file withdrawal resolutions by April 1, 2018. The Sand Hill River Watershed District will consider the withdrawal of their resignation if the following information has been provided and resolved before levies for 2019 are set:*

1. *Professional and independent opinion regarding cover letters and resumes for the Executive Assistant position.*
2. *Financial record accountability and stability within the 45-day guarantee given by John Finney*
3. *Cost comparisons comparing 2017 Admin costs to the proposed Admin costs for 2018.*

Seconded by Manager Hamre, **Carried**

A **Motion** was made by Manager Bartz to ask the attorney to submit a request for a professional and independent review of the cover letters/resumes, **Seconded** by Manager Vesledahl, **Carried**. In an effort to respect the boundaries of the RRWMB, it was the Sand Hill's hope that an independent review would prove objective and provide an analysis from a non-biased source.

7. **Adjournment:** The next regular meeting will be held **Tuesday at 8:00 AM on April 3, 2018** as scheduled. As there was no further business to come before the board, a **Motion** was made by Manager Hanson to adjourn the meeting at 9:45 PM, **Seconded** by Manager Hamre **Carried**.

April Swenby, Administrative Assistant

JJ Hamre, Secretary