

MEETING MINUTES

Riley-Purgatory-Bluff Creek Watershed District

November 6, 2023, Continuation of November 1, 2023, RPBCWD Board of Managers Regular Monthly Meeting

PRESENT:

Managers: Jill Crafton, Treasurer
Tom Duevel, Vice President
Larry Koch
Dorothy Pedersen, Secretary
David Ziegler, President

Staff: Amy Bakkum, Office Administrator
Terry Jeffery, District Administrator
Joshua Maxwell, Water Resources Coordinator
Louis Smith, Attorney, Smith Partners
Scott Sobiech, Barr Engineering Company

Other Attendees: George Eilertson

Note: the Board meeting was held remotely via meeting platform Zoom because it was deemed not prudent to meet in person due to COVID-19.

1. Call to Order of Board of Managers Regular Monthly Meeting

1 President Ziegler continued the November 1, 2023, Board of Managers Regular Meeting at 5:30
2 p.m. on Monday, November 6, 2023. He stated the Board is conducting this meeting via Zoom
3 out of an abundance of caution regarding COVID.

4 Louis Smith called attendance for the Board of Managers as follows:

<i>Manager</i>	<i>Action</i>
Crafton	Absent
Duevel	Present
Koch	Present
Pedersen	Present
Ziegler	Present

7. New Business

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j. **Adopt Resolution 23-071 to Authorize President or Administrator to Execute, with Advice of Legal Counsel, the Engagement Letter with Northland Securities**

Mr. Smith said the two possible arrangements with Mr. Eilertson discussed in the Board's November 1st meeting were placement agent and municipal advisor. Mr. Smith said the Board's discussion pointed to the municipal advisor arrangement as the path forward for the District's arrangement with Northland Securities regarding financing for the Spring Road Conservation Project.

Mr. Smith said he took the District's standard professional services agreement and adapted it as appropriate for this circumstance and attached as an exhibit the newest municipal advisor agreement Northland Securities prepared. Mr. Smith said with this agreement Northland Securities has a fiduciary duty to the District.

President Ziegler moved to Adopt the Spring Road Conservation Project Resolution 23-071 to Authorize President or Administrator to Execute, with Advice of Legal Counsel, the Engagement Letter with Northland Securities. Manager Duevel seconded the motion.

Manager Koch asked what is the last date by which to terminate the agreement with Trek without any liability. Administrator Jeffery said 60 days with a 30-day option. Manager Koch asked what date the agreement was signed by both parties. Mr. Smith said October 11, 2023.

Manager Koch asked what the probability is of closing on a funding transaction by December 11.

Mr. Eilertson said he can report back on that. He said his understanding of the timeline he was operating on was to have a financing recommendation for the Board to consider and take action on at its December 6th meeting. He said he believes the transaction would comfortably close by the end of the year but December 11th might be aggressive.

Manager Koch said he submitted a proposed resolution to Administrator Jeffery. Manager Koch said his motion is to table this motion and to terminate the agreement with the sellers and the owners given the District will not be able to meet the 60-day requirement and due to the fact that to extend it would require funds that would not be refundable.

Mr. Smith said the feasibility period is for investigating financing and the Board's regulatory approval process, meaning the plan amendment and the ordering process, and after that there is an additional 30 days to close. Mr. Smtih said Mr. Eilertson's timetable of identifying financing for the Board's December 6th meeting and then closing 30 days after that, into January, would meet the timetable.

43 Manager Koch asked if the District would be obligated after the 60-day period or if
44 there are any other contingencies. Mr. Smith said there would be a further extension
45 opportunity, for which there would be an additional payment.

46 Manager Koch proposed terminating this agreement before the District has any liability.
47 He said the District can look into renegotiating the purchase agreement for the property.
48 Manager Koch said he sees no reason to lock into an additional amount of money. He
49 said he requested a signed copy of the agreement and correspondence on
50 communicating that agreement and he has not received it yet. Manager Koch said he
51 would like to receive the information he requested.

52 Manager Koch stated he thinks it is imprudent to enter into a short-term financing
53 agreement as the District does not know what is going to happen in the future with
54 interest rates. Manager Koch said he cannot see putting this tax burden on the tax payers
55 of this District, especially since Carver County will get no benefit out of it. He said no
56 one has demonstrated the water benefits of acquiring this property. Manager Koch said
57 four managers voted to approve the permit for this property and the proposed
58 development, so he thinks the Board would be hard pressed to argue this property needs
59 to be acquired. Manager Koch said for the record he includes all the rest of his
60 comments he made at the last meeting and prior meetings.

61 Manager Koch reiterated he thinks the Board should terminate the agreement and look
62 for funding from other sources. He suggested the people supporting the purchase of the
63 property write their legislators to request funding of the purchase. Manager Koch also
64 noted the possibility of creating a special tax district for Noble Hills. He said no other
65 conservation groups have stepped forward and he thinks that says something about the
66 priorities.

67 Manager Koch moved to amend the motion to amend the resolution to remove all self-
68 serving language about why this is being done and instead simply have the resolution to
69 engage Mr. Eilertson as a municipal advisor to go find financing including temporary
70 and more permanent financing and for the District to terminate the purchase agreement.
71 He said the District does have condemnation powers, so the District could condemn the
72 property. Manager Koch said the District is in control, the property likely will not be
73 developed in the next 12 months due to interest rates.

74 The motion died due to lack of a second.

75 Manager Koch said he does not believe the resolution conforms with what has been
76 proposed by Legal Counsel and with respect to this agreement and attachment, which do
77 not correlate and integrate the way they should. He said the agreements are not
78 interrelated and therefore he does not know what provisions apply.

79 President Ziegler said Mr. Smith emailed the revised resolution and an explanation of
80 what was revised and the changes.

81 *[Manager Crafton joined the meeting.]*

82 Manager Pedersen said she assumes Mr. Eilertson will do his best to arrange financing
83 to meet the District's timeline in order for the District to avoid incurring additional
84 costs. Mr. Eilertson responded he will do his best. He said he can work toward the
85 December 10th or 11th deadline and still find the District a good financing arrangement.

86 Administrator Jeffery said Mr. Smith lost connection and is now on the phone and can
87 review the synopsis of the amended agreement if needed.

88 Upon a roll call vote, the motion to adopt Resolution 23-071 carried 4-1 as follows:

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<i>Manager</i>	<i>Action</i>
Crafton	Yes
Duevel	Yes
Koch	No
Pedersen	Yes
Ziegler	Yes

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91 Manager Koch said he submitted a report, which basically repeats what he stated
92 before, and asked it be included with the minutes of this agreement. He said for
93 the record today's meeting is another of the apparently continuing violations of
94 the Open Meeting Law by this Board of Managers. Manager Koch noted there
95 has been continuing failure to comply with data requests pursuant to the
96 Minnesota Data Practices Act.

97 President Ziegler asked if Northland Securities can look at both short-term and
98 long-term financing. Administrator Jeffery said he can follow up with Legal
99 Counsel and Northland to find out if Northland can do it and if it is allowed
100 under this resolution as drafted and adopted.

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8. Discussion Items

102 a. Board Room

103 Administrator Jeffery said he is still working on the technology and recommends
104 waiting until the December 13th Board work session to hold the Board's first hybrid
105 meeting. The Board agreed by consensus to have staff test the technology before the
106 Board schedule and hold its first hybrid meeting.

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12. Adjournment

108 Manager Pedersen moved to adjourn the meeting. Manager Crafton seconded the motion.
109 Upon a roll call vote, the motion carried 5-0 as follows:

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<i>Manager</i>	<i>Action</i>
Crafton	Yes
Duevel	Yes
Koch	Yes
Pedersen	Yes
Ziegler	Yes

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112 The Board adjourned at 6:03 p.m.

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Respectfully submitted,



Dorothy Pedersen, Secretary