

## 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

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## 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 1<sup>st</sup> 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 6<sup>th</sup> meeting. He said he believes the transaction would comfortably close by the end of the year but December 11<sup>th</sup> 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 6<sup>th</sup> 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 10<sup>th</sup> or 11<sup>th</sup> 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

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### a. Board Room

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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,

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Dorothy Pedersen, Secretary