

WILD RICE WATERSHED DISTRICT

11 Fifth Avenue East

Ada, MN 56510

Ph: 218-784-5501

REGULAR MEETING

May 14, 2008

Approved Minutes

1. The regular meeting of the Wild Rice Watershed District Board of Managers was held on Wednesday May 14, 2008. Managers in attendance include Diane Ista, Bob Wright, Warren Seykora, Mike Christensen, Don Vellenga and Joe Spaeth. Absent: Dave Vipond. In addition the following persons were in attendance: Administrator Dalen, Engineer Jerry Bents, Attorney Hanson, Tim Halle, Loretta Johnson, George Reid, Marijo Vik, Brent Kappes, Ron Guttormson, Ron Thorsrud, Brian Borgen, Raymond Hanson.
2. Chairman Seykora called the meeting to order at 8:35 a.m.
3. Attorney Hanson issued the oath of office and swearing in of the new board member Don Vellenga.
4. A motion was made by Manager Ista and seconded by Manager Wright to approve the agenda with the addition of the following: establish a committee with the NCSWCD to be drainage inspectors for the district, WRR setback levee; SWCD new farm bill promo grant, Warren Olson request for clean up of acquisition property and removal of the mowing and beaver dam proposal. Carried.
5. Open Microphone. Curt Jacobson presented an unsigned cover letter that included his and Diane Ista's names and also referred to the Concerned Citizens (CC). Included in the mailing was a copy of minutes from a Citizens for Farmland Preservation meeting. Jacobson asked Dalen if he sent the letter. Dalen replied that he knew nothing about it. Dalen asked if the minutes that were included bothered either Ista or Jacobson and also asked what the CC has done for flood control, the amount of funding they collect, the fact that he feels the group on the Twin Valley Dam was hard to work with and if Jacobson had discussions with landowners prior to a meeting in Ulen, to which he replied yes. Ista felt the cover letter was damaging to their reputation and would like it addressed.
6. Project #42. Administrator Dalen distributed notes from landowner meetings on C.D. #18 and also financial data included in the purchase of the properties including Radeck; Lee/Solum; Hogtevedt/Richards and reviewed this information with Managers. Engineer Bents displayed a map which indicated the areas of each property.
7. Dave Vipond arrived at 9:30 a.m.
8. A motion was made by Manager Spaeth and seconded by Manager Wright to close the meeting to discuss offers and counter offers on property within Project #42. Carried. A motion was made by Manager Vellenga and seconded by Manager Vipond to reopen the meeting. Carried.

9. Project #42. Public Comment. Brian Borgen asked how a check for land could be written without board approval. Administrator Dalen replied that would be addressed later in the meeting. Dalen distributed a project update on Project #42, regarding the Upper Becker Dam Land Acquisition and indicated that an Engineer's Report would provide good information and allow the project to move forward as quickly as possible. The cost for an Engineer's Report was estimated at between \$75,000 -85,000 with an additional cost of approximately \$35,000 for a soils report. A motion was made by Manager Wright and seconded by Manager Vipond to proceed with an Engineer's Report on the Upper Becker Dam site. Carried.

10. Engineering Proposals. Nate Dallager of HDR Engineering submitted a proposal to the Board for engineering services also stating that he was not here to propose to be the District's engineer, rather as an additional consulting engineer for specific projects. Keith Winter and Brian Hauth, also spoke, Hauth explaining that he and classmates at NDSU worked on a concept of the Twin Valley Dam as part of the course. Managers Ista and Vipond requested Hauth to provide a copy for review.

Jeff LeDoux, Houston Engineering, submitted a proposal to the board for engineering services and stated that the rates include a 10% discount off the regular rates because of the work they do for the District. Manager Ista indicated that she felt it would be a cost savings for the District to hire an engineer or engineer's technician as staff for the office. Manager Vipond felt it would be good to obtain more information on that. A motion was made by Manager Vipond and seconded by Manager Wright to approve the proposal submitted by Houston Engineering, Inc. Carried.

10. Spraying Proposal. Mark Fillbrant of Bigg Dogg Agg presented a proposal for spraying. No action was taken at this time.

11. Project #42 Resolution. Jerry Von Korff, attended the meeting via teleconference. Discussion centered around the Resolution Regarding Preliminary Project #42 Expenditures and the aspects that the Board wanted included within the resolution.

A motion was made by Manager Vipond and seconded by Manager Christensen to approve the following resolution. Carried.

WILD RICE WATERSHED DISTRICT

Resolution Regarding Preliminary Project 42 Expenditures

The purpose of this resolution is to formally guide the procedure for work preliminary to proceeding with Project 42.

1. The Managers find that it is in the public interest to acquire property prior to proceeding with formal Project proceedings for the County Ditch #18 and Upper Becker portions of Project 42.
2. Project 42 is consistent with the District's Water Management Plan and furthers the water management objectives of Chapter 103D.

3. It is in the public interest to make an effort to complete voluntary acquisitions of parcels necessary to implement the project. This policy seeks to facilitate voluntary acquisitions of property located such that the project can be successful, while taking into account land that may be sold to the district voluntarily.

4. In addition, the managers find that the voluntary process contemplated by this resolution will make it more likely that landowners can find substitute properties with the assistance of the District.

5. The Managers further find that voluntary acquisition of properties before formal project establishment is in the public interest, and will facilitate the process of establishing a successful project configuration that is most likely to minimize or eliminate the requirement of involuntary acquisitions.

6. The District will follow the voluntary acquisition procedure contemplated by the Land Acquisition Organizational Chart is explained in this resolution.

7. A committee of the managers appointed by the board and approved by the board of managers which shall advise the administrator as he implements this resolution. The administrator will consult with the engineer and district's attorney to assure that proposed acquisitions will further project objectives and that the acquisitions are being conducted in a lawful and prudent manner.

8. The administrator is authorized to purchase options from landowners for land deemed reasonably necessary for the project. The administrator is authorized to expend no more than reasonably necessary for an option, and in no event more than \$5,000.00 for each such option. Any option acquired by the district shall include language crediting the amount paid for the option against the purchase price of the subject property if the option is exercised.

9. Land prices for exercise of the option shall be reasonable, considering the fair market value of the property, the prices paid by the district for other similar properties, and in no event shall they exceed \$3,000.00 per acre.

10. Using the procedure contemplated by the Land Acquisition Organizational Chart, the administrator may facilitate land swaps and 1031 exchanges that further the purposes of this resolution.

11. Final exercise of any option and payment shall be individually authorized by the Managers upon recommendation of the administrator out of funds appropriated by the Managers for that purpose.

12. The Managers approve and ratify the transaction(s) completed in accordance with this policy and listed on Appendix A to this resolution.

Dated: _____

Chairman
Wild Rice Watershed District

Appendix A

CD 18 Land Acquisition **Charles and Kathleen Radeck**

The Radeck property located in Good Prairie Township, Sections 11 and 12 in Clay County, Minnesota consisting of 228.08 acres.

1. Ulen Township Land Sale - \$2,300/acre
2. Radeck Land 228.08 acres x \$2,388 = \$567,463
3. Add WRWD 20% above estimated appraisal value \$629,500

The Radecks chose the alternative of fee title in the WRWD Acquisition process. They said they would be willing, if the WRWD would also purchase their property in Section 12 of Goose Prairie Township. The property in Section 12 is being held for a family who would like to trade for it within the Upper Becker Dam proposed project site. Section 11 property will be involved in site CD 18. Charles and Kathleen Radeck asked that the Board be thanked for treating them fairly and professionally during the transaction. They also wanted to tell the Board that they know the flood problem needs to be addressed and they were proud to help. The Radecks asked to be paid over a 3 year Contract for Deed.

CD 18 Land Acquisition **Lee/Solum**

Solum Property

The Solum property is located in Elmwood Township, Section 27, Clay County, Minnesota. It consists of 201 acres, 178.31 tillable.

Solum Property Cost

1. WRWD won bid at 201 acres x \$2,100
2. Mr. Solum did not agree to sale less than \$2,300/acre
3. 201 acres x \$2,300 = \$462,000
4. 178.31 tillable acres x \$2,591 = \$462,000
5. Solum tillable 178.31 - Lee Land 159.8 = 18.5 acres
6. Herman Lee 18.51 purchased acre overage for \$2,300/acre = \$42,573
7. Solum property total cost to WRWD = \$419,573
8. Alerus appraised value \$2,450 with WRWD 20% above = \$2,940/acre
159.8 acres of Solum land traded for Herman Lee's 159.8 acres in CE 18. Herman Lee also received 22.69 non-tillable (ditch coulee bottom) as part of the trade.

Lee Property

The Lee property is located in Goose Prairie Township, Section 11, Clay County, Minnesota consisted of 159.8 acres in site CD 18 of Project #42.

1. Ulen land sale comparison - \$2,300
2. 159.8 acres x \$42,300 = \$367,540
3. Add WRWD 20% above estimated appraisal value = \$2,760/acre x 159.8 = \$441,048

CD 18 Land Acquisition
Hogtevedt/J & B Richards
1 of 2

J & B Richards Property

The Richards property located in Georgetown Township, Section 18, Clay County, Minnesota consisting of 228 acres, 208 tillable.

J & B Richards Property Cost – Actual Cost

1. Alerus appraised value - \$2,500/acre
2. Add WRWD 20% above appraised value - \$3,000/acre
3. 228 acres x \$2,193 = \$500,000
4. Tillable – 208 acres x \$2,403 = \$500,000

The WRWD purchased this property fee title. This property will now be exchanged.

12. Twin Valley Dam Steering Committee. Manager Christensen reported that there are no updates from the steering committee except the name has been changed to Wild Rice River General Reevaluation.
13. Approval of Billings. A motion was made by Manager Wright and seconded by Manager Spaeth to approve the billings as presented along with Managers per diems and expenses. Carried.
14. Project #31, Heitman Coulee. Attorney Hanson stated that contractors were at the outlet of Project #31 on May 9, 2008, at which time Mr. Vik called the District office and told staff that they needed to leave within one hour. Hanson stated that the District does have 100 foot right of way on the north side, but Mr. Haik, Vik's attorney does not agree. Engineer Bents had the survey crew move off the site and stated that he contacted the Norman County Sheriff who felt it was a civil matter and Houston Engineering should hire it's own security company to protect them. However, they had not completed the work. A motion was made by Manager Vellenga and seconded by Manager Vipond to contact the Norman County Sheriff, request that he come to the District office at 8:00 a.m. on Friday May 16, 2008, and also invite Mr. Vik and his counsel Mr. Haik. Carried.
15. Acquisition Update. Engineer Bents provided a proposal on asbestos removal for the two current acquisition properties. No action was taken; Manager Vellenga will provide Engineer Bents with an additional list of contractors to obtain quotes for asbestos removal.
16. COE WRRFS. Engineer Bents stated that Nan Bischoff has prepared a Project Management Plan (PMP) of \$2 Million, however the District would need to match one-half with non federal dollars. Bents stated that he could request using the Upper Becker Site costs as the local share as WIK to match federal dollars. A motion was made by Manager Ista and seconded by Manager Vipond authorizing Engineer Bents to submit a request to the COE for approval to match the Feasibility Study federal share with Upper Becker Dams. Carried. A motion was made by Manager Ist and seconded by Manager Vipond to request that the COE that the next step in the WRRFS be addressing the sedimentation issues. Carried.
17. A motion was made by Manager Vipond and seconded by Manager Vellenga to recess the meeting until 7:00 a.m. on Friday May 16, 2008. Carried. Chairman Seykora recessed the meeting.