

WILD RICE WATERSHED DISTRICT

11 Fifth Avenue East
Ada, MN 56510
Ph: 218-784-5501

REGULAR MEETING

January 26, 2009

APPROVED Minutes

1. The regular meeting of the Wild Rice Watershed District Board of Managers was held on Monday, January 26, 2009. Managers in attendance include Diane Ista, Bob Wright, Warren Seykora, Mike Christensen, Dave Vipond and Joe Spaeth. Absent: Don Vellenga. In addition the following persons were in attendance: Administrator Dalen, Engineer Jerry Bents, Attorney Elroy Hanson, Tim Halle, Loretta Johnson, Duane Erickson, Brian Borgen, Randy Pallum, David Larson, Brent Kappes, Dave Stumbo, Kim Syverson, Richard Smith, John Austinson, Bob Klemetson and Attorney Jerry Von Korff and Bonnie Ewert via teleconference.
2. Chairman Seykora called the meeting to order at 8:40 a.m.
3. A motion was made by Manager Christensen and seconded by Manager Vipond to approve the agenda. Carried.
4. Advisory Board Appointments. Administrator Dalen distributed the following list of candidates who indicated that they would be willing to serve on the Advisory Board for consideration by the Board: Joe Slette, Jerry Waller, Corey Hanson, Jim Skaurud, Ron Thorsrud, Barry Nelson, Curt Jacobson and Scott Balstad. Manager Wright stated that Wayne Goeken, RRWMB Water Quality, indicated that he was interested in adding a student to the Advisory Board. A motion was made by Manager Wright and seconded by Manager Vipond to approve the list as presented. Administrator Dalen will contact Goeken in regards to adding a student. Carried.
5. Farmstead Ring Dikes. Administrator Dalen stated that he would schedule a committee meeting with Managers Christensen, Wright and Ista soon. A motion was made by Manager Spaeth and seconded by Manager Wright to approve a time extension for completion of the ring dikes to D. & J. Excavating until June 15, 2009. Carried.
6. Open Microphone. Brian Borgen asked if the grant for the \$400,000 from BWSR for the Wild Rice River Corridor Project has been brought to stakeholders. Kim Syverson asked the status of the new appointment to the Board of Managers by Norman County Commissioners. He was informed the appointment was postponed until February 3, 2009.
7. Project #42.
 - County Ditch #18 (CD #18). Engineer Bents presented the Engineer's Report on CD 18, proposed location in Sections 10 and 11 of Goose Prairie Township, Clay County, Minnesota. The storage facility is to be located approximately 2 miles southeast of Ulen. An estimated total cost of the project is \$4,285,000. A copy of the report is on file and available at the District office.

- Upper Becker Dam. Engineer Bents presented the Engineer's Report on Upper Becker Dam Enhancement Project located about two miles south and five miles west of the City of Ogema, Minnesota. An estimated total cost of the project is \$10,585,000. A copy of the report is on file and available at the District office.

8. CLOSED MEETING. A motion was made by Manager Spaeth and seconded by Manager Wright to close the meeting for the purpose of exercising attorney/client privileges and discuss pending litigation against Administrator Dalen, Chairman Seykora and the Wild Rice Watershed District, with Attorney Chris Albright of the Dorsey Whitney Law Firm. The meeting was closed pursuant to Minnesota Statutes 13D05, subd. 3(b) and will be tape recorded. Carried. The meeting was closed at 9:50 a.m. The meeting was reconvened at 10:45 a.m.

9. Project #42. Attorney Jerry Von Korff is on teleconference.

- A motion was made by Manager Vipond and seconded by Manager Wright authorizing Engineer Bents and Administrator Dalen to meet with Attorney Von Korff to discuss the next steps in the process of Project #42. Carried.
- A motion was made by Manager Spaeth and seconded by Manager Wright authorizing the District to submit Step 2 Proposal for CD #18 and Step 1 and 2 Proposals on the Upper Becker Site to the RRWMB for funding. Manager Ista opposed. Carried.
- A motion was made by Manager Wright and seconded by Manager Christensen authorizing Engineer Bents to prepare and submit an Environmental Assessment Worksheet (EAW) for the CD #18 site and the Upper Becker site. Carried.

10. Water Management District (WMD). A memorandum from Attorney Von Korff regarding a recent meeting with BWSR staff to discuss the WMD was distributed to the Board for review. Von Korff stated that the major issue is whether to have single or multiple districts. BWSR preferred an option that would create multiple districts, along with a single District wide WMD. Von Korff stated that the meeting with BWSR staff didn't afford adequate time to provide the hydrological information that would support a single WMD, and therefore felt that the District needs to provide this information. A motion was made by Manager Wright and seconded by Manager Spaeth authorizing a meeting with BWSR staff on February 6, 2009, to provide the hydrological data that supports a single WMD. Carried. Attorney Von Korff stated this meeting is not subject to the open meeting law.

11. Project #42. Open Microphone. Dave Stumbo stated that in the initial meeting with staff regarding CD #18 and the sale of his property for this project, he indicated he was not interested in the sale of his property, and is again saying the same thing. After hearing the cost of the project today, the negative impact of taking land out of production, less than 1% benefit downstream on the river, the possibility of the necessity to use eminent domain and the opposition on a large front to the WMD, he felt the District should drop the multimillion dollar projects and go with smaller projects. Brian Borgen asked the maximum the District can borrow for projects, considering that the District currently has a \$600,000 loan from the RRWMB. A motion was made by Manager Spaeth and seconded by Manager Wright authorizing Attorney Hanson, in concert with Attorney Von Korff to prepare a memorandum on the amount of loans the District can have. Carried. Duane Erickson asked that the Board focus more on Upper Becker Dams because of landowner acceptability, than CD #18 where there is landowner opposition. Kim Syverson indicated that he stood behind landowners on CD #18 in their opposition to selling their property and/or their property being taken using eminent domain.

12. Customer Connections, Bonnie Ewert. Administrator Dalen distributed the Wild Rice Watershed District Step I Peer Assessment update prepared by Bonnie Ewert. Ms. Ewert reviewed the results of the survey with Managers. Ewert also gave an update of how Step II of the assessment is proceeding along with two possible completion dates. (Copies of the reports are on file at the District office.) Consensus of the Board was that Ewert has the authority to call Managers for further discussion.
13. Project #16. A motion was made by Manager Wright and seconded by Manager Spaeth to approve a time extension until June 30, 2009, to Contractor Lyle Wilkens, Inc. Carried.
14. Project #20. A motion was made by Manager Wright and seconded by Manager Spaeth to approve a time extension until June 30, 2009, to All Seasons, Inc. Carried.
15. J.D. #53 Main. A motion was made by Manager Wright and seconded by Manager Spaeth to approve a time extension until June 30, 2009, to All Seasons, Inc. Carried.
16. Policy Review Update. Administrator Dalen distributed correspondence from Consultant Bruce Watkins that included policies to be considered by the Managers for vehicle, credit card, aircraft use for transportation, consultants' use and Managers' tasks. Dalen stated that the board should review the information. Watkins will be on the February 11, 2009, agenda to discuss these policies.
17. Project Team Meeting. A Project Team meeting is scheduled for 1:00 p.m. to 4:00 p.m. on Wednesday, January 28, 2009. Agenda items are Project #42 and the Wild Rice River Corridor.
18. CLOSED MEETING. Attorneys Jerry Von Korff and Adam Ripple are on teleconference. A motion was made by Manager Spaeth and seconded by Manager Wright to close the meeting at 1:30 p.m. to consider offers and counter offers for the land acquisitions regarding the Hogetvedt, Richards and Read parcels in Clay and Becker Counties, Minnesota, and relating to Project #42. The meeting is being closed pursuant to Minnesota Statutes Section 13D.05, subd. 3(c)(3). The meeting will be tape recorded. Carried. The meeting was reconvened at 2:05 p.m.
19. Project #42. A motion was made by Manager Vipond and seconded by Manager Wright to approve the following resolution prepared by Attorney Jerry Von Korff, and enter into purchase agreements and options as provided in the resolution for all three properties. The properties discussed are the properties listed on the resolution. Carried.

WILD RICE WATERSHED DISTRICT

Resolution Regarding Project 42 Acquisitions

The purpose of this resolution is to formally approve transactions for the acquisition of property required for Project 42, exchanging the District's Georgetown Township Property for the Richards property; exchanging the Richards property for the Hogetvedt Property, and obtaining an option on the Read Property.

Background The following is background for these transactions.

RICHARDS PROPERTY

The Administrator has worked with the property owners to negotiate a purchase agreement. Subject to Board approval, the property owners have agreed to exchange 229.165 tillable and non-tillable acres in Kragnes Township for 214.413 tillable acres in Georgetown Township. The District already owns the property in Georgetown Township. The property owners have agreed to \$36,880 for the excess acreage (14.752 acres at \$2500 per acre). The property owners have signed the purchase agreement. The purchase agreement has been reviewed by the Administrator and legal counsel, and Board approval is recommended.

HOGETVEDT PROPERTY

The Administrator has worked with the property owners to negotiate a purchase agreement. Subject to Board approval, the property owners have agreed to exchange 177 tillable acres in Goose Prairie Township for 229.165 tillable and non-tillable acres in Kragnes Township. The District already owns the property in Georgetown Township. The property owners have signed a purchase agreement. The purchase agreement has been reviewed by the Administrator and legal counsel, and Board approval is recommended.

READ PROPERTY

The Administrator has worked with the property owners to negotiate an option agreement. The property owners have agreed to grant an option to sell their property in Spring Creek Township for \$2,820.00 per acre. The property owners also require non-monetary compensation: changing the name of the "Upper Becker Dam" to the "Burt Read Dam," a livestock easement, and an improvement to a culvert on the property that provides drainage to a neighboring property. The property owners have signed a previous option agreement, but legal counsel has since recommended some changes to the document. The property owners have not yet approved the revised option agreement. The revised option agreement has been reviewed by the Administrator and legal counsel, and Board approval is recommended.

1. The Managers find that it is in the public interest to acquire the Hogedtvedt property to facilitate future establishment of Project 42.
2. The Administrator has followed the authorization provided in the Resolution Regarding Preliminary Project 42 Expenditures and the procedure contemplated by the Land Acquisition Organizational Chart.
3. Land prices for the land acquired by the District and land sold by the District, are reasonable and consistent with the Resolution Regarding Preliminary Project 42 Expenditures.
4. The Managers hereby authorize execution of the purchase agreement, attached hereto as Exhibit A, exchanging the District's Georgetown Township property with the Richards property.

5. The Managers hereby authorize execution of the purchase agreement, attached hereto as Exhibit B, exchanging the Richard's property for the Hogetvedt property.
6. The managers hereby authorize execution of an option for the Read property as provided in Exhibit C.

Dated: _____

Chairman
Wild Rice Watershed District

20. Lower Wild Rice River Corridor Restoration Initiative. Administrator Dalen distributed information on the Lower Wild Rice River Corridor Restoration Initiative and stated that the District did designate a 4-mile priority area located between County Road #20 and County Road #103 on the Wild Rice River southwest of Ada. The \$400,000 funding would be available for property owners in that area if they voluntarily agreed to participate in the RIM program. Dalen stated that Ron Harnack indicated that he would also submit a request for funding to the Lessard Outdoor Heritage Council, if approved by the Board. A motion was made by Manager Spaeth and seconded by Manager Wright to approve Mr. Harnack to present funding request to the Lessard Council. Carried.

21. Goals 2009. Administrator Dalen stated that the consultants he has been communicating with recommended more strategic planning for the Watershed District. The following list of 2009 Goals was distributed to the Managers: 1) Watershed Management District (WMD); 2) Proj #42 Construction; 3) Reevaluation of Felton Creek; 4) Mainstem Wild Rice River FDR Plan; 5) River Corridor Project Land Acquisition; and 6) COE Setback Levee. Dalen asked Managers to review the list and add ideas they would like for the next regular meeting scheduled for the 11th of February discussions.

22. Lower Wild Rice River Corridor Restoration Initiative. Considerable discussion was held regarding the RIM program. Brian Borgen and Duane Erickson felt that landowners in the Heitman Coulee area were not interested in RIM, due to the lower land payment, tax issues and permanent easement. Manager Vipond stated that the Board would not expect landowners to accept just the RIM payment but was hoping that other funding sources would be utilized to add funds to the payment to landowners.

23. Attorney Hanson left the meeting at 2:45 p.m. and Joe Spaeth left the meeting at 3:00 p.m.

PERMIT APPLICATION

24. MN Dept of Transportation, Minerva and Rice Townships, Clearwater County. A motion was made by Manager Wright and seconded by Manager Christensen to table the permit submitted by the MN DOT for resurfacing in Minerva and Rice Townships, Clearwater County, and notify affected landowners. Carried.

25. Financial Report. Accountant Marcussen distributed the financial report dated December 31, 2008, but stated that end of year transfers will be added. A motion was made by Manager Wright and seconded by Manager Christensen to table the financial report and add the transfers. The report will be presented at the February 11, 2009, meeting. Carried.
26. Approval of Billings. A motion was made by Manager Christensen and seconded by Manager Wright to approve the billings as presented along with Managers per diem and expenses. Carried.
27. Meeting Minutes. A motion was made by Manager Wright and seconded by Manager Vipond to approve the December 10, 2008, minutes of the regular meeting as distributed. Carried.
28. Red River Basin Commission Report. Manager Wright reported on the recent RRBC meeting stating that the most interesting presentation was on the condition of Lake Winnipeg. Warren Seykora was elected delegate at large from Minnesota.
29. Personnel Committee. Manager Vipond stated that he would give a report in February regarding approved 4% increase for staff.
30. There being no further business to come before the Board of Managers, a motion was made by Manager Vipond and seconded by Manager Christensen to adjourn the meeting. Carried. Chairman Seykora adjourned the meeting.

Don Vellenga, Secretary

Date	Num	Name	Memo	Amount
Dec 11, '08 - Jan 26, 09				
12/15/2008	11964	Jill and Greg Kettner	Mahnomen W Side Flood Control Proj	-500.00
12/15/2008	11965	Ray A Bisek	Mahnomen West Side Flood Control	-500.00
12/17/2008		Cardmember Service	Credit Card charges	-2,635.74
12/22/2008	Alltel		Alltel Cell bill	-212.44
01/05/2009	11973	Ulen VFW	Public Meeting Proj. #42	-50.00
01/14/2009	DD	Cardmember Service	Credit Card charges	-2,635.74
01/16/2009	11982	Bruce Watkins	consulting per proposal	-1,867.93
01/16/2009	11983	Customer Connections	Pymnt#2	-1,750.00
01/26/2009	11991	Alerus Appraisals	Larry/Clayton Richards	-500.00
01/26/2009	11992	AmeriPride	rugs	-60.95
01/26/2009	11993	ARC Lanes	mngnr lunch	-40.41
01/26/2009	11994	Bruce Watkins	Interviews and policy	-2,100.00
01/26/2009	11995	City of Ada	Dec billing	-312.10
01/26/2009	11996	Diane Ista	per diem	-107.94
01/26/2009	11997	Dorsey & Whitney LLP	servies thru 11/30/08	-12,575.85
01/26/2009	11998	Genesys Conferencing	Telephone Conference	-450.34
01/26/2009	11999	Geray Dozing	Ditch Cleaning	-500.00
01/26/2009	12000	Houston Engineering, Inc.	billing thru 12/31/08	-33,202.28
01/26/2009	12001	Index Printing Inc.	annual reports printed	-900.94
01/26/2009	12002	Joe Spaeth	per diem	-427.43
01/26/2009	12003	Judy Olson	Refund Clayton Arthurs Ring Dike	-3,238.69
01/26/2009	12004	Loretel Systems	telephone	-301.28
01/26/2009	12005	Mahnomen Soil & Water Cons. District	environmental news letter	-485.50
01/26/2009	12006	MARCO, Inc. Maintenance	copier	-308.85
01/26/2009	12007	Marcussen Accounting	Dec Billing	-929.50
01/26/2009	12008	MAWD	2009 Dues	-2,000.00
01/26/2009	12009	Minnesota Energy Resources Corporation	thru 1/9/09	-246.35
01/26/2009	12010	Office Supplies Plus	CD Duplicator and supplies	-1,817.37
01/26/2009	12011	Ralph's Food Pride	supplies	-44.81
01/26/2009	12012	Red River Coop Power	J.D. #53 Main, Move poles	-3,036.52
01/26/2009	12013	Renaee Kappes	cleaning office	-100.00
01/26/2009	12014	Rinke Noonan	Legal Counsel	-5,603.50
01/26/2009	12015	Steichen Excavating	culvert and ditch cleaning	-1,042.25
01/26/2009	12016	The Forum	12 months	-135.00
01/26/2009	12017	Tim Halle	press info.	-813.00
01/26/2009	12018	Wambach & Hanson	meeting attendance	-1,510.10
01/26/2009	12019	Warren J. Seykora	per diem	-744.77
01/26/2009	12021	Diane Ista	mileage	-16.50
01/26/2009	12022	Joe Spaeth	expense reimbursement	-141.38
01/26/2009	12023	Warren J. Seykora	expense reimburse	-1,272.63
01/26/2009	12020	Red River Watershed Management Board	1/2 cost share	-149,916.57
12/15-1/7/09		Payroll/emp ins &	Med exp & Payroll taxes	-18,102.01
Dec 11, 08 - Jan 26, 09				<u>-253,136.67</u>