

May 12, 2010 REGULAR MEETING APPROVED MINUTES

1. The regular meeting of the Wild Rice Watershed District Board of Managers was held on Wednesday, May 12, 2010. Managers in attendance included Diane Ista, Joe Spaeth, Greg Holmvik, Duane Erickson, John Austinson and Dean Spaeth. In addition the following persons were in attendance: Administrator Tom Wollin, Assistant Administrator Loretta Johnson, Administrative Assistant Kari Kujava, Attorney Hanson, Engineer Jerry Bents and additional property owners, taxpayers and interested persons within the Watershed District.
2. Chairman Christensen called the meeting to order at 8:35 a.m.
3. A **motion** was made by Manager Erickson and **seconded** by Manager Ista to approve the agenda with additions. **Carried.**
4. **Open Microphone.** No one came forth on open microphone.

PERMIT APPLICATIONS

5. A **motion** was made by Manager Ista and **seconded** by Manager Austinson to approve the following permit applications with conditions recommended by staff. **Carried.**
 - **American Crystal Sugar, Section 7, Hendrum Township.** Permit Application #5-12-10-1 to install subsurface tile with the condition that the applicant obtain approval from the road authority for any work within the road Right-of-Way.
 - **David Visser, Section 14, Sundal Township.** Permit Application #5-12-10-3 to clean and deepen a ditch with the condition that the landowner obtains approval from the road authority for any work done in the road right-of-way and that the landowner install adequate erosion control measures.
 - **MNDOT, Section 27, 28, Winchester Township.** Permit Application #5-12-10-4 to replace a 4' x 10' box culvert with the same size with the condition that the culvert is installed at the same elevation and location as the existing culvert.
 - **Titan Machinery, Section 18, McDonaldsville Township.** Permit Application #5-12-10-5 to install an approach with an 18" culvert.
 - **John Brandt, Section 11, Lake Ida Township.** Permit Application #5-12-10-7 to construct a field crossing across a private ditch with the condition that the pipe(s) have a minimum waterway area of 9.621 ft (a 42" diameter pipe).
6. **American Crystal Sugar, Section 4, McDonaldsville Township.** A **motion** was made by Manager Holmvik and **seconded** by Manager D Spaeth to **table** Permit Application #5-12-10-2 to install subsurface tile. Landowners in the E1/2SW4 of McDonaldsville Township will be notified prior to board action. **Carried.**

7. James Renner, Section 34, Viding Township. A **motion** was made by Manager Holmvik and **seconded** by Manager D Spaeth to **deny** Permit Application #5-12-10-6 to replace a 24” culvert with a new 24” culvert and construct ditch work along the east side of Section 34 of Viding Township due to the ditchwork would be on a downstream landowner’s property and that landowner is opposed to the permit. **Carried.**

8. Upper Becker Project.

- George Read Request. Administrator Wollin presented the Managers with three options to resolve George Read’s request for reimbursement for legal fees as a result of purchase option agreements, which came to his attention after other landowners received these fees. 1) pay the request of \$3,321; 2) pay fifty percent of the cost or \$1,660.50; 3) pay nothing. Attorney Hanson cautioned the Managers against going into the payment as Read’s contract specifically states that Read is responsible for his own fees. A **motion** was made by Manager Ista and **seconded** by Manager Erickson to pay the full amount of \$3,321. **Carried with Managers Ista, Erickson, D Spaeth and Austinson for and J Spaeth, Holmvik and Christensen against.**
- Riceville Township Request. Administrator Wollin presented the Managers with three options to resolve the request by Riceville Township for reimbursement of fees to repair roads near the Upper Becker Dam. Wollin noted that Project #4, Upper Becker Dam has approximately \$75,000 in the account. 1) Pay full amount of request of \$10,365.10; 2) Pay legal option with statute of limitations in the amount of \$2,470.38; 3) Pay the current year’s billings which are zero. A **motion** was made by Manager Holmvik to pay the full amount of the request for \$10,365.10, the amount which will be taken from the Project #4 account. Manager Erickson **seconded** the motion. Bergren and Zurn agreed to take care of the signing portion of the request. **Carried.**
- Project Update. Engineer Bents stated that he didn’t have any project update. Administrator Wollin distributed a spreadsheet illustrating land costs, trades, values established by appraisals, easements or acquisition, purchase price, swap or purchase, transaction status and percentage of agreement. Managers liked the information illustrated in the spreadsheet. Attorney Hanson discussed the James and Margaret Jirava option which has been exercised, however the District does not have enough funds to purchase at this time. A **motion** was made by Manager Holmvik and **seconded** by Manager J Spaeth to approve the addendum prepared for the purchase option which grants an extension until June 15, 2010, with interest paid to Jiravas at \$126 per day. **Carried with Manager Erickson opposed.**
- Tom Bergren, audience participant, called for a point of order. Bergren stated that per Mahnomen County Commissioner meeting on Tuesday, May 11, 2010, the Mahnomen County Attorney stated that Manager J Spaeth’s term has expired and he may no longer vote. Attorney Hanson disagreed and said that under MN Statute Joe Spaeth could continue to vote until a replacement or he is appointed. Hanson also said that in talking to the Mahnomen County Attorney, she agreed and had indicated that she was not aware of that statute.

- Manager Erickson made a **motion** and Manager Austinson **seconded** the motion to approve the following proposal.

Duane Erickson

From: "Duane Erickson" <duaneerickson@arvig.net>
To: "Duane Erickson" <DuaneErickson@arvig.net>
Sent: Wednesday, May 12, 2010 7:02 AM
Subject: Fw: Amendment to the resolution of the Upper Becker Dam

I Duane Erickson a WRWD board member today on 5-12-10 move to amend the resolution to the Upper Becker Dam Project as follows. #1 Rise the concrete box or structure on the existing Dam to a elevation of 1212 ft. at the over flow. #2 Put a gate on this structure to hold water. #3 Engineer the existing Dam to hold and be permitted for the 1212 ft elevation. #4 Put a structure on or referred to as the Stalberger Rd, engineered with pipes to slow the water down and raise and improve the road. #5 Use CRP or WRP to compensate the land owners. #6 The intent of this amendment is to replace the verbiage of the original motion. #7 Table this motion for review and comments until the June normal meeting. This would give 3288 ac. ft. of storage for a fraction of the \$11.5 B. now proposed. Thank you.

- Discussion followed. Manager J Spaeth asked how much storage the project is losing. Erickson stated that there would be 3200 cubic feet of storage. Manager Ista stated that it was hard for her to understand with the reduced amount of storage, RRWMB support for the current project with the star values and criteria necessary, approval by the Project Team and agencies, state funding very positive, how they would think of throwing the money away and not going forward with the project. Erickson asked if we had the permits in hand. Ista replied, not in hand but that is not the process of the project. Ista stated that the District has been working on this project for a long time and now Erickson brings a design with changes, without financial plans, losing options and extra engineering for design costs. Erickson stated that it was not his idea but the landowners. Chairman Christensen called for a vote.
Managers Christensen, Austinson, Erickson and D Spaeth for; Managers Ista, Holmvik and J Spaeth opposed. Carried.
- Manager Erickson stated that Congressman Collin Peterson was in favor of this motion and presentation. Manager Ista asked him what he meant by the fact that Representative Peterson was in favor of this motion. Ista also stated that she felt the board was now being led by outsiders. After considerable discussion Manager Erickson made a **motion** which was **seconded** by Manager Austinson to **rescind** the motion until the hearing is in progress.
Carried.

9. Meeting Recess. A motion was made by Manager Austinson and seconded by Manager Holmvik to recess the regular meeting. Carried. Chairman Christensen recessed the meeting at 10:33.

10. Chairman Christensen reconvened the Hearing on the Upper Becker Project which was recessed on April 21, 2010. Testimony on the project began. Landowner Curt Jacobson stated that there have been many landowners who have had acquisition as a result of flooding on the South Branch River and disagreed with the amending the proposed project to a reduced amount of 3,800 acre feet of storage. He encouraged the Managers to move forward with the original project as proposed. William Zurn felt that landowners in that area had done their part. Charlie Pazdernik, Mahnomen County Commissioner, stated that he would prefer doing something a little more moderate and if you are going down this road, there is a lack of funds. Administrator Wollin stated that at this point there are no additional taxes being levied for the project. The funds being used will be from current taxing. Hendrum Mayor, Curt Johannsen, stated that since 1997 the City of Hendrum has had five major floods, four of which are top levels of flood of all time. They have had two major floods in the last two years and were very close to overtopping the levee system this last year. He stated that the original proposed project is a good project, we need retention and let's lead by example and get something done. Norman County Commissioner Steve Jacobson stated that retention is fundamental to stopping our flooding. This is a good project. Tom Bergren stated that you are talking about flooding 1,100 acres of land for ¼ inch reduction and asked if there was any money set aside for an increase of costs. Engineer Bents stated that the budget includes a contingency that would likely be used for cost increases. Mick Alm, Norman County Engineer and Hendrum resident stated that with the floods there is also the isolation and lack of ability to get in or out of these small cities and the damages to roads and infrastructure. Alm stated that whatever retention is there, he is fully supporting it. Brian Borgen stated that financially he lost his entire farm as a result of flooding, is living in Hendrum. Mark Habedank stated that we all need to have a basic respect for all people, and support's the motion presented by Manager Erickson.

A motion was made by Manager Holmvik and seconded by Manager J Spaeth to support the Upper Becker Dam Project as proposed in the hearing. Attorney Hanson stated that you then need to be prepared to use eminent domain.

STATE OF MINNESOTA
WILD RICE WATERSHED DISTRICT

In Re The Matter of the Establishment
Of Project #42 - Upper Becker Dam
Enhancement Project

Order of the Board of Managers
Establishing Project #42

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1. Pursuant to Minnesota Statutes §103D.605, the Wild Rice Watershed District held a public hearing to consider the establishment of Project #42-Upper Becker Darn Enhancement Project.
 2. The managers provided notice by publication in the official newspapers of the District as provided by law and affidavits of publication were presented to the Board of Managers and incorporated into these Findings by reference.
 3. The managers held the public hearing on February 17, 2010, at 10:00 a.m. at the VFW at 415 W. Main Street in Ada, Minnesota. The board heard all parties interested in the proposed project, but as the local share of funding for the proposed project was to be paid with a water management district, and BWSR had not yet acted on the watershed district's petition to amend its water management plan to allow a WMD, the board recessed that meeting and noticed that it would reconvene on March 25, 2010, at 1:00 p.m. at the Wild Rice Watershed District Office at 11 East 5th Avenue, Ada, Minnesota.

4. The managers again provided notice by publication in the official newspapers of the District, together with affidavits of publication thereof which are incorporated into these findings by reference, of the reconvening of the recessed meeting on March 25, 2010. At that meeting, the board concluded that the proposed WMD method of financing Project #42 was no longer acceptable and that instead the project be funded with up to 75% from the State of Minnesota, that up to a 10% maximum local share by the existing Wild Rice Watershed District Red River Construction account, and the balance be funded through the Red River Water Management Board or other outside sources. Accordingly, the Board of Managers again recessed the establishment hearing to April 21, 2010.

5. The managers again provided notice by publication in the official newspapers of the District as provided by law, together with related affidavits of publication which are incorporated into these findings by reference, regarding the reconvening of the Project #42 Establishment Hearing until April 21, 2010, at 10:00 a.m. at the Wild Rice Watershed District Office at 11 East 5th Avenue, in Ada, Minnesota.

6. At the hearing on April 21, 2010, the board again heard all parties interested in the proposed project regarding any additional/new comments/information which such interested parties desired to present in light of the change in financing for said Project #42.

7. At the April 21, 2010, public hearing, there were two board members absent and the Board of Managers concluded that a recess of the meeting would be in order until May 12, 2010, with the hope that all seven members of the Board of Managers be present at the meeting. Accordingly, the meeting was again recessed until May 12, 2010, at the Wild Rice Watershed District Office at 11 East 5th Avenue in Ada, Minnesota, with the managers providing notice by publication in the official newspapers of the District as provided by law, together with affidavits of publication relative to said notice being incorporated into these findings by reference.

8. Members of the public were present at the public hearing on February 17, 2010, at the reconvened meeting on March 25, 2010, at the reconvened meeting on April 21, 2010, and at the reconvened meeting on May 12, 2010.

9. Minutes were held of the Project Hearing, with separate minutes relating to the February 17th, March 25th, April 21st, and May 12th public hearings of the establishment hearing and the minutes of said hearings are incorporated into this order by reference.

10. The board has considered the presentations made by the District's engineer on February 17th, March 25th, April 21st, and May 12th regarding the project and a copy of the engineer's computer/projector presentation at each of said meetings are incorporated into this order by reference.

11. The board concludes that due to significant flooding and erosion problems within the Wild Rice Watershed District, as well as a desire for natural resource enhancement.

12. The general nature of Project #42 is a flood control, stormwater management project located within the South Branch watershed area of the WRWD and said project will provide flood control, help maintain property values, reduce erosion, and protect public and private infrastructures.

13. Having evaluated numerous alternative methods to reduce flood damages and improve natural resources in the South Branch sub watershed, the board, with the assistance of the District's engineer, has identified a number of components consistent with the flood damage reduction initiative regarding Project #42, and the District's water management plan.

14. The project is part of an incremental approach to flood control within the WRWD, with the board recognizing that no single project will accomplish the objectives for flood control and natural resource enhancement, but that each project, including Project #42, will be part of an incremental approach to the District's water management plan and flood damage reduction initiatives.

15. Project #42, Upper Becker Dam Enhancement Project will involve the construction of a flood control reservoir so that flood waters from the contributing drainage area can be held until downstream channel conditions can accommodate the flows. The proposed project will consist of a 6,100 foot long earthen dam designed to contain run-off from the approximately 38.4 square miles of the South Branch watershed prior to discharging flows into the South Branch of the Wild Rice River and the Wild Rice River. The storage area will have a total capacity of approximately 10,410 acre feet of water, of which 7,940 acre feet will be gated to provide detention times in excess of thirty (30) days if needed, with the size of the flood pool to range from 0 acres to approximately 900 acres at the emergency spill-way crest elevation. A copy of the engineer's report which has been filed with the District is incorporated into this Order by reference.

16. The proposed Project #42 design as set forth in the engineer's report is the most advantageous design for the District's purposes, with the Board of Managers having considered other alternative designs suggested by the engineer and/or members of the public.

17. The board concludes that the proposed project is in conformance with the District's watershed management plan and that reports have been received from both BWSR and the DNR and the board has considered those reports and related comments.

18. The board has reviewed the proposed project with the Red River Watershed Management Board and concludes the proposed project is in conformance with the RRWMB's mission statement, as well as the goals and objectives of the RRWMB's governing documents.

19. The total estimated cost of the project is \$11.5 million dollars per the engineer's report with the project costs to be paid as follows: up to 75% of the project costs is to be paid by the State of Minnesota Flood Damage Reduction Program, up to 10% of the total Project Costs. paid from the WRWD Red River construction account; and the balance of the project costs to be paid by the Red River Water Management Board or other outside sources.

20. Based upon the foregoing, Manager Holmvik moved, and Manager Ista seconded the motion that the managers establish the project.

21. After discussion, it was found by the board that the project is conducive to the public health, promotes the general welfare, and is in compliance with the District's water management plan.

22. The project was established by a majority vote of those managers present at the meeting.

Dated: May 12, 2010

WILD RICE WATERSHED DISTRICT

BY: _____
Michael Christensen, its President

The foregoing Order was adopted by the Board of Managers at its public hearing held May 12, 2010, at the Wild Rice Watershed District Office in Ada, Minnesota.

Dated this _____ day of May, 2010.

Diane Ista, Vice Chairman

Manager Erickson asked if he did or did not deserve the privilege to make his previous motion that he withdrew to wait until the hearing. Attorney Hanson stated that this is Manager Holmvik's motion and it would be up to him if he wanted to withdraw it. Holmvik stated that he thought we needed to vote on this, and if it goes down, it is done, if not, then Erickson could have his motion.

Chairman Christensen called for a vote. **Managers Ista, Holmvik and J Spaeth for and Managers Erickson, Austinson, D Spaeth and Christensen against. Motion failed for lack of a majority.**

At that time many of the public left the meeting. Manager Erickson went back to his original motion, amending it with several changes. After considerable discussion, Erickson made the **motion** which was **seconded** by Manager Austinson to direct the engineer to prepare an amended engineer's report, and alternative design with the riser crest being set at 1,212 feet. **Carried with Managers Erickson, Austinson, Christensen and D Spaeth for and Managers Ista, Holmvik and J Spaeth opposed.** Chairman Christensen adjourned the hearing at 11:40 a.m.

11. The regular meeting was recessed at 11:40 a.m. and reconvened at 12:40 p.m. at which time Chairman Christensen left the meeting.

12. Vice Chairman Ista called the meeting to order at 12:40 p.m.

13. **2010 SWCD Project Incentive Program.** Curtis Borchert presented his 2010 SWCD Project Incentive Program request. Borchert noted that although it was now 2010, \$31,600 of the 2009 funds were not used. He requested that amount and an additional \$21,500 for a total request of \$53,100. Borchert stated that although the funds are being requested at this time, the majority will not be paid out by the District until 2012. A **motion** was made by Manager Erickson and **seconded** by Manager Austinson to approve the total request. Manager Holmvik asked Borchert, if these retention site subbasins and buffers were installed on land that the WRWD could eventually put into a flood control storage site, could the land issue be a problem. Borchert stated yes. Chairman Christensen called for the vote. **Carried.**

14. **Upper Becker Project.** Attorney Hanson discussed the James and Margaret Jirava option that the District has already exercised. Hanson stated that included in the option is the clause that if the District sells the property rather than swapping, Jiravas get the right of first refusal to buy it back. With the changes brought about by the majority of Managers voting to not proceed with the Upper Becker Project, a decision must be made on what to do regarding Jiravas. A **motion** was made by Manager D Spaeth and **seconded** by Manager Erickson authorizing Attorney Hanson to contact Jirava's and request an extension to the current option. **Carried.**

15. **Consideration of Proposals for Consulting Services.** The mowing proposals were reviewed by Managers with Arvid Ambuehl \$90 per hour and Joe Boe \$58.50 per hour. Due to the large disparity in the bids, a **motion** was made by Manager Holmvik and **seconded** by Manager Austinson to reject all bids and rebid the mowing using a lump sum basis. **Carried.** The legal proposal submitted by Wambach and Hanson was discussed. A **motion** was made by Manager Erickson and **seconded** by Manager J Spaeth to approve the proposal in the amount of \$160 per hour legal attorney and \$35 skilled secretary-paralegal type services. **Carried with Manager Dean Spaeth abstaining.** A **motion** was made by Manager Holmvik and **seconded** by Manager J Spaeth to accept the proposal of Marcussen for \$50 per hour general accounting/payroll and meeting attendance/consulting at \$60 per hour. Manager Austinson stated that he was not quite comfortable with the books as they are at this time and wanted something easier to understand. Administrator Wollin stated that a full time administrator here, it was a goal to have more accounting in house. Chairman Christensen called for the vote. **Carried with a unanimous vote.** Wes Carlsrud submitted a proposal at \$150 per hour for spraying. A **motion** was made by Manager Austinson and **seconded** by Manager Holmvik to approve the proposal. Managers briefly discussed the cost of spraying. **Carried with Manager Erickson opposed.** Houston Engineering proposal was distributed. Engineer Bents rate is \$116 per hour, and listed was a fee schedule for all engineering and surveying services offered. A **motion** was made by Manager Holmvik and **seconded** by Manager D Spaeth to approve Houston Engineering's proposal. **Carried with Manager Ista opposed.**

16. Approval of Billings and Managers Expenses. A **motion** was made by Manager Holmvik and **seconded** by Manager D Spaeth to approve the billings and expenses and per diems of Managers dated May 12, 2010. **Carried.**

17. RRWMB Reimbursement. A **motion** was made by Manager Erickson and **seconded** by Manager D Spaeth to void the \$600,000 check for reimbursement to the RRWMB for the advance issued previously due to cash flow and if decided at a later date to make the payment, issue a new check at that time. **Carried.**

18. DNR Project Funding. A **motion** was made by Manager Austinson and **seconded** by Manager D Spaeth authorizing Administrator Wollin to correspond with the MN DNR stating that the current Upper Becker Project wasn't approved today due to lack of votes. Therefore would the DNR consider holding the grant funding for a period of time until a possible alternative is brought forth. **Carried.**

19. Hendrum and Perley Community Levee Projects. A **motion** was made by Manager Holmvik and **seconded** by Manager D Spaeth authorizing the hearings for Perley to be scheduled for June 10, 2010, at the Perley Firehall and the Hendrum hearing to be scheduled for June 15, 2010, at the Hendrum Firehall, and staff to send out necessary notices as by applicable law. **Carried**.

NOTICE OF FINAL HEARING REGARDING PROJECT NO. 43
REGARDING THE PERLEY COMMUNITY FLOOD CONTROL LEVEE

PLEASE TAKE NOTICE that a hearing will be held at the Fire Hall in the City of Perley, Minnesota, at 7:00 p.m. on June 10, 2010. The purpose of the hearing is to consider the pending petition by the City of Perley for the Wild Rice Watershed District Board of Managers (WRWD) to consider establishing the pending Project #43 petition for the Perley Community Flood Control Levee. Both an engineer's report and appraiser's report, including preliminary plans, are filed with the WRWD and are subject to inspection by any interested person. The proposed project will involve construction of an earthen flood control levee around all four sides of the City of Perley. This project will provide a higher level of permanent flood protection for the City of Perley to minimize future flooding impacts. In addition to the earthen flood control levees, the project will also include internal drainage and storage improvements, storm water lift station, closure structures, bypass channel, emergency closures, and necessary land acquisition.

A description of the properties benefited by the proposed project includes generally all of the property located within the proposed levees which are described in detail in the preliminary plans and in the engineer's report which is on file at the WRWD office. The appraiser's report lists the names and addresses of all benefiting property, together with the total benefits being attributed to said properties. A map depicting the affected areas is attached hereto as Exhibit "A."

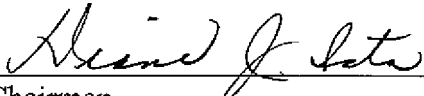
IF YOU RECEIVE A COPY OF THE NOTICE BY MAIL, THEN YOUR NAME APPEARS AS AN AFFECTED PARTY.

All parties interested in or affected by the proposed Project #43 may appear before the WRWD Board of Managers at the time and place stated above and present their objections, if any, to show why an order should not be made by the managers granting the City of Perley's petition, confirming the reports of the engineer and appraisers, and ordering the establishment and construction or implementation of the project, subject to such modifications as the board may deem appropriate and within the scope of the WRWD 's water management plan.

The probable cost of the proposed is estimated to be \$2,990,300.00, with \$2,957,800.00 of that amount to be paid by the State of Minnesota Flood Damage Reduction Program and approximately \$32,500.00 in the form of a local assessment. The local assessment will be limited to the computation of 2% of the median household income of Perley multiplied by the number of households at the time of project implementation. The local assessment will be made in accordance with Minn. Stat. §103D.715, or §103D.721 to assess the local share of the project implementation and to pay for the future operation and maintenance costs of the project.

All of the following addressees names appear as affected parties: See Attached list. Dated this 12 day of May, 2010.

WILD RICE WATERSHED DISTRICT

By: 
Its Chairman

NOTICE OF FINAL HEARING REGARDING PROJECT NO. 44
REGARDING THE HENDRUM COMMUNITY FLOOD CONTROL LEVEE

PLEASE TAKE NOTICE that a hearing will be held at the Fire Hall in the City of Hendrum, Minnesota, at 7:00 p.m. on June 15, 2010. The purpose of the hearing is to consider the pending petition by the City of Hendrum for the Wild Rice Watershed District Board of Managers (WRWD) to consider establishing the pending Project #44 for the Hendrum Community Flood Control Levee. Both an engineer's report and appraiser's report, including preliminary plans, are filed with the WRWD and are subject to inspection by any interested person. The proposed project will involve construction of an earthen flood control levee around all four sides of the City of Hendrum. This project will provide a higher level of permanent flood protection for the City of Hendrum to minimize future flooding impacts. In addition to the earthen flood control levees, the project will also include internal drainage and storage improvements, *storm* water lift station, closure structures, ditch realignment, emergency closures, and necessary land acquisition.

A description of the properties benefited by the proposed project includes generally all of the property located within the proposed levees which are described in detail in the preliminary plans and in the engineer's report which is on file at the WRWD office. The appraiser's report lists the names and addresses of all benefiting property, together with the total benefits being attributed to said properties. A description of the properties damaged by the project is set forth in the preliminary plans and in the engineer's report. A map depicting the affected areas is attached hereto as Exhibit "A."

IF YOU RECEIVE A COPY OF THIS NOTICE BY MAIL, THEN YOUR NAME APPEARS AS AN AFFECTED PARTY.

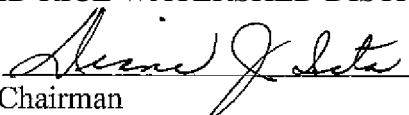
All parties interested in or affected by the proposed Project #43 may appear before the WRWD Board of Managers at the time and place stated above and present their objections, if any, to show why an order should not be made by the managers granting the City of Hendrum's petition, confirming the reports of the engineer and appraisers, and ordering the establishment and construction or implementation of the project, subject to such modifications as the board may deem appropriate and within the scope of the WRWD's water management plan.

The probable cost of the proposed project is estimated to be \$2,810,300.00, with \$2,723,500.00 of that amount to be paid by the State of Minnesota Flood Damage Reduction Program and approximately \$86,800.00 in the form of a local assessment. The local assessment will be limited to the computation of 2% of the median household income of Hendrum multiplied by the number of households at the time of project implementation. The local assessment will be made in accordance with Minn. Stat. §103D.715, or §103D.721 to assess the local share of the project implementation and to pay for the future operation and maintenance costs of the project.

All of the following addressees names appear as an affected party: See Attached list.

Dated this _____, day of May, 2010.

WILD RICE WATERSHED DISTRICT

By: 
Its Chairman

20. Meeting Recess. A **motion** was made by Manager Holmvik and **seconded** by Manager Erickson to recess the meeting and reconvene at 8:30 a.m. on Wednesday May 19, 2010. **Carried**. Vice Chairman Ista recessed the meeting at 4:00 p.m.

RECONVENED REGULAR MAY MEETING May 18, 2010

21. The regular reconvened meeting of the Wild Rice Watershed District was held on Wednesday, May 18, 2010, at the office of the District. All Managers were present, none absent. Also present were Administrator Tom Wollin, Assistant Administrator Loretta Johnson, Administrative Assistant Kari Kujava, Attorney Hanson, Engineer Jerry Bents and Lowell Anderson. Chairman Christensen called the meeting to order at 8:35 a.m.
22. Approval of Billings. A **motion** was made by Manager J Spaeth and **seconded** by Manager Holmvik to approve the billings as presented. **Carried**.
23. Joe Chisholm Violation Section 15, Sundal Township. Administrator Wollin reported on a site investigation by himself, Managers D Spaeth and Mike Christensen along with Joe Chisholm, Everett Hanson, Floyd Hanson and Duane Erickson. Consensus at the site was that Chisholm agreed to put a culvert in place as requested by Floyd Hanson to resolve the issue. Floyd Hanson questioned damage costs to the property. Wollin informed him that the damages are a civil matter that would need to be resolved between the two of them.
24. Upper Becker. Managers were updated on Upper Becker and discussion was held regarding what to do next. Attorney Hanson reminded Managers that the Jirava option was extended only until June 15, 2010, and at this time the Board does not know how many acres are needed for Option B.
25. Board Reorganization.
- Nominations were taken for Chairman. Manager Austinson nominated Mike Erickson. Manager J Spaeth nominated Greg Holmvik. A **motion** was made by Manager Austinson and **seconded** by Manager Erickson that nominations cease. A ballot was taken. Managers Austinson, Erickson and D Spaeth voted for Mike Christensen. Managers Ista, J Spaeth, Christensen and Holmvik for Holmvik. **Carried** with Holmvik with majority and new Chairman.
 - Nominations were taken for Vice Chairman. Manager Austinson nominated Mike Christensen. Manager D Spaeth made a **motion** that nominations cease and the secretary cast a unanimous ballot for Christensen. Manager Erickson **seconded** the motion, which **carried** with a unanimous vote.
 - Nominations were taken for Secretary. Manager Christensen nominated John Austinson. Manager D Spaeth made a **motion** that nominations cease and the secretary cast a unanimous ballot for Austinson. Manager Christensen **seconded** the motion. **Carried** with a unanimous vote. John Austinson is Secretary.
 - Nominations were taken for Treasurer. Manager Erickson made a **motion** to nominate Manager D Spaeth. Manager Christensen **seconded** the motion and requested that the nominations cease and the secretary cast a unanimous ballot. **Carried** with a unanimous vote, D Spaeth is Treasurer.
 - A **motion** was made by Manager Christensen and **seconded** by Manager D Spaeth authorizing the four officers to update the signature cards at the Frandsen Bank. **Carried**.

26. Upper Becker Project Update. Engineer Bents displayed maps on the screen showing elevations of the top of the riser crest at 1212; 1215 emergency spillway and top of dam at 1218. Manager Holmvik asked Bents if the State of MN funding had any bearing on the RRWMB, to which Bents stated that it does, as the State holds funding back for the RRWMB which designates which projects move forward, therefore also getting state funding. Managers discussed the amount of property still needed at the 1212 elevation. Engineer Bents stated that although the number of acres is down the vast difference in the landowners affected is the ones upstream of the project will not be needed. Manager Erickson stated that all of the landowners in the area were comfortable with the 1212 elevation. Once again Attorney Hanson advised the Managers that they need to remember that anyone has the right to refuse, however if the District intends to move forward with Plan B or any project, they need to be prepared for eminent domain. Manager Holmvik asked Manager Erickson when meeting with landowners prior to the 12th of May meeting, did they agree with the 1212 elevation. Erickson stated that they were in agreement and no one had a problem with the 1212 elevation at the top of the riser crest. Erickson did recommend however, that all landowners get copies of the elevation maps ahead of any future meeting with them. Manager Erickson asked Lowell Anderson, landowner, if he would be happy with a flowage easement. Anderson stated that no, he wanted a trade. Manager D Spaeth felt too, that visiting with each landowner ahead of time, along with them having copies of the maps may be a good thing. Managers also discussed Attorney Hanson preparing flowage easements and fee title options to take along when visiting with landowners to have them signed. Payment options were discussed, and Managers felt using the same value as have been used in the previous easements was probably the best. A **motion** was made by Manager J Spaeth and **seconded** by Manager Austinson authorizing Attorney Hanson to prepare both flowage easement documents and fee title purchase options using the same values as previously used and also the opportunity for a 1031 like kind exchange. **Carried**. A **motion** was made by Manager D Spaeth and **seconded** by Manager Austinson authorizing Managers Christensen and Erickson to visit with all landowners in the project, taking along the easements for signatures. **Carried**.

27. Avery Brothers Farmstead Ring Dike. Attorney Hanson addressed the issue with Avery Brothers wanting to be released from their contract, but also wanting to be paid the balance without completing the projects. Hanson also addressed correspondence to Avery in which Avery was reminded that he must work with Houston Engineering staff and must treat the landowners and staff in a courteous manner. Hanson also reminded the Board of Managers that in future bidding to remember that Avery is not a responsible bidder, due to the recent issues with them.

28. Roesch Farmstead Ring Dike. A **motion** was made by Manager J Spaeth and **seconded** by Manager Christensen authorizing the payment to BWSR and Krog and Paakh for the wetland mitigation. **Carried**.

29. Twin Valley Stream Gauge Funding. It was reported that the Finance Committee approved supporting the RRWMB request for cost share assistance on the Twin Valley stream gauge at the recent meeting with them.

39. SWCD Small Project Funding. A **motion** was made by Manager D Spaeth and **seconded** by Manager Erickson to approve the funding request by Aaron Neubert for the sediment basin cost share in the amount of \$6,000 to Charles Balstad for two, \$3,700 for Jason Keller for two and \$1,700 Vig Farms for one. **Carried**. A **motion** was made by Manager Erickson and **seconded** by Manager Austinson authorizing Administrator Wollin to communicate with the NCSWCD in an effort to fund the new sediment basins from grant funding. **Carried**.

31. Upper Becker. A **motion** was made by Manager D Spaeth and **seconded** by Manager Austinson authorizing Administrator Wollin to request the \$1.15 Million in funding from the RRWMB if the District repays the \$600,000. **Carried**.

32. MAWD Summer Tour. A **motion** was made by Manager Austinson and **seconded** by Manager D Spaeth authorizing Managers' attendance at the MAWD Summer Tour. **Carried**.

33. There being no further business to come before the Board of Managers a **motion** was made by Manager Austinson and **seconded** by Manager Erickson to adjourn the meeting. **Carried**. Chairman Holmvik adjourned the meeting at 11:15 a.m.

John Austinson, Secretary

| Date | Num | Name | Memo | Amount |
|----------------------------|-------|--|------------------------------------|-------------------|
| Apr 15 - May 12, 10 | | | | |
| 04/19/2010 | 12874 | Gordon Construction | Proj #12 Beaver Dams | -340.00 |
| 04/19/2010 | 12875 | MPCA | Kevin Anderson Ring Dike | -400.00 |
| 04/19/2010 | 12880 | Warren Lee | Hendrickson Borrow | -3,350.00 |
| 05/12/2010 | 12894 | Dean P Spaeth | Per Diem & Mileage | -233.14 |
| 05/12/2010 | 12895 | Diane J Ista | Per Diem & Mileage | -228.83 |
| 05/12/2010 | 12896 | Duane L Erickson | Per Diem & Mileage | -237.46 |
| 05/12/2010 | 12897 | Gregory R Homvik | Per Diem & Mileage | -257.20 |
| 05/12/2010 | 12898 | John D Austinson | Per Diem & Mileage | -193.93 |
| 05/12/2010 | 12899 | Joseph N Spaeth | Per Diem & Mileage | -231.46 |
| 05/12/2010 | 12900 | Michael K Christensen | Per Diem & Mileage | -475.20 |
| 05/12/2010 | 12903 | AmeriPride | Cleaning | -90.48 |
| 05/12/2010 | 12904 | Arvid L Ambuehl | Upper Reaches/Moccasin | -8,092.00 |
| 05/12/2010 | 12905 | Auto-Owners Insurance | Building Ins | -961.00 |
| 05/12/2010 | 12906 | City of Ada | Utilities | -302.43 |
| 05/12/2010 | 12907 | Clay County Auditor Treasurer | RE Taxes | -9,992.03 |
| 05/12/2010 | 12908 | Dean Spaeth | mileage | -160.00 |
| 05/12/2010 | 12909 | Diane Ista | mileage | -5.00 |
| 05/12/2010 | 12910 | Drees, Risky & Vallager, Ltd. | Info for State Audit | -400.00 |
| 05/12/2010 | 12911 | Duane Erickson-Mgr | mileage\meals | -129.00 |
| 05/12/2010 | 12912 | Ertelt Negotiations | Land Negotiations | -6,575.00 |
| 05/12/2010 | 12913 | FP Mailing Solutions | Inv #R100116070 | -112.22 |
| 05/12/2010 | 12914 | Gordon Construction | Spring Washout Repairs | -5,722.50 |
| 05/12/2010 | 12915 | Houston Engineering, Inc. | Engineering | -35,435.68 |
| 05/12/2010 | 12916 | James Wagner, Sr. | Beaver Dam Removal | -4,048.00 |
| 05/12/2010 | 12917 | Joe Spaeth | mileage\meals | -118.86 |
| 05/12/2010 | 12918 | John Austinson | mileage and meals | -109.60 |
| 05/12/2010 | 12919 | KRJB Radio | Upper Becker Hearing | -400.00 |
| 05/12/2010 | 12920 | Loretel Systems | Utilities | -290.26 |
| 05/12/2010 | 12921 | Lunde Blade & Gravel | Snow Removal Proj #29 | -820.00 |
| 05/12/2010 | 12922 | Mahnomen Pioneer | Legal Ads | -84.70 |
| 05/12/2010 | 12923 | MARCO, Inc. | Copy Machine Rental | -598.50 |
| 05/12/2010 | 12924 | Marcussen Accounting | April Accounting | -984.00 |
| 05/12/2010 | 12925 | McCollum Hardware, Inc. | Office Supplies | -59.56 |
| 05/12/2010 | 12926 | Mike Christensen | mileage | -225.00 |
| 05/12/2010 | 12927 | Minnesota Energy Resources Corporation | Utilities | -36.75 |
| 05/12/2010 | 12928 | MN Department of Administration | Open Mtg Law Workshop | -75.00 |
| 05/12/2010 | 12929 | Norman County Index-Ada | Signs/Ads | -410.36 |
| 05/12/2010 | 12930 | North Star Water | Water for Office | -35.70 |
| 05/12/2010 | 12931 | Office Supplies Plus | Office Supplies | -191.03 |
| 05/12/2010 | 12932 | Ralph's Food Pride | Supplies | -9.39 |
| 05/12/2010 | 12933 | Red River Title Services, Inc. | Title Work Hogetvedt | -220.00 |
| 05/12/2010 | 12934 | Red River Watershed Management Board | 1/2 cost share | -5,396.31 |
| 05/12/2010 | 12935 | Renae Kappes | Cleaning | -100.00 |
| 05/12/2010 | 12936 | Rinke Noonan | Legal Fees | -1,495.45 |
| 05/12/2010 | 12937 | The Shopper | Upper Becker Hearing | -266.40 |
| 05/12/2010 | 12938 | Twin Valley Times | Ad for Proposals | -90.48 |
| 05/12/2010 | 12939 | Wambach & Hanson | Legal Fees | -4,606.80 |
| 05/12/2010 | 12901 | FP Mailing Solutions | Postage Scale | -124.72 |
| 05/12/2010 | 12881 | Red River Water Mgmt Board | Repayment | 600,000.00 |
| Apr 15 - May 12, 10 | | Payroll/emp ins & | Med exp & Payroll taxes | -16,849.92 |
| | | | Total | 711,571.35 |