

**Wild Rice Watershed District  
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**Water Management District (WMD)  
Special Meeting  
May 12, 2008  
(APPROVED MINUTES)**

A special meeting of the Wild Rice Watershed District Board of Managers was held on Monday, May 12, 2008, at the District office. The following members were in attendance: Warren Seykora, Diane Ista, Mike Christensen and Joe Spaeth. Absent: Bob Wright, Jim Wagner and Dave Vipond. In addition the following persons were in attendance: Administrator Steve Dalen, Jerry Bents, Loretta Johnson, Brian Borgen, Wally Eid, Mahnomen County; Jerry Waller, Clay County; Steve Jacobson, Norman County; and Dean Neuland, Clearwater County; Jerry Von Korff, Rinke Noonan; and Attorney Hanson, via teleconference. Chairman Seykora called the meeting to order at 9:25 a.m.

Administrator Dalen opened the meeting by describing a Water Management District (WMD) and providing a simplistic look at how it is used. Dalen stated that today's meeting is not about answering a yes or no, to the WMD, rather providing information that would alleviate some of the concerns of the County Commissioners in attendance regarding a WMD. Dalen provided background on how the District came to this point stating that the original concept was brought up as a result of the deficit in funds for the Upper Reaches Project.

Attorney Jerry Von Korff described how the revenue is raised in a WMD is a charge based system, comparing it to the ways cities raise revenues for storm charges by established ordinance and the difference from the traditional method drainage systems have used where the benefit is assessed only on market value that goes with that property. Charge system does not take away the opportunity for review that always exists when a District proposes a project. The District would get its authority to have a charging system through an amendment plan, hearing process that county and local government participates in and approval by the Board of Water and Soil Resources (BWSR). Ground rules can be set on the charges that are proposed, along with a limit and duration.

Dean Neuland asked if the costs are equaled no matter what part of the District you are in. Von Korff stated that typically there would be classification or grades of charges, lower or higher depending on runoff, in this instance. Jerry Waller asked if this is any different typically than what districts were doing previously if you were to expand the benefiting area. Von Korff replied that the old system is based on market value of the farm before and after the system, while the WMD calculation is based on a formula much like curb and gutter in cities rather than sending out appraiser.

Steve Dalen asked if language could be incorporated into the ordinance for only new projects and how much this funding mechanism could raise. Von Korff stated that the authority comes to the Watershed District through BWSR, and they would not approve unless there is widespread support and you tell them how much authority you want and what the limits are going to be. Total amount of revenues could be capped, could be limited to certain types of project, what kind of charging system would be used, etc.

Engineer Bents gave a PowerPoint presentation, displaying colored maps of the District and explaining how the land use and runoff would be used to determine the charges. Jerry Waller asked how federally funded projects were cost shared. Bents explained that at the present time the funding for Project #42 including Upper Becker Dams would be cost shared at a rate of State of Minnesota, 50%; Red River Watershed Management Board (RRWMB) 25%; and local share 25%. Bents stated that this is how current projects being built up and down the valley are being funded. Bents stated that the District is trying to determine a reasonable way to assess the charges, currently everything would be runoff based. Warren Seykora stated that typically the local cost share is 25% and a WMD would be generating dollars needed for the local share.

Steve Dalen stated that he wants to include language in the ordinance that would make each commissioner representing their county and district as comfortable as possible. Steve Jacobson asked other county commissioners how well received this would be for them. Waller stated that he would need a lot more answers to his questions, and Wally Eid stated that currently it would be defeated if he presented it to his board. Jacobson stated that the current position of the Norman County Commissioners is that if the project proposed would help manage the water issues, they would be willing to pay a fee and support the WMD. Dalen provided a table listing the uses of a WMD, which were: Flood damage reduction, water quality, maintenance of Upper Reaches. Ordinance input listed: New projects only, District's annual goal setting to include input from county commissioners, annual review and a dollar cap for the WMD.

Wally Eid, as Mahnomen County Commissioner, expressed concerns regarding any additional charges to his taxpayers because Mahnomen County continues to lose tax base due to tribal lands not being taxed and as the land continues to go into trust, it is taken off of their tax roles.

Warren Seykora stated that we all drain water and are a part of the problem and we all should be a part of the solution. Waller asked again why the current system and criteria cannot be expanded. Engineer Bents stated that viewers now have the authority to include land that contributes to the system, because it is their water that is being handled. Dalen discussed including in the ordinance that the District would work with Mahnomen County each year in lobbying the state legislature in obtaining funding for their lands in Mahnomen County, where the tax base has been lost due to tribal lands not being taxed. Diane Ista brought up the idea of establishing individual WMDs for individual projects. Eid stated that he agrees that work needs to be done, but felt his people were already taxed to the maximum.

Steve Dalen asked Von Korff if the ordinance could include as he had listed, new projects only, be within the District's goal setting process, annual review and a dollar cap for the WMD. Von Korff stated that out of BWSR you get a kind of charter or constitution and there is not problem into building into that charter an annual review. Discussion was held regarding the possible cap and if the charges could be spread over a longer period of time. Steve Dalen stated that an annual review process would probably provide some level of comfort for the people involved. Diane Ista felt that the District could go to the State and ask for an increase so there wouldn't be as much of a burden on the local people. Steve Jacobson asked for an estimate of cost on establishing a WMD. Jerry Von Korff stated that most of the work is done or being done, the District would need to amend the overall plan, submit to BWSR. He stated that the costs of establishing a WMD are much less than using the old way. Waller's concerns were that some people would pay a fee that will never see any benefit and felt the current system would be the fairest. He also stated that if the taxpayer felt he was receiving a benefit from the WMD, they would be more agreeable.

Jerry Von Korff stated that a charging system like the WMD can accommodate how much of the cost of managing water belongs to the people where the water lands and how much belongs to the people where it is coming from.

Jerry Waller said that this is a learning curve and he is not speaking for the entire Clay County Board, but he doesn't have all his questions answered regarding the WMD at this time. Steve Dalen asked Dean Neuland if he would be more comfortable if the ordinance stated new projects only and Neuland felt it would. Dalen also stated that if a WMD is adopted by the District, and there was an annual review process, at that time public input would be crucial at the annual review meetings. Dalen also stated that what has not been discussed today is the fact that there are other innovative ideas within agencies which would provide additional alternatives to funding the local share. Seykora also stated that when lobbying in St. Paul, the State Legislature is more likely to provide funding if the District has a pot of money already available for the match. Dalen said that if a WMD is created by the District, common sense would be used in the end and it would be a tool that the District could use and only when necessary. Waller asked why the District couldn't bond for a project and pay for it over 10 years.

Steve Dalen told Neuland that he and board members would be visiting the Clearwater County Commissioners. Neuland asked that Dalen send packets of information to each commissioner prior to the meeting. Diane Ista asked Neuland what format would be the best and least time consuming for him. He felt that the small meetings like they are doing and then meet as a group. Steve Jacobson asked about presenting this information to full county boards. Jerry Waller felt that there are a number of things that need to be done prior to full county board meetings.

There being no further business, a motion was made by Manager Christensen and seconded by Manager Spaeth to adjourn the meeting. Carried. The meeting was adjourned at 12:05 p.m.

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Diane Ista, Secretary