

WILD RICE WATERSHED DISTRICT
11 Fifth Avenue East
Ada, MN 56510
Ph: 218-784-5501

REGULAR MEETING
January 12, 2011
APPROVED MINUTES

1. The regular meeting of the Wild Rice Watershed District Board of Managers was held on Wednesday, January 12, 2011. Managers in attendance included Diane Ista, Dean Spaeth, Greg Holmvik, Duane Erickson, John Austinson, Raymond Hanson and Mike Christensen. Absent: None. In addition the following persons were in attendance: Administrator Kevin Ruud, Office Assistant/Project Manager Kari Kujava, Attorney Hanson, Engineer Bents and various other interested taxpayers and landowners.
2. Chairman Holmvik called the meeting to order 8:30 a.m.
3. Agenda Approval. A **motion** was made by Manager Christensen and **seconded** by Manager Spaeth to approve the agenda. **Carried**.
4. COE WRRFS. Engineer Bents reported that he received notice from the COE staff that the terrestrial study which is the last item on the Feasibility Study is completed. The project will be closed from their books.
5. Moccasin Creek Pilot Project Erickson. Keith Weston, Dave Jones and Shawn Balstad, NRCS are in attendance. Administrator Ruud reported that a committee meeting was recently held in Twin Valley, and the outcome of that meeting is being brought to the full board to determine what the next step should be as far as gathering more information for the Moccasin Creek Pilot Project. NRCS personnel developed scoping questions to which Curt Borchert provided responses. This information was distributed to the board. The question from the committee to the board is does the Board want to move forward on this. NRCS personnel would like to have answers to the scoping questions in order to determine more specifically what the project is. The Board will either need to have landowners petition the watershed district for a project or the District itself could establish a project. Greg Holmvik asked Duane Erickson to specify the project and where the funding would come from. He asked Erickson if the funding would come from the NRCS and what Erickson is looking for from this board. Erickson replied that he would like support from the board for a project like this as it is in the Watershed and has a potential to have water retention up and down the District. Shawn Balstad asked for a clarification as to what the project is and whose project it is. Keith Weston stated that as a subcommittee member that he serves on for the farm program, they are interested in these types of projects but as far as technical assistance, their biggest issue is who will run and operate and maintain the gated storage structures once completed. Administrator Ruud stated that the Board would also have to decide where the funding will come from; would it come from a grant, or would the Board try to use their own money; also he asked Board members if they are comfortable with the responses that Borchert prepared for the NRCS. He stated that Board members need to decide where they are going from here and if they are going to proceed with this pilot project. If so we need a format to bring forth good information.

Greg Holmvik asked Erickson if this wasn't the same project that he had talked about earlier and that project funding was to come from the NRCS and the NRCS would provide the engineering. Erickson stated that it was his understanding that funding could come from some grants. Holmvik asked Erickson if he hadn't originally stated that there wouldn't be any financial obligation from the District. Erickson said that as a minimum he would like this pilot project to be brought to the Farm Bill Committee. Holmvik asked Erickson just what he was looking for from this board. He said he would like this project to be able to be in the farm bill as it is something that could be used.

Manager Ista stated that we as the watershed would have to be the leader on this, not the NRCS and the NRCS would have to decide for themselves if they would be involved. We as a watershed board don't really have anything on the table right now, and she would like this to be brought to the water management subcommittee. Ista stated that what Borchert and Erickson brought forward did not have any project costs included. The committee needs professional information from an engineering firm so that they can look at it and say this has something that can become a water management project. Shawn Balstad stated that they would like a precise description of the project and what this board or landowners are asking for from the NRCS to be put in writing a letter to Don Baloun, State Conservationist and that it be somewhat specific as to what you want. She would like the board to allow the engineer to bring forth costs for this project and what the NRCS would need in order to recommend it to go forward to the authorities so it could be brought to the farm bill. She thinks this would be a benefit to landowners and would be a structure that is regulated.

Keith Weston stated that a major issue of this project for the NRCS is to know who is going to control and operate and maintain the project and that is an issue that the Watershed District must decide. NRCS has very limited resources for something like this and they certainly aren't going to operate and maintain it. Administrator Ruud asked if there was any NRCS funding to help this out. Keith Weston stated that there really isn't anything today unless something would come in the 2012 farm bill. Engineer Bents stated that typically when a watershed district initiates a project the following six steps are used: 1) concept; 2) initiation; 3) feasibility study; 4) establishment; 5) how to pay for it and 6) construction. Watershed law is set up that way.

Manager Erickson stated that he would like the proposed project confined to the Moccasin Creek Watershed, which Engineer Bents stated is approximately 60 square miles. Engineer Bents stated that the Watershed District does not need to initiate the project, it can be initiated by a petition by landowners to which Manager Spaeth stated he liked that idea. Typically property owners put up a bond which is used to pay the costs to date if they decide later on that they don't want to do the project. Erickson stated that the landowners are willing to store the water on farmland. Attorney Hanson asked how Erickson envisioned that the cost of the project would be paid. Is the cost going to be assessed back to the property owners? We need to know that, there are different procedures to fund different types of projects. Manager Ista stated the following: the NRCS did not request this project; the NRCS said they don't have enough information to move forward; it is not the NRCS that requested this for a project; the landowners went to the subcommittee on their own; the subcommittee listened and these are the things that are needed. Administrator Ruud asked Duane Erickson how he intended to obtain the necessary information without an engineer at the committee meeting. Ruud stated that we need to define what we are going to look at. Are you asking to look at half or all or what part of Moccasin? Are you asking the committee to go back and look at the Moccasin Creek as a whole? A **motion** was made by Manager Hanson and **seconded** by Manager Ista authorizing this topic being taken back to the committee as a whole to establish additional information and also authorization of watershed district funding to be used for consultation with engineering. **Carried.**

5. Moccasin Creek, Request by Landowners to Clean Creek. Administrator Ruud stated that in the past landowners had requested the DNR to allow ditch maintenance on Moccasin Creek. The MN DNR responded and said it is not a ditch but a protected waterway, and gave the landowners the opportunity to have their permit fee returned, which they did. The landowners pulled their permit. Ruud asked Duane Erickson if he is now the lead, is this a new request, and what are you asking the Watershed District to do? Erickson stated that he is kind of the lead, the new request has been mailed back to the DNR and he has not received a response. The landowners want to do maintenance in the ditch, they want to get the water to the bottom of the culvert, and are asking the Watershed to #1: Pay the \$1,000 permit fee and #2: asking the watershed district for additional assistance in filling out the permit applications because of this being protective waters. They want to make sure that the permit application process is done properly. Greg Holmvik asked if this is the same area as Erickson originally received a letter from the DNR stating no. Erickson said yes. Chairman Holmvik asked if the board wanted to pay the \$1,000 application fee. Manager Hanson asked if the board wants to pay everybody's application fee from now on. Manager Spaeth said that if the DNR has said no, you aren't going to do anything. Erickson then stated that he would pay the \$1,000 fee himself. Attorney Hanson stated that he thinks it would be an illegal fee of the watershed district to gift these application fees from the District to a private applicant, and doesn't think the District has any business in paying any fees to the DNR for private parties. The second question was will the watershed assist in the filling out of the permit. Discussion continued and Erickson said this seems to be too difficult, we are not going to quit on these, and we landowners are going to move forward. He asked to just move forward with the agenda.

6. Moccasin O & M Plan. Discussion was held regarding trying to change the O & M plan on Moccasin Creek to allow control of summer flooding. Ruud stated that Diane Ista's thought at that committee meeting, was to ask the DNR a single item at a time the issues needed to be addressed for a summer O & M. She stated that we are not asking for authorization from the board to send a letter to the DNR. If we address the trees and then send them one at a time questions/issues see where we end up at. Engineer Bents stated that the District already does have a list. One of the things the DNR requested was an alternative plan. He stated the DNR response is pretty close to a no, but if you provide all of the items on their list they may consider. Manager Hanson asked why the Board just doesn't wait and see what luck they have with a permit to clean it out.

PERMIT APPLICATIONS

7. At 10:00 a.m. Mick Alm met with the Board to discuss the permit application that was originally approved in 2008, of the Norman County Highway Department to remove and construct a bridge in Sections 9/10 of Wild Rice Township. A **motion** was made by Manager Hanson and **seconded** by Manager Christensen authorizing approval of Permit #1-12-11-1 to remove and construct a bridge in Sections 9/10 of Wild Rice Township. **Carried**.

8. Repair on County Road #147. Manager Ista asked Mick Alm if and when he intended to get the repair done on County Road #147 in Section 21 of Anthony Township. He assured her that he would get it done as soon as he could this spring. Ista stated that she felt the damage to the road was a serious hazard and it had been way too long in getting repaired.

9. Upper Becker BWSR Appeal Status, Project #42. Attorney Hanson stated that everyone has seen the resolution passed by the City of Hendrum and stated that it appears consistent with what had been indicated at the meeting in Detroit Lakes with BWSR. Upon the City passing this resolution to put the appeal in abeyance, it was his understanding that the board will issue instruction to the engineer to prepare an Engineer's Report on Project D Design so that they would have something to act upon once that report is prepared. Manager Hanson made a **motion** that was **seconded** by Manager Christensen authorizing Engineering Bents to prepare an engineer's report on Project D Design of Upper Becker. Under discussion Manager Erickson stated that he disagreed with that because for any reason the City of Hendrum could still continue on to appeal. If we find landowners who are not interested and it is cost prohibitive, how are we going to move forward and Erickson suggested that Hendrum just continue with the current appeal process until it is completed. Manager Hanson stated that he did agree with a part of what Erickson was saying, however the Board did agree to this resolution at the previous meeting and how are we going to now after two months say that we are not going to do it. Chairman Holmvik called for a vote. The motion passed with Manager **Erickson** **opposed.** **Carried.**

10. South Branch Pilot Project Presentation Chuck Fritz and Henry Van Offelen. Chuck Fritz Director of International Water Institute first thanked the board for allowing them to come to the meeting and give a presentation. He stated that there 14 different initiatives on a different scale. IWT, largest project taken today is the LIDAR project. After 1997 in a response to the need of obtaining all information in one place they worked with agencies to develop a website. One of the things we are talking about doing is there is the perception that the reason some are having such a difficult time putting projects on the ground is because of the permitting process. We are talking about decision support and assisting Managers on decision making. You will hear it sometimes called Phase 6. After explaining and giving the Power Point presentation, Van Offelen stated that the next step in the process is to choose pilot Watersheds. They picked the Park River Watershed in North Dakota and tentatively picked the South Branch Watershed in Minnesota. Additional discussion was held and Manager Hanson asked that this be done on Moccasin Creek. Manager Holmvik asked if these members are offering to do this for nothing on the South Branch and the answer from Mr. Fritz and Van Offelen was yes. Holmvik then asked why in the world we would ever turn that down. Manager Spaeth stated that there is no reason to turn it down but as Manager Hanson stated, why not do Moccasin. Administrator Ruud asked if they could do both the South Branch and Moccasin. Van Offelen stated that might be a possibility. Administrator Ruud stated that he felt the Watershed District would gladly cooperate. Chuck Fritz stated that he would like time to go back and look at his budget and determine what they could do, if they could do both, or one or the other. Chairman Holmvik asked if there was anything else that they needed from the board and they said no, they would be in contact with the District later.

11. Ditch Maintenance. Administrator Ruud stated that in the past the District bid its spraying and mowing contracts on a one year basis. The land rental agreements were on a three year term and recently Wes Carlsrud came in the office and stated that for him to do a better job for the district he needs to update his equipment and would need to have a longer contract to be able to do that. The benefit to the board is once you make a decision you don't need to do it for three years. When we do put the proposals out, can it be for three years. It would be advertised for a three year term, assuming with gas there would be a fuel surcharge written into the contract. Manager Christensen made a **motion** that was **seconded** by Manager Hanson authorizing a three year contract with a fuel surcharge written into the contract at the next hiring of a contractor for mowing and spraying. **Carried.**

12. Farmstead Ring Dikes. Engineer Bents reported that reimbursement payments have been received from the NRCS except the Mike Borgen dike. The ring dike advertisement results were five requests, two for improvements and three for new ones.

13. Acquisition Program. Administrator Ruud reported that he is waiting for Irene Wynne to get back to him; they are going to do site visits of Johnson, Peck, Paquin and Gerner; three are FEMA and one state. One of the requirements of being bought out by FEMA funds is to remove the ring dike if there is one there. One is the Merkle property and we are going to explain that we do not want to remove the entire ring dike, as it may cause flooding to adjoining property. Jim Russell, HSEM, visited the District and we were able to now show him personally, what this could cause. Manager Erickson asked about the wetland mitigation costs that could be included for ring dikes; in the future would the dike be built where this was necessary and if the District still intended to do this. Manager Ista stated that this is an issue that will be brought before the State Legislature. Erickson stated that he didn't think that the District should even do a ring dike that required mitigation. Manager Hanson stated that the Board cannot specifically deny someone a ring dike because that might need mitigation acres.

14. Land Rental Bid Results. Attorney Hanson discussed the land rental bids (bid tab available upon request at the District office) and stated that the contracts, subject to a 30 day notice provision, which will end on January 17, were sent to Dana Braseth, the high bidder and James Jirava who has the first right of refusal on the one property. No reply has been received at this time. Manager Spaeth asked if the written bid provided by bidders was a binding contract and Attorney Hanson replied, yes. He stated that if the bidder would back out the District would possibly rebid the land and a lawsuit would be against the high bidder for the amount that he bid.

15. Fugleberg Lawsuit. Attorney Hanson stated that there is nothing more for the District to do at this time; it is in the process of a possible resolution by both parties.

16. Lower Wild Rice TMDL Implementation Plan. Administrator Ruud stated that the TMDL Grant was based on us paying out incentives to do things to improve. To get a 319 grant you cannot use an implementation plan that uses incentives it has to be construction based projects. We have to update our plan from an incentive plan to a project plan based. The cost to the Watershed would be a part of Kevin's time and then the SWCD time. A motion was made by Manager Hanson and seconded by Manager Erickson authorizing staff to change the written terms in the grant agreement from an incentive program to a construction based program. Carried.

17. Bridge Removal Clay County. Administrator Ruud read a letter from Wayne Lee in which he stated that he received notice from Mick Alm, on a bridge removal in Sections 31 of Mary and Section 6 of Viding Township. Lee expressed concerns regarding possible increase in flow downstream of the removed bridge and asked if there were any other possible ideas or solutions. Ruud stated that the concern is by taking out the bridge are they going to increase the flow of water through there. Engineer Bents stated that in September the downstream property owners were notified and then it was approved in October 13, meeting, it was approved with the condition that they had to match the ditch slopes and provide adequate erosion protection. Bents felt that their appeal might be best if they went to Clay County. Manager Ista recommended that staff notify Lee that a permit was issued with the recommendations and that he might contact Clay County. Ruud stated that he would do that.

18. Board of Managers Breakdown. Administrator Ruud explained that in reading the history of the Watershed District and Board members, as he has been doing, due to board changes over the years, new Managers are now being appointed three in two consecutive years and one in the third. He felt it might be better to work at changing this so that it goes back to a two in the majority of the years. Manager Hanson asked where the actual problem is. Ruud stated that the problem exists when you replace three Managers two years in a row which could change the complete focus of the board from what it should be. Manager Hanson stated that if the only way to cure it, we just forget about it and we worry about it when it becomes a problem.

19. Upper Reaches Emergency Plan Appointee. Administrator Ruud reported that as the Watershed we are a member of an Emergency Taskforce comprised of the City, County and Watershed, and need to appoint a person, define what they are responsible for during a flood event, and when debris gets in the river channel and it has a potential to impact any of our cities, the Watershed is the fiscal entity that is responsible for paying for it, but it takes a majority vote to decide. Bob Ramstad has represented the Highway Department, it has been the Mayor of City of Ada. Ruud stated that he wanted to make sure that we are current and appointed. A motion was made by Manager Austinson and seconded by Manager Hanson to appoint Greg Holmvik. Holmvik was asked if he would do it, he stated that he did not mind the work, but Ruud also has the experience. Manager Austinson stated he thought it had to be a Board member, rescinded his motion and would like to appoint Administrator Ruud. Manager Ista second. Carried.

20. Attorney Hanson and Engineer Bents left the meeting at noon.

21. Financial Report Dated December 31, 2010. Manager Austinson made a motion that was seconded by Manager Hanson to approve Managers per diem and expenses. Carried. Doug Marcussen presented the financial report. A motion was made by Manager Ista and seconded by Manager Hanson to approve the Financial Report as presented. Carried.

22. Bank Loan. Administrator Ruud reported that there currently are two loans at the bank that are due January 15, 2011, one for \$250,000 and one for \$285,000 with two options, either pay or renew. The former Radeck land which is currently owned by the District is being used for collateral for the 250K and the CD as collateral for the 285K. Interest due is \$4,981.64. The District will have to pay interest which is \$4,981.64 on the CD and the bank will redo with no fees associated. The 250K loan has three options: as 1 year 4.5% with principal due at maturity. 20 year with 3 year lock 5.3% interest; go 20 years with a five year rate lock 6.2% interest and we owe \$6,578 in interest. The finance committee recommended option 2 to which Manager Hanson agreed. Holmvik stated that the rent money would be used to pay this. The rent would cover the interest and tax on both loans and the balance on the principal. A motion was made by Manager Spaeth to go with Option #2 and use the rent money. Seconded by Manager Hanson authorizing the chairman and the treasurer to negotiate the best terms at the Bank. Carried.

23. Equipment Upgrade. Ruud stated that he was authorized by the chairman of the finance committee to obtain quotes for computer equipment which includes three desktops, a mail exchange server, and upgrade two laptops that would have the Windows 7 Operating System and the same software. Ruud obtained two quotes one from Morris Electronics and Office Supplies Plus. \$7,005.96 from Morris Electronics and \$8,500.74 Office Supplies Plus. The finance committee recommended approval. A motion was made by Manager Christensen and seconded by Manager Erickson to approve going with lowest bid. Carried.

Administrator Ruud reported that to digitize all of our ditch records of the Ditch Modernization Grant, Tim Goetz of Marco Equipment, where the District copier/scanner has software that can be attached to the copier, to do this. To purchase this equipment through the Ditch Modernization Grant the project work plan needs to be changed to cover \$12,000 in equipment costs. The District is obligated to spend 30K with the grant, and we would spend 8K and the grant 4K. Kean, however, recommended the district purchase the software it with the local share of the grant. A **motion** was made by Manager Spaeth and **seconded** by Manager Erickson to purchase the equipment with this method. **Carried.**

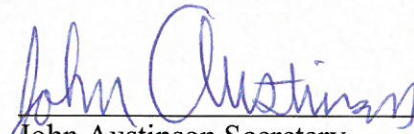
24. Board Authorization for Administrator Ruud. A **motion** was made by Manager Christensen and **seconded** by Manager Spaeth authorizing Administrator Ruud to access safety deposit boxes, discuss Watershed District financial information and work with Frandsen Bank and Trust. **Carried.**

25. Meeting Minutes December 8, 2010. A **motion** was made by Manager Austinson and **seconded** by Manager Spaeth to approve the minutes of the December 8, 2010, meeting, with the correction of adding Manager Christensen and deleting Manager Holmvik who is listed twice. **Carried.**

26. Upper Becker Design D. Manager Erickson asked Administrator Ruud what the next step is in moving forward with Design D. Ruud stated that he wanted to have Attorney Hanson prepare a document for landowners that indicates commitments without an actual purchase agreement or cost to the District, stating that they are willing to participate in Design D. Erickson stated that we also need to determine the RRWMB Star Value. Erickson would also like to ask the DNR for a Statement of Commitment for the project from them. Erickson stated that he will be working with Engineer Bents and Attorney Hanson in the upcoming days on these issues.

27. Board Development Workshop. Administrator Ruud stated that staff would like to have a Board Development Workshop on January 26, 2011 at 8:30 a.m. with Managers to discuss goals and objectives for 2011, financial aspects of the District, future objectives and policies and procedures of the Board. Manager Erickson stated that he would like to bring several items to the table for discussion with a roll call vote on each item. Ruud stated that you cannot do a roll call vote or vote at all at a workshop.

28. 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 2:00 p.m.


John Austinson Secretary

Date	Num	Name	Memo	Amount
Dec 9, '10 - Jan 12, 11				
12/14/2010	13432	Renae Kappes	Nov 7-Dec 5	-150.00
12/21/2010	13436	Collin Hendrickson	Refund on Landowner Cost Share	-12.63
12/21/2010	13437	Donald Pingree*	Refund on Landowner Cost Share	-50.57
12/21/2010	13445	Houston Engineering, Inc.	Mahnomen West Side Drainage	-348.00
12/21/2010	13438	Leon Miller*	Refund on Landowner Cost Share	-1,569.79
12/21/2010	13439	Ray A Bisek	Mahnomen West Side Drainage	-1,709.45
12/21/2010	13440	Ruth Steen*	Refund on Landowner Cost Share	-800.33

Date	Num	Name	Memo	Amount
Dec 9, '10 - Jan 12, 11				
12/21/2010	13441	Steve Brammer*	Refund on Landowner Cost Share	-460.29
01/12/2011	13451	Dean P Spaeth	per diem	-154.61
01/12/2011	13452	Diane J Ista	per diem	-119.27
01/12/2011	13453	Duane L Erickson	per diem	-101.60
01/12/2011	13454	Gregory R Homvik	per diem	-244.46
01/12/2011	13455	John D Austinson	per diem	-70.76
01/12/2011	13456	Michael K Christensen	per diem	-136.94
01/12/2011	13457	Raymond M Hanson	per diem	-70.76
01/12/2011	13460	Alltel	december bill	-114.12
01/12/2011	13461	AmeriPride	rug rental	-64.40
01/12/2011	13462	Cardmember Service	bill	-814.17
01/12/2011	13463	City of Ada	Utilities	-363.04
01/12/2011	13464	Clay County Union	Subscription	-490.00
01/12/2011	13465	Custom Earth, Inc	install gate/remove old	-1,300.00
01/12/2011	13466	Dakota Mailing	mailing supplies	-84.10
01/12/2011	13467	Dean Spaeth	mileage reimbursement	-67.50
01/12/2011	13468	Detroit Lakes Newspapers	Bids for land rental	-1,564.43
01/12/2011	13469	Diane Ista	mileage reimbursement	-5.00
01/12/2011	13470	Duane Erickson-Mgr	mileage reimbursement	-44.50
01/12/2011	13471	Genesys Conferencing	meeting center audio	-62.99
01/12/2011	13472	GreenWay Lawn Spraying	Lawn care	-69.47
01/12/2011	13473	Houston Engineering, Inc.	Engineering Fees	-21,737.51
01/12/2011	13474	John Austinson	Mileage Reimbursement	-27.50
01/12/2011	13475	Johnston Fargo Culvert, Inc.	Gate cost	-907.36
01/12/2011	13476	Kris Versdahl	Annual Web Hosting Fee	-250.00
01/12/2011	13477	KRJB Radio	Ring dike advertisement	-390.00
01/12/2011	13478	Loretel Systems	Utilities	-280.84
01/12/2011	13479	Mahnomen Pioneer	land rent ad	-85.20
01/12/2011	13480	MARCO, Inc.	copier	-616.89
01/12/2011	13481	Marcussen Accounting	December billing	-432.00
01/12/2011	13482	McCollum Hardware, Inc.	bill	-10.36
01/12/2011	13483	Mike Christensen	mileage reimbursement	-75.00
01/12/2011	13484	Minnesota Energy Resources Corp	December utilities	-102.70
01/12/2011	13485	Norman County Index-Ada	ring dike advertisement	-120.00
01/12/2011	13486	Norman County Recorder	recording of repair easement	-46.00
01/12/2011	13487	North Star Water	water	-59.55
01/12/2011	13488	Office Supplies Plus	December bill	-153.28
01/12/2011	13489	Ralph's Food Pride	december bill	-61.39
01/12/2011	13490	Raymond Hanson-Mgr	mileage reimbursement	-18.00
01/12/2011	13491	Red River Basin Commission	Kevin and Greg attend conference	-380.00
01/12/2011	13492	Red River Watershed Management Board	USGS Stream Gages	-11,040.00
01/12/2011	13493	Renae Kappes	december cleaning	-100.00
01/12/2011	13494	The Forum	subscription	-141.00
01/12/2011	13495	Twn Valley Times	land rent bid ad	-43.50
01/12/2011	13496	Visser Trenching	Snow removal	-205.00
01/12/2011	13497	Wambach & Hanson	Legal Fees	-1,959.98
01/12/2011	13498	RRWMB	1/2 Cost Share	141,870.37
Dec 9, '10 - Jan 12, 11		Payroll/emp ins &	Med exp & Payroll taxes	-13,128.49
Dec 9, '10 - Jan 12, 11				<u>205,285.10</u>