

Wild Rice Watershed District



2007 Report of Activities



Wild Rice Watershed District Staff, from left: Executive Assistant/Project Coordinator Kari Kujava, Administrator Steve Dalen, Assistant Administrator Loretta Johnson.

Table of Contents

I. Executive Summary	4
II. Organization	
Board of Managers	5
Citizen Advisory Committee	6
Participation in Other Boards and Organizations	6
III. Watershed District Achievements	
Ten Years After	7
Wild Rice River Re-Evaluation Request	8
Heiberg Dam Repair	9
Project #42	13
Water Management District	15
Rural Ring Dike Program	16
Mahnomen Flood Protection	18
Sedimentation Study	18
MPCA Impaired list	19
Project Location Map	20
IV. Meeting Summary - 2007	
Meeting summary	22
VI. Financial Report	
Financial Summary	34
Auditors Report	46
Legal Compliance Review	47

Executive Summary

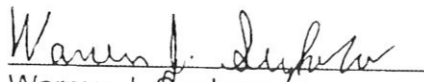
In accordance with Chapter 103D of the Minnesota Watershed Act, the Board of Managers hereby submits the 37th Annual Report of the Wild Rice Watershed District, which covers the period of January 1 to December 31 of 2007. The report contains a summary of the District's activities for the past year and includes a summary of the District's financial condition.

The Annual Report reflects the Board of Managers' commitment toward serving the residents of the watershed in its mission to provide efficient management of our water resources for the future. The Wild Rice Watershed District is focused on providing the leadership and resources needed to fulfill its water management goals and objectives.

The Wild Rice Watershed District has developed a comprehensive implementation program to accomplish its goals and objectives. Authority for implementation is provided by the legislature under Section 103D of the Minnesota Statutes. This legislation gives the watershed districts the authority to establish rules, require permits, construct and finance improvement projects and perform other activities which contribute to the purpose for which the District is organized. The Watershed District will use this authority granted by the legislature to implement its long term goals and objectives.

Within the Annual Report you will find evidence of these commitments. The report also reflects the Board of Managers' recent accomplishments while mapping out plans for the upcoming year. The District would be pleased to have your comments about both.

**Respectfully Submitted
Wild Rice Watershed District
Board of Managers**


Warren J. Seykora
Chairman

Board of Managers - 2007



Wild Rice Watershed District managers include:
Back, from left: Mike Christensen, Diane Ista, Dave Vipond and Warren Seykora.
Front: Jim Wagner, Bob Wright and Joe Spaeth.

The Wild Rice Watershed District is governed by a Board of Managers whose job is to preside over the business of the Watershed District as it pursues the conservation of natural resources and flood damage reduction through regulation and use of sound scientific principles. The Board of Managers is composed of seven managers appointed by the County Commissioners from Norman, Clay, Mahnomen and Becker Counties. Managers in 2007 included Diane Ista (term expires 04-25-10), Mike Christensen (term expires 04-25-10), and Jim Wagner, Sr. (term expires 04-25-08), all Norman County; Warren J. Seykora (term expires 04-25-09), Becker County; and Robert E. Wright (term expires 04-25-09), Clay County; and Joseph Spaeth (term expires 04-25-10) and Dave Vipond (term expires 04-25-09) Mahnomen County. Term of office is three years.

Area representation of the board changed in 2006, following a request from Mahnomen County for an additional representative. Following a public hearing in 2006, The Board of Water and Soil Resources gave approval of board representation that now includes three managers from Norman or Polk County, two managers from Mahnomen or Clearwater County, and two managers from Clay or Becker County.

Board Meetings - The Board of Managers meets regularly on the second Wednesday of each month at 8:30 a.m. at the District office in Ada, Minnesota.

Citizen Advisory Committee

To ensure public input, the managers have appointed a Citizens Advisory Committee to provide recommendations on matters affecting the Watershed District, including all contemplated projects and improvements. The Wild Rice Watershed District holds annual planning meetings with its citizens advisory committee, as required under Minnesota Statute.

Advisory Members appointed in 2007 included: Eldo Bentley, Brian Borgen, Jerry Dahl, David Dunham, Wally Eid, Perry Ellingson, Wesley Green, Mark Harless, David Haugo, Steve Jacobson, Sam Larson, Mike Swan, Dennis Newland, John Otto, Duane Pazdernik, Charles Pazdernik, Joe Slette, Jerry Waller, Barry Nelson, Dwight Fevig, Tom Bergen and Randy Berggren. Perry Ellingson was chairman for 2007.

Wild Rice Watershed District FDR Project Team

The FDR Project Team in the Wild Rice Watershed District was established in 1999, as a result of the mediation process which began in 1997, in an attempt to resolve issues surrounding the development of flood damage reduction projects between different water management agencies and stakeholder groups. A framework was organized to seek solutions to flooding problems, review new flood protection projects, and coordinate efforts early on in the planning process. The mediation process allows federal, state, and local agencies, as well as the public and private sector, to provide input regarding flood damage reduction and environmental impacts.

Major discussions in 2007 included development of Project #42 on the South Branch.

The FDR Project Team in the Wild Rice Watershed District delegates and alternates include: Dave Friedl, MNDNR; Earl Johnson, MNDNR; Brian Dwight, MN BWSR; Pete Waller, Mn BWSR; Mike Vavricka, MPCA; Jim Ziegler, MPCA; Nan Bischoff, Army Corps of Engineers; Leonard Grabowski, Army Corps of Engineers; Randy Tufton, NRCS/FSA; Amanda Peterson, NRCS; Mike Swan, White Earth Reservation; Scott Kahan, USFWS; Curtis Borchert, Norman SWCD; Mark Christianson, Norman SWCD; Aaron Neubert, Mahnomen SWCD; Dan Weber, Mahnomen SWCD; Kevin Kassenborg, Clay SWCD; Brad Grant, Country Water Plan; Steve Bommersbach, Norman County; Jerry Dahl, Mahnomen County; Jerry Waller, Clay County; Henry Van Offelen, Environment MCEA; Ron Thorsrud, Sportsman Group; Jerome Slette, Sportsman Group; Mick Alm, Cities; Jim Ellefson, Cities; Glen Brookshire, Cities; Don Vellenga, Citizens Group; Paul Houghlum, Property Owner; Walter Richtsmeier, Property Owner; Warren Seykora, WRWD; James Wagner, WRWD; Robert Wright, WRWD; Diane Ista, WRWD, and Don Buckhout, DNR, Bob Merritt, DNR.

Red River Watershed Management Board

The Wild Rice Watershed District is a member of the Red River Watershed Management Board (RRWMB) created by a Joint Power Agreement between the nine member watershed districts. The RRWMB was established for the purpose of instituting, coordinating and financing projects to alleviate flooding and to assure the beneficial use of water in the watershed of the Red River of the North and its tributaries. Funding is by ad valorem tax levies, provided by Chapter 162 of the Minnesota Session Laws. Robert Wright was the District's delegate to this board in 2007.

Managers participate in the annual conference sponsored by the RRWMB each spring. The annual conference focuses on a basin-wide approach to water management and flood damage reduction.

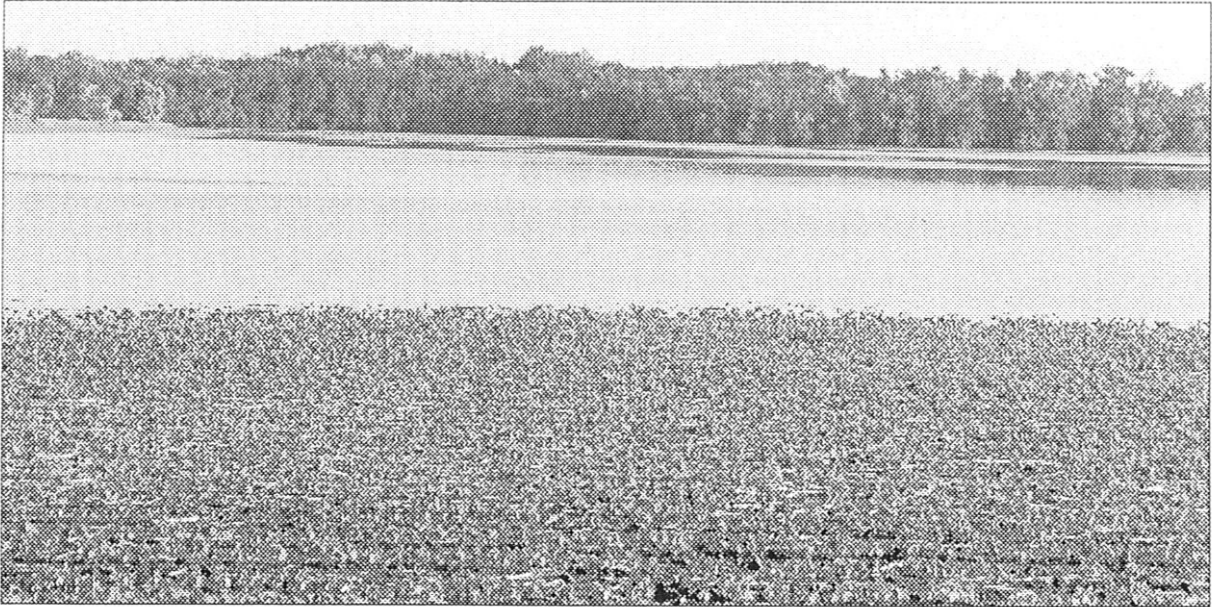
Minnesota Association of Watershed Districts (MAWD)

The Minnesota Association of Watershed Districts (MAWD) provides educational opportunities, information and training for watershed districts, managers and staff through yearly tours, meetings and newsletters. MAWD also represents state wide watershed district interests at the legislature, before executive branch agencies and other policy makers at the local government level. Wild Rice Watershed Manager Warren Seykora served as president of MAWD in 2007. Delegates from the WRWD to MAWD were Joe Spaeth and Diane Ista.

2007

Watershed District Activities

Ten years after historic 1997 flood



A flooded sugar beet field just southwest of Ada following heavy rain in June of 2007

Ten years ago, many people in the area were picking up the pieces from the devastating and historic 1997 flood in the Red River Valley. While the event of a decade ago is just a bad memory for most of us, the problem and continued cost of flooding has not gone away.

The search for ways to decrease the damage caused by flooding has been a mandate for the Wild Rice Watershed District. The District looked for solutions to problem flooding before the 1997 flood, and it continues to be a challenge 10 years later.

In the last 10 years, there has been a presidential disaster declared in the District's counties due to damages caused by flooding in seven different years.

Public assistance in Norman County from the 1997 flood totalled \$47,096,396. That is federal and state funding to replace damaged infrastructure, and does not include private property damages.

But the cost of flooding in the last decade is not limited to the costs from the 1997 disaster. In the 2000 flood, public aid to townships, highways and the city of Ada totalled \$425,782. In 2001 the public assistance from the summer flood that year totalled \$2,650,196.

In 2002 the record rainfalls resulted in damages that required public assistance of \$2,990,540 in Norman County. In Mahanomen County the total of public assistance from flood damages in 2002 was \$968,314.

In 2005, damages to roads resulted in public assistance of \$110,786, and in 2006, damages to public infrastructure was back over a million, totalling \$1,018,381.

Summer flooding in 2007 once again caused significant crop damages to farmers in the Watershed District.

In 10 years, public assistance due to flood damage totals \$54,292,044 in just Norman County. In Mahanomen County the 10 year total is \$1,365,917. That does not take into account the many millions in damage to crops, private lands, and property.

The District is moving ahead with looking at alternatives for flood retention as part of Project #42 on the South Branch of the Wild Rice River. The South Branch contributes a large portion of the downstream flooding problem. The project process of looking at potential water retention site alternatives has resulted in a great deal of property owner concern related to storing water on agricultural land. The District is currently assessing on-stream alternatives for possible flood retention effectiveness. This will include working with the state and federal agencies on permitting and mitigation issues and determining if this approach can be cost effective. Local legislators have pledged to assist with this effort. The District has also sent letters to land owners in the sub-watershed to learn who may be interested in selling property for water retention of mitigation purposes.

The Watershed District has also made a request for funding a re-evaluation of the old Twin Valley Dam project on the Wild Rice River by the U.S. Army Corps of Engineers. This is an effort to find effective main stem flood damage reduction on the Wild Rice River. It has been 20 years since the old dam project was shelved by the U.S. Army Corps of Engineers because it was not considered cost effective.

The request for the re-evaluation was included in the 2007 Water Resources Development Act (WRDA) which was passed by the U.S. House and Senate in the fall of 2007.

The problem the watershed district has faced in creating on-stream water retention is developing projects that provides effective flood damage reduction that can be permitted by the environmental agencies, without mitigation requirements that result in a project that is no longer economically feasible.

General Re-Evaluation Report of the Wild Rice River - Twin Valley Lake/Dam

(Authorized by the Water Resources Development Act 2007)

The prospect of possible movement for a major flood damage reduction project on the main-stem of the Wild Rice River is welcome news in the Wild Rice Watershed District.

The Twin Valley Dam (or Wild Rice River Lake/Dam) was the topic of a special meeting of the Wild Rice Watershed District in December. The 2007 Water Resource Development Act (WRDA), which was passed by Congress in October, overturning a presidential veto, includes language which calls for the U.S. Army Corps of Engineers (USACE) to conduct a reevaluation of the Twin Valley Dam project. The project was shelved by the USACE late in the 1987 after a determination was made that the project was not economically feasible and it was placed on inactive status.

The language in the \$23 billion 2007 WRDA bill earmarks \$20 million for construction of a flood control project on the Wild Rice River main-stem. However, the bill only authorizes spending levels for the projects. The money still must come from individual appropriations by Congress. That means that over the next year (2008) legislation will be crafted to appropriate funds for the over 600 projects that are included in the WRDA bill, including the reevaluation of the Twin Valley dam project.

After the project receives funding through the appropriations process, the normal procedure would be a review by the USACE for their determination of what the next step would be. A reevaluation of the project by the USACE might result in a project that is similar to the original project, or may not be anything like the original proposed project on the Wild Rice River.

In December, it was decided that a local committee would be named to guide project development as Congress works on the appropriations bill. It was also agreed that the main stem flood reduction project would be a regular agenda item in the future.

Background History:

The Twin Valley Lake/Dam Project was authorized by the Flood Control Act approved on December 31, 1970 (Public Law 91-611). The authorized project provided for the construction of an earth fill dam on the Wild Rice River approximately 1.5 miles upstream of Twin Valley, Minnesota. A number of studies of the project were completed by the Army Corps of Engineers (COE), with the final report being published in March of 1987. At that time, due to the lack of economic justification, the St. Paul District COE recommended that the project planning be terminated and the project be classified inactive. However, prior to being put on inactive status, it was estimated that the project would reduce average annual damages along the Wild Rice and Marsh Rivers by 70%.

What has happened since 1987?

Flooding along the lower reach of the Wild Rice River has continued to become a more and more frequent occurrence due to increased discharges, erosion, and sedimentation of the river channel. Recent studies have indicated that the Wild Rice River contributes up to 70% of the flow to the WRWD Priority Flood Damage Area in western Norman County, Minnesota.

General Re-Evaluation Report Procedure

The rules of the Army Corps of Engineers provide for a re-analysis of a previously completed study, using current planning criteria and policies, which are required due to changed conditions and/or assumptions. The results may affirm the previous plan or reformulate and modify it, as appropriate. The results of these studies are typically documented in a General Re-evaluation Report (GRR).

WRWD Position/Recent Congressional Authorization

The Wild Rice Watershed District and Congressional Representatives understand that with the environmental policies in place on the local, state, and federal level, significant changes would likely need to be made to the project as last proposed in 1987 (ie size, type, locations, operation,...). That is why the WRWD requested, and Congress has authorized, a General Re-Evaluation Report on the project. This type of General Re-Evaluation would allow the analysis of a wide variety of alternatives to develop the best project(s) that would be acceptable from a Flood Damage Reduction and Natural Resource Enhancement perspective to control runoff from the approximately 900 square mile contributing drainage area.

The WRWD is of the belief that a lot of things have changed on the Wild Rice River since the old U.S Army Corps of Engineers Twin Valley dam project was shelved 20 years ago. That's why they really believe that it is imperative to take another look at the project and its alternatives, not only as a way to find meaningful flood protection, but as a way to save the river from the erosion, sedimentation and resultant environmental damages.

Estimated Cost

The total estimated cost of the General Re-Evaluation Report is between \$2-4 million, with the non federal cost share estimated between 25-50%. The Water Resources Development Act of 2007 (WRDA), which authorizes (but does not appropriate funds for) a variety of projects, including beach restoration, clean water and flood control programs was passed by the 110th United States Congress on November 8, 2007 over President Bush's veto.

Reconstructed Heiberg Dam Project Dedicated in 2007 - Project of the Year



The Heiberg Dam is located in Norman County, just west of Highway 32, on the Wild Rice River. The structure was originally constructed in the 1900s to power a flour mill, and was later converted to a hydroelectric dam, which operated until the 1950s. In 1965 the dam was destroyed by flooding and was redeveloped as a watershed project in 1975. The purpose of the project was downstream ice control, recreation, and aquatic enhancement.

During the record 2002 summer flood, the river broke through the north bank just upstream of the dam, creating a new route for the river to the north. Following the Presidential Disaster declaration in 2002, the Watershed District applied to FEMA for funds to repair the dam. FEMA required that an environmental assessment be completed on the project. While this was going on, the District discussed permitting issues with the Army Corps of Engineers and the Minnesota DNR. As a condition of providing a permit, the DNR required that fish passage be part of the repair of the dam structure. When the project was originally constructed, the DNR did not want to allow fish passage, to control rough fish migrating upstream.

Working with the DNR, an acceptable repair plan was developed, creating fish passage, while keeping the original project intent, which is to control ice.

Basically, the repair plan called for doing a repair of the north bank where the break out occurred with sheet piling, which necessitated removal of the old power house. A rock and earthen bank was constructed above the sheet piling. The dam itself has been notched, reducing the crest by six feet in the middle, and four feet on the ends. A rock arch rapids was developed below the dam, which now allows fish passage. Three



Administrator Steve Dalen discusses the many partners involved in the successful project at the Heiberg Dam dedication.



Joe Bush provided a Native American blessing at the dedication ceremony in June.

Construction of St. Cloud, who presented a bid of \$896,729. The contractor began repairs in February of 2006, starting with lowering the dam crest and replacement of rip rap below the dam for fish passage. The work was completed during the year. The District also cost-shared installation of a boat ramp with the City of Twin Valley.

A ceremony to mark the renovation of the Heiberg Dam on the Wild Rice River was held in June of 2007.

Along with restoring the ice control project and the river channel, the project now provides fish passage on the Wild Rice River. Jerry Jackson of the U.S. Fish and Wildlife Service said the project now allows 120 miles of fish passage on the river.

The dam repair project restores a stretch of river rapids, creating fish habitat and allowing sturgeon being stocked in White Earth Lake to migrate back to the Red River, increasing the odds of re-establishing the species to the watershed.

Several state, federal and tribal dignitaries attended the celebration, which included the ceremonial release of 160 lake sturgeon. The fingerlings were hatched by the Rainy River First Nation Hatchery in Canada, and it was noted the fish are a genetic match to the fish that

foot concrete blocks were installed on top of the dam, which will cause ice to be raised up when going over the dam and broken up. The repair plans also included the construction of a structure below the dam to help control erosion.

Developing fish passage made the repair project more expensive. The original repair estimate to put the dam back to its pre-flood condition was in the range of \$400,000 to \$500,000. Including the fish passage to the repair, the total project cost was estimated at \$824,000.

Watershed managers made the decision that there would be no assessment to land owners in the Heiberg Dam Project benefiting area to pay for the repair project. The Board agreed that a funding package had to be developed with outside sources before the repair goes to construction.

Funding for the project included a contribution of \$100,000 from the Minnesota DNR. U.S. Fish and Wildlife also approved \$70,000 for the repair, plus an additional \$40,000 was available as a 2:1 grant. The White Earth Tribe provided a \$100,000 grant for the repair, provided from U.S. Fish and Wildlife. FEMA approved paying the balance of the repair costs.

The low bidder on the project was Landwehr



Representative Kent Eken was one of the guest speakers at the dedication ceremony and noted the many partnerships involved with completing the project.

originally spawned in the Wild Rice River. Sixty thousand of the fish have been restocked in the upstream lakes. The ceremonial release took place at the new boat landing just downstream of the dam.

The day included Native American blessings from Joe Bush with tribal drums by the Eagle Spirit Drum group, who did a victory song for the fish released at the dam.

Other speakers included Larry Kranka of the DNR, Erma Vizenor, chairperson of the White Earth Tribe, Warren Seykora, chairman of the Wild Rice Watershed District, and Representative Kent Eken, and a representative from Senator Norm Coleman. Representative Morrie Lanning was also present.



The ceremonial release of 160 lake sturgeon in the Wild Rice River was part of the dedication ceremony.

The Federal Emergency Management Agency was also a major partner in the repair, providing two-thirds of the funding required for the \$1.1 million Heiberg Dam repair project.

Representative Eken noted that the many agencies worked together to restore fish passage, and he hoped to see continued partnerships as work continues on seeking solutions to flooding and other issues related to the river.

The reconstruction of the Heiberg Dam Project on the Wild Rice River was selected as the 2007 Minnesota Association of Watershed Districts (MAWD) Project of the Year at their annual conference. The Heiberg Dam repair was selected from nine entries from Minnesota in 2007.

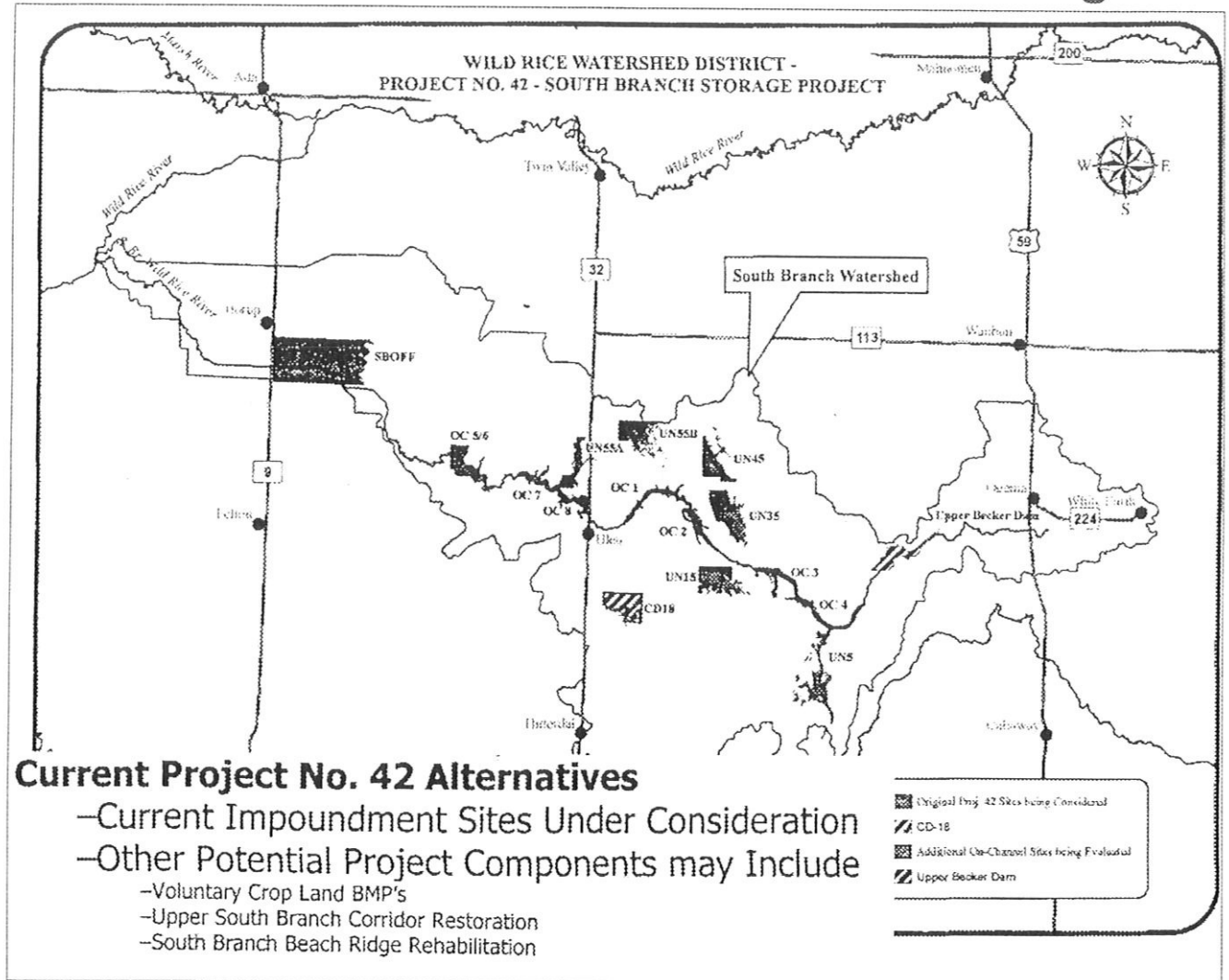
The Wild Rice Watershed District is honored to receive the award, and the Board of Managers agreed that the project was a tribute to what can be accomplished in flood protection, erosion control and natural resource enhancement when agencies and stake holders work together. "This was a project that was accomplished through a great deal of hard work by everyone interested in doing what was right after a devastating flood event," Chairman Warren Seykora said.



The Heiberg Dam reconstruction project by the Minnesota Association of Watershed Districts was selected as the 2007 Project of the Year.

Project #42

South Branch/Wild Rice River Storage



Back in 2002, Wild Rice Watershed District Managers realized the need to focus attention on areas other than just the mainstem of the Wild Rice River in seeking overall flood damage reduction in the Wild Rice Watershed District. At that time, areas with flooding problems were prioritized as high, medium or other by the managers, with a high priority placed on the lower Wild Rice River area, where flood damages to farmers in the District have been significant over the years.

In June of 2005, the Wild Rice Watershed District completed a storage evaluation as part of the overall water management plan of the South Branch of the Wild Rice River. This evaluation was completed as a joint effort between the WRWD and the United States Army Corps of Engineers. The main goal of the evaluation was to identify groups of projects which would provide a 30-40% reduction in the 10-year discharge at the outlet of the South Branch of the Wild Rice River, reduce erosion through the beach ridge, could be funded, and would also be acceptable to the permitting agencies.

What developed is the initiation of the current South Branch Flood Reduction Project (Project #42). The proposed project would consist of the development of five or six flood water storage sites in the upper basin in combination with one large off-channel storage site in the lower basin. The upper basin sites would provide a total of 6,500-7,800 acre feet of storage, while the lower off-channel storage facility would provide approximately 15,000-18,000 acre feet of storage. The project would control flood-

water from an approximate 250 square mile drainage area. As proposed, the planned sites would provide an approximate 40% reduction in the flow of the South Branch at the confluence of the Wild Rice River during a 10-year flood event.

Through 2007 the Board continued working on developing potential sites and meeting with area land owners. This project continues to face a good deal of opposition from land owners in the proposed project areas. The District did receive some land owner interest in the CD #18 site in Clay County and approved working with land owners on possible land purchases/swaps and easements in the project area. The Board also approved working on expanding the flood water holding potential of the Becker Dams.

In the fall of 2007, the District's Flood Damage Reduction Project Team essentially recommended the District continue work on seven points in moving forward with the Project #42 process.

The Watershed Board did not necessarily agree with all of the suggestions made by the FDR Project Team, but agreed that logical progression to go forward with planning is to continue with the idea of starting in the east and working west, beginning with looking at possible on-stream impoundment sites on the South Branch east of Ulen.

The FDR Team isn't interested in discussing on-stream sites on the South Branch west of Ulen, but the Watershed Board is continuing to pursue this with area legislative assistance in seeking to quantify the mitigation requirements at the proposed sites.

The categories, FDR Project Team recommendations, board response and action include:

1) Land use treatments to reduce runoff volume and sedimentation

Project Team recommendation: Land use treatments should be implemented throughout the watershed. These treatments include increased use of conservation tillage practices in the watershed, installation of effective buffer strips and other BMPs along watercourses, and wetland/grassland restorations.

Watershed Board action: Confirm with the Project Team that these measures were dismissed from further evaluation as alternatives to impoundments, however, these measures will be utilized as complementary components pursued on a volunteer landowner basis in partnership with other agencies.

2) South Branch Corridor Establishment

Recommendation from Project Team: Lands within the impoundments described in Items 3 and 4 along with an effective upland buffer will be needed to reduce long term maintenance within the impoundments and to provide natural resource benefits that may be critical in offsetting mitigation requirements.

Watershed Board action. Confirm with Project Team that these measures were dismissed from further evaluation as alternatives to impoundments, however, these measures will be utilized as complimentary components pursued on a volunteer landowner basis in partnership with other agencies.

3) Optimize storage capacity of the Becker Dams with Consideration of Natural Resource enhancement opportunities

Project Team recommendation. The Watershed District should actively pursue redesign and development of a new operation plan for the dams and the potential for natural resource enhancement should get serious consideration.

Board action: Houston Engineering will determine structural and operational modifications that are possible at the Becker Dam sites once LIDAR is obtained. Houston Engineering will also determine flow reduction benefits that occur downstream.

4) South Branch Upstream Tributary Sites

Project Team recommendation: The Watershed District should actively pursue development of impoundments at the seven priority sites and should reassess the feasibility of the other proposed project

areas.

Watershed Board action: Authorize staff to select two sites for individual follow up discussions with affected landowners.

5) South Branch Upstream On-Channel Sites

Project Team recommendation: The Watershed District should actively pursue development of these impoundments on the South Branch east of Ulen.

Watershed Board action: Staff/consultants will work with DNR to determine acceptable operational requirements at each site (1-4). Houston Engineering will complete preliminary engineering to determine basic project features (i.e. pool elevations, outlet structure dimensions, etc.); Houston Engineering will determine flow reduction benefits that occur downstream. Houston Engineering will also estimate cost of construction and land acquisition.

6) South Branch Wild Rice Channel Rehabilitation

Project Team recommendation: Develop a rehabilitation plan for the South Branch.

Watershed Board action: Authorized participation in Project Team committee meetings.

7) On Channel Impoundment at the Base of the Ridge Near Highway 9

Project Team recommendation: The Watershed District should actively pursue development of this impoundment after upstream treatments and impoundment projects are active.

Watershed Board action: Nothing at this time. The Board will wait until results from upstream projects is determined.

The planning process has been assisted with the availability and accuracy of LIDAR information compiled over the entire watershed district in 2006 through the efforts of the Minnesota Department of Natural Resources with funding assistance from the Wild Rice Watershed District and counties in the District.

Through the end of the year, the board heard a good deal of concern from land owners in the project area in both the upper and lower areas, with many land owners urging that the District look at on-stream water retention on the South Branch.

The Board has set aside a 9:00 a.m. time slot at each regular meeting to provide public updates and hear public input on Project #42 as the planning progresses.

Water Management District

As a means to seek a funding mechanism to do maintenance and to raise local funding for flood prevention project, the Wild Rice Watershed District began investigating the potential of creating a Water Management District (WMD) in 2007.

In October, County Commissioners from the six counties in the watershed district were invited to a WMD information session in Twin Valley. The purpose was to discuss a draft ordinance to create a charging system to property owners in the watershed district based on water runoff contributions. Funds raised would be used to pay the local share of future flood damage reduction and water quality projects, as well as maintain current infrastructure in water control projects like the Upper Reaches Project.

Watershed District Chairman Warren Seykora told county commissioners that if the goals in flood prevention in the District are realized, the local share of costs could be in the range of \$30-\$60 million, considering a 50% local contribution is required after state and federal funding.

Jerry Van Korf, special counsel to the watershed district, explained that while a fairly new concept, a

number of watershed districts in the state are looking at the creation of WMD's as funding mechanisms in watershed districts. For this to occur the District would have to amend it's overall management plan, and it would require approval from the Board of Water and Soil Resources. The watershed district would also be required to hold public hearings on the proposal.

It was explained that the WMD ordinance created would have to define the time limit the WMD is to run, the amount of funds that would be collected, and under what conditions the funds would be collected.

The draft ordinance prepared by the District for the commissioners to review suggested a charge system where land owners outside municipalities would be charged based on runoff contributions, determined by soil type and land use. Property owners in municipalities would be charged a fee based on market value of their property.

Along with funding for projects, managers noted that the White Earth and Marsh River, and South Branch have all been added to the impaired waters list due to turbidity in the rivers. A WMD would be one way to raise funds to address water quality issues on the rivers.

Commissioners in Mahnomen County questioned the value to their County, since there have not been any projects proposed by the Watershed District there. Also, commissioners from both Mahnomen and Becker counties noted that additional costs to property owners are not going to be very acceptable when they do not see a benefit.

Watershed managers noted that the meeting with county commissioners was just the first step of looking at a WMD as a funding mechanism. The suggested next step was meeting with the six individual county boards to discuss the topic further, with plans for continued meetings on the subject early in 2008.



Staking for the Gerald Arends ring dike project in Mary Township before construction.

Wild Rice Farmstead Ring Dike Program

The Wild Rice Watershed District has taken great advantage of the Farmstead Ring Dike Program funding over the past 11 years, with many farmsteads now protected from problem flooding. In April of 2007 there were 23 people on the list seeking ring dike projects.

In the spring of 2007, the District learned that there would be \$400,000 available from the state legislative allocation in 2007 and 2008 for rural ring dike construction. This allowed the District to go to bid letting on nine projects in 2007. Under the rural ring dike program, the State funds 50% of the ring dike project, the Red River Management Board provides 25% funding, the watershed district 12.5%, and the applicant 12.5%.

In the summer of 2007, the Board approved preparing plans and specifications on nine projects. The ring dike projects approved for construction were all in Norman County, with projects approved for Harvey Christianson in Halstad Township, George Gilbertson in McDonaldsville Township, Kaye Loe in Georgetown Township, Clayton Arthurs (Judy Olson) in Anthony Township, Gerald Arends in Mary Township, Rob Myers in Winchester Township, Tim Koste in Lee Township, Jonathan Grothe in Hendrum Township, and Myron Pallum in Mary Township.

Total bids on the nine projects was \$164,725, which was \$105,360 below the engineer's estimate on the total of the nine projects. Six of the projects were awarded to D & J Excavating of Wadena and three of the projects were awarded to Ziegler Construction of Georgetown. The Board also approved looking at preparing the next two projects on the priority list with the funding available.

Since 1997, a total of 64 rural ring dike projects have been build in the Wild Rice Watershed District to protect homes and out buildings.



The Arends ring dike project following construction.

Mahnomen Flood Protection Project

Chances for construction of a drainage and flood protection project west of the City of Mahnomen looked brighter with additional funding for the project approved by the Red River Watershed Management Board (RRWMD) in November of 2007.

Representatives from the City and County of Mahnomen met with Wild Rice Watershed District Managers in November to request that the District consider additional funding for the Mahnomen County Drainage Project. Both city and county representatives explained the budget difficulties in coming up with a local share of the costs. The request by the County and City was for the District to contribute 50% (\$82,800) of the project cost. The Department of Natural Resources has agreed to provide grant funds for the remaining 50% of the cost. Originally, the District proposed splitting half the project cost between the watershed district, city and county.

Watershed District managers agreed to consider the request, and also agreed to make a request to the RRWMB for partial project funding. At their November meeting, the RRWMB voted to fund 25% of the cost of the project (\$41,000).

The proposed \$165,600 project will be a north/south aligned ditch system with a berm which will provide drainage and protection during excess run off of water on the west side of Mahnomen.

Sedimentation Study of Wild Rice River

The huge amount of sediment in the downstream area of the Wild Rice River is a major problem in loss of river capacity resulting in a major source of problem flooding. A sediment study of the river will assist in planning projects to help decrease flood damage and the associated erosion and sedimentation problems in the Wild Rice watershed.

As part of the Wild Rice Feasibility study being conducted by the U.S. Army Corps of Engineers and the Wild Rice Watershed District, Corps staff completed surveying the Wild Rice River channel, taking soil samples, and measuring various parameters that will be used in developing a sedimentation model on the Wild Rice River.

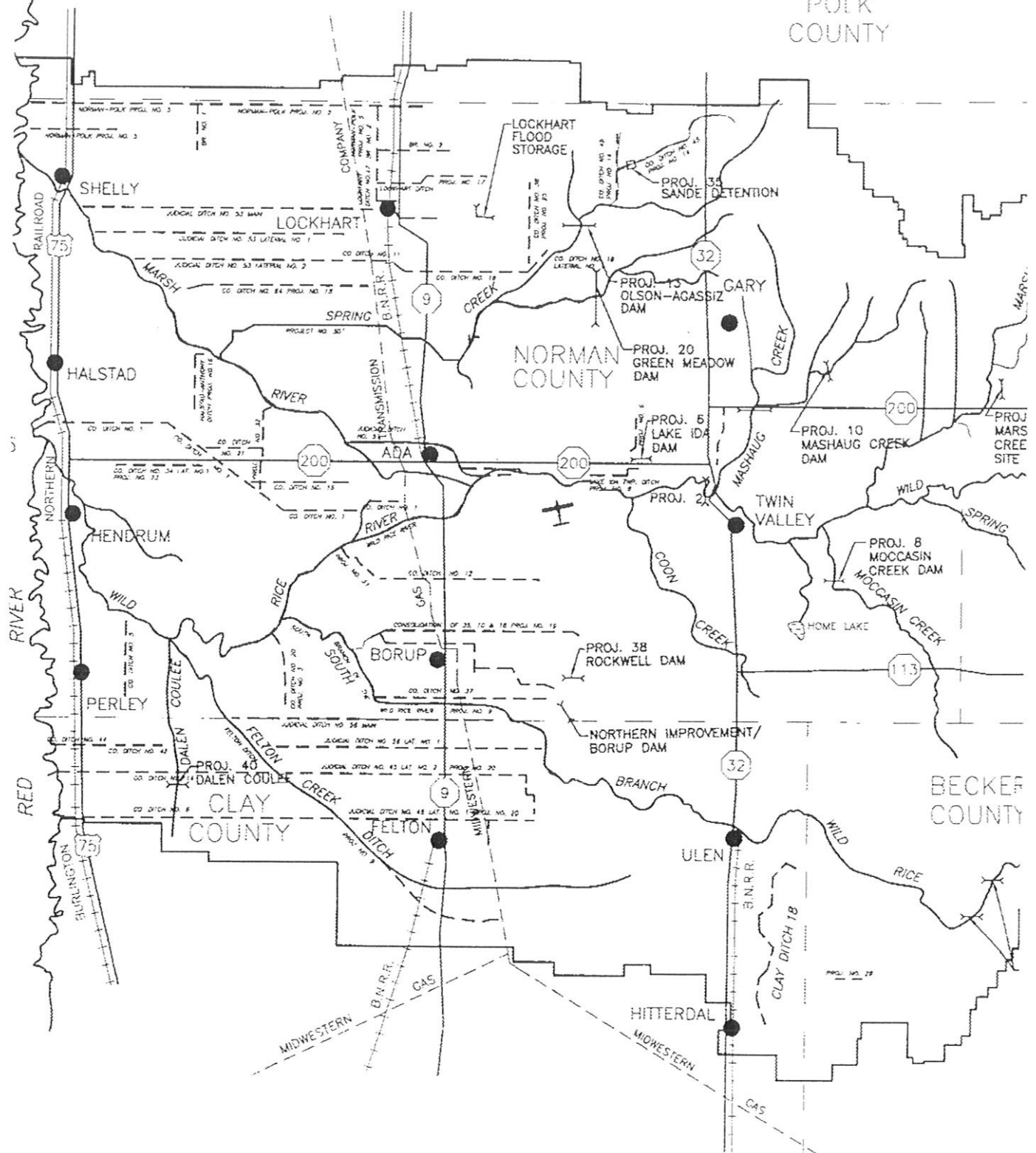
The study involved measuring and comparing the amount of erosion and deposition in the channels from earlier data. The report showed six to eight feet of sedimentation in the Wild Rice River southwest of Ada, and erosion up to six and one-half feet from the bottom of the channel at JD #51 on the Wild Rice River.

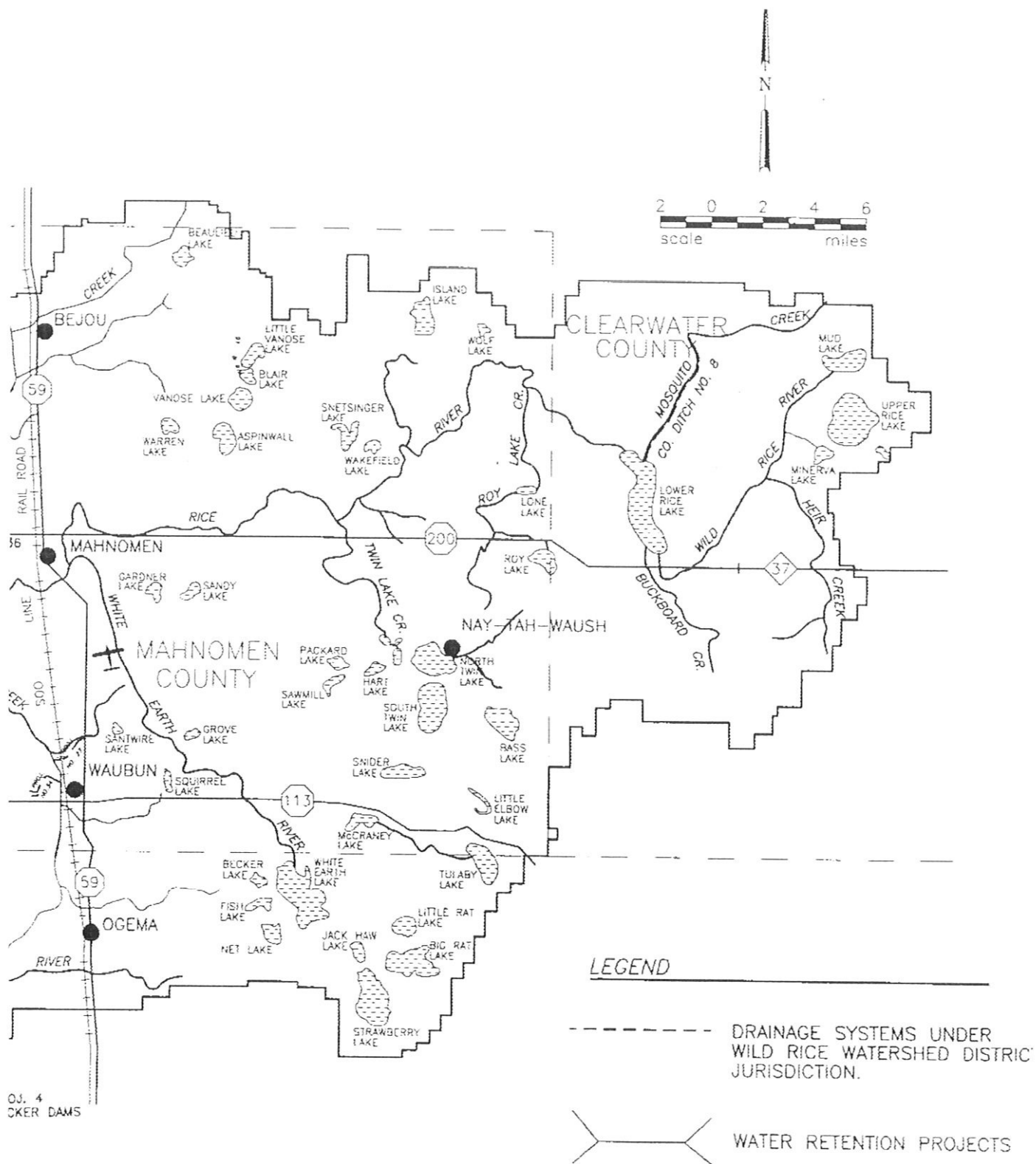
The District has known that this is what's occurring on the river. The report verifies what has taken place since the Upper Reaches Project was installed in the 1950s.

The outcome of the sedimentation analysis includes recommendations on where future sediment reduction efforts should be focused.

In the future, this sedimentation model can be adapted to help predict changes in sedimentation characteristics that might occur as a result of proposed projects, such as the setback levee and channel restoration project currently being considered by the Corps of Engineers and Watershed District.

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The watershed district is also interested in learning if an upstream mainstem project could provide the dual benefits of flood relief as well as erosion control and decreasing downstream sedimentation.

While the Corps study will look at the history of sedimentation in the Wild Rice River, the watershed district is also collaborating with the USGS to establish a long-term, real-time sediment monitoring program at various locations on the South Branch and main stem of the Wild Rice River.

This information is to be used to identify sediment rates from diverting flood water to a system designed to retain flood flows that will be released after flooding has receded, like the proposed Project #42 on the South Branch.

Specific concerns include determining the amount of sediment that would be trapped behind proposed water retention sites located along the South Branch of the Wild Rice River; estimating the sediment loads traveling down the main stem of the Wild Rice River relative to a redesign of the river channel; and determining how suspended sediment concentration relates to turbidity as identified by the Minnesota Pollution Control Agency (MPCA) criteria for total maximum daily loads.

Wild Rice River Included On Impaired List

In 2006 the Minnesota Pollution Control Agency (MPCA) listed the lower reach of the Wild Rice River as impaired for excess turbidity (suspended or dissolved particles) based on monitoring conducted in 2001 and 2003.

The impairment is located from the river's confluence with the South Branch of the Wild Rice River near Hendrum to the Red River and is about 30.5 miles in length. Land use is dominated by crop land and is extensively drained.

The MPCA notes the primary contributing sources of the turbidity impairment appear to be upland soil erosion and stream-bank erosion. The turbidity impairment can also be directly correlated with higher flows, with sediment reductions near 90% needed to achieve the turbidity water quality standard during wet conditions and high flows. Accelerated sedimentation can also increase stream channel width/depth ratios and cause bank erosion and failure.

Sediment sources in an agricultural watershed setting, such as the Wild Rice River watershed, non-point sources dominate the sediment load and are the primary areas designated for load reduction activities. Non-point sources can include soil erosion from the stream channel and upland areas. Both sources are known to contribute with the more significant source varying depending on precipitation, flow and time of year.

In 2007 the WRWD Flood Damage Reduction Team and District began work using existing management plans to develop an implementation plan to address turbidity. An initial focus of the plan will be to identify spatially the sources of sediment loading to the Wild Rice River. The District will seek funding through existing programs for implementation activities.

A group of best management practices (BMPs) will be the tools used to achieve reductions in turbidity. These could include filter strips, natural vegetation buffers, grassed waterways, cover crops and conservation tillage. Structural practices could include water and sediment control basins and grade control structures.

2007 - Year in Review

January Regular Meeting

The Wild Rice Watershed District Board of Managers approved a permit request from MnDOT on the **bridge replacement on Highway 32** at their January meeting. The action followed a permit review on the Highway 32 bridge replacement by MnDOT staff. A concern expressed is that the new bridge will have a larger opening than the current bridge, and create greater problems with flooding downstream.

The MnDOT engineer explained that the change in flows getting through the bridge will be minimal. During larger floods it would be approximately the same. During a 100-year flood, the river has 1.4 foot stage increase upstream of the current bridge. With the new bridge, the stage increase upstream of the structure would be 1.2 feet during a 100-year event. The MnDOT engineer said that the stage increase would be localized, and downstream effects would not be significant. Engineer Jerry Bents said he believed the permit request was reasonable.

The Board approved the permit by a 4-3 vote, with managers Diane Ista, Dave Vipond and Jim Wagner voting no. The managers voting no said they believed the new bridge should have been designed with a zero effect on staging on the river.

There was a large contingent of visitors from the Ulen area with questions about the proposed flood damage reduction project on the South Branch, **Project #42**. The group carried a petition with 75 signatures which noted concerns related to the amount of tillable acres that would be taken out of production in the the proposed retention sites above the beach ridge.

Chairman Warren Seykora reminded the group that at this point, the Watershed District has requested to do soil borings at proposed sites and will begin work on appraisals at some of the sites. It was noted the time line for the project still has the final public hearing scheduled for early in 2008. Administrator Steve Dalen said the District will be scheduling meetings with individuals with property in the proposed upstream retention sites in February.

The land owners asked to be kept undated on what is happening with the project, including updates by e-mail.

Engineer Bents reported that recent activity on Project #42 has included modeling the outlet channel of the upper sites, preliminary hydrologic and hydraulic design of the upper sites, developing of a wetland mitigation procedure for the project, field review of existing wetland locations, and a sedimentation review (primarily for the upper sites).

Also related to Project #42, the Board met with Bill Zurn who discussed a possible retention site on land he owns above the current Becker Dams, and the potential for additional flood water storage in the area.

The Board met with Neil Helming of the Army Corps of Engineers, who reported on the initial assessment on the District's request to do a federal interest assessment on the **Marsh Creek Site 6** project. The District made the request in 2004, after the District determined that mitigation requirements made the project economically not feasible as a local project. Helming noted the initial assessment indicates that there would be a positive cost/benefit ratio. However, he also noted that the benefits are based on the level of protection provided by the City of Ada's levee system. The report notes the levee system may be improved, either by the City or from the result of the Section 205 Ada Feasibility Study being conducted by the Corps of Engineers. Helming noted that if the District is interested in going on to a more detailed feasibility study on Marsh Creek Site 6, it would require a project management plan and negotiation of a feasibility cost share agreement between the Corps and the District. A problem with this happening is a current moratorium on the Corps approval of new cost share projects.

Engineer Bents reported that the remaining work on the **2006 FEMA** list includes the hazard mitigation backslapping request on approximately five miles of Project 30, starting from the Marsh River and to the east. While FEMA hasn't made a decision, he said it sounds promising that they will approve going forward with funding this work. The claim may be in the range of \$500,000. If FEMA looks favorably on the request, the Board gave their approval to prepare necessary documents and engineering.

In November, the District halted a requested **cleaning in JD #51** at the Wild Rice River after receiving a request from the City of Ada asking that an analysis be done related to what impact the repair will have on the City. Engineer Bents said a conservative analysis showed that the effect during a large flood event would be minimal. The City has asked their engineering firm to review the information from the analysis. Manager Wagner commented that the clean out would assist with smaller flood events on the Wild Rice River and flood conditions southwest of Ada. He noted that currently, when flood conditions begin southeast of Ada, there is still no significant flow going down JD #51 from the Wild Rice River.

The Board approved the following **permits**:

Becker County - Circle E Farms, Section 14, Walworth Township, remove two approaches and a driveway approach and add an approach (with conditions).

Clay County - Joe Prosky III, Section 25, Flowing Township, install tile system in south half of the section.

In other business the Board:

*Reviewed information that will be presented at the hearing on the **Project 9** - South Branch of the Wild Rice River, repair request in Mary and Winchester townships in Norman County and Felton Township in Clay County.

*Approved coordinating **tree removal** in the Wild Rice River and talk to the County about a cost sharing effort.

*Authorized investigation of possible alternative sites in the **Felton Ditch** area for potential flood water retention.

*Approved correspondence to individuals related to complaints and violations.

February - Regular Meeting

Wild Rice Watershed Board members approved analyzing four additional on-channel sites on the South Branch of the Wild Rice River east of Ulen as potential flood retention areas as part of the **Project #42** planning process.

Land owners have asked how the watershed selected the upper water retention sites currently being considered. It was noted that

the Board worked with the agencies on the District's Flood Damage Reduction (FDR) Team on site selection. It was explained that on-channel retention sites are a high concern below the beach ridge by the FDR agency members, but there was not as much concern about on-channel sites above the beach ridge by the agencies.

At the meeting it was suggested looking at four sites east of Ulen on the channel of the South Branch, because these sites probably won't be a huge problem for environmental permitting. A motion was made to proceed with the alternative analysis on the four sites between Ulen and the Upper Becker dams. Possible sites above the Becker Dam will also be discussed when the LIDAR information becomes available.

The District is planning meetings in March with land owners who live in the individual upstream sites currently being studied. The Board authorized full board attendance at these meetings.

Administrator Dalen reported that there was a land owner who contacted him with property which could be available for sale. This could create an option of a possible land swap for people in the project areas. The Board passed a motion to explore the land sale option further.

In other business, the Board discussed scheduling a public meeting in the near future to discuss the Board's efforts to receive funding for a **re-evaluation of the old Twin Valley Dam project** by the U.S. Army Corps of Engineers. It was reported that Ron Harnack of the Red River Watershed Management Board had met with Congressman Collin Peterson who indicated he would be willing to assist in seeking funding for this effort through the Water Resources Development Act. The Board approved scheduling a public information meeting to discuss the re-evaluation process for Thursday, March 29, at 7:00 p.m., at the Twin Valley Community Center.

The Board moved to table a permit from the Norman County Highway Department for a **bridge replacement** over the Red River on CSAH #39 west of Perley. The District will host an information meeting about the permit during their March 13 regular meeting at 10:00 a.m., when the County Engineer and bridge engineer will be available to answer questions about the bridge project.

The Board approved the following **permits**:

Becker County - Mattson Farms, Inc., White Earth Township, Section 27, abandon and fill in existing ditch and construct new ditch.

Norman County - Duane Hanson, Pleasant View Township, Section 24, install a trap on a field crossing culvert to be constructed in the spring of 2007; John Germolus, Section 24, Mary Township, rebuild ring dike around farm site.

Clearwater County - Clearwater County Highway Department, Falk and Nora townships, grading and aggregate surfacing CSAH 28 and 31 (just south of Bagley) and reworking ditches to meet standards.

The Board had a discussion about the **Upper Reaches Project** and what can be done to generate possible funding for doing repairs on this project which is chronically running in the red. The Board is looking at the potential of creating a new water management district in the Upper Reaches Project Area. Manager Diane Ista suggested using the Upper Reaches Project as a pilot project for the creation of a Water Management District (WMD). The Board authorized staff to begin looking if the development of a WMD would work as a funding mechanism on the Upper Reaches Project and return with some ideas for the Board to consider.

The **Green Meadow Dam** protection project was discussed with news that the potential project has a willing land owner with a possible site for a water retention area upstream of the dam. The Green Meadow group working on this has asked for a soil survey to go to a land owner meeting. A decision for the group will be if this becomes a petition for improvement and/or repair to Project #30 or a separate project which is petitioned for. The idea is to provide flood storage upstream to protect the Green Meadow Dam. The Board approved having staff assist with developing the soils information.

The Board also discussed trying to move the **Upper Felton Project** forward with a mailing to land owners in the area to discuss storage options on property in the area.

Engineer Jerry Bents reported that the **LIDAR** information related to the Mahnomen City drainage issue on the west side of Mahnomen is now available. Bents said they looked at the elevations and developed a list of possible options to consider. The board approved setting up a meeting with a representative from Mahnomen to discuss the options.

In other business the Board:

*Authorized going forward with the **repair request on JD #53** within Section 25 of Good Hope and Section 30 of Lockhart townships.

*Approved deeding a **flood buy-out** parcel along the Wild Rice River in Hendrum Township to the City of Hendrum, with the District retaining rights for access to the river.

*Approved a resolution to the **Lavoi/Pazdernik complaint** issue.

*Rescheduled the March regular meeting to Tuesday, March 13.

*Authorized staff and manager attendance at the **Legislative breakfast** in St. Paul on March 14-15.

March - Regular Meeting

In February the Wild Rice Watershed District Board of Managers agreed to look upstream of Ulen for on-stream retention on the South Branch of the Wild Rice River. At their March meeting they extended their search to looking at the downstream reaches of the South Branch as part of the **Project 42** alternative analysis development.

The decision came following the engineering update on Project 42 at the District's March meeting. In a discussion about increasing the number of sites analyzed, including on-stream sites, Engineer Jerry Bents commented that while potential on-stream sites have been discussed with the (Flood Damage Reduction) FDR team in the District, the sites have not been analyzed using the new LIDAR data to determine potential hydrologic benefits and also the permitting/mitigation requirements at the sites.

The environmental agencies on the FDR team have noted environmental concerns about the on-stream sites for water retention downstream of Ulen.

The Board held meetings in Ulen in March to discuss the individual upstream tributary sites. Chairman Seykora noted that meet-

ings with the public were good, but the District is a long way from receiving a lot of support for the sites from land owners. He noted there have been many requests for the Board to pursue on-stream sites to the west of Ulen, including the site in Hagen Township.

The problem WITH on-stream retention is permitting issues. The District ran into this problem with the Marsh Creek Site #6 project in Mahanomen County, where mitigation requirements from the agencies made the project economically not feasible.

The Board of Managers met with state legislators to discuss this issue last week, seeking support and help in finding a way to ease stringent mitigation requirements that go along with proposed on-stream retention projects. Administrator Steve Dalen said that local legislative leaders were supportive and prepared to assist in overcoming constraints that keep the District from pursuing viable solutions. Board members also asked people attending the meeting to write their legislators and assist the District with this effort.

Lawrence Pollock of Ulen, who is a former member of the Watershed Board, also presented the Board with alternative site proposals on government owned land in Goose Prairie Township in Sections 14-15, 22-26-27. The Board also approved investigating this site.

The Board also approved analyzing any other voluntary sites in the project area which are available for study.

The Board also approved using the Vogel Law Office in Fargo to assist the District with possible land swap possibilities as project planning continues.

In other business, the Board approved a permit application for a **bridge replacement project** from Norman County on a new Red River Bridge on CSAH #39 west of Perley. Tom Wilson of Erickson engineering explained there will be no change downstream in the water area during a 100-year flood with the new bridge in place. He said the revised hydraulic model shows a negligible difference in flood elevations between the existing and proposed flooding conditions. He noted during a 100 year flood the flow area for the existing bridge and roadway is 9,822 feet (through bridge) and 6,312 feet over the road, for a total flow area of 16,134 feet. For the proposed bridge and roadway, the flow area is 14,893 feet (through bridge) and 1,260 feet (over the road) for a total flow area of 16,153 feet. Norman County Engineer Mick Alm said the bridge replacement will result in no staging increase and the same surface water elevation downstream.

The Board had some discussion about the potential of creating a new **Water Management District** over the Upper Reaches Project area. There are still a lot of questions which would have to be answered if this is considered. Currently, staff is looking at mock scenarios of what areas that could be covered, how the board could assess fees and rates, and possible projects that the funds raised through a water management district could be used for. Staff will be bringing back some options for the Board to consider.

The Board heard that they had a number of responses from the letter that went out to people in the **Upper Felton** area requesting interest in providing acres for possible flood reduction acres. It was noted that there were a number of responses the District will follow up on.

The Board scheduled a public information time for their April 11 at 11:00 a.m. meeting to hear comments on a permit from the Clay County Highway Department for a **bridge replacement** in Section 8 of Hagen Township. The proposed project will replace a bridge destroyed in the 2002 flood.

In other business the Board:

*Agreed to be a joint project sponsor and make a permit request to the DNR for a control to set the water level on **Home Lake** to assist in an effort to address lake levels and possibly create additional water storage.

April - Regular Meeting

Wild Rice Watershed Board members were updated at their April meeting on progress of on-stream site selection of potential water retention areas downstream of Ulen on the South Branch of the Wild Rice River.

In the **Project #42** update, Engineer Jerry Bents reported that a lot of effort the past month had focused on developing a hydrologic model of the lower South Branch reach, which will assist in evaluating possible on-stream alternative sites.

The Board approved looking at on-stream alternatives at their March meeting. The District received legislative funding assistance to assist with Project #42 planning, and Administrator Steve Dalen said the District received approval to use the approved funding to look at on-stream alternatives.

Bents reported on three potential on-channel sites that will be evaluated west of Ulen. He said he does not have storage values calculated for any of the sites at this time.

The on-stream sites being analyzed are in Section 14 in Hagen Township, a site in Section 18-19 in Ulen Township, and Section 20 in Ulen Township.

The Hagen Township site has been discussed with the Flood Damage Reduction Team in Norman County in the past, and while the agencies had some issues with the site, Bents noted that the evaluation has never been developed to determine what the actual permitting and mitigation requirements for developing a project at this location would include. Bents said the process to evaluate the site will help determine what the actual environmental impacts at the location will be.

Another determining factor is how large of a structure is considered in the process. Maximizing possible retention at this and other on-stream sites would affect residences and agricultural land in the area. Bents noted that the sites could also be designed to have less impact, but that will decrease the flood retention potential. Board members agreed that the sites should be evaluated as both large and smaller projects. The hydraulic model developed will be able to answer the effect of different sized projects in reducing flooding.

Managers agreed that land owners in the site areas will be invited to a meeting as soon as some additional information is developed to inform them that their areas are being evaluated.

Bents also said he hasn't calculated the amount of cost or tilled acres that would be effected with the proposed on-stream sites being studied.

Bents reported that work is moving forward on four potential on-stream sites upstream of Ulen. As the evaluation moves forward, the engineer said it will be interesting to calculate what the potential projects could do in reducing flood potential if they could operate in unison.

The Board received a number of resolutions from townships in the Project #42 area, noting opposition of using ag lands for flood water retention purposes.

Lawrence Pollock brought maps to show potential water retention sites on-stream east of Ulen. The Board authorized including the sites into the list of alternatives being analyzed.

A letter from **Representative Morrie Lanning** was discussed. His letter called for a hold at looking at ag land for water retention and noted his interest and willingness to spearhead an effort requesting that the permitting agencies ease constraints to allow on-stream retention economically feasible.

The Board discussed doing a tour of the on-stream sites with the participation of the land owners. The Board made this a motion to organize site visits when sufficient information has been developed.

The Board discussed sending letters to land owners in the South Branch sub-basin to see if people have any acres which could be available for mitigation or retention purposes.

The Board discussed the Twin Valley public meeting and it was agreed there was a good turnout of people to hear that the District is seeking funding to do a **re-evaluation of the old Twin Valley dam project**. The re-evaluation by the Army Corps of Engineers is included in the 2007 WRDA bill which is working its way through Congress. Dalen said that while the District continues to pursue federal funding for the re-evaluation, he suggested going to the state legislature to ask for assistance with the local share of funding as the effort moves forward.

In other business, the Board approved a motion of spending up to \$6,800 for culvert installation and gravel on the **Becker Dams**. Riceville Township will have the work done.

Bents reported that he and managers Joe Spaeth and Dave Vipond met with Mahanomen city and county representatives to discuss options for solving the water problem on the **west side of Mahanomen**. Bents said he was preparing options and cost estimates on the project. It is planned to have a meeting with land owners to discuss the possible plans and options.

The Board approved scheduling a **rural ring dike** committee meeting to prioritize projects in the District. There are 23 applicants in the District at this time for the ring dike program. Home owners with the greatest need for protection go to the top of the list. The Red River Watershed Board has been working with legislators to seek additional funding for remaining rural ring dike needs.

The Board approved the following **permits**:

Norman County: City of Twin Valley, install storm sewer, catch basins, area drains, and construct stormwater treatment ponds; Norman County Highway Department, Sections 27, 28, 33 and 34, Flom Township, CSAH #38 grading project; Tammy Anderson, Section 18, Fossum Township, construct a new driveway approach and culvert; City of Hendrum, Section 30, Wild Rice Township, install sewers, drainage ditch and water quality pond.

Clay County: Clay County Highway Department, Section 8, Hagen Township, bridge replacement over the South Branch; Clay County Highway Department, Section 13 and 14, Georgetown Township, replace bridge over County Ditch 14; Clay County Highway Department, between Section 25, Viding Township and Section 30, Felton Township, culvert replacement on lateral one of County Ditch #45; Clay County Highway Department, Sections 13 and 14, Georgetown Township, culvert replacement on County Road 103; Clair Askelson, Section 23, Felton Township, construct a ditch plug for a wetland restoration;

Mahanomen County: John Haugo, Section 13, Popple Grove Township, install 18 inch culvert in an existing approach.

In other business the Board:

- *Approved \$100 donation for the Becker and Norman County **Envirothons**.

- *Approved following up with land owners who replied from the letter sent out in the **Felton Ditch** sub-watershed District.

- *Authorized staff to meet with land owners in Mahanomen County in an effort to find a final solution to a number of related complaints.

- *Authorized scheduling a hearing on the **South Branch** cleaning request in Mary, Winchester and Felton townships.

- *Received a thank you from the Mahanomen SWCD for 50% cost share for the **Pinchurst Resort shoreline protection project**.

- *Approved payment to Tommy Carlson totalling \$686 for crop damage resulting in repairs done to **Project 30**.

- *Closed the meeting to discuss legal strategy related to the Gene Ueland violation.

May - Regular Meeting

The Wild Rice Watershed District Board moved to go forward with on-stream site development on the South Branch of the Wild Rice River as part of the development of flood damage reduction alternatives to **Project #42**. As a next step, the board will be scheduling meetings with land owners involved with the on-stream sites being studied. The board also agreed to schedule meetings with Representative Morrie Lanning and DNR Commissioner Lokesmoe.

Engineer Jerry Bents updated the Board with possible placement of four on-channel flood water retention sites east of Ulen and four sites west of Ulen on the South Branch. The site with the greatest potential for storing flood water would be the **Hagen Township site**, which Bents said could have potential for 13,453 acre feet of storage. However, at this level it would also inundate a couple of surrounding building sites. Downsizing the site so it wouldn't be a problem for surrounding building sites, it could have the potential to store 5,405 acre feet of water. Bents noted the total of all sites being looked at could be 21,376 acre feet of storage (with a big site in Hagen Township) or 13,328 acre feet with a decreased sized site in Hagen Township.

Bents and Administrator Dalen met with permitting agencies to begin discussions about mitigation, and they noted that the U.S. Army Corps of Engineers perspective is to permit projects that are the least environmentally damaging. Bents said the message from the agencies is 'save your money on further on-channel studies' because from their perspective, other projects are being built off-channel in the basin, and on-channel retention is not the least environmentally practicable alternative.

But what is not known, is what the environmental impacts to the channel would be at these sites and the actual mitigation requirements. Another consideration has to be the erosion taking place in the channel, and how project development could assist with reducing this problem. Further site development will help answer these questions.

The Board agreed there are a lot of hurdles to develop a project that would be economically feasible and that it will take a lot of support in the District and help from legislators.

In other business, the Board discussed the **City of Mahanomen drainage problem** on the west side and possible options. Bents went over the proposed alternatives, with the preferred project involving a ditch with south alignment and the construction of a berm. Total estimated cost of the project was estimated at \$166,000. There was a discussion of applying to the State for grant help with the project cost. As a first step, the Board passed a motion to apply for the grant funds. The Board also agreed that the District would be willing to cover one-third of the remaining costs, with the idea that the remainder of the cost could be shared by the county and city. The Board also approved moving forward with the planning.

The City of Ada met with the Board with a number of questions related to the request to the District for cleaning the inlet of **JD #51**. The Board moved to delay the cleaning until there is additional information about the downstream condition of the ditch and also how the District will address the entire **Upper Reaches Project** area related to the possible development of a new Water Management District or another funding option. Another development that is going forward is the the Corps of Engineers 205 flood protection study in the City of Ada. There was a general agreement that the City and Watershed will work together as the 205 study goes forward.

Also related to Upper Reaches Project, the Board received a request for repairs to sloughing in Section 25 of Hegne Township and the board approved investigating that and other problem spots.

The Board heard that the state legislature approved funding for the **rural ring dike program**. The State will provide \$200,000 in 2007 and \$200,000 in 2008 in the Red River Valley. The District has over 20 applications for ring dikes in the Wild Rice District.

The Board made annual appointments of consulting services which are the same as 2007. The Board accepted the proposal from Houston Engineering of Fargo for engineering services, Marcussen Accounting Service for accounting services, Elroy Hanson of the Wambach & Hanson Law Office of Mahanomen for legal representation, and Tim Halle of Ada for public information services. The Board accepted the 2007 mowing and seasonal maintenance proposal from Dan Lakeman of Borup. The Board approved the proposal from Peterson Farms to mow the Lockhart Project. The Board accepted the spraying proposal from Brushwacker, Inc., of Mahanomen.

The slate of officers during the annual meeting remained the same, with Warren Seykora elected chairman, Bob Wright elected vice chairman, Diane Ista elected secretary, and James Wagner was elected treasurer. Compensation for board members was left the same as last year, at \$75 per diem, and \$20 per hour when called on for special consultations, not to exceed the \$75 per diem. Mileage reimbursement remains at the IRS approved rate.

In other business the Board:

- *Heard a report of the advisory board meeting and Perry Ellingson was elected chairman of the **advisory board** for the coming year.

- *Authorized staff to work with Mary Township to allow using a flood damage acquisition site in Section 8 for a township dumpster site.

- *Approved scheduling the hearing on the clean out request on Section 24/25 Mary, 30 and 36 Winchester and Section 1 Felton, **Project #9 (South Branch)** at the Board's regular June meeting at 10:00 a.m.

- *Approved scheduling a meeting with Norman County SWCD and land owners to discuss analysis of Home Lake outlet structure modification.

The Board approved the following **permits**:

Mahanomen County - Mahanomen County Airport, Rosedale Township, Section 30, construct new ditch as part of construction of a turf cross wind runway; Jason Keller, Section 20, Heir Township, construct erosion control measures including two water and sediment basins and a tile outlet (condition that any land owners within the pool areas sign off).

Norman County - Perry Ellingson, Mary Township, Section 30, install a crossing and 24 inch culvert.

Clay County - Duane Brendemuhl, Flowing Township, Section 14, clean ditch (with conditions).

June - Regular Meeting

Poor soil conditions for constructing levees led Wild Rice Watershed Managers to table a flood damage reduction initiative in the **Felton Ditch** watershed area last year. The Watershed Board now hopes to get a smaller flood damage reduction project back on track.

The Board hopes to look at developing a project which could be built with smaller levees, which could be constructed with the type of soil in the area. An idea is to develop a series of smaller sites for flood water retention upstream of the Felton area. There are a number of interested land owners in the area. At the Watershed District's June board meeting, the Board approved going forward with soil boring at these sites to evaluate the soil.

In the **Project #42** report, Administrator Dalen reported that members of the District's Flood Damage Reduction (FDR) Team will conduct an environmental assessment of the eight on-stream sites identified on the South Branch on June 27. The assessment will give the board information on mitigation requirements for trying to permit the sites for flood retention areas. The agencies have indicated that sites upstream of Ulen have potential, while sites downstream will likely be a problem from an environmental viewpoint. There was a motion to approve the full board to attend the in-the-field assessments. It will be scheduled as a special meeting of the Board.

Also related to the **South Branch**, the Board held a public hearing on a repair request on the South Branch, in Section 24 and 25 in Mary Township, Section 30 and 36 in Winchester Township, and Section 1 of Felton Township. Local land owners at the meeting noted that they did not wish to go forward with the entire cleaning project due to cost and erosion causing the area to fill back in. Also, based on the engineer's report that notes that the channel is capable of conveying the design flood, the board approved ordering the repair request be denied.

Rod Thorsrud of the Norman County Soil and Water Conservation District met with the board to discuss working with the District

in assisting to develop the **Home Lake outlet project**. The Board also discussed working with the SWCD in moving forward with a Moccasin Creek project to improve drainage and create flood retention. Managers Mike Christensen and Diane Ista will assist interested land owners in developing a petition for a project.

The Board was updated on the **Twin Valley dam re-evaluation effort**. It was noted that the 2007 WRDA (Water Resources Development Act) has cleared both the Senate and House and the different versions of the WRDA bill are currently being reconciled in conference. The Re-evaluation of the Twin Valley dam project by the U.S. Army Corps of Engineers is in both the House and Senate versions, however, the \$20 million funding for a project is not included in the Senate version of the bill.

The **Wild Rice River Feasibility** sediment study by the Corps is moving forward with a meeting planned with the U.S. Army Corps of Engineers.

On **rural ring dike projects**, the board approved drafting a letter of support to the Red River Watershed Management Board to see project funding from the State move forward. The 2007 Legislature approved funding for the rural ring dike project in the Red River basin and the local District is hoping to be able to build a number of ring dike projects for local residents this year.

Dalen also reported that the District received approval to use state funding to assist with the west side of **Mahnomen drainage project**. He reported that a meeting will be set up soon with the County and City to move project planning forward.

In other business the board:

- *Approved a change order and pay request for Geray Construction related to the **Green Meadow repair project**.

- *Approved final pay request for Regstad ring dike project to Geray Construction.

- *Approved the final payment on the **Heiberg Dam repair** to Landwehr Construction.

- *Heard that there may be funding available for two **flood acquisition properties** in 2007 from the Division of Emergency Management and Homeland Security.

- *Approved contracting part-time office assistance with Houston Engineering for a three month period.

The Board approved the following **permits**:

Norman County: Curtis Reardon, Home Lake Township, Section 9/16, lower a 36 inch culvert (condition that it be no more than 12 inches); MnDOT, Home Lake, Sections 15/16, lower two 36 inch culverts (with condition that it be no more than 18 inches); MnDOT, Home Lake, Section 9/10, install a 44 inch culvert; Norman County Highway Department, Section 21/28, Halstad Township, move a 36 inch culvert west to the roadway intersection; Donald Dunbar, Section 30, Fossum Township, install a driveway and 18 inch culvert; Allan Peterson, Fossum Township, Section 25, install a field approach and 18 inch culvert; Aaron Graber, Section 1, Sundal Township, install a driveway with a 12 inch culvert; Bob Johnson, Section 23, Pleasant View Township, lengthen an existing 24 inch culvert; Randy Degerness, Section 36, Sundal Township, replace an 18 inch driveway culvert with a longer 18 inch culvert; Mike Borgen/Delmar Breushoff, Section 26, Anthony Township, install five side inlet pipes and traps and replace one pipe with a trap of the same size in Norman County Ditch #25 (needs county approval); Luther Jacobson, Section 3, Good Hope Township, move existing approach south to the property line and install 18 inch culvert.

Mahnomen County: Steven Kahlbaugh, Section 14, Pembina Township, reroute a ditch around the Mahnomen lagoon; John Pazdernik, Section 4, Lake Grove Township, install a crossing with a 24 inch culvert.

July - Regular Meeting

The Wild Rice Watershed District Board heard at their July meeting that the **Army Corps of Engineers sedimentation and erosion study** has been completed on the Wild Rice River and South Branch. The study involved measuring and comparing the amount of erosion and deposition in the channels from earlier data. The report notes six to eight feet of sedimentation in the Wild Rice River southwest of Ada, and erosion up to six and one-half feet from the bottom of the channel at JD #51 on the Wild Rice River.

Engineer Jerry Bents noted that it was known that this is what was occurring on the river, but the numbers verify what has taken place since the Upper Reaches project was installed. The information will be important as the District works with the Army Corps of Engineers to design a setback levee system and channel that can carry the erosion load, and work towards finding a way to slow the water down upstream.

The District started something new with an **"open mike"** session at their meeting to take public comments.

Bruce Tuft commented on the flooding damage to his crops that occurred from water backing up the **Heitman Coulee (Project #31)** and he said he was requesting compensation from the District for crop damage.

Tuft and Dwight Heitman also asked that the Board authorize a land owners' meeting with engineering and staff to look at what kind of project could be developed to either look at solving the flooding problem or compensate the land owners for damages.

Board member Diane Ista said that a concern is also **JD #51** and the small amount of water it carried during the recent flood event. The City of Ada has addressed concern about cleaning the ditch back to grade due to the channel capacity downstream.

Manager Steve Dalen noted that both of these issues have to be addressed as the Board considers the option of creating a new **Water Management District (WMD)** over the old Upper Reaches project. Currently, the benefiting area of the Upper Reaches is not sufficient to take care of current maintenance needs, much less looking at improvements. A WMD over the old project would develop a funding mechanism, plus allow the District the opportunity of expanding the project area to address additional concerns outside the current project areas. The Board set a special meeting to discuss this issue for Friday, July 20.

The Board authorized going forward with the investigation request related to the Heitman coulee and JD #51, which could include meeting with land owners for some estimates for survey work downstream of JD #51. In a related matter, the board also authorized including the 48 inch culvert from the Wild Rice River into the old Marsh River channel as part of the investigation.

It was reported that the on-stream assessment on the South Branch of the Wild Rice River (**Project #42**) was held earlier this month by the FDR (Flood Damage Reduction) Project Team agency members. A meeting is scheduled for July 25 to hear a summarization of their evaluation of the on-stream sites and likely mitigation requirements. The answer the watershed board wants to learn

is how much the District would be required to provide in mitigation to develop an on-stream water retention project on the South Branch. Administrator Dalen noted the goal is to winnow through the eight proposed on-stream sites and pick one or two projects to move forward, working with the land owners, FDR team, and legislators. The Board also approved appointing Laurence Pollock of Ulen to the Flood Damage Reduction Project Team and the Board will also be naming a new representative from the White Earth Tribe.

In other business the Board approved assisting the City of Hendrum with **updating base flood elevation data** to assist with planning the flood insurance map update proposed by FEMA.

The Board heard they are currently doing soil borings on the alternative impoundment site on the **Upper Felton** ditch and they should have the results soon.

The Board decided to make some changes with the District **Advisory Board** in the future. The Board decided to create a seven member advisory board with one county commissioner, one land owner, one member of the tribe, one member of a conservation group, one city representative, one SWCD member, and the district administrator. The appointments will be for a one year period, with the appointments made in January.

In other business the Board:

- *Authorized investigation of illegal diking complaint in Section 1 and 2 of Mary Township.

- *Authorized investigation of culvert complaint in Section 3 of Mary Township.

- *Authorized repair of culvert in Section 3 of Mary Township.

- *Authorized taping meetings on a trial basis with Royal Knutson hired for the first month, and investigating audio equipment.

- *Scheduled a meeting of the ring dike project committee for July 25.

- *Approved pay request of \$3,700 to Gordon Construction on the Harry Haskins ring dike project.

- *Approved the **dam inspection report** and approved necessary maintenance requirements on the projects.

- *Approved the pay request from Hennen Construction on the **JD #51** slide repair.

The Board approved the following **permits**: Agassiz Recreational Trail, remove, realign and replace three culverts under the railroad grade, Home Lake Township, Section 10; Lake Grove Township, install a 30 inch culvert under a township road, Section 32, Lake Grove Township; Leon Johnson, clean existing ditch and slope the south side, Sections 23 and 24, Pleasant View Township; Menholt Farms, lower 24 inch culvert, Section 23, Felton Township; Fred Kreps, install drain tile, Section 27, Viding Township; Circle C Seeds, install drain tile, Section 34, Lockhart Township, Section 1, Pleasant View Township, and Section 2, Green Meadow Township; Dale Sip, extend ditch 1,100 feet, Section 23, Lockhart Township; Carol Halvorson, extend culvert and add aprons, Section 20, Hendrum Township; Roy Christianson, replace culvert, Section 34, Halstad Township; John Jossund, remove existing culvert and driveway with new driveway and culvert, Section 32, Lee Township; Duane Thompson, install trap on 18 inch culvert in a field approach, Section 34, Strand Township.

August - Regular Meeting

While the Wild Rice Watershed Flood Damage Reduction (FDR) Project Team decided in July to table four lower projects on the South Branch of the Wild Rice River (**Project #42**), the Wild Rice Watershed Board decided to continue to pursue these potential areas as flood water impoundment sites. The action by the Board means that while the District will continue to pursue developing these on-stream sites as potential projects, they will not be included as part of the work or discussions with the **FDR Project Team** at this time. The action by the Board also notes that they will continue to pursue the proposed on-stream sites, as well as other possible impoundment improvements or options upstream, with the help of the FDR Project Team.

Brian Dwight of BWSR, who is a member of the District's FDR Project Team, was at the August meeting and said the recommendation from the FDR Team was a result of environmental concerns which will make any project below the beach ridge (west of Ulen) difficult to permit. Dwight said from an environmental standpoint, the sites below Ulen are "going to be a hard row to hoe," but this does not stop the watershed district from pursuing them.

As the watershed continues to pursue the potential lower sites on the South Branch, the question remains of quantifying the actual mitigation requirements on the proposed on-stream sites west of Ulen in the permit process.

The Board authorized the legislative committee to meet with the local legislators to discuss how the lawmakers could assist the District in creating an avenue that the mitigation requirements could be quantified on the sites below the beach ridge on the South Branch. The motion also included a request that local legislatures meet with the full board at a future meeting. This action passed with one no vote from Diane Ista, who said she believed that a meeting with legislators and the full board should be the next step.

In other business, the **Upper Felton** soil boring draft report showed good and bad news. A flood water impoundment site could be built at the proposed site, but the District would have to look at importing material for construction at the site. Engineer Bents said there is good flood water holding volume potential at the sites, on a relatively small footprint of about three quarters of a section. The Board authorized doing preliminary planning and cost estimate work. This is on property where there is an interested land owner. The Board agreed that they would schedule a visit to the site. The Board also gave authorization to do some work with American Testing to look at the potential of the soil at some of the lower sites previously studied.

Project discussion led to talk about land purchases. There will likely be a number of instances where the District will be seeking to purchase land in the near future to site flood reduction projects, no matter where they are. The problem for the District staff is answering the question of "how much?" from interested land owners. The Board moved to set a general guideline of 20 percent over the appraised market value of available land, subject to board approval.

The Board heard that there is \$400,000 available from the state legislative allocation for **rural ring dike** construction. This will allow the District to go to bid letting on nine projects this summer. Under the rural ring dike program, the State funds 50% of the ring dike project, the Red River Management Board provides 25% funding, the watershed district 12.5%, and the applicant 12.5%. The board approved preparing plans and specifications and they will be advertised this month. The Board also authorized awarding the projects

if they are within 10% of the construction estimate by the engineers. The ring dike projects being advertised include projects for Harvey Christianson in Halstad Township, George Gilbertson in McDonaldsville Township, Kaye Loe in Georgetown Township, Clayton Arthurs (Judy Olson) in Anthony Township, Gerald Arends in Mary Township, Rob Myers in Winchester Township, Tim Koste in Lee Township, Jonathan Grothe in Hendrum Township, and Myron Pallum in Mary Township.

The Board heard that there hasn't been a good response from the ditch committees this summer about **spraying and maintenance** needed on the watershed's individual ditch systems. The District staff will be working to follow-up with the committees to get responses on what maintenance ditch systems need earlier in the season, plus new maps and a tracking system of the work involved has been developed.

The Board approved the following **permits**: Bob Brandt, Jr., Section 13, McDonaldsville Township, install a culvert with a flap-gate; Perry Ellingson, Section 27-34, Lee Township, install traps on culverts on the east side of NC Ditch #5; Keith Geray, Section 25, Marsh Creek Township, lower two culverts 12 inches; Del Schnabel, Section 12-13, Hendrum Township, construct a ring dike; Vig Farms, Section 19 and 24, Heier Township, construct a number of water and sediment basins for erosion control; Twin Valley-Ulen Telephone Company, Section 16, Wild Rice Township, reinstall a communications cable under Mashaug Creek; Jim Skaurud, Section 29, Fossum Township, install a culvert and crossing; John Brandt, Section 32, Rockwell Township, install a culvert and approach; Lynn Johnson and Doug Nelson, Section 28, Pleasant View Township, install drain tile outlets to County Ditch 25.

In other business the Board:

- *Authorized working on negotiating options for easements related to the proposed Mahanomen City/County drainage project.

- *Approved **cost-share funding** of 12.5% on small SWCD water retention projects in Becker and Norman Counties.

- *Heard Kim Durbin of Drees, Risky and Vallager of Crookston present the 2006 audit report.

- *Approved advertising the 2008 administrative budget hearing for Wednesday, September 12 at 10:00 a.m.

- *Closed the meeting to discuss possible litigation related to the Ueland violation.

- *Approved having Attorney Elroy Hanson investigate regulations related to multi-year leasing of federally funded acquisition properties.

- *Heard that the contractor has completed work on the **Green Meadow Dam** with the Board voting that they will not assess liquidated damages to the contractor on the project with one no vote by Warren Seykora.

- *Approved executing an agreement with the Division of Homeland Security and Emergency Management in the Minnesota Department of Public Safety for the **flood damaged acquisition program** from the presidential disaster declaration from 2006.

- *Scheduled the next FDR Project Team for August 22.

- *Set Wednesday, August 29 as a date to reconvene the August meeting.

August - Special Meeting

People pay a fee for the water and electricity they use, and the amount of wastewater they discharge. Should there also be a fee charged based on the amount of contribution property owners make to storm water runoff?

That was the question Wild Rice Watershed District managers discussed as they consider developing a **Water Management District (WMD)** in the Wild Rice Watershed. The WMD would be a funding mechanism spread across the entire watershed district. The purpose would be to develop a way for the watershed district to raise funds to implement new projects and maintain current infrastructure in the District that support flood protection, water quality, and natural resource goals.

The Board reviewed a proposed ordinance creating a WMD at their second meeting in August. The proposed ordinance suggests a fee system where property owners outside municipalities would be charged based on runoff contribution, and property owners in municipalities would be charged a fee based on the market value of their property.

It was agreed that the managers would review the proposed WMD ordinance for discussion at their September meeting. It was noted the next step would then be to discuss the idea with county commissioners in each county, followed by public meetings.

In other business, the Board discussed and approved the terms of a **settlement agreement** between Gene Ueland and the watershed district related to work done on JD 54 by Ueland. The agreement requires an after the fact permit from the District. However, the board decided they needed additional information on the permit request and tabled it until their September meeting. Notice will be sent out to downstream land owners prior to permit approval.

The following **permits** were approved by the Board:

Burton Rockstad, Section 3, Hegne Township, install an approach; Loren Eken, Section 30, Wild Rice Township, extend a culvert to widen approach and driveway; Cary Sip, Section 28, Green Meadow Township, replace a culvert of the same size; Cary Sip, Section 29, Green Meadow Township, install field approach and culvert; Paul Borgen, Section 6, Mary Township, move an existing approach and culvert at same elevation; Mike Myers, Section 19, Mary Township, replace flap gates with screw gates on two culverts through ring dike; Circle C Seeds, Inc., Section 13, Strand Township, install tile drainage system in the NE 1/4 of Section 13; Keith Geray, Section 25, Marsh Creek Township, replace culvert.

In other business the Board:

- *Received an update on land owner meetings to seek possible solutions related to flooding problems on the **Heitman Coulee**.

- *Heard that bids are being accepted on the nine **rural ring dike projects** planned for 2007 in the District and construction bids were opened on September 7.

September - Regular Meeting

Wild Rice Watershed District Board of Managers unanimously agreed at their September meeting that if possible, the Board supports building a **Twin Valley Dam Project**. The motion supports efforts to seek approval and funding for the project in the current **Water Resources Development Act (WRDA)**.

Administrator Steve Dalen reported to the Board last week that the current thinking on the 2007 WRDA bill is that it will be vetoed by President Bush, however, there is enough congressional support for the bill to override the president's veto. WRDA authorizes funding for the Army Corps of Engineers to work on projects such as flood control, dam safety, water supply, recreation, and environmental restoration and protection. The 2007 WRDA bill includes language for the Army Corps of Engineers to re-evaluate the old Twin Valley Dam project, as well as \$20 million in funding to build a project. A WRDA bill hasn't been passed in Congress since 2000.

The WRDA bill contains authorizations, and the projects that are authorized must still receive appropriations to be funded. This is a process that will begin after WRDA passes. Before this process begins, Dalen noted that Representative Collin Peterson's office wants to be assured there is support by the watershed district and public for a project.

Board members agreed that if a Twin Valley dam project could be built, they support it, as well as other alternatives for major flood damage reduction.

In the **Project #42** update, the board heard that local state legislators will help in persuading the permitting agencies to quantify mitigation requirements on the proposed on-stream impoundments west of Ulen on the South Branch of the Wild Rice River. A meeting with the DNR in St. Paul is planned in October with Senator Skoe and Representative Eken participating. The Board authorized Engineer Jerry Bents to attend the meeting in October to provide technical information needed.

The District has also been working on potential on-channel South Branch flood storage east of Ulen, including a meeting at potential sites with representatives of BWSR, MCEA and the Clay County SWCD. Engineer Bents said it is heading in a good direction with flood storage and erosion control a possible trade off for environmental concerns. The problem with the on-stream sites east of Ulen is that the topography does not lend itself to a great deal of flood water storage.

The Board looked at the preliminary soils assessment of a possible **Upper Felton Ditch** storage project site. This is a site with an interested land owner and soil conditions that make a project possible, but expensive. Engineer Bents said that the probable cost is in the range of \$12-\$13 million, with a cost per acre foot of flood water storage (5,400 acre feet) of approximately \$2,300. While expensive, there are a lot of positives with a likely lack of environmental concerns at the site by the permitting agencies and land owner acceptance. The Board approved developing cost estimates for the new site being considered, as well as updated estimates on the other two sites previously considered on the Felton Ditch for discussion at the Board's next Flood Damage Reduction Project Team meeting.

The Board approved the following **permits**:

Andrew Borgen, Section 21, Hegne Township, widen three field approaches; lengthen the existing culverts, move a fourth field approach west 1/4 mile; Andrew Borgen, Section 17, Anthony Township replace a damaged pipe and trap with a longer pipe and trap, widen the field approach; Andrew Borgen, section 27, Halstad Township, widen an approach, lengthen the existing culvert; Andrew Borgen, Section 5, Halstad Township, move an existing field approach and 18 inch pipe 300 feet north; Carol Halvorson, Section 20, Hendrum Township, install an approach off driveway; Kevin Ackerman, Section 16, Shelly Township, install a larger culvert to match pipe upstream; Mitchell Hoekstra, Section 33, Wild Rice Township, install a new approach with an 18 inch culvert; Roy Christianson, Section 34, Halstad Township, replace a 15 and 16 inch culvert with a 24 inch culvert and install the new pipe 15 inches lower; Roy Christianson, Section 34-35, Halstad Township, lower a 24 inch culvert 12 inches.

The Board heard that they received good bids on the **farmstead ring dike** projects being constructed. Total bids on the nine projects planned was \$164,725, which is \$105,360 below the engineer's estimate on the total of the nine projects. Six of the projects were awarded to D & J Excavating of Wadena and three of the projects were awarded to Ziegler Construction of Georgetown. The engineer said he did want to have a final meeting with D & J Excavating. The Board was forced to reject the low bidder due to incomplete information on the bid documents. Bid dike projects planned include Gerald Arends, Clayton Arthurs, Harvey Christianson, George Gilbertson, Jonathan Grothe, Tim Koste, Kaye Loe, Rob Myers, Myron Pallum. The Board also approved looking at preparing the next two projects on the priority list with the funding available.

In other business the Board:

*Approved designating office staff Loretta Johnson as assistant administrator and Kari Kujava as executive assistant/project coordinator.

*Heard that **spraying and mowing maintenance** on projects and ditches is about complete.

*Authorized final payment on the **JD #51** slide repair project in Ada.

*Authorized scheduling a meeting with Mahnomen county/city to update on the proposed drainage project.

*Approved purchasing equipment to tape board meetings from Tierney Brothers, Inc., for a cost of \$1,643.

*Approved the 2006 audit report.

*Approved the 2008 administrative budget and special project and ditch levies.

October - Regular Meeting

Wild Rice Watershed District managers approved going forward with a number of **repair projects** at their October meeting. After reviewing the engineers report, the Board approved going forward with a cleaning and repair request in **Norman County Ditch #1**. The work will be done in Sections 20, 21 and 22 of Hegne Township. The survey indicates that all of Sections 20 and 22 and approximately 1,000 feet of Section 21 are in need of cleaning. The repair estimate is between \$7,000 and \$9,000.

Engineer Jerry Bents also reported on a damaged bridge over **JD #53**, lateral one, in Section 34 of Good Hope Township. The recommendation is to replace the bridge with two lines of 66 inch corrugated metal pipes. Cost would be at the range of \$12,000 to \$15,000. The Board approved replacing the bridge.

The Board heard that ditch sloughing located near the outlet of JD 53 in Section 29 of Shelly Township was investigated. The likely repair would involve resloping the area, at a considerable cost. The Board approved scheduling an information meeting on the drainage system.

Board members decided to move forward on a possible flood water retention site on the **Upper Felton Ditch**. Estimates show that the potential project costs are high for the amount of flood storage, but there is a willing land owner. The Board moved to go forward with an appraisal on property owned by Chuck Larson and move forward with preliminary negotiations. The Board also approved discussing any environmental concerns with FDR Project Team members.

In a related matter, the board gave approval for Administrator Steve Dalen to assemble a panel of non-partial land owners in the District to provide input and advice to the District on land acquisitions.

The Board reviewed recommendations from the FDR Project Team related to **Project #42**, which essentially suggests the District continue work on seven points in moving forward with the Project #42 process. The Board does not necessarily agree with all of the suggestions made by the FDR Project Team, but agree that logical progression to go forward with planning with the idea of starting in the east and working west, beginning to look at possible on-stream retention sites on the South Branch east of Ulen. The FDR team isn't interested in discussing on-stream sites on the South Branch west of Ulen, but the District is continuing to pursue this with area legislative assistance in quantifying the mitigation requirements at the proposed sites.

The Board also approved Administrator Dalen to meet with interested land owners in the Project #42 area as the process continues to develop.

Also in the area of flood damage reduction, the Board passed a motion inviting Congressman Collin Peterson to meet with the full board meeting to discuss the **WRDA bill**, which includes authority to reevaluate the Twin Valley dam project with \$20 million attached to the bill. The bill is currently on the president's desk, where a veto is expected. However, it appears likely that there are sufficient votes to override a veto. The Board also approved budgeting \$5,000 for initial expenses as this possible project develops.

In other business, the Board approved conveying the property owned by the District on the old rail bed at the **Mashaug Creek** to the ARTS Trail group. Under the agreement, the District allows the Agassiz Trail to build a bridge on the property, while the District retains the rights to build a dam or use the property for another purpose if required in the future.

The Board approved a motion to amend a **permit** to Roy Christianson to increase culvert size from 24 inch to 30 inch in a culvert replacement in Section 34, Halstad Township. The Board based their decision on the proximity to the Red River. The motion passed with two no votes.

The Board approved a change order on the Rob Myers dike project for realignment and additional tree removal at a cost of \$2,500. The Board also approved payment on work done to date on the ring dike projects.

The Board approved the following **permits**:

John Brandt, Rockwell Township, construct new ditch, fill in old ditch, and move 24 inch culvert (needs NRCS review); Jerome Slette, Marsh Creek Township, Sections 31 and 32, construct a number of water and sediment basins for purposes of erosion control; Vig Farms, Heier Township, Section 21, install a water and sediment basin for erosion control; Agassiz Recreation Trail, Wild Rice Township, Section 16, install a bridge over the Mashaug Creek; Agassiz Recreation Trail, Ulen Township, Section 27, install a bridge over the South Branch of the Wild Rice River; Agassiz Recreation Trail, Section 21, Wild Rice Township, install a bridge over the Wild Rice River; Agassiz Recreation Trail, Home Lake Township, Section 10, remove a 36 inch culvert through the trail with 24 inch culvert (requires upstream landowner approval).

In other business the Board:

*Approved calling special meetings with the county boards in the District to continue discussions related to the development of a **Water Management District** proposal.

*Approved working with the Norman County Soil and Water District to look for solutions to the sediment problem in the **Moccasin Creek**.

November - Regular Meeting

Wild Rice Watershed District managers moved to develop a **system to purchase land** to possibly trade for flood damage reduction (FDR) areas. As the District has worked at seeking property for flood water retention areas, it was agreed that one of the options the Board would like to have available is a land swap for land that is suitable for creating a flood damage reduction project. At their November meeting the Board received a presentation from Pifer's Auction and Realty about current land values and ways their company can assist the District. It was noted that in the last few months, land values are up about 20% and demand is being driven by those looking for good land.

Managers agreed to develop a proposed process that will authorize the District to pursue the purchase of land for trade for flood damage reduction projects. The Board also approved investigating developing a line of credit for the District, to be available to move on land purchases.

In other business, managers were updated on the meeting with local legislators and the DNR in St. Paul to discuss **Project #42**. The purpose was to discuss a process of how the DNR can assist the District in determining the mitigation requirements on proposed on-stream water retention projects on the South Branch west of Ulen. It was agreed that DNR regional staff will meet to come up with a way to determine impact requirements. It was discussed that full mitigation requirements will be difficult to determine without having the final design completed on an on-stream project. Administrator Steve Dalen said it was very helpful to have legislators Skoe and Eken at the meeting to assist and support the District's efforts.

The Board held a public hearing on the permit request from Gene Ueland on the repair to **JD 53 Main** in Section 25 of Shelly Township and Section 30 of Good Hope Township. The permit is for the work that has already been done, and the permit is part of the settlement agreement between Ueland and the District related to the violation of the District's rules. The Board notified property owners along JD 53 for their comments. No one at the meeting had any problems with the work done. Related costs in seeking the settlement are being spread across the District, which was part of the settlement agreement. A number of people at the meeting said they had a problem with the District paying for the cost of legal fees related to the violation, and thought it should be spread over the Ditch

system and not the District. It was noted that the Board decided it was in the best interest of the District to resolve the issue with the settlement, and avoid additional costs. The Board approved the permit application, subject to the provisions of the settlement agreement.

The Board discussed a request for sloughing repair work near the outlet of JD #53 in Section 29, Shelly Township. The Board approved going forward with preparing plans and specifications to prepare for bidding. The repair will likely be in the range of \$40,000. People in the benefiting area of the ditch system at the meeting agreed that the repairs should go forward. A problem for the system is that it is already about \$50,000 in the red.

The Board reviewed the request on **JD 53, Lateral 1**, for an evaluation of the culverts between Section 33 in Shelly Township and Section 33 of Good Hope Township. The Board moved to table and asked staff to do a visual inspection and report back with a recommendation next month.

Managers also reviewed a repair request on **Project #16 (Anthony Township Ditch)** and a possible repair solution. The Board approved going forward with a public hearing on the repair in the near future to discuss a possible plan to modify the design discharge capacity and water surface elevations at the outlet structure.

The Board met with Jon Everet, Clay County commissioner, who met with managers on behalf of the **Red River Basin Commission**. Everet asked how the basin commission can assist the District. The Board agreed it would be very helpful to have basin wide support from the Commission as the appropriation process of the recently passed WRDA bill goes forward, and funding is sought for the Twin Valley dam reevaluation.

The Board has been working with **Mahnomen County and the City of Mahnomen** to address a flooding and drainage problem with a project on the west side of the City. The estimated cost is \$165,900. The DNR has approved picking up 50% of the cost, with the idea that the District, County and City could split the remainder of the cost. Representatives from the county and city noted their problem is that there is currently no available money in the city or county budgets for this project. Managers discussed making a request to the Red River Watershed Management Board to see if they could assist in funding. Managers agreed to also research other possible options.

The Board approved the following **permits**: Alex Wika, Jr., Wild Rice Township, Section 27, build an access road across a ditch and install 18 inch culvert; Paul Borgen, Georgetown Township, Section 12, install a field approach with a 15 inch culvert; Bill Zurn, Spring Creek Township, Section 33, install a water and sediment control basin; Norman County Highway Department, Lee Township, Section 1, move a centerline culvert on County Road 106; Erik Dyrdaahl, Georgetown Township, Section 15, install a 24 inch culvert and trap and extend current ditch to the south; Ernest Hilde, Hagen Township, Section 5, install culvert and field approach; George Gilbertson, McDonaldsville Township, Section 26, replace culvert through driveway; Julian Aamodt, Shelly Township, Section 28 and 29, install rip rap along roadway to prevent erosion; Mattson Farms, Waukon Township, Section 8, install field approach and culvert; MnDOT, Lee Township, Sections 6 and 31, replace centerline culverts through Highway 75; Roy Christianson, Hendrum Township, Section 3, install field approach and culvert, Halstad Township, Section 24, install field approach and culvert; Craig Swenson, Shelly Township, Section 27, lower culvert 12-18 inches.

In other business the Board:

- *Noted the sad loss of former manager Lawrence Pollock and his dedicated work in seeking flooding solutions in the District.

- *Heard that repairs were slated to begin on **Norman County Ditch #1**.

- *Approved going forward with the bridge repair on **Project 20**, Section 26, Felton Township, with David Dunham providing materials for the repair.

- *Approved coordinating **TMDL** meetings with MPCA.

- *Received an update on the meeting with the White Earth Tribal Council in October and heard they will be naming a representative to sit on the District FDR Project Team. The Board named Warren Seykora, Diane Ista and Joe Spaeth to a committee to continue meeting with the Tribe.

- *Received an update on water monitoring and the **River Watch Program** by Wayne Goecken. In 2008 looking at monitoring seven sites on the mainstem, plus sites on a number of the tributaries.

- *Approved moving forward with acquiring easement for access for maintenance and disposal of soil on the **Heitman Coulee** outlet, offering \$3,000 per acre for easement. If not approved, the managers agreed the District will move forward with acquiring easement through eminent domain.

- *Approved \$1,379 as the District's share for the **NRC water and sediment control basin** project on Bill Zurn property in Becker County.

- *Authorized engineering to research the **Heitman Coulee** issue to develop to project status.

- *Named Diane Ista and Joe Spaeth delegates to MAWD annual meeting.

December - Regular Meeting

Wild Rice Watershed Board members heard that there are positive signs for building a component of the **Project #42** flood protection project in Clay County. Dalen reported that there are a number of land owners interested in providing land in the proposed County Ditch (CD) #18 water retention site in Goose Prairie Township. Dalen noted while there remains a good deal of opposition, there is also a good deal of interest by some land owners in the project area about a possible land swap with the District.

Managers approved setting up a line of credit with the Community Bank of the Red River Valley to assist with the land acquisitions as the project moves forward. Dalen said by January the District will have a better picture of land costs.

One land owner in the CD #18 area attended the December meeting and noted that he had a number of concerns, primarily the effect of the possible project on his neighbors. Dalen said concerns had been addressed with his neighbors, and he agreed to meet with the administrator to discuss it further.

Engineer Jerry Bents noted that the CD #18 site is not without environmental permitting problems. A project would likely have high wetland impacts. The Watershed District is promoting a dry structure to maximize flood water storage at this site. It was noted that the potential flood water storage at this site is 1,760 acre feet to the emergency spillway.

Land is just one of necessary components of a successful flood protection project. The other two are funding and the necessary environmental permits. The Board of Managers did approve making the Step #1 funding submittal to the Red River Watershed Management Board for

Also related to Project #42, the Board heard there may be potential for storing additional water behind the Becker Dams. The board authorized meeting with land owners in the Upper Becker Dam area to discuss possible options.

Related to the **Water Management District (WMD)** effort, the board met with Norman County commissioners Steve Jacobson and Lee Ann Hall to discuss commission support for the WMD effort. Commissioners at the meeting agreed to continue to work with the District on developing an ordinance where there is consensus in what circumstances that funds raised from property owners across the entire watershed district through a WMD would be used.

In other business, the Board discussed a complaint related to a levee built without a permit in Section 1-2 of Mary Township. Property owners in the area are working with the District on a project to help reduce flood problems in the area, and the complainants agreed to table action on the complaint for two months, which was accepted by the Board.

Engineering updated managers on the hydrologic study on **JD #51** and the Marsh River. Jerry Bents said cross sections and modeling are pretty well complete. The District received a maintenance request from Brian Borgen to clean the inlet of JD #51, however, the project was placed on hold due to concerns by the City of Ada about the downstream area. Bents noted that the Army Corps of Engineers is also taking a thorough look at the downstream area of JD #51 and the Marsh River as part of the 205 flood protection study in Ada. Bents recommended that the District hold completion of the hydrologic model until the COE provides their report, due out in April. The Board approved this suggestion.

Administrator Bents reported that the Red River Watershed Management Board gave tentative approval for providing 25% of the cost (\$41,000) for the **Mahnomen drainage project**, proposed on the west side of Mahnomen. Formal approval is expected at RRWMBs January meeting.

The meeting was recessed for purposes of convening the hearing on **Project No. 12**, which is the Wild Rice Township ditch. The Board received a request to remove land from the benefiting area in Strand Township. The Board moved to go forward with the order removing the land from the benefiting area.

In other business the Board:

- *Approved sending a letter to DNR urging movement as quickly as possible on the **Home Lake permit** application for a lake level control structure.

- *Approved a permit to Canadian Pacific Railway for three culvert replacements in Mahnomen County.

- *Passed a resolution to BWSR to place **Anderson wetland project** in consideration for perpetual conservation easement for wetland banking purposes by the District.



Beaver dam removal on the South Branch during 2007.

Financial Summary

This section summarizes the District's financial activity for 2007. The information provided in this section is a summary of the activity for the year. A detailed report of all activity within the respective fund accounts is available for review at the District's office. By law the Wild Rice Watershed District is allowed to establish a number of funds for the purpose of carrying out their duties. To finance these funds the District levies an "ad valorem" tax, meaning in "proportion to the value," over the entire district and is based on the property value, rather than benefits. The following is a brief summary of types of funds established and the ways they assist in carrying out the goals of the District.

The **Administrative Fund** is the general operating fund of the District. The fund is set up for the purpose of providing for the general administrative expenses and for the construction and maintenance of projects of common benefit to the District. The levy to fund the Administrative Fund may not exceed 0.02418 percent of the tax capacity or \$250,000, whichever is less.

The **Survey and Data Acquisition Fund** is established and used only if other funds are not available to the District to pay for surveying and/or obtaining additional data. The levy against the taxable market value of property in the District may not exceed 0.02418 percent. The balance of the fund is not to exceed \$50,000. When a project is proposed and there was surveying done prior to establishing the project, the newly established project shall repay the survey and data acquisition fund for such costs.

The **Works of Common Benefit Fund** is established to cover costs attributable to the basic management features of projects initiated by the District. This Works of Common Benefit Fund receives its support from the Administrative Fund.

The **Red River Watershed Management Board Construction Fund** is established and used for the development of programs and projects of benefit to the District. The levy to fund the Red River Water Management Construction Fund may not exceed .0486 percent of the taxable market value of the property in the District. One-half of the levied funds received are sent to the Red River Watershed Management Board for programs and projects that have common benefit in the Red River Basin.

Special Levies are collected on certain flood control and drainage projects that have an established benefiting area under Minnesota law. Each project is its own entity unto itself, managed by the District. Special levies are used to fund repair and maintenance of the individual projects. Each project maintains its own account, with surplus funds invested in interest bearing deposits. An annual review is conducted in August to review and determine if establishment of maintenance levies is needed.

Other income sources that are received by the District include funds from grants and aids, as well as reimbursement from other governmental agencies.

WILD RICE WATERSHED DISTRICT
ADA, MINNESOTA
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2007

ASSETS

Current Assets:

Petty cash	\$ 200
Pooled cash and investments	<u>1,418,221</u>
Total Current Assets	<u>1,418,421</u>

Capital Assets:

Property and equipment	1,154,150
Less: accumulated depreciation	<u>(56,111)</u>
Net Capital Assets	<u>1,098,039</u>

TOTAL ASSETS	<u>\$ 2,516,460</u>
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LIABILITIES

Noncurrent compensated absences	<u>\$ 12,841</u>
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NET ASSETS

Investment in capital assets, net of related debt	\$ 1,098,039
Unrestricted	<u>1,405,580</u>

TOTAL NET ASSETS	<u>\$ 2,503,619</u>
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WILD RICE WATERSHED DISTRICT
ADA, MINNESOTA
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

FUNCTION/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
		Special Assessments and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General administration	\$ (277,848)	\$ -	\$ -	\$ -	\$ (277,848)
RRWMB management and construction	(295,353)	-	-	-	(295,353)
COE feasibility study	(128,835)	-	-	-	(128,835)
Project development	(129,148)	-	32,563	-	(96,585)
Wetland banking program	(3,069)	-	-	-	(3,069)
Flood mitigation projects	(212,131)	52,750	93,343	-	(66,038)
Ditch systems	(62,697)	133,013	-	-	70,316
FEMA projects	(24,991)	-	183,839	-	158,848
Other projects and studies	(559,327)	305,187	167,834	-	(86,306)
Total Governmental Activities	<u>\$ (1,693,399)</u>	<u>\$ 490,950</u>	<u>\$ 477,579</u>	<u>\$ -</u>	<u>(724,870)</u>

General Revenues:

Property taxes	769,352
Intergovernmental, (not restricted to specific programs)	78,942
Miscellaneous	917
Interest earnings	<u>48,938</u>
Total General Revenue	<u>898,149</u>

Changes in Net Assets	173,279
Net Assets - Beginning	<u>2,330,340</u>
Net Assets - Ending	<u>\$ 2,503,619</u>

WILD RICE WATERSHED DISTRICT
ADA, MINNESOTA
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	General	Special Revenue Fund	Capital Project Fund	Total
ASSETS				
Petty cash	\$ 200	\$ -	\$ -	\$ 200
Pooled cash and investments	677	148,376	1,269,168	1,418,221
 TOTAL ASSETS	 \$ 877	 \$ 148,376	 \$ 1,269,168	 \$ 1,418,421
 FUND BALANCE				
Unrestricted	\$ 877	\$ 148,376	\$ 1,269,168	\$ 1,418,421

Amounts reported from governmental activities in the Statement of Net Assets are different because:

Total fund balance per Balance Sheet, from above	\$ 1,418,421
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When capital assets (land, building, equipment and infrastructure) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statements of net assets includes those capital assets among the assets of the District as a whole.

Cost of capital assets	1,154,150
Accumulated depreciation	(56,111)

Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore, are not reported in the funds.

	(12,841)
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NET ASSETS	<u>\$ 2,503,619</u>
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WILD RICE WATERSHED DISTRICT
ADA, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	General	Special Revenue Fund	Capital Project Fund	Total
REVENUES				
Property taxes	\$ 234,730	\$ 270,812	\$ 263,810	\$ 769,352
Intergovernmental				
Federal flow through State	-	-	205,626	205,626
State	12,368	21,787	253,124	287,279
RRWMB	-	-	61,641	61,641
Other local	-	-	1,975	1,975
Special assessments	-	-	438,200	438,200
Miscellaneous	-	-	52,863	52,863
Allocated interest	539	-	122,700	123,239
Total Revenues	<u>247,637</u>	<u>292,599</u>	<u>1,399,939</u>	<u>1,940,175</u>
EXPENDITURES				
General administration	296,537	-	-	296,537
Allocated interest	-	-	74,301	74,301
RRWMB management and construction	-	268,370	26,983	295,353
COE feasibility study	-	-	128,835	128,835
Project development	-	-	129,148	129,148
Wetland banking program	-	-	3,069	3,069
Flood mitigation projects	-	-	240,730	240,730
Ditch systems	-	-	62,697	62,697
FEMA projects	-	-	24,991	24,991
Other projects and studies	-	-	609,327	609,327
Total Expenditures	<u>296,537</u>	<u>268,370</u>	<u>1,300,081</u>	<u>1,864,988</u>
Revenues Over (Under) Expenditures	(48,900)	24,229	99,858	75,187
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues & Other Sources Over (Under) Expenditures & Other Uses	(48,900)	24,229	99,858	75,187
Fund Balance (Deficit), January 1	<u>49,777</u>	<u>124,147</u>	<u>1,169,310</u>	<u>1,343,234</u>
Fund Balance (Deficit), December 31	<u>\$ 877</u>	<u>\$ 148,376</u>	<u>\$ 1,269,168</u>	<u>\$ 1,418,421</u>

WILD RICE WATERSHED DISTRICT
ADA, MINNESOTA
RECONCILIATION OF CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

Net Change in Fund Balances - Total Governmental Funds	\$ 75,187
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Governmental funds report capital outlay as expenditures, while governmental activities report depreciation expense allocating those expenditures over the life of the asset:

Capital Asset purchases capitalized	122,480
Depreciation expense	(18,781)

Increase in long-term compensated absences is treated as an expense in statement of activities, but not a use of financial resources so not recorded in the fund statements.	(5,607)
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Change in Net Assets - Governmental Activities	<u>\$ 173,279</u>
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WILD RICE WATERSHED DISTRICT
ADA, MINNESOTA
BUDETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgetary Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUE				
Property taxes	\$ 250,000	\$ 250,000	\$ 234,730	\$ (15,270)
Intergovernmental	-	-	12,368	12,368
Allocated interest	-	-	539	539
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>247,637</u>	<u>(2,363)</u>
EXPENDITURES				
Salaries & benefits	78,500	78,500	63,400	15,100
Utilities	9,000	9,000	8,252	748
Supplies, publications and postage	18,000	18,000	24,616	(6,616)
Insurance and bonding	17,000	17,000	15,094	1,906
Engineering	20,000	20,000	22,673	(2,673)
Legal, accounting and audit	28,000	28,000	28,866	(866)
Advisory board	1,000	1,000	425	575
Managers' per diem	25,000	25,000	48,505	(23,505)
Managers' expenses	12,000	12,000	14,690	(2,690)
Organization dues	2,500	2,500	2,125	375
Overall plan	1,500	1,500	-	1,500
Mediation	5,000	5,000	-	5,000
Other	-	-	61,606	(61,606)
Capital improvements	2,500	2,500	6,285	(3,785)
Total Expenditures	<u>220,000</u>	<u>220,000</u>	<u>296,537</u>	<u>(76,537)</u>
Revenues Over (Under) Expenditures	30,000	30,000	(48,900)	(78,900)
OTHER SOURCES (USES)				
Transfer for permits	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>	<u>30,000</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	(48,900)	(48,900)
Fund Balance, January 1	<u>49,777</u>	<u>49,777</u>	<u>49,777</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 49,777</u>	<u>\$ 49,777</u>	<u>\$ 877</u>	<u>\$ (48,900)</u>

WILD RICE WATERSHED DISTRICT
ADA, MINNESOTA
SCHEDULE OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Fund Balance (Deficit) January 1	Receipts Revenue	Allocated Interest Earned	Expenditures Direct	Allocated Interest Charged	Transfers In (Out)	Fund Balance (Deficit) December 31
GENERAL FUND	\$ 49,777	\$ 247,098	\$ 539	\$ 296,537	\$ -	\$ -	877
SPECIAL REVENUE FUND JOB RRWMB management	124,147	292,599	-	268,370	-	-	148,376
CAPITAL PROJECTS FUND JOBS							
Works of common benefit	43,940	-	1,809	-	-	-	45,749
FEMA funds remainder 96	6,846	-	282	-	-	-	7,128
Permits							
General	(45,179)	-	-	51,268	-	-	(96,447)
Violations	(843)	-	-	584	-	-	(1,427)
Phase 5 Pazdernik\Scherping	(42)	-	-	-	-	-	(42)
Phase 6 Pederson Brothers	-	-	-	926	-	-	(926)
Phase 7 Larson\Visser	(440)	-	-	-	-	-	(440)
Phase 19 Brian Borgen Complaint	(41)	-	-	2,425	-	-	(2,466)
Phase 20 Cary Sip Violation	(702)	-	-	21	-	-	(723)
Phase 21 Ueland Violation	(5,195)	-	-	9,561	-	-	(14,756)
Phase 22 Hilde\Lec Complaint	(903)	-	-	261	-	-	(1,164)
Phase 23 Scherping\Pazdernik Complaint	(514)	-	-	718	-	-	(1,232)
Phase 24 B. Borgen vs P. Borgen Complaint	(516)	-	-	-	-	-	(516)
Phase 25 SHWD Boundary Issues	(167)	-	-	-	-	-	(167)
Phase 26 B Borgen vs. Seykora	(743)	-	-	83	-	-	(826)
Phase 27 Vik Dike	(91)	-	-	18	-	-	(109)
Phase 28 Pazdernik & Lavoy	(140)	-	-	1,212	-	-	(1,352)
Phase 29 Klemetson\Erickson	-	-	-	433	-	-	(433)
Phase 30 Brandt Violation	-	-	-	488	-	-	(488)
Phase 31 Conrad Wiger	-	-	-	249	-	-	(249)
Phase 32 Lowell Brandt Violation	-	-	-	378	-	-	(378)
Phase 33 Ambuch\Vik Violation	-	-	-	192	-	-	(192)
Phase 34 Randy Chisholm Complaint	-	-	-	87	-	-	(87)
Phase 35 Mark Chisholm Complaint	-	-	-	87	-	-	(87)
Flood Mitigation COE 205	57,923	-	2,375	305	-	-	59,993
WRR COE Feasibility Study							
General	(153,952)	-	-	128,370	-	-	(282,322)
Hydraulic Analysis Marsh Creek	-	-	-	465	-	-	(465)
RRWMB construction	1,672,243	294,573	46,347	26,983	-	-	1,986,180
Legislative funding	(6,620)	-	-	4,396	-	-	(11,016)
Mediation FDR work group-July '05-'06	(190)	-	-	-	-	-	(190)
Mediation FDR work group-July '06-'07	4,891	7,929	-	4,004	-	-	8,816
Mediation FDR work group-July '07-'08	-	14,321	-	9,848	-	-	4,473
Survey & data	7,347	25,462	657	-	474	-	32,992
Project Development							
Upper Felton Ditch-storage invest.	(18,087)	-	-	1,067	-	-	(19,154)
Phase 1 - 2002 admin, legal, engineering	(12,946)	-	-	-	-	-	(12,946)
Phase 2 - 2002 Engineering Grant	(30,593)	-	-	-	-	-	(30,593)
Wiger Flood Storage Investigation	-	-	-	189	-	-	(189)
Upper Moccasin Creek flood storage	(378)	-	-	-	-	-	(378)
Data Practices	(1,410)	-	-	180	-	-	(1,590)
Phase #2 - Bennett	(1,455)	-	-	-	-	-	(1,455)
Phase #3 - Borgen	(612)	-	-	-	-	-	(612)
South Branch - Off Channel Inv.	(20,011)	-	-	3,258	-	-	(23,269)
Riverwatch Stream Gauge Monitoring	(403)	-	-	-	-	-	(403)
Public information\media	(5,517)	-	-	4,494	-	-	(10,011)
Heiraas lawsuit	(14,373)	437	-	-	-	-	(13,936)
BWSR-Ditch Mapping Grant	(2,247)	-	-	20,511	-	-	(22,758)

WILD RICE WATERSHED DISTRICT

ADA, MINNESOTA

SCHEDULE OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

	Fund Balance (Deficit) January 1	Receipts Revenue	Allocated Interest Earned	Expenditures Direct	Allocated Interest Charged	Transfers In (Out)	Fund Balance (Deficit) December 31
CAPITAL PROJECTS FUND JOBS (Cont'd)							
USGS-264 S Branch Gauge Station	\$ (48)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (48)
Flood Storage Investigation	(752)	-	-	61	-	-	(813)
2006 Water Res Dev (WRDA)	(4,459)	-	-	3,390	-	-	(7,849)
USGS Sediment Investigation	(3,235)	-	-	15,138	-	-	(18,373)
TV Dam Reevaluation	-	-	-	8,708	-	-	(8,708)
Mahnomen Drainage Issues	-	-	-	9,264	185	-	(9,449)
Honie Lake DNR Permit	-	-	-	3,182	-	-	(3,182)
Wastewater Storage	-	-	-	1,302	-	-	(1,302)
Upper Felton-Alternative	-	-	-	29,462	-	-	(29,462)
Hendrum City FIS Review	-	-	-	762	-	-	(762)
TMDL Study WRR	-	-	-	1,920	-	-	(1,920)
Water Management Investigation	-	-	-	22,601	234	-	(22,835)
Lakeman Culvert Issue	-	-	-	113	-	-	(113)
Heitman Project	-	-	-	1,850	-	-	(1,850)
MPCA Grant	-	10,000	-	-	-	-	10,000
Hydraulic Analy-Marsh Creek	-	-	-	1,696	-	-	(1,696)
Upper Marsh Creek Storage	(497)	-	-	-	-	-	(497)
Wetland Banking Program							
Anderson wetland restoration	(245)	-	-	3,069	-	-	(3,314)
Flood Mitigation Projects							
Acquisition/Demolition - DR 1175							
Kesselberg 1175	(3,029)	-	-	-	-	-	(3,029)
Norman Cty Rural Acquisition-DR 1479	23,326	-	-	-	-	-	23,326
Acquisition - DEM 1333							
General	7,818	-	-	-	-	-	7,818
Acquisition - DR 1370-2002	(49,764)	21,787	-	528	-	-	(28,505)
Farm Ring Dikes	(114,695)	154,781	-	204,675	-	-	(164,589)
Acquisitions 2006	(385)	1	-	35,527	-	-	(35,911)
WRWD Projects							
Upper Reaches	(112,002)	118,039	-	62,990	7,311	-	(64,264)
Upper Reaches COE PL 84-99 -'02	(89)	-	-	-	-	-	(89)
Phase #6 - JD #51	(21,188)	-	-	11,203	-	-	(32,391)
2006 Slide Repairs JD #51	(31,568)	-	-	4,829	-	-	(36,397)
Marsh River Analysis	-	-	-	28,473	-	-	(28,473)
Northern Improvement Dam	(1,966)	-	-	1,174	101	-	(3,241)
Lake Ida Detention	309	-	13	-	-	-	322
Project No. 1, Norman Co. D. #1	11,072	5,751	490	7,967	-	-	9,346
Project No. 2 - Heiberg Dam	29,674	11,117	1,368	2,247	-	-	39,912
Project #3, Co County #20	10,405	539	437	51	-	-	11,330
Project #4, Becker Dams	76,960	-	2,798	20,244	-	-	59,514
Project #5, Norman Polk	167,599	16,474	7,138	1,615	-	-	189,596
Project #6, Lake Ida	8,167	1,963	342	1,876	-	-	8,596
Project #8, Moccasin Creek	(11,467)	-	-	7,305	-	-	(18,772)
Project #9 - South Branch	1,075,138	31,504	8,588	19,772	-	-	1,095,458
- Hagen Township	(242,697)	-	-	-	-	-	(242,697)
- Winchester Township	(576,360)	-	-	-	-	-	(576,360)
- 2006 Cleanup	(12,820)	-	-	-	-	-	(12,820)
- Repairs Sec. 24	(8,834)	-	-	15,554	-	-	(24,388)
Project #10 - Mashaug Creek	(191)	-	-	585	19	-	(795)
Project #12 - WR Twp. Ditch	(20,461)	6,387	-	5,037	864	-	(19,975)
Project #13 Olson Agassiz	2,399	7,232	192	1,419	-	-	8,404
Project #14, N.C. Ditch #45	13,800	16	552	1,242	-	-	13,126
Project #16, Anthony Twp.	35,862	-	1,442	4,715	-	-	32,589
Project #17, Lockhart Twp.	25,478	-	1,039	643	-	-	25,874
Project #18 N.C. Ditch #64	61,354	7,512	2,650	210	-	-	71,306
Project #19, #35, 10 & 16	59,253	-	2,318	9,518	-	-	52,053
Proj. #20, Clay J.D. #45, Lat. 1 & 2	87,641	7,916	3,561	10,764	-	-	88,354
Project #23, N.C. D #34, Lat #1	36,437	-	1,499	60	-	-	37,876
Project #25, N.C. Ditch #38	41,346	-	1,696	411	-	-	42,631
Project #27, Lat. A Mahn. Co. #3	2,634	3,107	147	36	-	-	5,852

WILD RICE WATERSHED DISTRICT

ADA, MINNESOTA

SCHEDULE OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

	Fund		Receipts		Expenditures		Transfers	Fund	
	Balance		Allocated		Allocated		In	Balance	
	(Deficit)		Interest		Interest			(Deficit)	
	January 1	Revenue	Earned	Direct	Charged		(Out)	December 31	
CAPITAL PROJECTS FUND JOBS (Cont'd)									
Project #29, Atlanta Twp.	\$ (3,530)	\$ 4,170	\$ -	\$ 319	\$ 90	\$ -	\$ -	\$ 231	
Pro. #30 - Anth. Pl. V, Gr. Medo	150,880	72,056	-	5,937	4,927	-	-	212,072	
- Geotechnical Engineering	(68,581)	-	-	147	-	-	-	(68,728)	
- Upper Basin Storage Investigation	(7,757)	-	-	3,438	-	-	-	(11,195)	
- Green Meadow Dam Construction	(194,755)	-	-	50,128	-	-	-	(244,883)	
Project #31, Hegne Twp. Ditch	18,947	5,060	829	3,229	-	-	-	21,607	
Project #32, Hogn Anthony Cutoff	6,961	5,445	372	111	-	-	-	12,667	
Project #34, Lat. B Mahn. #3	13,865	5,999	625	2,261	-	-	-	18,228	
Proj. #35, Sande Detention	(898)	-	-	2,110	-	-	-	(3,008)	
Project #36, Marsh Creek #3	(844)	-	-	1,245	64	-	-	(2,153)	
Project #38, Rockwell Dam	(2,399)	-	-	7,534	180	-	-	(10,113)	
Project #39-Mashaug Dam	(611)	-	-	-	25	-	-	(636)	
Project #40 Dalen Coulee	9,013	3,982	405	611	-	-	-	12,789	
Project #42 S. Branch Storage	(25,917)	116,824	-	221,915	2,926	-	-	(133,934)	
- Phase 1 Wetland Review	-	-	-	66	-	-	-	(66)	
- Phase 2 Channel Alt.	-	-	-	1,416	-	-	-	(1,416)	
- Phase 3 Final Design & Const.	-	-	-	1,376	-	-	-	(1,376)	
Ditch Systems									
N.C. #11	5,804	-	238	35	-	-	-	6,007	
N.C. #12	10,651	5,650	475	6,945	-	-	-	9,831	
N.C. #15	(549)	1,885	7	17	-	-	-	1,326	
N.C. #18	28,387	-	1,164	366	-	-	-	29,185	
N.C. #18, LAT. #1	967	-	40	-	-	-	-	1,007	
N.C. #21	519	-	15	545	-	-	-	(11)	
N.C. #22	(332)	2,221	46	22	-	-	-	1,913	
N.C. #37	(4,118)	2,587	-	4,253	210	-	-	(5,994)	
J.D. 53 - Main	(34,225)	24,519	-	16,126	23,366	-	-	(49,198)	
- Lockhart flood storage	(17,743)	-	18,039	296	-	-	-	-	
- Ph 9 - '02 project closeout	(3,105)	-	3,318	213	-	-	-	-	
J.D. 53 LAT #1	(11,783)	34,306	1	9,912	-	-	-	12,612	
J.D. 53 LAT #2	22,249	-	914	125	-	-	-	23,038	
J.D. #56	(17,705)	33,427	-	6,141	448	-	-	9,133	
J.D. #56, LAT #1	25,505	1,371	956	8,126	-	-	-	19,706	
Clay Co. #6	1,445	683	62	384	-	-	-	1,806	
Clay Co. #7	2,464	-	101	-	-	-	-	2,565	
Clay Co. #8	283	2,600	-	3,571	7	-	-	(695)	
Clay Co. #14	(15,737)	14,316	-	668	2,513	-	-	(4,602)	
Phase #3 Des. and Construction	(48,691)	-	-	-	-	-	-	(48,691)	
Clay Co. #18	(5,515)	6,890	-	3,819	194	-	-	(2,638)	
Clay Co. #42	(478)	1,387	-	837	14	-	-	58	
Clay Co. #44	5,515	1,171	237	98	-	-	-	6,825	
Clay Co. #52	8,074	-	329	198	-	-	-	8,205	
FEMA 2000									
FEMA 2000	-	1,237	42	-	-	-	-	1,279	
FEMA T.V. Outlet PW 385-00	-	7,548	259	-	-	-	-	7,807	
FEMA Project #2-2000 PW #374	4,643	1,315	236	-	-	-	-	6,194	
FEMA Project #6 - '00 Lake Ida	(5,061)	1,305	-	-	164	-	-	(3,920)	
FEMA Project #9 - reimbursements	4,911	1,845	266	-	-	-	-	7,022	
FEMA-'00 Heiraas tree removal	2,449	575	121	-	-	-	-	3,145	
Phase 10 FEMA '00 PW #143									
bridge repair	(69,061)	64,013	-	-	647	-	-	(5,695)	
Phase 9 - FEMA '00 PW #347	(1,350)	857	-	-	26	-	-	(519)	
Phase 8 - FEMA '00 PW #350	(480)	269	-	-	11	-	-	(222)	
Phase 7 - FEMA '00 PW #363									
Heiraas bank repair	5,960	46,220	1,831	-	-	-	-	54,011	
Phase 6 - FEMA '00 PW #375	15,615	3,072	748	-	-	-	-	19,435	
FEMA Project #16	(736)	-	-	-	30	-	-	(766)	
FEMA Proj. #20 PW #351 - '00	(583)	220	-	-	16	-	-	(379)	
FEMA-Proj.#30-PW340-'00	(5,279)	280	-	-	208	-	-	(5,207)	
FEMA Proj. #36, PW. 333 - '00	(3,595)	405	-	-	134	-	-	(3,324)	

WILD RICE WATERSHED DISTRICT

ADA, MINNESOTA

SCHEDULE OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

	Fund		Receipts		Expenditures		Transfers	Fund
	Balance (Deficit)		Revenue	Allocated Interest Earned	Direct	Allocated Interest Charged	In (Out)	Balance (Deficit)
	January 1							December 31
CAPITAL PROJECTS FUND JOBS (Cont'd)								
FEMA J.D. 53 MAIN, PW 373 - '00	\$ 3,363	\$ 1,528	\$ 191	\$ -	\$ -	\$ -	\$ -	\$ 5,082
FEMA J.D. 53 MAIN, PW 357 - '00	(3,470)	377	-	-	-	130	-	(3,223)
FEMA J.D. #53 #1, PW 358 - '00	90	1,692	62	-	-	-	-	1,844
FEMA J.D. #53 #2 - '00	(563)	-	-	-	-	23	-	(586)
FEMA J.D. #56, LAT #1, PW 421-'00	3,535	1,185	186	-	-	-	-	4,906
FEMA 2000 Administration	(2,202)	(112)	-	-	12	95	-	(2,421)
FEMA 2002	-	19,235	462	-	-	-	-	19,697
FEMA Project. #34 - 2002	(617)	-	-	-	45	26	-	(688)
FEMA Project #27 - 2002	(433)	-	-	-	-	18	-	(451)
Phase 13-FEMA '02	(45)	-	-	-	-	2	-	(47)
#0 FEMA administration	(3,990)	-	-	-	2,797	200	-	(6,987)
#1 PW 079 JD 56	(372)	-	-	-	-	15	-	(387)
#2 PW 079 JD 37	(323)	-	-	-	-	13	-	(336)
#3 PW 079 JD 51	(842)	-	-	-	-	35	-	(877)
#4 PW 080 JD 56 Lat 1	898	-	37	-	-	-	-	935
#5 PW 028 Proj. #31	(5,133)	-	-	-	-	211	-	(5,344)
#6 PW 081 Proj. #9 Se	6,886	-	283	-	-	-	-	7,169
#7 PW 016 Proj. #9 Sk	(30,558)	-	-	-	-	1,258	-	(31,816)
#8 PW 027 CD #12	(567)	-	-	-	-	23	-	(590)
#9 PW 032 CD 18a	2,468	-	102	-	-	-	-	2,570
#10 PW 033 CD 18b	291	-	12	-	-	-	-	303
#11 PW 053 Proj. #9 Heiraas	(4,541)	-	-	-	-	187	-	(4,728)
#12 PW 076 JD 51	14,605	-	601	-	-	-	-	15,206
#13 PW 082 JD 53 Lat 1	666	-	27	-	-	-	-	693
#14 PW 082 JD 53 Lat 2	780	-	32	-	-	-	-	812
#15 PW 083 JD 53	(12,532)	-	-	-	-	516	-	(13,048)
#16 PW 084 JD #56 A,B,Prev	(3,568)	-	-	-	-	147	-	(3,715)
#17 PW 085 Lockhart	(1,851)	-	-	-	-	76	-	(1,927)
#18 PW 054 Lockhart	(3,872)	-	-	-	-	159	-	(4,031)
#19 PW 086 Proj. #19	781	-	32	-	-	-	-	813
#20 PW 087 Proj. #20 Lat 1 & 2	(2,226)	-	-	-	-	92	-	(2,318)
#21 PW 050 Proj. #25 CD#38	969	-	40	-	-	-	-	1,009
#22 PW 088 Proj. #27	(1,768)	-	-	-	-	73	-	(1,841)
#23 PW 089 Proj. #30	(19,883)	-	-	-	-	819	-	(20,702)
#24 PW 090 Proj. #34	1,967	-	81	-	-	-	-	2,048
#25 PW 091 Proj. #9 Fa-f	4,711	-	194	-	-	-	-	4,905
#26 PW 092 Proj. #9 Sa,a,b,c,g,h	(3,211)	-	-	-	-	132	-	(3,343)
#27 PW 092 Proj. #9 Sd	6,992	-	288	-	-	-	-	7,280
#28 PW 092 Proj. #9 Si	(1,250)	-	-	-	-	51	-	(1,301)
#29 PW 092 Proj. #9 Sl	(24,667)	-	-	-	-	1,016	-	(25,683)
#30 PW 092 Ditch #37	80	-	3	-	-	-	-	83
#31 PW 093 TV 01a	(5,408)	-	-	-	-	223	-	(5,631)
#32 PW 093 TV 01b	(2,405)	-	-	-	-	99	-	(2,504)
#33 PW 094 Ditch #6	(7,669)	-	-	-	-	316	-	(7,985)
#34 PW 065 N Imp Dam A	1,903	-	78	-	-	-	-	1,981
#35 PW 066 N Imp Dam D	70	-	3	-	-	-	-	73
#36 PW 067 Moccasin Dam - A	(402)	-	-	-	-	17	-	(419)
#37 PW 068 Moccasin Dam - D	(23,158)	-	-	-	-	953	-	(24,111)
#38 PW 070 Mashaug Dam - A	8,607	-	354	-	-	-	-	8,961
#39 PW 070 Mashaug Dam - D	(1,752)	-	-	-	-	72	-	(1,824)
#40 PW 072 Marsh Creek 3 - D	(9,758)	-	-	-	-	402	-	(10,160)
#41 PW 073 Sande Det	(3,730)	-	-	-	-	154	-	(3,884)
#42 PW 075 Green Meadow Dam	484	-	20	-	-	-	-	504
#43 PW 069 Heiberg Dam	(28,366)	-	-	-	453	1,179	-	(29,998)
2002 Heiberg Dam repair	(109,505)	-	-	-	45	4,510	-	(114,060)
Phase #2 - Construction	(328,113)	-	-	-	284	13,515	-	(341,912)
Phase #3 - Construction	(7,976)	-	-	-	20,631	887	-	(29,494)
FEMA-2000 flood recovery PW 335	(3,601)	-	-	-	-	148	-	(3,749)
FEMA-2002 emergency flood oper.	(13,628)	-	-	-	-	561	-	(14,189)

SCHEDULE OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

	Fund Balance (Deficit) January 1	Receipts Revenue	Allocated Interest Earned	Expenditures Direct	Allocated Interest Charged	Transfers In (Out)	Fund Balance (Deficit) December 31
CAPITAL PROJECTS FUND JOBS (Cont'd)							
FEMA-2002 dam site investigation	\$ 4,744	\$ -	\$ 196	\$ -	\$ -	\$ -	\$ 4,940
FEMA 2006							
Administrative	(66)	-	-	589	8	-	(663)
Proj #5	(245)	171	-	-	3	-	(77)
Proj #9	(27,753)	19,392	-	-	344	-	(8,705)
Proj #12	(2,570)	1,796	-	-	32	-	(806)
Proj #19	(1,151)	804	-	-	14	-	(361)
Proj #20	(530)	370	-	-	7	-	(167)
Proj #30	(3,163)	2,210	-	135	44	-	(1,132)
NC Ditch #11 - Site 17	(661)	462	-	-	8	-	(207)
JD #53 Lat #2 - #13, 14 & 17	(3,284)	2,294	-	-	41	-	(1,031)
JD #56 Site #4	(245)	171	-	-	3	-	(77)
JD #56 Site #5	(642)	449	-	-	8	-	(201)
JD #56 Site #6	(306)	214	-	-	4	-	(96)
JD #56 Lat #1 Site #3	(265)	185	-	-	3	-	(83)
JD #53 Main - Site 16	(1,037)	724	-	-	13	-	(326)
JD #53 Lat #1 - Site 13	(927)	648	-	-	12	-	(291)
JD #53 Lat #1 - Site 15	(1,269)	886	-	-	16	-	(399)
Total Capital Projects Jobs	1,169,310	1,277,239	122,700	1,225,780	74,301	-	1,269,168
TOTAL	\$ 1,343,234	\$ 1,816,936	\$ 123,239	\$ 1,790,687	\$ 74,301	\$ -	1,418,421

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AUDITORS' REPORT ON LEGAL COMPLIANCE

Board of Managers
Wild Rice Watershed District
Ada, Minnesota 56701

We have audited the financial statements of the Wild Rice Watershed District, as of and for the year ended December 31, 2007, and have issued our report thereon dated September 19, 2008. The District prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller general of the United States and the provisions of the *Minnesota Legal Compliance Audit Guide for Local Government*, promulgated by the Legal Compliance Task Force pursuant to Minn. Stat. 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Local Government* covers five main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, and claims and disbursements. Our study included all of the listed categories.

The results of our tests indicate that for the items tested the Wild Rice Watershed District complied with the material terms and conditions of applicable legal provisions, except as noted in the schedule of internal control and compliance findings. Further, for the items not tested, based on our audit and the procedures referred to above, nothing came to our attention to indicate that the Wild Rice Watershed District had not complied with such legal provisions.

This report is intended solely for the information and use of the District Board of Managers, management, and the Office of the State Auditor of Minnesota and is not intended to be and should not be used by anyone other than these specified parties.

DREES, RISKEY & VALLAGER, LTD.

Drees, Risky & Vallager, Ltd.
Certified Public Accountants

September 19, 2008
Crookston, Minnesota

*Members of Minnesota and North Dakota Society of CPA's
Members of American Institute of Certified Public Accountants*

Legal Compliance Review

The undersigned, being the attorney for the Wild Rice Watershed District, presents the following legal compliance review with respect to compliance by the Wild Rice Watershed District with pertinent Minnesota Statutes.

The Wild Rice Watershed District is a political subdivision duly organized and existing under Minn. Stat. Ch. 103D. It is the undersigned's opinion that the Wild Rice Watershed District has been operating in all respects in full and complete compliance with all applicable laws, ordinances, rules, and regulations. It is further the undersigned's opinion that the Watershed District is not presently involved in any litigation or has the threat of any pending litigation which materially affects the District.

Dated this 12th day of November, 2008


Elroy Hanson
Attorney for Wild Rice Watershed District