



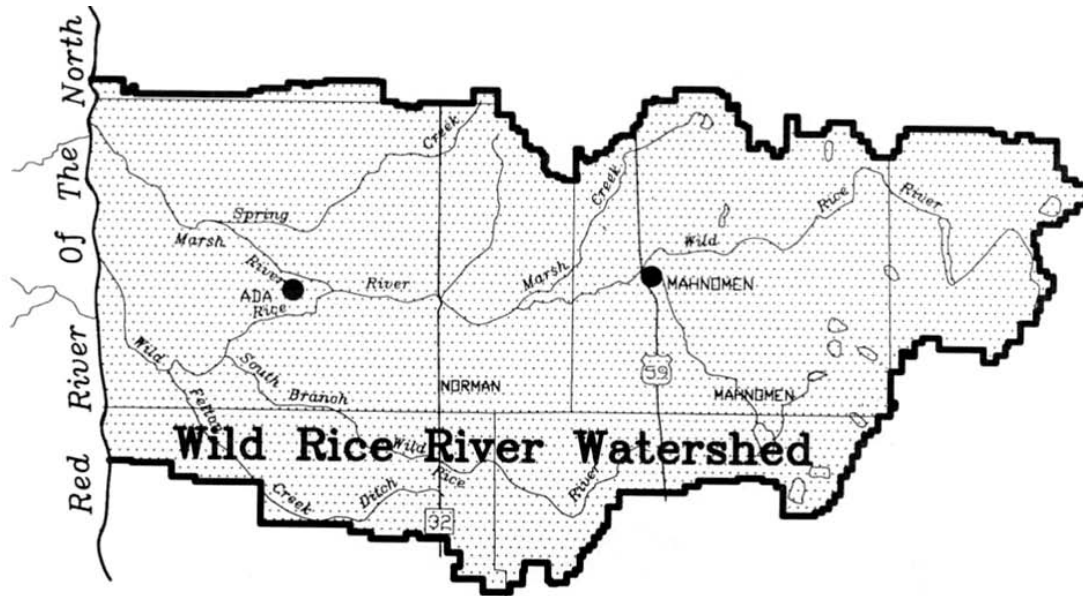
# **Wild Rice Watershed District**

## **2010 Annual Report**

# Wild Rice Watershed District

## 41st Annual Report

### Year 2010



The Wild Rice Watershed District is located in the central part of the Minnesota portion of the Red River of the North basin. The Watershed District is bordered by the Sand Hill River and the Red Lake River basins to the north and the Buffalo River basin to the south.

The Wild Rice Watershed District occupies a land area of approximately 2,085 square miles. The territory of the District is in parts of Norman, Clay, Mahnomen, Becker, Clearwater and Polk counties, which include the watershed of the Wild Rice River and the Marsh River.

Published by:

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# Table of Contents

|   |           |
|---|-----------|
| <b>Table of Contents .....</b>  | <b>1</b>  |
| <b>I. Executive Summary .....</b>   | <b>3</b>  |
| <b>II. Introduction.....</b>  | <b>4</b>  |
| <b>III. Appointments .....</b>  | <b>5</b>  |
| A. Board of Managers.....   | 5         |
| B. Consultants .....  | 7         |
| C. Citizens Advisory Committee .....  | 8         |
| D. Flood Damage Reduction (FDR) Project Team .....                              | 9         |
| E. Red River Watershed Management Board (RRWMB).....                            | 11        |
| F. Minnesota Association of Watershed Districts (MAWD).....                     | 11        |
| <b>IV. Plan Performance.....</b>  | <b>12</b> |
| A. U. S. Army Corps of Engineers' Feasibility Study of the Wild Rice River..... | 12        |
| B. South Branch Flood Reduction – Project #42 .....                             | 12        |
| 1. County Ditch (CD) #18 .....  | 13        |
| 2. Upper Becker Dam Enhancement .....   | 15        |
| C. Water Management District (WMD) .....  | 36        |
| D. Other On-going Projects and Programs.....                                    | 37        |
| 1. Permit Applications .....  | 37        |
| 2. Farmstead Ring Dike Program .....  | 48        |
| 3. Improvement of Community Dikes / Levees .....                                | 50        |
| 4. Moccasin Creek Dam .....   | 55        |
| 5. Flood Damages – FEMA Assistance .....  | 57        |
| 6. Small Projects through Soil and Water Conservation Districts .....           | 57        |
| 7. Mahnomon Flood Control / Drainage Project.....                               | 58        |
| 8. FEMA Rural Home Acquisition Program .....                                    | 58        |
| 9. Rockwell Dam.....  | 59        |
| 10. Clay County Ditch #4 .....  | 59        |
| 11. Project #9 Felton Ditch .....   | 59        |
| 12. Olson Agassiz Project #13.....  | 60        |
| 13. Clay County Ditch #18 .....   | 60        |
| 14. Project #27 .....   | 60        |
| 15. Project #29 .....   | 60        |
| 16. Project #30 – Anthony Township .....  | 60        |
| 17. J.D. #51 Upper Reaches .....  | 60        |
| <b>V. 2010 Meeting Minutes in Review.....</b>                                   | <b>63</b> |
| A. January Special, Regular and Reconvened Meetings .....                       | 63        |
| B. February Special and Regular Meetings .....                                  | 64        |
| C. March Regular Meeting.....   | 65        |
| D. April Regular and Special Meetings .....                                     | 66        |
| E. May Special, Regular and Reconvened Meetings .....                           | 67        |
| F. June Regular Meeting and Hearings .....                                      | 69        |
| G. July Special and Regular Meetings .....                                      | 71        |

|   |           |
|---|-----------|
| H. August Regular Meeting .....                 | 74        |
| I. September Regular and Special Meetings ..... | 75        |
| J. October Regular Meeting.....                 | 78        |
| K. November Special and Regular Meetings.....   | 79        |
| L. December Regular Meeting.....                | 81        |
| <b>VI. Financial and Audit Reports.....</b>     | <b>82</b> |



## **I. Executive Summary**

Pursuant to Minnesota Statutes Section Chapter 103D of the Minnesota Watershed Act, the Board of Managers hereby submits the 40<sup>th</sup> Annual Report of the Wild Rice Watershed District (WRWD), which covers the period of January 1 to December 31 of 2010. The report includes the District's members, technical and citizen advisors, summaries of the plans, goals, water management projects, and communication programs of the District as well as a summary of the District's financial condition.

The District distributes its Annual Activity Report to the Minnesota Department of Natural Resources and the Board of Soil and Water Resources as provided by law. Copies of the report or audit may be obtained from the District's Managers or through [www.wildricewatershed.org](http://www.wildricewatershed.org).

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 give 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 Managers invite comments and suggestions concerning this report.

**Respectfully submitted by  
Wild Rice Watershed District  
Board of Managers**

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**Greg Holmvik  
2010-2011 Chairman**

## **II. Introduction**

The 2010 Spring Flood came earlier than usual, with the Red River beginning to rise on March 13 and cresting in Fargo on March 21, the earliest major crest on record. That early crest, plus sunny days with temperatures in the 60's or 70's, resulted in fields drying out earlier than usual which gave farmers an early start to field work except in a few areas where overland flooding lingered.

2010 was an important year for the Wild Rice Watershed District (WRWD) as several projects and proposals were brought to Public Hearing. Those included:

- A hearing before the public and the Board of Soil and Water Resources to allow an amendment to the District's Water Management Plan giving the District the ability to implement the Water Management District which would establish a charging mechanism to collect funds for the local share of project costs.
- Public hearings on February 17th, March 25th, April 21st, and May 12th to consider establishment of Project #42 – Upper Becker Dam Enhancement Project.
- The final hearing regarding Project No. 43 - The Perley Community Flood Control Levee held on June 10
- The final hearing regarding Project No. 44 - The Hendrum Community Flood Control Levee held on June 15

This was also a year of upheaval for the WRWD board and staff. The WRWD Administrator, Steve Dalen, was terminated by the board in April 2009.

After a long search, the WRWD hired Steven Odegaard as their Administrator in January 2010. Odegaard's first day on the job was February 1. By February 12, Odegaard had submitted his letter of resignation via e-mail to the WRWD board.

The WRWD managers then offered the position to Thomas Wollin from Greenbush, MN who began working as the WRWD Administrator in March. By July, Wollin had tendered his resignation to accept employment with the North Dakota Trade Office.

In October 2010, the Board hired Kevin Ruud, who was formerly the Norman County Director of Environmental Services and Emergency Management. Ruud began his work as WRWD Administrator in November, 2010.

During all these changes, meetings continued and work moved forward in the Wild Rice Watershed District.

### III. Appointments

#### A. Board of Managers



Standing, L to R: Mike Christensen, John Austinson, Diane Ista, Raymond Hanson and Duane Erickson

Seated, L to R: Dean Spaeth and Greg Holmvik

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 County Commissioners for a three year term. Three managers are appointed from Norman or Polk Counties, two managers are appointed from Mahnomen or Clearwater Counties, and two managers are appointed from Clay or Becker Counties.

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.



| Name and Office   | Appointing County     | Contact Information for Current Managers                 | Date of Term Expiration |
|---|-----------------------|--|-------------------------|
| Duane Erickson  | Clay / Becker         | 11849 390th St<br>Ulen MN 56585<br>(218) 567-8277        | 04-25-12                |
| John Austinson,<br><i>Secretary effective<br/>May 18, 2010</i>    | Clay / Becker         | PO Box 224<br>Ulen MN 56585<br>(218) 596-8322            | 04-25-12                |
| Joe Spaeth  | Mahnomen / Clearwater |  | 04-25-10                |
| Dean Spaeth,<br><i>Treasurer effective<br/>May 18, 2010</i>       | Mahnomen / Clearwater | 1526 210th ST<br>Mahnomen MN 56557<br>(218) 935-2127     | 04-25-12                |
| Raymond Hanson  | Mahnomen / Clearwater | 4333 Co Hwy 29<br>Twin Valley, MN 56584<br>218-584-5545  | 04-25-13                |
| Diane Ista  | Norman / Polk         | 412 Daisy Lane<br>Ada MN 56510<br>(218) 784-7542         | 04-25-13                |
| Mike Christensen,<br><i>Vice-Chair effective<br/>May 18, 2010</i> | Norman / Polk         | 4539 Co Hwy 29<br>Twin Valley MN 56584<br>(218) 584-5510 | 04-25-13                |
| Greg Holmvik,<br><i>Chair effective<br/>May 18, 2010</i>          | Norman / Polk         | 401 7th Ave W<br>Ada MN 56510<br>(218) 784-7399          | 04-25-11                |

## B. Consultants

The WRWD Board of Managers retains independent contractor consultants who provide all of the necessary engineering, accounting, auditing, legal and other services and serve at the pleasure of the Board. The District's independent consultants effectively fulfill its obligations, goals, and objectives within the approved finances and budget. The following consultants served the District in 2009:

| Name           | Service Provided | Company Name                  | Contact Information   |
|----------------|------------------|-------------------------------|---|
| Elroy Hanson   | Legal services   | Wambach and Hanson Law Office | P.O. Box 340<br>Mahnomen, MN 56557<br>Phone: (218) 935-2266             |
| Jerry Bents    | Engineer         | Houston Engineering, Inc.     | 1401 21 <sup>st</sup> Ave N<br>Fargo, ND 58102<br>Phone: (701) 237-5065 |
| Doug Marcussen | Accountant       | Marcussen Accounting          | 101 East Thorpe Ave<br>Ada, MN 56510<br>Phone: (218) 784-4505           |
| Kim Durbin     | Auditor          | Drees Risky & Vallager        | 117 S Broadway<br>Crookston, MN 56716<br>Phone: (218) 281-3789          |



Standing:  
Elroy Hanson

Seated, L to R:  
Jerry Bents and Doug Marcussen

Not Shown:  
Kim Durbin

## C. Citizens 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 the Citizens Advisory Committee, as required under Minnesota Statute.

| Name of Committee Member                            | Contact Information   |
|---|---|
| Curt Jacobson, Chairman                             | 1929 State Hwy 9<br>Ada, MN 56510<br>(218) 784-4748             |
| Jerry Waller, Secretary<br>Clay County Commissioner | 8233 31st Ave N<br>Glyndon, MN 56547<br>(218) 233-2591          |
| Barry Nelson<br>Becker County Commissioner          | 12972 County Hwy. 11<br>Audubon, MN 56511<br>(218) 439-3275     |
| Corey Hanson  | 2758 330th St<br>Gary, MN 56545<br>(218) 356-8678               |
| Jim Skaurud   | 4268 170th Ave<br>Twin Valley, MN 56584<br>(218) 584-5251       |
| Jerome (Joe) Slette                                 | 324 4th St NE<br>Mahnomen, MN 56557<br>(218) 936-7147           |
| Ron Thorsrud  | 1649 410th St<br>Twin Valley, MN 56584<br>(218) 584-8448        |
| Scott Balstad                                       | 33393 420th St SE<br>Fosston, MN 56542<br>(218) 435-2173        |
| Wes Green   | 18494 210 <sup>th</sup> St N<br>Ulen MN 56585<br>(218) 494-3739 |

Notes from the Wild Rice Watershed District Advisory Board meeting held with watershed managers and administrator on **November 1, 2010** as recorded by Curt Jacobson, Chairman:

**Present:** Greg Holmvik, Dean Spaeth, Kevin Ruud, Jim Skaurud, Ron Thorsrud, Joe Slette, Jerry Waller, Scott Balstad

**Absent:** Corey Hanson, Barry Nelson, Wes Green

1. There was a motion to support any of the proposed options on the Becker Dams.
2. The Wild Rice Watershed District Funding Freeze was discussed but no action was taken.
3. The need of support for flood damage reduction within the district.
4. Two advisory board meetings a year in November and in March.
5. Discussed advisory board membership and decided to poll present advisory members and find out if they are willing to serve and if not, to replace so representation is equal over the watershed district. At the present – only Curt Jacobson is west of Hwy 9.

## D. Flood Damage Reduction (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 stake-holder 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 sectors, to provide input regarding flood damage reduction and environmental impacts.

On January 27, 2010 consensus of WRWD Board was to schedule Project Team Meetings the fourth Wednesday every month.

The FDR Project Team in the Wild Rice Watershed District delegates included:

| Name              | Organization Represented                           | Contact Information  |
|-------------------|--|--|
| Mick Alm          | Cities   | 814 East Main Street<br>Ada, MN 56510<br>218-861-6299<br><a href="mailto:mick.alm@co.norman.mn.us">mick.alm@co.norman.mn.us</a>                        |
| Jerry Dahl        | Counties   | PO Box 2104<br>Bejou, MN 56516<br>218-935-2658   |
| Steve Bommersbach | Counties   | PO Box 352<br>Twin Valley, MN 56584<br>218-584-5512  |
| Mark Harless      | Landowner  | 1467 300th St<br>Borup MN 56519<br>218-582-3360  |
| Paul Hougum       | Landowner  | 1539 County Hwy. #39<br>Perley, MN 56574<br>218-861-6464   |
| Henry Van Offelen | Minnesota Center for Environmental Advocacy        | 50785 Bucks Mill Rd<br>Detroit Lakes, MN 56501<br>218-847-1817<br><a href="mailto:hvanoffelen@mncenter.org">hvanoffelen@mncenter.org</a>               |
| Brian Dwight      | MN Board of Water and Soil Resources (BWSR)        | 3217 Bemidji Avenue N<br>Bemidji, MN 56601<br>218-333-8027<br><a href="mailto:brian.dwight@bwsr.state.mn.us">brian.dwight@bwsr.state.mn.us</a>         |
| Dave Friedl       | MN Department of Natural Resources (DNR) Fisheries | 14583 Co Hwy 19<br>Detroit Lakes, MN 56501<br>218-847-1579<br><a href="mailto:david.friedl@dnr.state.mn.us">david.friedl@dnr.state.mn.us</a>           |
| Michele Puchalski | MN DNR Wildlife                                    | 14583 Co Hwy 19<br>Detroit Lakes, MN 56501<br>218-847-1578<br><a href="mailto:Michele.Puchalski@dnr.state.mn.us">Michele.Puchalski@dnr.state.mn.us</a> |



| Name             | Organization Represented                       | Contact Information   |
|------------------|--|---|
| Paul Wannarka    | MN DNR   | 2115 Birchmont Beach Rd NE<br>Bemidji, MN 56601<br>218-755-4482<br><a href="mailto:paul.wannarka@dnr.state.mn.us">paul.wannarka@dnr.state.mn.us</a>               |
| Jack Fredrick    | MN Pollution Control Agency (MPCA)             | 714 Lake Ave, Suite 220<br>Detroit Lakes MN 56501<br>218-847-1519<br><a href="mailto:john.frederick@pca.state.mn.us">john.frederick@pca.state.mn.us</a>           |
| Mike Vavricka    | MPCA   | 714 Lake Avenue<br>Detroit Lakes, MN 56501<br>218-847-1519<br><a href="mailto:michael.vavricka@pca.state.mn.us">michael.vavricka@pca.state.mn.us</a>              |
| Clayton Schmitz  | Natural Resources Conservation Services (NRCS) | 10 East 2nd Avenue South<br>Ada, MN 56510<br>218-784-4000<br><a href="mailto:clayton.schmitz@mn.usda.gov">clayton.schmitz@mn.usda.gov</a>                         |
| Randy Tufton     | NRCS/FSA                                       | 10 East 2nd Avenue South<br>Ada, MN 56510<br>218-784-4000<br><a href="mailto:randall.tufton@mn.usda.gov">randall.tufton@mn.usda.gov</a>                           |
| Wayne Goeken     | River Watch                                    | 440048 160th Ave SE<br>Eriskine MN 56535<br>218-574-2622  |
| Aaron Neubert    | Soil and Water Conservation District (SWCD)    | PO Box 38<br>Mahnomen, MN 56557<br>218-935-2987<br><a href="mailto:acn@mn.nrcs.usda.gov">acn@mn.nrcs.usda.gov</a>   |
| Ron Thorsrud     | Sportsmen's Group                              | P.O. Box 111<br>Twin Valley, MN 56584<br>218-584-8448   |
| Curtis Borchert  | SWCD – Norman County                           | PO Box 60<br>Twin Valley, MN 56584<br>218-584-5169  |
| Nan Bishoff      | U.S. Army Corps of Engineers                   | 190 5th Street East<br>St. Paul, MN 55101<br>651-290-5426<br><a href="mailto:nanette.m.bischoff@mvp02.usace.army.mil">nanette.m.bischoff@mvp02.usace.army.mil</a> |
| Scott Kahan      | U.S. Fish and Wildlife Service (USFWS)         | 26624 N. Tower Rd<br>Detroit Lakes, MN 56501<br>218-847-4431<br><a href="mailto:scott_kahan@fws.gov">scott_kahan@fws.gov</a>                                      |
| Mike Swan        | White Earth Reservation                        | 4044 South Ice Cracking<br>Ponsford, MN 56575<br>218-573-3007   |
| Mike Christensen | Wild Rice Watershed District (WRWD)            | 4539 Co Hwy 29<br>Twin Valley MN 56584<br>701-866-2514  |

**NOTE:** The list of alternate delegates is available from the Wild Rice Watershed District office.

On **March 17**, the WRWD Board of Manager discussed an agenda for the upcoming Project Team Meeting scheduled for Wednesday **March 24, 2010**. Consensus of Managers was to request that the DNR and BWSR discuss the vegetative reports.

At the **April 14** watershed meeting, consensus of Managers was to skip the April Meeting of the Project Team due to the current busy schedule of farmers.

At the **June 9** watershed meeting, Administrator Wollin provided the Managers with an update on the recent Project Team Meeting. See Upper Becker Dam in this report for the comments. The consensus of the Managers was to not have a Project Team meeting in June.

At the **July 14** board meeting, managers were reminded that a Project Team Meeting will be scheduled for 10:00 a.m. on Wednesday **July 28, 2010**, at the District office.

At the **August 14** board meeting, the consensus of the managers was to hold a subcommittee meeting on Wednesday the **25th of August** at the Twin Valley SWCD, instead of a regular Project Team Meeting. Discussion will be regarding the Moccasin Creek Landowner Project.

At the **September 8** meeting, Mark Aanenson reported that the subcommittee of the Project Team is scheduled for September 22, 2010. Aanenson will contact Curtis Borchert, to determine if 1:00 p.m. at his office is o.k. and also contact other members.

At the **October 13** meeting, the consensus of the managers was to not hold a Project Team Meeting in October due to scheduling conflicts they have not held the Subcommittee Meeting.

At the **November 11** meeting, consensus of managers was to not hold a Project Team meeting the month of November.

At the **December 8** meeting, Manager Erickson asked if the Board planned on a Project Team Meeting the month of December. Erickson stated that he wanted to bring the idea of an Moccasin Creek Operating and Management Plan to the Project Team. Manager Ista felt that item should be taken to a committee first. Discussion followed. Administrator Ruud recommended that the committee get together and schedule a meeting. Consensus of Managers was not to hold a Project Team Meeting in December.

## **E. Red River Watershed Management Board (RRWMB)**

The Wild Rice Watershed District is a member of the Red River Watershed Management Board (RRWMB).

The RRWMB's jurisdiction and authority encompasses the area managed by the individual watershed districts that have membership on the Board. Eight watershed districts within the Red River Valley form the RRWMB including the Bois de Sioux, Joe River, Middle-Snake-Tamarac Rivers, Red Lake, Roseau River, Sand Hill River, Two Rivers, and Wild Rice.

The RRWMB was created by an act of the Minnesota legislature in 1976 to provide an organization with a basin-wide perspective concerning flooding. Funding is by ad valorem tax levies, as provided by Chapter 163 of the Minnesota Session Laws.

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

Manager Greg Holmvik is the delegate to the board with Manager Mike Christensen as the alternate.

## **F. 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 the executive branch, agencies and other policy makers at the local government level. Diane Ista was the District's delegate to MAWD in 2010.

## IV. Plan Performance

The Board of Managers of the Wild Rice Watershed District continued to pursue several of their 2009 District Goals into 2010 as follows:

### A. U. S. Army Corps of Engineers' Feasibility Study of the Wild Rice River

At the **February 10** meeting, Engineer Bents reported that staff submitted the District's termination letter to Nan Bischoff, U.S. Army Corps of Engineers, on the Wild Rice River **COE Feasibility Study** and also presented the monthly report of Memorandum of Record from Ms. Bischoff dated February 8, 2010.

At a **special meeting** on **July 12**, a copy of the monthly status report for the COE FS from Nan Bischoff, Project Manager, was distributed for Managers information.

At the **October 13** meeting, a status update was provided to the board for review.

At the **November 11** meeting, Engineer Bents distributed the monthly update by Nan Bischoff, COE. The terrestrial species on the Wild Rice River is complete and the final report will be presented and the District's project will be completed.

At the **December 8** meeting, Engineer Bents provided updates to the Board the District's COE Feasibility Study.

### B. South Branch Flood Reduction – Project #42

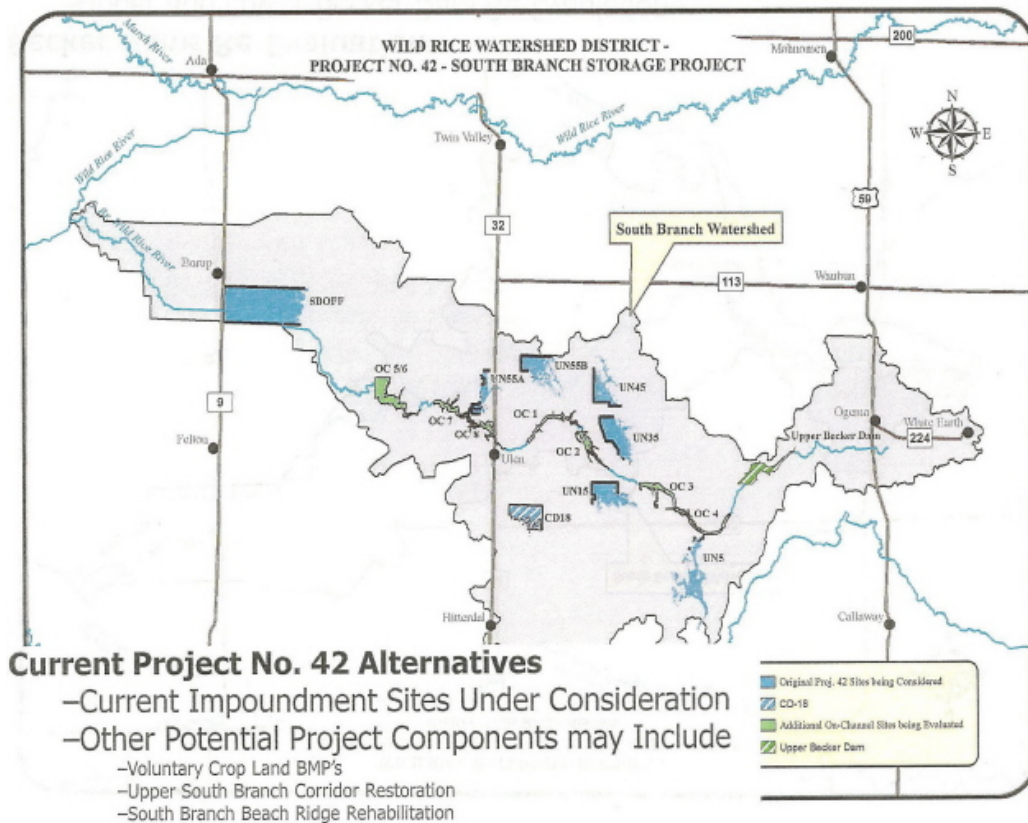
In June of 2005, the Wild Rice Watershed District completed a storage evaluation as part of the overall water management plan of the South Branch of the Wild Rice River. This evaluation was completed as a joint effort between the WRWD and the United States Army Corps of Engineers (USCOE). The main goal of the evaluation was to identify groups of projects which would provide a 30 to 40% reduction in the 10-6ear 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 was the initiation of the current South Branch Flood Reduction Project – Project #42. The components consisted of voluntary land use treatments, river corridor restoration east of Ulen, a series of flood control impoundments, and channel rehabilitation through the beach ridge area.

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 to 7,800 acre feet of storage, while the lower off-channel storage facility would provide approximately 15,500 to 18,000 acre feet of storage. The project would control flooding 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 landowners. Project #42 continued to face a good deal of opposition from landowners in the proposed project areas. The District did receive some landowner interest in the **County Ditch (CD) #18** site in Clay County and approved working with landowners 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 **Upper and Lower Becker Dams**.

As of 2009, the map shown indicates the **Project 42** alternatives.



Jerry Bents of Houston Engineering presented the Engineering Reports for County Ditch #18 and the Upper Becker Dam Enhancement Projects to the Board of Managers of the Wild Rice Watershed District on January 23, 2009.

## 1. County Ditch (CD) #18

The County Ditch #18 Project is located about two miles east and two miles south of the City of Ulen, Minnesota. The proposed storage facility encompasses land primarily located in Sections 10 and 11 of Goose Prairie Township (T141N, R44W). Much of the land is currently used for agricultural purposes. These agricultural purposes consist generally of grain, beans, or sugar beet production and pasture. There are no existing building sites within the proposed pool area. Approximately 234 acres of tillable land will be under permanent vegetative cover after construction of the project. The remaining 184 acres are comprised of wetlands, wooded areas, embankment and ditches. The project covers an area of slightly less than 1 square mile.

The CD18 project will involve the construction of a flood control reservoir so that floodwaters from the 11.7 square mile drainage area can be held until downstream channel conditions can accommodate the flows. The proposed project consists of approximately 2.3 miles of earthen embankment designed to contain runoff from the CD18 sub-watershed prior to discharging flows into Stiner Creek, the South Branch of the Wild Rice, and the Wild Rice River.

The flood pool will be maintained in a predominantly dry condition when flooding is not occurring. The storage area will have a total capacity of approximately 1,760 acre-feet (2.8 inches), of which 950 acre-feet (1.5 inches) will be gated to provide detention times in excess of



30 days if needed. The size of the flood pool will range from zero acres to approximately 370 acres at the emergency spillway crest.

An opinion of probable cost has been estimated to be \$4,285,000. This estimate is in 2009 dollars and would need to be increased for inflation if significant time passes before project implementation. Funding has been secured in the amount of \$600,000 committed at a Step 1 level by the Red River Watershed Management Board. In evaluating the project's feasibility, based on typical funding patterns for similar projects, we have assumed the following: \$2,142,500 - State of Minnesota Flood Damage Reduction Program; \$750,000 - Red River Watershed Management Board; \$1,392,500 - Wild Rice Watershed District and Other Sources. The funding identified as from the Wild Rice Watershed District and Other Sources may come from WRWD assessments, water management district fees, natural resource agencies or other organizations.

For more information, see the full report at the Wild Rice Watershed District office in Ada, MN.

During a **special meeting** on **May 5, 2010**, Administrator Tom Wollin gave an update of the Financial Report, from the meeting of the Finance Committee on May 3. It was estimated that to sell the Richards property would take approximately a two month time frame from advertising to closing of the deal. In regards to the RRWMB classifying the Richards property if traded from CD #18 to Upper Becker, they are anticipating repayment of the \$600,000 loan at this time, prior to making any decision the Richards property if traded. After providing options for board to consider, the board authorized Administrator Wollin to proceed with establishing a loan at the Frandsen Bank and Trust, for \$250,000 against the Radeck property, borrow \$285,000 against the CD the District currently is holding and the balance of the \$600,000 will be paid out of funds the District holds.

At the **May 12** meeting the managers agreed to void the \$600,000 check for reimbursement to the RRWMB for the advance issued previously due to cash flow and if decided at a later date to make the payment, issue a new check at that time.

After considerable discussion at the **June 9** meeting regarding District funds, the managers authorized Attorney Hanson to begin the process of placing the District's former Richards property in Kragnes Township up for sale at a public auction, at Georgetown, MN.

At the **July 14** meeting, managers were reminded that the Richards land sale is scheduled for 10:00 a.m. on Thursday, July 15, 2010, at the Community Center in Georgetown. Administrator Wollin stated that he had been asked the question if board members could bid. Attorney Hanson advised that Board members are allowed to bid on the property. All bidders would need a certified check to bid.

At the **December 8** meeting, managers discussed how the bid opening for the District's owned land that is up for rental agreements to be opened December 15, 2010. Administrator Ruud asked how the board wanted to handle this, i.e., did they want a special meeting for bid opening, did they want staff to open bids? Manager Austinson stated that he had not been at the meeting when this item was discussed, but wanted to change the method and not award the land rental agreement to the highest bidder, rather allow current renters to continue renting the property, maybe their rent could be increased. Austinson stated that he would even make a motion that the bid rent be dropped and we set a price on that land and go back to the original landowners and rent it to them. The following discussion was held. Manager Hanson stated that we cannot do that, the vote by the Managers to place bids in local papers was passed at an open meeting, the decision was made by the Board at that time, and we just can't change it now and he still stands by his decision at that time. Hanson felt it would not be fair any other way. Manager Holmvik stated that this also was an item listed on the agenda for the meeting when the vote was taken and stated that he didn't care who rented the land, but it had to be fair and honest. Manager Ista stated that this land really belongs to the taxpayers and the District has only one option and that is to do it just as it was done and award to the highest bidder. After considerable discussion Manager Austinson made the motion to disregard the bids that have been submitted by property owners on the rental property, not accept the highest bid, and return the land to its original renters. Manager Erickson seconded the motion. Manager Austinson voted for and all other Managers against. Motion

failed due to lack of a majority. A motion was made by Manager Ista and seconded by Manager Christensen to award the rental land to the bidder with the highest bid, with staff and Chairman Holmvik included in the bid opening, which will take place at 4:00 p.m. on Wednesday, December 15, 2010, at the District office. Should there be a tie for the highest bid and one is a current renter, he shall be awarded the bid. Carried. Manager Hanson stated that when this deal has been completed, he would be in favor to avoid owning land, but it would not be acting in good faith to sell the land, when it has just been rented out. Administrator Ruud stated that in discussions with Kent Lokkesmoe, DNR, if the District sells the land, the DNR would most likely request their funding in the amount of \$660,000 to be returned immediately. Manager Austinson stated with that in mind, we should sell it now. Manager Hanson stated that would not be good business, and we have to wait the three years and indicated that Manager Austinson should have been at the meeting when this decision was made. A motion was made by Manager Erickson to put the land the District owns up for sale. Manager Austinson seconded the motion. In discussion Erickson stated that he supported selling the land ASAP. Motion failed for lack of a majority.

## **2. Upper Becker Dam Enhancement**

Currently, the existing Upper Becker Dam only provides for short detention time of flood water because it is not gated and relies on automatic operation and drawdown. As a result, the existing dam is often nearly empty when flooding downstream near the confluence of the South Branch and Wild Rice River is still occurring.

The UBDE project is located about two miles south and five miles west of the City of Ogema or 25 miles northwest of Detroit Lakes and encompasses approximately 1,100 acres of land in Spring Creek and Riceville Townships, Becker County, MN.

The project will involve the construction of a flood control reservoir so that floodwaters from the contributing drainage area can be held until downstream channel conditions can accommodate the flows.

For more information, see the full report at the Wild Rice Watershed District office in Ada, MN.

A **Special Meeting** of the Wild Rice Watershed District Board of Managers was held on Tuesday, **January 5, 2010**, at the office of the District located at 11 Fifth Avenue East, Ada, MN. The purpose of the meeting was for an update by Dennis Ertelt on land negotiations for **Upper Becker** and the prospective administrator proposal. The following Managers were in attendance: Dean Spaeth, Mike Christensen, Greg Holmvik, Duane Erickson, John Austinson, Joe Spaeth and Diane Ista. Absent: None. Also in attendance were Interim Administrator Loretta Johnson, Executive Assistant/Project Coordinator Kari Kujava, Engineer Jerry Bents, Consultant Dennis Ertelt and James and Margaret Jirava, landowners on Upper Becker. Chairman Christensen called the meeting to order at 1:10 p.m.

Dennis Ertelt presented the following Negotiator Report.

- William Boutwell: Agreed to accept easement at appraised value
- Jodi Lunde: Agreed to accept easement for \$250
- Greg Cukla: Agreed to accept easement for appraised value
- Lloyd Jirava: Agreed to accept easement for \$1,400
- Lowell Anderson: Is considering a trade
- Robert Hastings: Is considering a trade
- Donald Hastings: Is considering a trade
- Gerald Jirava: Is considering a trade
- Eric Zurn: Is considering a trade. Wants a confidentiality agreement between negotiator and himself
- Nicholas Zurn: Is considering a trade
- Richard Safar: Undecided

- Ronald Safar: Undecided
- Jane Foltz: Undecided
- Duane Stalberger: Undecided
- Mark Stalberger: Undecided
- James Jirava: Undecided
- Loren Jetvig: Wants to sell entire parcel
- Mattson Farms: Will not sign easement

Considerable discussion was held by Managers, Ertelt and Jiravas. Managers also discussed the consideration given to land within the WRP program and how that should be addressed. James Jirava requested that the District exercise the option agreement that the District holds with Jiravas at the rates included in the agreement. The parcels total of 396.09 acres and the option expires on March 15, 2010. The Board authorized an appraisal to be done on the Jirava property by RM Hoefs and to be completed on or before March 15, 2010. The Board approved the easement on the Lloyd Jirava property in the amount of \$1,400.

The Board authorized acquisitions under \$2,000 to be paid in full; options on acquisitions costing between \$2,000 to \$50,000 be paid \$2,000 and options above \$50,000 be paid \$5,000. The time frame of option is to be a minimum of June 1, 2011.

At the **January 13** meeting, discussion was held about township issues with Project #42 Upper Becker Dam Enhancement Project that included road overtopping, damages caused by this overtopping and liability issues due to an car accident. Also included was the loss of taxes if the project went forward. Attorney Hanson stated that the liability issues regarding the road could be addressed with District insurance and loss of revenue from taxes could be addressed by payment in lieu of taxes which is capped at \$4 per acre.

The Board authorized Attorney Hanson to draft a letter of request to the RRWMB for an advance of funding for land purchases on Upper Becker not to exceed \$2.3 Million.

On **January 27**, Tom Bergren asked how the District could purchase land on Upper Becker that they already had a lease on from the current Becker Dams Project. Manager Austinson stated that the terms of the agreement will change. Bergren also felt that the payment of \$4 per acre for 20 years in lieu of taxes was not enough tax money to pay the townships. Engineer Bents reported that the attorneys are currently researching the laws to determine if that amount is limited. Bergren also felt that the cost for the project was impractical for the amount of storage. Manager Ista stated that storage is not the only goal for this project. It includes erosion control and reducing the sediment for downstream.

Dennis Ertelt joined the meeting via conference call to discuss the negotiator report that was distributed. Lowell Anderson stated that he would prefer to trade for the SW1/4 of Section 12 of Goose Prairie rather than the NE1/4 as originally thought. Jim Jirava talked about the issues of CRP and WRP on property located within the project. Tom Bergren stated that Riceville Township has not changed their position on the project and are opposed.

The Board authorized Attorney Hanson to research the tax issues and the maximum amount that can be paid townships in lieu of taxes.

At the **February 5<sup>th</sup>** meeting, Engineer Bents gave a PowerPoint presentation on the background of the Upper Becker Project. Discussion followed regarding the process and included input from interested landowners in attendance. Considerable time was taken regarding whether the District should hold its hearing prior to the BWSR hearing on Wednesday February 17, 2010, at 10:00 a.m. at the Ada VFW meeting room, as scheduled, or whether the District should wait until they know if BWSR makes a decision on the amendment to the District's Water Management Plan giving the District the ability to implement the Water Management District. The reason some Managers opposed waiting until after the approval was the fact that it puts the District behind in the process of seeking state bonding funding from the Legislature. The initial hearing on bonding is scheduled for Thursday, February 11, 2010. Engineer Bents stated that all funding from the state bonding comes on a first come/first serve basis and there are many other projects seeking funding that are ready to proceed. Waiting may hinder the District in getting funding or they may not get it at all. Manager Erickson suggested sending voting letters to all landowners in the project asking them to reply yea or nay to the project, and then allowing managers to make their decision based on the replies. Attorney Hanson stated that he didn't advise it, the process of hearings

has been used for many years and he didn't recommend not using that process, although he said if managers wanted to they could.

Landowner Tom Bergren felt that when the District presents the costs to landowners on the project it should be more inclusive and have all costs including interest and maintenance together to present a total cost for the project. Manager Ista agreed that would be a good idea. Brian Dwight, BWSR, discussed the process that would be used at their hearing in the afternoon following the District's. Dwight stated that he would like someone from the District to give a presentation. Dwight also talked about BWSR holding the decision on approval of the District being able to implement a Water Management District, for several days giving the public additional time for input. Dwight, after consulting with his advisors, stated that a decision would be made by BWSR on March 24, 2010.

After considerable discussion the consensus of the Managers was to continue the hearing as scheduled for Wednesday February 17, 2010, at 10:00 a.m. at the VFW Meeting Room at Ada, MN.

Jim Jirava presented the following statement from Spring Creek Township:

Spring Creek Township will stand in opposition to Project 42, Upper Becker for the following reasons:

- The appraisal of land involved in the project in some cases is too low, and on other property, too high.
- Other means of storing water have not been addressed seriously.
- The liability on the road that is going to be raised has not been addressed to our satisfaction.
- We don't like the tax structure that will be in place after completion.
- The diversion talked about in the Fargo/Moorhead area around town is not in final form, is there a need for this if that is finally approved?
- We feel that the tax burden on taxpayers in Spring Creek Township is unfair.
- We feel that Spring Creek Township had done its part for flood control already.

Chairman Christensen closed the meeting at 12:00 p.m. pursuant to the open meeting law for the purpose of selling real estate and to discuss land negotiations. Lands to consider were the following: Donald Hastings, NW4 & SE4 Sec. 32-142-42; Robert Hastings, Lots 1, 2, 3, 10 & 11, and NW4SE4 Sec. 6-141-42 and Lots 7 & 12 and the se4 Sec. 31-142-42; Lowell Anderson, E2SW4 lying NW of the river and the W2SW4, Sec. 32 and the NE4SE4 of Sec. 6 and the N2SW4, SW4NW4, and SW4SW4 OF Section 5; Loren Jetvig, Sly 825' NE4, Sec. 32-142-42 and the E2SW4, NW4SE4, S2NW4, SW4NE4 of Sec. 33-142-42; Gerald Jirava, SE4SE4 of Sec 21 and SW4NE4 and NW4SE4 Sec 22; NW4SW24, S 10 acres of SW4NW4 and S 10 acres of SE4NW4 of Sec. 22; E2SW4 and SW4SW4 of Sec. 22; NW4NE4 and N2NE4 and N2NW4 of Sec. 2 and the NE4NE4 of Section 29 and Mark Stalberger, N2NE4, N2SE4NE4, NE4NW4 OF Sec. 33.

On **February 10**, the Board closed the meeting at 11:20 a.m. to discuss landowner negotiations for Upper Becker Project on the following locations. NW4 & SE4 Sec. 32-142-42; Robert Hastings, Lots 1, 2, 3, 10 & 11, and NW4SE4 Sec. 6-141-42 and Lots 7 & 12 and the se4 Sec. 31-142-42; E2SW4 lying NW of the river and the W2SW4, Sec. 32 and the NE4SE4 of Sec. 6 and the N2SW4, SW4NW4, and SW4SW4 OF Section 5; Sly 825' NE4, Sec. 32-142-42 and the E2SW4, NW4SE4, S2NW4, SW4NE4 of Sec. 33-142-42; Gerald Jirava, SE4SE4 of Sec 21 and SW4NE4 and NW4SE4 Sec 22; nw4sw24, S 10 acres of SW4NW4 and S 10 acres of SE4NW4 of Sec. 22; E2SW4 and SW4SW4 of Sec. 22; NW4NE4 and N2NE4 and N2NW4 of Sec. 2 and the NE4NE4 of Section 29 and N2NE4, N2SE4NE4, NE4NW4 of Sec. 33. Managers in attendance included Diane Ista, Joe Spaeth, Greg Holmvik, Duane Erickson, John Austinson and Dean Spaeth. In addition the following persons were in attendance: Administrator Steve Odegaard, Assistant Administrator Loretta Johnson, Administrative Assistant Kari Kujava, Attorney Hanson, Engineer Jerry Bents. The meeting was opened at 12:00 p.m.

Managers discussed the upcoming hearing on Project #42 Upper Becker Dam Enhancement Project, scheduled for 10:00 a.m. on Wednesday February 17, 2010, at the Ada VFW Meeting Room. Manager Erickson distributed a list that he put together stating his concerns regarding the Upper Becker Dam Project and stated that he wanted the hearing postponed. Managers Ista and J Spaeth felt it should go forward. As discussion continued Chairman Christensen stated that all of these issues will be brought up at the hearing and voted on by the Board after listening to testimony, but not necessarily immediately after the hearing. Manager Erickson made a motion to terminate the project. Manager D Spaeth seconded the motion. Roll call was taken. Managers Erickson, D Spaeth and Austinson voted yea to the



motion and Managers Ista, Holmvik, J Spaeth and Christensen nay to the motion. Motion failed for lack of a majority.

A **Special Meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **February 17, 2010**, at the VFW Conference Room, Ada, MN. The purpose of the meeting was a **hearing** on the **Upper Becker Project**. The following Managers were in attendance: Dean Spaeth, Mike Christensen, Greg Holmvik, Duane Erickson, Joe Spaeth, John Austinson and Diane Ista. Absent: None. Also in attendance were Interim Administrator Loretta Johnson, Engineer Jerry Bents and Attorney Elroy Hanson. Chairman Christensen called the meeting to order at 10:05 a.m. and introduced Managers, staff and consultants.

Attorney Hanson gave the opening presentation stating that the purpose of the hearing today is for the establishment of the Upper Becker Project and the adoption of a water management district ordinance as an amendment to the Watershed Management Plan.

Engineer Bents gave a PowerPoint presentation describing the background of the project. Bents stated that if the board approves the project there will be several permits that must be obtained including a dam safety permit and wetland impacts approval. The proposed project will acquire 1080 acres of land. Managers hired an appraiser to establish land value and a negotiator, Dennis Ertelt, to work as a liaison with property owners to negotiate for land acquisitions. The project will cost approximately \$10.6 Million with a commitment of approximately 81% from other sources and a local cost of \$2 Million.

Managers met previously in Ogema and Ulen with landowners and Riceville Township officials to discuss issues brought up by Riceville Township. Bents also discussed payment in lieu of taxes, which currently the rate is a maximum of \$4 per acre over a 20 year period.

The Watershed District will need to pass an ordinance to their watershed management plan and also a Water Management District (WMD) which would pay for local share of the project and determine the method of determining charges. The Board of Water and Soil Resources (BWSR) will hold a hearing later on in this day to hear from landowners and later make a determination on the approval or denial of the District's request to pass an amendment to their plan. The costs to landowners would be calculated on a cost per acre runoff basis.

The District's hearing is to allow property owners to present testimony on the project and following the presentation, attendees were allowed to give testimony.

George Read asked why the cost to Ogema which has a very small population was high, compared to the following other cities: Ogema \$7,200; Hitterdal \$4,900; Borup \$1,400; Perley \$7,200. Bents stated that the cost is not based on population; it is based on the boundary and percent of runoff. Bents also stated that the cost is spread out for a period of 10 years, it is not a cost per year.

Dave Stumbo asked what would happen to the local cost share if there were cost overruns. Bents stated that the local share would remain the same and the overruns would have to be obtained from another source.

Jim Jirava asked about the permanent pool and felt that the dam would hold more water if there were no pool. Engineer Bents stated that the permanent pool is a natural resource enhancement and would probably be about a 200 acre feet of storage and there would be enough capacity without that pool.

Tom Teiken stated that he already has 10-40 acres of crop damages and asked who would be paying for the added cost to his losses. He felt he was not benefiting from the dam and opposed the taxation.

Dick Smith stated that he had concerns about a WMD for this project and if another project were brought forward, a WMD on that and the stacking of WMDs on property owners. Attorney Hanson stated that each time a WMD would be requested by the District, the BWSR would have to approve it. The District being able to obtain one WMD did not automatically give them the ability to have additional ones without going through the process.

Chuck Larson asked what percentage of the project the DNR contributes. Engineer Bents stated that although the funding comes from the DNR, the money is actually bonding money from the state legislature which uses the DNR as an agent to funnel the money to local agencies.

Carol Halvorson stated that she didn't understand why landowners like her had to pay for holding the water that comes from the east. She stated that it is not her water, and reported that even with a ring dike; she had to move her home near Hendrum because of floodwaters.

Tom Bergren repeated the list of issues that he had presented to the board previously at board meetings.

Bill Zurn asked the Board to vote against the WMD and stated that what was proposed to him one and one half years ago is totally different than now. Landowners asked for a vote from the audience.

Steve Jacobson stated that he has been at a lot of flood meetings, where people have concerns, but he was not sure that there is a cross section of people at the meeting to take a vote. He felt that the project was a foundation for storage and although it wasn't a large reduction, it was a beginning. He stated that opposition can impact a meeting by packing the meeting with people with a certain agenda. Jacobson also stated that he also is paying for the project on his property which the estimated cost per acre is \$0.70 cents per acre for ten years which is a considerable cost, but he felt that it still needed to be done.

Mark Harless stated that he couldn't believe what he was hearing, he stated that he appreciates the opponents concerns, but there are impacts downstream. He stated that the Watershed Board has looked at a lot of different projects, and if we are not going to store water here, then where are we going to store it? This is an existing structure, it is permissible, and the permitting process and the environmental issues can be addressed. He stated he appreciated the concerns and the tax base, but he hoped that the opponents can have some consideration for the landowners downstream. He stated that if the board would vote not to offer this project, they don't belong on this board, and the Watershed Board may just as well fold up with whole project. Scott Balstad stated that he agreed with Harless, there has to be someplace to start. He had previously discussed the project with the Administrator of the Sand Hill District who stated that for reduction he thought it needed to start getting towards the goal.

Dick Storsved, a former Norman County Commissioner spoke regarding the increased floodwaters downstream.

Manager Duane Erickson asked if the Board could keep the time frame and record open to wait for written opinions from the public. Attorney Hanson stated that of course the Managers have to decide at some time, but the decision can be held.

Marijo Vik asked if this question could be brought forward as a referendum so the people could vote. Attorney Hanson stated that in Minnesota there are no laws for that. Even if there were a vote, it would not be binding.

Jim Jirava stated that he felt that the board should take a different avenue such as raising the elevations of some of the lakes in the eastern part of the watershed such as White Earth Lake.

There being no more testimony, the Board recessed the meeting at 1:00 p.m. and reconvene the meeting at 8:30 a.m. on March 25, 2010, at the District office.

At the **March 17** meeting, managers discussed the possible sale of the Richards property. Manager Ista felt the District should sell, Manager J Spaeth felt that someone may want to use it for trade. Manager Austinson and Holmvik felt that the District could hold onto the land until fall. The managers authorized Attorney Hanson to determine if there is a current rental agreement in state, otherwise determine a fair rate for lease of the property. Payment to townships in lieu of taxes was discussed. Attorney Hanson presented information from the MN Attorney General's Office which stated that those payments may not exceed 20 times the lesser of \$4.00 per acre, or the tax amounts payable to the town with respect to the land in the last year before it became exempt. The District would need to determine how many dollars per acre of the total tax bill relates to the township as that may wind up being less than \$4.00 per acre and then it would be for 20 years, not an indefinite period, such as the life of the project. The board asked staff to do research regarding taxes to school districts as well as townships. Discussion was held regarding the request to be submitted to the RRWMB for funding for the Upper Becker Project. A board requested 21% or \$2.226 M from the RRWMB. The Board will send a request to the State of Minnesota for 75% cost share funding for the \$10.2 M dollar project of Upper Becker. The managers authorized the final Contract for Deed payment to Kathy Radeck in the amount of \$191,875.27. Several landowners within the audience expressed disappointment and concerns over the amount of the appraisals on their property and firmly stated that in their opinion, the amount the property was appraised for was far too low. Manager Ista recommended that the Board address these issues, maybe hire another appraiser for a comparison. Consensus of Managers was to hold a special meeting in the near future and for new Administrator Tom Wollin to do some research into another appraiser. George Read submitted a request for payments in the amount of \$3,321 for his private legal fees that he

felt were necessary to correct his option. Managers agreed to discuss the George Read request at the special meeting. Manager Austinson submitted a proposal from Agassiz Drain Tile for Section 11, Goose Prairie Township/Lee property for possible Anderson trade. The proposal was \$656.67 per acre or a total of \$98,500. Austinson stated that in discussion with Lowell Anderson, he had agreed to trade for the Lee land if it were tiled.

Managers discussed the funding options for the Upper Becker Project. The RRWMB agreed to provide 1.15M in funding but require a Step 3 submittal but extended the time to one year from the date of signing. The approval however, is contingent on the District repaying the \$600,000 owed the RRWMB prior to obtaining the \$1.15M. The managers (with Manager Erickson opposed) authorized obtaining a loan in the amount of \$600,000 against the Richards land for the purpose of repaying the amount owed the RRWMB. Discussion was held regarding noticing the upcoming hearing. The managers agreed to notice the hearing for Upper Becker for Thursday April 22, 2010 and local funding to be shown at 10%.

At the **April 14** meeting, Eric Zurn stated that he was opposed to the Upper Becker Dam Project and asked if a Benefit Cost ratio had been completed. Attorney Hanson explained that doing a BC ratio isn't necessary for this project. Tom and Ronnie Baker asked about the J.D. #51 ice control structure being replaced. They were informed that this is a FEMA project and until written approval is received from FEMA, the District cannot move forward.

Tom Bergren discussed the issues with the Riceville Township road and the fact that Riceville Township felt the ditch system should pay for road repairs over the last several years. Engineer Bents presented the proposed Five Year Plan of the WRWD, which if approved, Ron Harnack would present to the State of Minnesota for funding of Flood Mitigation Projects. A motion was made by Manager Ista and seconded by Manager Holmvik to submit the proposed five year plan to Ron Harnack as a request for funding from the State. Carried with Managers Erickson, Aanenson and D Spaeth opposed.

George Read submitted a request for payment of his attorney fees, as a result of needed changes in his documents related to land acquisition on Upper Becker. The managers tabled Read's request at this time. Managers were reminded of the reconvened hearing at 10:00 a.m. on April 21, 2010, at the Ada VFW Meeting Room.

Dennis Ertelt presented his negotiator's report and discussion followed. Managers discussed the fact that there is not a current appraisal on the Kragnes property that the District now owns. The managers authorized an appraisal of the property with staff to research alternative appraisers and come back to the board with an update on proposals or costs based on production activity.

The board closed the meeting to discuss land negotiations for the following parcels of property: Loren Jetvig, Gerald Jirava and Lowell Anderson. The meeting was closed at 12:00 Noon.

At the **special meeting** held **April 21**, discussion was held regarding whether there was a need for an appraisal on the Richards property. Manager J Spaeth asked if this property could be used for trade. Managers consensus was for Administrator Wollin to assemble a spreadsheet illustrating all options, purchases, prices, etc. of the landowners on Upper Becker for Managers to better understand what properties are under easement, purchase agreement, prices, etc.

The **hearing on the Upper Becker Project** was held at 10:00 a.m. on Wednesday **April 21, 2010**, at the VFW meeting room in Ada, Minnesota. Managers in attendance included Diane Ista, Joe Spaeth, Greg Holmvik, Joe Spaeth and Dean Spaeth. Absent: Duane Erickson and John Austinson. In addition the following persons were in attendance: Administrator Tom Wollin, Assistant Administrator Loretta Johnson, Attorney Hanson, Engineer Jerry Bents, and interested landowners. Chairman Christensen called the hearing to order at 10:15 a.m.

Attorney Hanson gave the opening presentation stating that the purpose of the hearing today is for the establishment of the Upper Becker Project. Hanson stated that the initially the local share of funding was intended to be through a Water Management District (WMD), however the Watershed District decided to drop the WMD and fund the local share through the Red River Construction Account. He stated that the meeting today is to consider evidence and testimony and make a decision to either establish a project that is conducive to public health and promotes public welfare and is compliant with the District's Water Management Plan or deny the project.

Engineer Bents gave a PowerPoint presentation describing the background of the project. Bents stated that the original cost estimate was \$10.6 Million, however with the increase in land cost the latest

estimate may be up to \$11.5 Million. Bents stated that because of the possible availability of outside funding, the local project cost is estimated at \$1.1-1.2 Million dollars.

Following Engineer Bents presentation, members of the audience were given the opportunity to give testimony. Following are a few of the comments. Riceville Township's included their opposition due to the fact that they had road issues, and felt that their area already had two dams. Bill Zurn asked if the Board was going to make a decision today due to all board members not being at the meeting. Attorney Hanson stated that was a board decision. Wally Eid, Mahanomen County Commissioner, stated that their county's resolution regarding opposition to the project was for the Water Management District, not the project itself. Mr. Zurn asked if Manager John Austinson had an interest in the dam. Also brought up by the public was the fact that Manager Erickson may have a conflict of interest due to ownership or rental of land in the area. Eric Zurn stated that if this project goes forward, he will be forced out of business. Tom Bergren commented that if the District uses all of its funds from the Red River Construction to build this project, will they have funds to build another one. Clay County Commissioner, Wayne Ingersoll, stated that he was not in favor or against this dam, but asked if there were funds set aside for long term maintenance. Bill Zurn expressed concerns about living downstream of the dam and the fear of overtopping and destroying the dam due to a large storm event. Norman County Commissioner and landowner, Steve Jacobson stated that he felt it was a start of flood retention, he too, would be paying taxes on his land for the project, but felt it was needed. Mark Harless, landowner, stated that this was a start; flood control is needed, and felt that Managers should proceed.

There being no further testimony given, consensus of Managers was to not make a decision without the full board present. The hearing was recessed until 10:00 a.m. on Wednesday, May 12, 2010, at the District office. Chairman Christensen recessed the hearing at 12:00 noon.

At the **May 5 special meeting**, Administrator Wollin presented a timeline on the chalkboard with information regarding the three possible options for the Board to consider on the Upper Becker Project, which included doing nothing or stopping the project, changing the plan, and moving ahead with the project. The costs for each were discussed. Also discussed was amount of funds that the District would need to move forward with the Project, if that is what they decided. Discussion was held regarding the fact that the Jirava option is due May 15, 2010, and there may not be time to obtain the necessary amount of funds by the 15th. The managers (with Manager Erickson opposed) authorized Attorney Hanson to work with Jirava's in an attempt to extend the length of the option.

Administrator Tom Wollin read through the Negotiator report prepared by Dennis Ertelt, dated May 3, 2010. Attorney Hanson discussed the Jetvig option and stated that there were necessary changes that need to be incorporated into the document prior to signature by the Board. If policy has been established by the board regarding the price paid for purchase options, this needs to be reconsidered as the price for the Jetvig option is considerably higher. The board authorized Attorney Hanson to work with Dennis Ertelt in re-negotiating the proposed option agreement and table any action by the Board until the May 12, 2010, meeting.

Administrator Wollin discussed the road repair costs request for reimbursement, submitted by Tom Bergren for the past 30+ years, that Bergren feels are a result of Project #4 Becker Dams. Consensus of Managers was for Wollin to prepare three options for settlement and bring them to the board meeting on the 12th of May for action by the Managers.

Attorney Hanson and Administrator Wollin discussed possible conflict of interest of Erickson and Austinson, which was brought up by landowners on the Upper Becker Project at the reconvened hearing on the 21st of April. Hanson stated that conflict of interest for all board members can be real or perceived and although neither the statutes nor Robert's Rules of Order, which is referred to in the District rules, aren't very clear on what the penalty could be, one of the provisions is that if the results of a motion directly affect any board members they must abstain from any voting or discussion.

At the **May 12 regular meeting**, Administrator Wollin presented the Managers with three options to resolve George Read's request for reimbursement for legal fees as a result of purchase option agreements, which came to his attention after other landowners received these fees. 1) pay the request of \$3,321; 2) pay fifty percent of the cost or \$1,660.50; 3) pay nothing. Attorney Hanson cautioned the Managers against going into the payment as Read's contract specifically states that Read is responsible for his own fees. The managers agreed to pay the full amount of \$3,321 with Managers J Spaeth, Holmvik and Christensen opposed.



Administrator Wollin presented the Managers with three options to resolve the request by Riceville Township for reimbursement of fees to repair roads near the Upper Becker Dam. Wollin noted that Project #4, Upper Becker Dam has approximately \$75,000 in the account. 1) Pay full amount of request of \$10,365.10; 2) Pay legal option with statute of limitations in the amount of \$2,470.38; 3) Pay the current year's billings which are zero. The managers agreed to pay the full amount of the request for \$10,365.10, the amount which will be taken from the Project #4 account. Bergren and Zurn agreed to take care of the signing portion of the request.

Engineer Bents stated that he didn't have any project update. Administrator Wollin distributed a spreadsheet illustrating land costs, trades, values established by appraisals, easements or acquisition, purchase price, swap or purchase, transaction status and percentage of agreement. Managers liked the information illustrated in the spreadsheet. Attorney Hanson discussed the James and Margaret Jirava option which has been exercised, however the District does not have enough funds to purchase at this time. The board approved (with Manager Erickson opposed) the addendum prepared for the purchase option which grants an extension until June 15, 2010, with interest paid to Jiravas at \$126 per day.

The board considered the following proposal from Manager Erickson:

Duane Erickson

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

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

Discussion followed. Manager J Spaeth asked how much storage the project is losing. Erickson stated that there would be 3200 cubic feet of storage. Manager Ista stated that it was hard for her to understand with the reduced amount of storage, RRWMB support for the current project with the star values and criteria necessary, approval by the Project Team and agencies, state funding very positive, how they would think of throwing the money away and not going forward with the project. Erickson asked if we had the permits in hand. Ista replied, not in hand but that is not the process of the project. Ista stated that the District has been working on this project for a long time and now Erickson brings a design with changes, without financial plans, losing options and extra engineering for design costs. Erickson stated that it was not his idea but the landowners. Chairman Christensen called for a vote which carried with Managers Ista, Holmvik and J Spaeth opposed.

Manager Erickson stated that Congressman Collin Peterson was in favor of this motion and presentation. Manager Ista asked him what he meant by the fact that Representative Peterson was in favor of this motion. Ista also stated that she felt the board was now being led by outsiders. After considerable discussion the motion was rescinded until the hearing is in progress.

On **May 12**, Chairman Christensen reconvened the **Hearing on the Upper Becker Project** which was recessed on April 21, 2010. Testimony on the project began. Landowner Curt Jacobson stated that there have been many landowners who have had acquisition as a result of flooding on the South Branch River and disagreed with the amending the proposed project to a reduced amount of 3,800 acre feet of storage. He encouraged the Managers to move forward with the original project as proposed. William Zurn felt that landowners in that area had done their part. Charlie Pazdernik, Mahnomon County Commissioner, stated that he would prefer doing something a little more moderate and if you are going

down this road, there is a lack of funds. Administrator Wollin stated that at this point there are no additional taxes being levied for the project. The funds being used will be from current taxing. Hendrum Mayor, Curt Johannsen, stated that since 1997 the City of Hendrum has had five major floods, four of which are top levels of flood of all time. They have had two major floods in the last two years and were very close to overtopping the levee system this last year. He stated that the original proposed project is a good project, we need retention and let's lead by example and get something done. Norman County Commissioner Steve Jacobson stated that retention is fundamental to stopping our flooding. This is a good project. Tom Bergren stated that you are talking about flooding 1,100 acres of land for ¼ inch reduction and asked if there was any money set aside for an increase of costs. Engineer Bents stated that the budget includes a contingency that would likely be used for cost increases. Mick Alm, Norman County Engineer and Hendrum resident stated that with the floods there is also the isolation and lack of ability to get in or out of these small cities and the damages to roads and infrastructure. Alm stated that whatever retention is there, he is fully supporting it. Brian Borgen stated that financially he lost his entire farm as a result of flooding, is living in Hendrum. Mark Habedank stated that we all need to have a basic respect for all people, and support's the motion presented by Manager Erickson.

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

#### **STATE OF MINNESOTA WILD RICE WATERSHED DISTRICT**

##### **In Re The Matter of the Establishment Order of the Board of Managers Of Project #42 – Upper Becker Dam Establishing Project #42 Enhancement Project**

Pursuant to Minnesota Statutes §103D.605, the Wild Rice Watershed District held a public hearing to consider the establishment of Project #42-Upper Becker Dam Enhancement Project.

The managers provided notice by publication in the official newspapers of the District as provided by law and affidavits of publication were presented to the Board of Managers and incorporated into these Findings by reference.

The managers held the public hearing on February 17, 2010, at 10:00 a.m. at the VFW at 415 W. Main Street in Ada, Minnesota. The board heard all parties interested in the proposed project, but as the local share of funding for the proposed project was to be paid with a water management district, and BWSR had not yet acted on the watershed district's petition to amend its water management plan to allow a WMD, the board recessed that meeting and noticed that it would reconvene on March 25, 2010, at 1:00 p.m. at the Wild Rice Watershed District Office at 11 East 5th Avenue, Ada, Minnesota.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The board authorized Administrator Wollin to correspond with the MN DNR stating that the current Upper Becker Project wasn't approved today due to lack of votes. Therefore would the DNR consider holding the grant funding for a period of time until a possible alternative is brought forth.

At the **May 18, 2010 reconvened regular meeting**, managers were updated on Upper Becker and discussion was held regarding what to do next. Attorney Hanson reminded Managers that the Jirava option was extended only until June 15, 2010, and at this time the Board does not know how many acres are needed for Option B.

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

The board authorized Administrator Wollin to request the \$1.15 Million in funding from the RRWMB if the District repays the \$600,000.

The following was included in the May 18, 2010 minutes:

**STATE OF MINNESOTA WILD RICE WATERSHED DISTRICT**  
**In Re The Matter of the Establishment Order of the Board of Managers Of Project #42**  
**Upper Becker Dam Establishing Project #42 Enhancement Project**

1. Pursuant to Minnesota Statutes §103D.605, the Wild Rice Watershed District held a public hearing to consider the establishment of Project #42-Upper Becker Dam Enhancement Project.
2. The managers provided notice by publication in the official newspapers of the District as provided by law and affidavits of publication were presented to the Board of Managers and incorporated into these Findings by reference.
3. The managers held the public hearing on February 17, 2010, at 10:00 a.m. at the VFW at 415 W. Main Street in Ada, Minnesota. The board heard all parties interested in the proposed project, but as the local share of funding for the proposed project was to be paid with a water management district, and BWSR had not yet acted on the watershed district's petition to amend its water management plan to allow a WMD, the board recessed that meeting and noticed that it would reconvene on March 25, 2010, at 1:00 p.m. at the Wild Rice Watershed District Office at 11 East 5th Avenue, Ada, Minnesota.
4. The managers again provided notice by publication in the official newspapers of the District, together with affidavits of publication thereof which are incorporated into these findings by reference, of the reconvening of the recessed meeting on March 25, 2010. At that meeting, the board concluded that the proposed WMD method of financing Project #42 was no longer acceptable and that instead the project be funded with up to 75% from the State of Minnesota, that up to a 10% maximum local share by the existing Wild Rice Watershed District Red River Construction account, and the balance be funded through the Red River Water Management Board or other outside sources. Accordingly, the Board of Managers again recessed the establishment hearing to April 21, 2010.
5. The managers again provided notice by publication in the official newspapers of the District as provided by law, together with related affidavits of publication which are incorporated into these findings by reference, regarding the reconvening of the Project #42 Establishment Hearing until April 21, 2010, at 10:00 a.m. at the Wild Rice Watershed District Office at 11 East 5th Avenue, in Ada, Minnesota.
6. At the hearing on April 21, 2010, the board again heard all parties interested in the proposed project regarding any additional/new comments/information which such interested parties desired to present in light of the change in financing for said Project #42.
7. At the April 21, 2010, public hearing, there were two board members absent and the Board of Managers concluded that a recess of the meeting would be in order until May 12, 2010, with the hope that all seven members of the Board of Managers be present at the meeting. Accordingly, the meeting was again recessed until May 12, 2010, at the Wild Rice Watershed District Office at 11 East 5th Avenue in Ada, Minnesota, with the managers providing notice by publication in the official newspapers of the District as provided by law, together with affidavits of publication relative to said notice being incorporated into these findings by reference.
8. Members of the public were present at the public hearing on February 17, 2010, at the reconvened meeting on March 25, 2010, at the reconvened meeting on April 21, 2010, and at the reconvened meeting on May 12, 2010.
9. Minutes were held of the Project Hearing, with separate minutes relating to the February 17th, March 25th, April 21st, and May 12th public hearings of the establishment hearing and the minutes of said hearings are incorporated into this order by reference.
10. The board has considered the presentations made by the District's engineer on February 17th, March 25th, April 21st, and May 12th regarding the project and a copy of the engineer's computer/projector presentation at each of said meetings are incorporated into this order by reference.
11. The board concludes that due to significant flooding and erosion problems within the Wild Rice Watershed District, as well as a desire for natural resource enhancement.
12. The general nature of Project #42 is a flood control, stormwater management project located within the South Branch watershed area of the WRWD and said project will provide flood control, help maintain property values, reduce erosion, and protect public and private infrastructures.
13. Having evaluated numerous alternative methods to reduce flood damages and improve natural resources in the South Branch sub watershed, the board, with the assistance of the District's engineer, has identified a number of components consistent with the flood damage reduction initiative regarding Project #42, and the District's water management plan.
14. The project is part of an incremental approach to flood control within the WRWD, with the board recognizing that no single project will accomplish the objectives for flood control and natural resource

enhancement, but that each project, including Project #42, will be part of an incremental approach to the District's water management plan and flood damage reduction initiatives.

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

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

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

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

19. The total estimated cost of the project is \$10.585 million dollars per the engineer's report with the project costs to be paid as follows: up to 75% of the project costs is to be paid by the State of Minnesota Flood Damage Reduction Program, up to 10% of the total Project Costs. paid from the WRWD Red River construction account; and the balance of the project costs to be paid by the Red River Water Management Board or other outside sources.

20. Based upon the foregoing, managers established the project.

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

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

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

At the **June 9** meeting, Jerry provided the engineer's report on Project B; and stated that they have started going through construction estimates, laying out new dam profile, wetland impacts, within whole bottom of site riparian wetlands, in original project A, we have this band of wetlands in bottom of project, for mitigating will use buffer areas. Good news is hoping to get by wetlands ratio, there is still a net gain based on what we have. Went to RRWMB for funding they allowed up to 3.3M. Star value A 204,500 stars, same calc B 82,000 stars; 40% of star value; B would be approx 1.2Million. The volume goes from 8K to 3K acre feet of storage.

Attorney Hanson provided an update of the legal issues. He stated that in a recent meeting with Jiravas they would be willing to release the District from the option and sell them at least one half of the acreage for the same tillable acre price. They would be willing to accept only \$8,000 in damages. Hanson stated that he would recommend that the District seriously consider agreeing to this, but before a decision is made it might be a good idea for Administrator Wollin to go over the funding update. Wollin stated that the paperwork for the \$600,000 funding package is available at Frandsen Bank and ready to be signed. This includes some unencumbered funds from the District. He stated that this \$600,000 could be used either to pay back the advance to the RRWMB or to purchase the reduced amount of the Jirava property. The board authorized Attorney Hanson to move forward in executing the Jirava option for one half of the property and the Chairman and Vice Chairman to execute the promissory note at Frandsen Bank.

Manager Erickson provided an update of the landowner meeting that he and Manager Christensen held recently with owners within the Upper Becker Project. He stated that they had visited and talked with everyone on an individual basis and also met and shared the proposed option agreement. He asked Administrator Wollin to provide the details. Wollin stated that landowners wanted to



hold more water than Project B and brought forth the Hastings location or Project D. They were hoping that either the NRCS or the SWCD guidelines would be used for seeding areas. Also if there were CRP issues involved asked that the watershed district could administer that area. Erickson stated that the landowners were trying to choose a level that would not affect the Gerald Jirava property and his feedlot. Engineer Bents reminded the Managers that they have in writing approval from Becker County, DNR and MPCA that even the elevations of Upper Becker Project A will have no impact on the Gerald Jirava feedlot. Eric Zurn said that Jirava is also concerned about the possibility of future issues and also stated that landowners would not support Project C which was brought out of the Project Team meeting. Erickson asked if Engineer Bents could provide a map illustrating flowage easements for D. Manager Hanson stated that the board also needs to decide how important the possible 75% funding from the State is if they will not support D. Manager Erickson stated that he wanted the NRCS to have the jurisdiction in the waterways of less than 250,000 acres due to landowners not wanting to work with DNR but SWCD and NRCS only. Engineer Bents explained that if you are a landowner/farmer the NRCS controls the wetlands and if you don't abide by the rules, they withhold your farm payment; however if you are not a farmer/landowner, as the District is, the wetlands are under the jurisdiction of WCA and the 404 Clean Water Act, and the results are the same, you can't fill or do anything that applies to wetlands. Consensus of permanent cover and boundaries was that it might be better for landowners to sit down with engineering and staff and actually voice where and what they would like. The board agreed to stop all work on Plan B, move ahead with Plan D and have engineering show the riser crest at 1212, flowage easements and additional lands that are needed.

Administrator Wollin provided the Managers with an update on the recent Project Team Meeting. According to Wollin, the Project Team said the board has asked us for our opinions and views on a project. The agencies, they came to you, here is a project we support, you have asked for our recommendation, and you ignored it. The question, then is, what do you want from us? They have used many hours of theirs and our time that are a cost, and it seems to them that the board disregarded their recommendations. They were disappointed when asked for a recommendation and it was not followed. They saw Project B was a smaller project, we answered questions, they stated we asked if they would support Project B to same level as A. They support project A as they stated, full support from them. They would not give same level of support on B, basically on reduction on size. They could not support a recommendation of 75% support on Project B. In the end the board has the option to build the project. Some members of the work group asked this thought to be brought out, this was another option, talking about using the current, runoff, the idea came out of using gates on riser structure, so that during the spring it would be operated with gates. They fully support Project A so funding could be up to 75%, did not provide that support for Project B, we discussed this option, and no support or denial of this project was made.

At the **special meeting July 1**, Administrator Wollin updated the Managers on the appeal process from the City of Hendrum. Brian Dwight provided information from BWSR. Attorney Hanson stated that BWSR was holding the appeal from Hendrum under the board met on July 1. Manager Ista felt the board was sending mixed messages that if Plan D fails the Board would go back and do Plan A. She recommended a motion to the effect that actually Plan A is dead, as the current Board of Managers would not go back and approve Plan A. Norman County Commissioner and landowner operator, Steve Jacobson who lives southwest of Ada, expressed frustrations with the WRWD Board which he felt spent funds on Upper Becker, Plan A, dollars in engineering, and time and still doesn't come forth with a project. Jacobson questioned the Board on this matter. Landowners stated that the District moved the project forward without the direct knowledge of landowners. Manager Ista strongly disagreed and stated that several meetings were held in the project area and that landowners, themselves brought the project forward. Eric Zurn stated that landowners, however are in 100% approval of Project D as proposed, which has a smaller acre feet of storage but takes less property.

Attorney Hanson stated that with the Hendrum appeal in process the District cannot move forward with Plan D because we should not be moving forward with two things running parallel at the same time. Manager Ista made a motion authorizing the District to go back to Project A if Project D does not come to fruition as a result of mediation, funding and cost. Motion failed for lack of a second. The managers voted (with Managers Ista opposed) and agreed to state that Project A was terminated at the May 12, 2010, meeting and that the Board now supports Project D of Upper Becker. The board

authorized Administrator Wollin to act as contact person for BWSR during the appeal process of Project A Upper Becker, by the City of Hendrum.

**STATE OF MINNESOTA  
WILD RICE WATERSHED DISTRICT**

**Order of the Board of Managers to Not Establish Project #42 in its Present Design**

Pursuant to Minnesota Statutes §103D.605, the Wild Rice Watershed District held a public hearing to consider the establishment of Project #42-Upper Becker Dam Enhancement Project.

The managers provided notice by publication in the official newspapers of the District as provided by law and affidavits of publication were presented to the Board of Managers and incorporated into these Findings by reference.

The managers held the public hearing on February 17, 2010, at 10:00 a.m. at the VFW at 415 W. Main Street in Ada, Minnesota. The board heard all parties interested in the proposed project, but as the local share of funding for the proposed project was to be paid with a water management district (WMD), and BWSR had not yet acted on the watershed district's petition to amend its water management plan to allow a WMD, the board recessed that meeting and noticed that it would reconvene on March 25, 2010, at 1:00 p.m. at the Wild Rice Watershed District Office at 11 East 5th Avenue, Ada, Minnesota.

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

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

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

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

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

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

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

The board considered the opposition to the proposed design of Project #42 of landowners who own property within the area needed for Project #42-Upper Becker Dam Enhancement. Specifically, many of the property owners expressed a refusal to voluntarily convey their property and that the district would be required to exercise eminent domain if Project #42 as proposed is to proceed.

The board considered the testimony expressed at the meetings/hearings of property owners whose land would be needed for the Project and that taking such land would adversely impact their farming/ranching operations.

The board considered testimony from the downstream residents including especially the Hendrum area, and their desire to see upstream storage projects such as Project #42 established as it will reduce flooding and erosion.

The board considered testimony from property owners that the Project #42 as proposed would result in a flow reduction in the stream gauge at Hendrum of about 1/4" and that while such a reduction is in the right direction, it is not significant enough to justify exercising eminent domain to take the land of unwilling property owners.

The board is aware of the significant flooding and erosion problems within the watershed district, and especially within the area immediately affected by the proposed Project #42.

The board finds that Project #42 will provide limited flood control benefits, will reduce erosion, and will help protect public and private infrastructure, but that such benefits are outweighed by the lack of local landowner support in the area where the footprint of Project #42

The board is aware that Project #42 is an incremental approach to flood control within the WRWD, but that property owner support for such a project is important.

The board heard testimony from property owners in the footprint area of the proposed Project #42 that their opposition to the project would turn to support if an alternate design of said project were pursued by the board and that the district may have little, if any, eminent domain to exercise.

The board is aware that funding for Project #42 appears available and that to explore another design for Project #42 may affect funding, but the lack of local landowner support results in a negative impact on promoting the general welfare of the district generally, and the Project #42 area specifically.

The board finds that an alternate design of Project #42 with increased local property owner support as was presented by Manager Erickson should be explored as such an alternate design may better promote the general welfare of the area.

Based upon the foregoing, the board voted, and it is hereby ORDERED by the managers to not establish Project #42 in its present design.

Based on the foregoing, it is further ordered that Project #42 is continuing consistent with what was presented by Manager Erickson and the district's engineer is instructed to prepare an alternate design(s) for Project #42 and present the same to the board when ready for further consideration by the board.

At the **July 14 regular meeting**, Wayne Ingersoll, Clay County Commissioner, addressed Managers asking for an update on the appeal by the City of Hendrum regarding Project A of Upper Becker. Attorney Hanson stated that Hendrum had not withdrawn the appeal and is still moving forward. Engineer Bents reported that maps were forwarded to Administrator Wollin which Wollin distributed to landowners to use for them to determine tillable and seeding options and/or flowage easements or fee titles. Wollin recommended bringing the initial footprint and questions to the Project Team meeting which is scheduled for the 28th of July for discussion. The board agreed to provide Project D design and information to the Project Team, requesting that agencies vote on this request. Discussion ensued regarding the Project Team process and the fact that members may not want to vote on it. Erickson stated that he didn't want agencies to stall on an answer; rather he wanted them to make up their mind. Manager Ista stated that she did not want to spend additional funds for engineering when the appeal process is still ongoing for Project A. Engineer Bents reported that no hydraulics, no design or other costs have been incurred by engineering, rather just the footprint of the proposed dam change. Manager Holmvik agreed that it should go to the Project Team and verbally landowners are agreeing but felt it was important to get signed easements. Manager Hanson asked what engineering was necessary. Engineer Bents stated that no additional engineering was needed for the Project Team meeting, what is needed is signed options. Consensus of the board was for Managers Erickson and Christensen to confer with Attorney Hanson on easements to review documents and provide to landowners. The chairman called for the vote. Motion passed with Manager Ista opposed. Attorney Hanson read the entire Order of the Board of Managers to Not Establish Project #42 in the current design of Project A. Considerable discussion was held. The board approved the Order with the change of 1/4" as stated by landowners. The board agreed (with Manager Ista opposed) to amend the motion to leave the Order as originally stated by Hanson. The Order was approved as amended with Manager Ista opposed. Following is a copy of the Order:

**STATE OF MINNESOTA  
WILD RICE WATERSHED DISTRICT**

**Order of the Board of Managers to Not Establish Project #42 in its Present Design**

1. Pursuant to Minnesota Statutes §103D.605, the Wild Rice Watershed District held a public hearing to consider the establishment of Project #42-Upper Becker Dam Enhancement Project.
2. The managers provided notice by publication in the official newspapers of the District as provided by law and affidavits of publication were presented to the Board of Managers and incorporated into these Findings by reference.
3. The managers held the public hearing on February 17, 2010, at 10:00 a.m. at the VFW at 415 W. Main Street in Ada, Minnesota. The board heard all parties interested in the proposed project, but as the local share of funding for the proposed project was to be paid with a water management district (WMD), and BWSR had not yet acted on the watershed district's petition to amend its water management plan to allow a WMD, the board recessed that meeting and noticed that it would reconvene on March 25, 2010, at 1:00 p.m. at the Wild Rice Watershed District Office at 11 East 5th Avenue, Ada, Minnesota.
4. The managers again provided notice by publication in the official newspapers of the District, together with affidavits of publication thereof which are incorporated into these findings by reference, of the reconvening of the recessed meeting on March 25, 2010. At that meeting, the board concluded that the proposed WMD method of financing Project #42 was no longer acceptable and that instead the project be funded with up to 75% from the State of Minnesota, that up to a 10% maximum local share by the existing Wild Rice Watershed District Red River Construction account, and the balance be funded through the Red River Water Management Board or other outside sources. Accordingly, the Board of Managers again recessed the establishment hearing to April 21, 2010.
5. The managers again provided notice by publication in the official newspapers of the District as provided by law, together with related affidavits of publication which are incorporated into these findings by reference, regarding the reconvening of the Project #42 Establishment Hearing until April 21, 2010, at 10:00 a.m. at the Wild Rice Watershed District Office at 11 East 5th Avenue, in Ada, Minnesota.
6. At the hearing on April 21, 2010, the board again heard all parties interested in the proposed project regarding any additional/new comments/information which such interested parties desired to present in light of the change in financing for said Project #42.
7. At the April 21, 2010, public hearing, there were two board members absent and the Board of Managers concluded that a recess of the meeting would be in order until May 12, 2010, with the hope that all seven members of the Board of Managers be present at the meeting. Accordingly, the meeting was again recessed until May 12, 2010, at the Wild Rice Watershed District Office at 11 East 5th Avenue in Ada, Minnesota, with the managers providing notice by publication in the official newspapers of the District as provided by law, together with affidavits of publication relative to said notice being incorporated into these findings by reference.
8. Members of the public were present at the public hearing on February 17, 2010, at the reconvened meeting on March 25, 2010, at the reconvened meeting on April 21, 2010, and at the reconvened meeting on May 12, 2010.
9. Minutes were kept of the Project Hearing, with separate minutes relating to the February 17th, March 25th, April 21st, and May 12th public hearings of the establishment hearing and the minutes of said hearings are incorporated into this order by reference.
10. The board has considered the presentations made by the District's engineer on February 17th, March 25th, April 21st, and May 12th regarding the project and a copy of the engineer's computer/projector presentation at each of said meetings are incorporated into this order by reference.
11. The board considered the opposition to the proposed design of Project #42 of landowners who own property within the area needed for Project #42-Upper Becker Dam Enhancement. Specifically, many of the property owners expressed a refusal to voluntarily convey their property and that the district would be required to exercise eminent domain if Project #42 as proposed is to proceed.
12. The board considered the testimony expressed at the meetings/hearings of property owners whose land would be needed for the Project and that taking such land would adversely impact their farming/ranching operations.

13. The board considered testimony from the downstream residents including especially the Hendrum area, and their desire to see upstream storage projects such as Project #42 established as it will reduce flooding and erosion.

14. The board considered testimony from property owners that the Project #42 as proposed would result in a flow reduction in the stream gauge at Hendrum of about 1/4" and that while such a reduction is in the right direction, it is not significant enough to justify exercising eminent domain to take the land of unwilling property owners.

15. The board is aware of the significant flooding and erosion problems within the watershed district, and especially within the area immediately affected by the proposed Project. #42.

16. The board finds that Project #42 will provide limited flood control benefits, will reduce erosion, and will help protect public and private infrastructure, but that such benefits are outweighed by the lack of local landowner support in the area where the footprint of Project #42 would exist.

17. The board is aware that Project #42 is an incremental approach to flood control within the WRWD, but that property owner support for such a project is important.

18. The board heard testimony from property owners in the footprint area of the proposed Project #42 that their opposition to the project would turn to support if an alternate design of said project were pursued by the board and that the district may have little, if any, eminent domain to exercise.

19. The board is aware that funding for Project #42 appears available and that to explore another design for Project #42 may affect funding, but the lack of local landowner support results in a negative impact on promoting the general welfare of the district generally, and the Project #42 area specifically.

20. The board finds that an alternate design of Project #42 with increased local property owner support as was presented by Manager Erickson should be explored as such an alternate design may better promote the general welfare of the area.

21. Based upon the foregoing, the board voted, and it is hereby ORDERED by the managers to not establish Project #42 in its present design.

22. Based on the foregoing, it is further Ordered that Project #42 is continuing consistent with what was presented by Manager Erickson and the district's engineer is instructed to prepare an alternate design(s) for Project #42 and present the same to the board when ready for further consideration by the board.

At the **August 14** meeting, Manager Erickson updated the Managers on the status of the land acquisition for Upper Becker Site D. Erickson stated that he was very disappointed with the results of the Project Team meeting when agencies stated that they did not want to make any commitment until the appeal process is completed by City of Hendrum and BWSR. Erickson asked Engineer Bents if he or Houston Engineering assisted in any way the City of Hendrum appeal, to which Bents stated no. Erickson asked if any board members assisted and Manager Ista stated that she did provide them with information, no different she felt than information other board members are providing to their constituents. Erickson stated that there is support from landowners for Project D except Jim Hastings. Manager Austinson stated that Tom Bergren wants the project engineered so that his property is not included. Erickson stated that Project D is where the landowners want to go, however he didn't know what to do now, as is the District going to spend additional funds to move forward with D or not. Manager Hanson asked how much it would cost to do a presentation with engineering costs included; Bents stated approximately \$6-\$8K. Bents asked Erickson if any landowners signed easements and Erickson stated no. Erickson also indicated that he was reluctant to go out and get signed options. Manager Holmvik asked Manager Christensen if even one landowner had signed an easement and he stated no. Holmvik stated that he felt if board members are unwilling to condemn Jim Hastings land (and they have indicated that they would not); there would be no reason to spend more money. Discussion was held regarding meeting with the City of Hendrum, which holds its regular council meeting at 7:30 p.m. on September 13, 2010, at the community center. Managers would discuss the options and see if Hendrum would withdraw the appeal if they saw that Option D would move forward.

The board authorized Managers Ista, Christensen, and Erickson to attend the Hendrum City Council meeting to discuss the appeal. Managers continued to discuss what the District should do next; Hanson felt that they should not do anything until the appeal process is over, to which Holmvik and Christensen agreed. Manager Erickson stated that with the confusion of the project names should the board remove Option B as an option. The managers agreed (with Manager Ista opposed) to move ahead with Project D after the appeal process is over, unless the appeal is against the District.

Staff reviewed the correspondence received from the Red River Water Management Board (RRWMB) regarding funding for the Upper Becker Project. The board authorized staff to send the RRWMB a letter updating the District's status with the Upper Becker Project A.

At the **September 8** meeting, it was reported that the Hendrum City Council Meeting for the purpose of trying to negotiate with Hendrum over the appeal that they submitted to BWSR is scheduled for 7:30 p.m. on Tuesday the 14th of September. Managers Erickson, Christensen and Ista are to attend. Manager Hanson raised his concerns regarding the fact that the District was sending Manager Ista as a representative to negotiate but she stated at the last Board meeting that she assisted Hendrum in writing the appeal. Ista stated that was not true, she only provided the information and rules that they requested. The board agreed to adjust the committee membership to reflect the position of the board and not Ista's. Discussion followed. The board appointed Manager Austinson to be appointed to Ista's place. Consensus of Managers was for staff to contact City of Hendrum for a time slot on their agenda.

At the **September 22** meeting, Attorney Hanson stated that there is no new information on the City of Hendrum's appeal of the Upper Becker Project.

At the **October 13** meeting, a spreadsheet listing the status of the easements and options for Upper Becker was distributed to the Managers for review. Manager Holmvik asked if the properties described would be needed in any other project on Upper Becker than Project A. Engineer Bents replied that the majority of the properties listed are not needed for Project D except some could be used for a grass buffer. Manager Hanson stated that until the appeal process by the City of Hendrum on Project A is completed there isn't much the District can move forward on. Attorney Hanson reported that he had recent communication with Travis Germundson, BWSR and Attorney William Brudvik representing the City of Hendrum in the appeal. They indicated that an informal resolution meeting is scheduled for 11:00 a.m. on Monday October 25, 2010, at the office of MnDOT in Detroit Lakes. A **motion** was made by Manager Hanson that the following three board members, Managers Erickson, Christensen and Hanson attend the meeting along with Attorney Hanson and Engineer Bents and present the Watershed's position on Project D and only Project D. **Seconded** by Manager Christensen. **Carried. Manager Ista opposed.** Engineer Jerry Bents will provide the statistics and detail of the project. Ista stated that she did not agree with pursuing Project D as she felt that the obstacles with Project A could have been overcome and worked out.

George Read, landowner, read the following letter that he wrote to the City of Hendrum regarding the appeal. "Good people of Hendrum,

I speak to you in the spirit of cooperation. I promote water retention. I and many of my neighbors from the eastern part of the Valley have stepped forward to fight floods. We are not strangers to adversity.

Two and a half year ago, I was approached regarding gating and raising the Upper Becker Dam, which is located mostly on my farm. At first I was in favor of these enhancements. The engineers, without consulting land owners, had already picked an elevation, without regard to consequences. Upon closer examination, and consulting with my neighbors, I became aware of the devastating consequences of the proposed elevation.

I discovered Eric Zurn, Bill Boutwell, Mark Stalberger and I would not have access to some of our cropland as originally proposed, at an elevation of 1220 feet. Gerald Jirava has a feed lot where anything above a 1212' elevation, has potential MICA and PCA problems. A 1220' elevation brings water edge a stones throw from six farm yards. Several of these have small children. Our water table is high to begin with, but an indoor pool in the basement, is not an option. We need the water out of our yards.

There has not been a cost, benefit analysis done to determine if the proposed \$11,000,000.00 enhancements to the current dam would remedy an equal benefit, or any benefit of significance at all. If there were a dam built across the whole beach ridge and never released a drop, there would still be flooding if you had one inch more rain than the ditches would hold. Flooding our sugar beet fields to protect other sugar beet fields is a waste of taxpayer money.

I quote from TIME Magazine, August 9 2010, page 9: 'The American Society of Civil Engineers says 4,095 of the nations 85,000 dams are in need of repair, including 1,826 that could cause loss of life if they failed.' This equates to 44% of those needing repair are potential killers. Who would like to live directly below a dam? Who is willing to take personal responsibility for this dam, and guarantee it will never



fail. At 1212', those down stream are much safer in the event of a breach. Headlines abound with engineering failures, Titanic, Hwy 35 Bridge, Iowa dam, Toyota...

On May 12, the Wild Rice Watershed District voted down the 1220' elevation with 7936 acre feet gated storage, and accepted a 1212' elevation with 3288 acre-feet storage. On June 8 ' landowners and three WRWD managers and the administrator met. We suggested moving the dam south 1/2 to 3/4 miles. This would increase capacity to approximately 5500 acre-feet. This is 70% of the original proposal, without hardships or hard feelings. Enhancing the current dam to a gated structure requires reinforcing 1.25 miles, as opposed to a 1/4 mile gated structure to the south.

This is where we draw the line, and we will defend this line. Do not underestimate our resolve. If you withdraw your appeal we can cooperate and build this dam together, and soon. Or you can alienate yourselves, and fight until there is no money left for flood control. Future flood control projects depend on goodwill. If we aren't treated fairly, no one else will consider cooperating.

Your neighbor in the eastern part of the valley, George Read"

At the **November 11** meeting, Attorney Hanson reported on the status of the current appeal of the Upper Becker Project by the City of Hendrum. An unofficial hearing was held on the 9th of November, which Attorney Hanson and Managers Erickson, Christensen and Hanson along with Administrator Kevin Ruud, attended. The District's position as presented was that they would move forward with Project D if the appeal by the City of Hendrum is dropped. Attorney Hanson stated that Hendrum will hold a City Council meeting in which they will decide and if they agree to that condition, would present a resolution stating that fact from their city council meeting.

At the **December 8** meeting, Jim Hastings, landowner and operator within the Wild Rice Watershed District, gave the following presentation on his thoughts regarding the future of Project #42 Upper Becker. From his notes:

Topic: Upper Becker Enhancement Project.

My father and grandfather bought land in Becker County in the 60s. It was good land and we had good neighbors. I represent my father's land. My son John farms that land and John and I farm land West and North and East of Felton, Ulen, Ogema and Mahanomen. We try to do the best job of farming we can, keeping erosion down from the water and blowing.

We need to look at this watershed district as a farm, and get rid of the we and they attitude and fix the problems. Because our farm is spread throughout the District, we have traveled the roads, many different routes, more than most. This gives us time to think.

Since the 60s land has changed, soil bank came out, most cattle farming went out as did pastures. Intensive farming and ditching came in, most all ditches are now mowed, there is nothing to hold the water back, and it comes faster all of the time because our streams and rivers are blown out with more erosion, which this District needs to address. If we don't we will have to dredge the streams and rivers out because of all the sediment in the bottom. We have untold losses at roads, bridges, etc.

This is the third time I have come to the board. Steve Dalen came and explained soil boring on Project A, and I told him that the dam is going in at the wrong place. Look at 3/4 of a mile south, which he said they would do. We farm the land and again it has a lot of potential. The second time was the summer of 2009 when there was an informational meeting at Callaway on Project A with Jerry Bents. It was an open and good meeting. Again I asked about the 3/4 mile south site. I found out it was never brought up before, and there was a lot of interest.

I thought if we as a district are serious about water retention, this site would be much better because of more capacity for a bigger event. This site could be cheaper to build because there is less of a span. This went to the Board and went through channel and was voted down. I respect that. Then the board was back to Project A and A was voted down after spending 2 million dollars.

Board members Duane Erickson and Mike Christensen met me in Ogema over a pop, after the vote was over and informed me about the vote. I really couldn't believe it; well what's next I said? The response was going to Project "B" of 3,800 AF of storage. I replied why don't you put all or hold and see what the rest of the District wants to do or look at 3/4 miles south of the project. It would be really best to just wait.

So now we are in Project "D" without meeting with the advisory committee and the District really not knowing a lot about Project D. Duane and Mike knew my feeling on the 3/4 mile south site (size wise, bigger capacity).

This is the third time I have come to the Board today. I realize there was a meeting in Ogema on Project D. Duane knew my feelings. You see I am in the middle; I have lots of neighbors up and down the District. I feel Project C or more was the best way to go.

The question I now have is how can North Dakota come up with a 60,000 AF project and we as a District sit here and push for the minimum size project to get funding from the Red Board or other, when this project has its potential there for more!! Well from the outside looking in and the people at the state level and local level are really wondering what is going on in our district. I read a lot about Collin Peterson, the possibility of money for water retention in the future. That is another reason for waiting.

Nobody has informed our family about how many acres are involved in Project D (our farmland acres). Yet I hear stories of eminent domain being used. O.K. the District wouldn't use eminent domain on Project A, but will now use it on Project D. Please explain this sometime. If eminent domain is the way you choose, look at all the aspects to get the water slowed down, other sites, not just this one. Land values have changed a lot since the appraisal on Project A. What land owner would agree to a price at this time? There is not guarantee of funding or when the project is to be built.

Get Real!!! This project has a long way to go to be professional. You need a negotiator when it comes to that, not a watershed board member. Let's look at the big picture in our district. Negotiate an offer two to three times to some farmsites, if they choose and stay at the dam and the dam is deemed safe that is their decision. I searched the internet for how many dams are in the United State. The answer was somewhere between 75-80,000 dams in the U.S.

I am not being simplistic and your job isn't simple. If this district wants to control damage and is indeed serious about enhancement (retention), don't put a 1/2 or a 1/3 project in. Then go to the other site and let's get the job done. This could be the first of many and is long overdue after study upon study or theory upon theory. There are many in the District that really don't want to do anything.

Well remember to treat it like a farm and not as a we/they situation. Let's fix it!! \$2 Million is a fraction of the total cost over the years for solutions and sites that go nowhere. Don't just measure output at Hendrum. Measure on the side of Highway #9 for one.

How many landowner owners at the Ogema meeting actually had land in Project D? (Go to the watershed sheet that was reported to the board.) June 8, 2010, a landowner meeting was held at the Ogema Hall. A couple of paragraphs state that the majority of landowners requested easements. They want to continue to own the property and continue paying taxes on the property that they own and support their townships and counties with taxes. The landowners are also willing to provide additional natural habitat acres for seeding. They want to provide acres that would be equal to acres under Project A. The landowners hope to receive in acres of habitat enhancements that will allow its project team and the State of MN (DNR) to support Project "D" with the share of it up to 75% of funding support level that Project "A" was supported at.

After reading all of this I asked Duane on the phone when he called me about their position on doing the above. His response was that they want to trade. My response was why didn't they say that in the first place? Another landowner meeting was held in Ogema on Tuesday July 27, 2010. Since most if not all of you own farmland, let me know if you want to trade land for a size of even acres for natural habitat and pay taxes on it? Don't all raise your hand at once!

On erosion, when the river and waterways have not been dredged out, why short the lower half of the district? Why should they pay more for that when the sediment has come from the top of the District? On Site Project "D" after you have some water in for the DNR purposes, how many acre feet are we really talking about? Also how big of a rain event will this hold?

Sincerely, James M Hastings,  
Felton, MN.

Attorney Hanson reviewed the following appeal resolution provided by the City of Hendrum regarding a motion and vote on May 12, 2010, by the Board of Managers of the Wild Rice Watershed District, to not establish the Upper Becker Project.

**CITY OF HENDUM  
RESOLUTION**

**WHEREAS**, the Wild Rice Watershed District has jurisdiction and water management responsibilities with respect to the Wild Rice River and its watershed area; and

**WHEREAS**, the Wild Rice Watershed District did consider a project known as the “Project 42-Upper Becker Dam Enhancement Project;” and after consideration did vote on May 12, 2010, not to establish said project;

**WHEREAS**, the City of Hendrum being adversely affected by the flooding of the Wild Rice River, and in need of water retention projects on the Wild Rice River did on June 6, 2010, appeal the decision of the Wild Rice Watershed District to the Minnesota Board of Water and Soil Resources pursuant to Minnesota Statutes 103D Section 535; and

**WHEREAS**, the Wild Rice Watershed District and the City of Hendrum did agree to informal mediation of this dispute before the Board of Water and Soil resources which was held on November 9, 2010<sup>1</sup>, in Detroit Lakes, Minnesota; and

**WHEREAS**, as result of said mediation, the parties agreed to place the city’s appeal in abeyance upon the following conditions:

1. The City of Hendrum will place the appeal of the Wild Rice Watershed District decision not to establish the Upper Becker Dam Enhancement Project, which the parties have designated Option A, in abeyance.
2. The Mayor of Hendrum shall be a standing member of the Project Team for the Wild Rice Watershed District projects.
3. The Wild Rice Watershed District has approved an alternative water retention project, which has been identified by the parties as Option D and will direct the district’s engineers to complete an engineering report and feasibility study for Option D.
4. If said engineering report and feasibility study are completed and, as a result, the Wild Rice Watershed District enters its order establishing Option D, the City of Hendrum will withdraw its appeal.
5. If the Wild Rice Watershed District, for any reason, determines not to proceed with Option D, the appeal shall go forward to an administrative hearing before an administrative law judge upon the district’s decision not to establish Option A forthwith.

Attorney Hanson stated that it would be up to the Board if they wanted to include in the resolution that the Mayor of Hendrum would be a standing member of the Project Team. Manager Hanson stated that he didn’t have a problem with being a part of Project D but did not agree with them being a standing member of the Project Team. Attorney Hanson stated that he had discussion with Attorney Brudvig, and had told him that Item #2 in the resolution might just muddy the waters in regards to the appeal. The board agreed (with Managers Ista opposed) to deny or reject the resolution until it is resubmitted by the City of Hendrum with corrections made to Item #2 to reflect only the Becker Dam Enhancement.

### **C. Water Management District (WMD)**

As the Wild Rice Watershed District moves toward possible flood damage reduction project construction, there have been a lot of discussions with county commissioners about the development of a Watershed Management District (WMD) as a charging mechanism to collect funds for the local share of project costs. Managers approved moving forward with a draft ordinance for a district-wide WMD at their December 2008 meeting.

While managers agreed there is no true consensus of support among commissioners for a WMD, there is general agreement of conditions to allow the Board to update a draft ordinance.

Those points included:

- implement and maintain infrastructure that support the water quality, water quality, and natural resource goals listed in the WRWD Management Plan;
- to provide funding for construction and maintenance of only new projects;
- limiting the annual levy for a new project to \$1 million annually;
- funds collected will cover construction, land acquisition, and all other costs after a project is established;
- include the entire District in the WMD;

- fees will be determined on runoff contributions on both agricultural and in municipalities;
- funds collected through a WMD will be no more than 50% of the project cost;
- a WMD will sunset after 10 years (at which time the WRWD would be required to follow procedures in state statutes to extend the effective time;
- up to 100% of the local share of project funding could be paid using WMD funding;
- establish an advisory board consisting of one representative from each of the six counties in the District;
- create an appeals panel to hear recommendations on appeals related to charging practices;
- land use will be reviewed every five years or land owners can request that land use be reviewed each year by supplying the required supporting data.

At the **January 13** meeting, Managers returned to discussion regarding the Upper Becker Dam Enhancement Project. It was reported that the second part of the District's process will be to implement the **Watershed Management District ordinance** and take that along with the Engineer's Report to the hearing. The ordinance will include how the District will finance the local share of the project. Norman County Commissioner Warren Olson commented that he was not opposed to a WMD or the Upper Becker Project; however, his concern was the plan that his constituents north of Norman County Ditch #1 are included in the assessment area and he was opposed to this. Managers discussed the fact that the payment is not by benefits but rather based on runoff contribution.

Engineer Bents distributed the five year plan draft for board consideration regarding the funding of the RRWMB and stated that in discussions with Ron Harnack stated that there are a lot of projects in the valley and if the District is not ready at this time, there may not be funding left from the RRWMB. Manager Ista stated that she supports the current WMD and supports going to a project hearing and moving forward. After considerable discussion the Board decided to move forward with the WMD, set the hearing date and adopt the ordinance and order the project for 10:00 a.m. on Feb. 17, 2010 with Managers Austinson and Erickson opposed.

Refer to the **February 17** hearing notes under the Upper Becker Dam Enhancement Project, for comments on the Watershed Management District.

At the **April 14** meeting, Manager Erickson brought up the issue of the WMD and Manager Ista reminded him that the WMD was voted on by the board quite some time ago, to be dropped and the District wasn't pursuing that option.

## **D. Other On-going Projects and Programs**

### **1. Permit Applications**

#### **January 2010**

Keith Chisholm, Section 13, Spring Creek Township. The Board authorized a time extension for Keith Chisholm restoration/violation until March 10, 2010.

#### **Tabled**

- Permit Application #1-13-2010-3 MN Dot, Section 19, Shelly Township to replace an existing bridge over the Marsh River and send out notices.
- Permit Application #1-13-2010-1 John Pazdernik, Section 4, Lake Grove Township to construct an ATV bridge across the White Earth River until information provided by the DNR.

#### **Denied**

- Permit Application #1-13-2010-2 Steven Airhart, Section 23, Green Meadow Township to install a 12" inch culvert.

#### **February 2010**

#### **Approved**

- Permit Application #2-10-10-1 MN DOT, Section 19, Shelly Township for a bridge replacement near Shelly Minnesota over the Red River.

- Permit Application #2-10-10-2 Loretel Systems, Section 3, Pleasant View Township to install fiber optic cable under Norman County Ditch #18 with the condition that the cable is install a minimum of 30 inches below the channel bottom.
- Permit Application #2-10-10-3 Loretel Systems, Section 28, Lockhart Township to install fiber optic cable under JD #53 with the condition that the cable is install a minimum of 30 inches below the channel bottom.

### **March 2010**

#### **Approved**

- Permit Application #3-17-10-1 City of Perley, Section 25, Lee Township to install an approach and a 24" CMP, replace another approach with a 24" CMP and construct a seepage ditch surrounding the City's Lagoons, install a 12" to a 24" centerline pipe that outlets to Norman County Ditch #62, with the condition that the ditch authority approves of the outlet to Norman County Ditch #62.
- Permit Application #3-17-10-3 Garden Valley Telephone Company, Sections in Clearwater County to install fiber optic cables below ditches and waterways in Clearwater County with the condition that the cable is installed a minimum of 30" below the channel bottoms of the ditches and waterways.
- Permit Application #3-17-10-4 Mike Myers, Section 19, Mary Township to install screw gates on culverts through the levee ring dike.
- Permit Application #3-17-10-7 USFWS, Section 7, 18 White Earth Township to restore wetlands, block ditches, and dig out ponds in Sections 7 and 18 of White Earth Township, with the conditions that if any problems arise from the construction of these restorations and creations the applicant will be responsible for the necessary repairs and corrective actions as may be determined necessary by the WRWD Board of Managers.

#### **Tabled**

Note: Notice to be sent to adjacent landowners and a field review to be conducted.

- Permit Application #3-17-10-5 Randy Chisholm, Section 12, Strand Township to fill in existing ditches and install new ditches.
- Permit Application #3-17-10-6 Dean Spaeth, Sections 7, 12, 13 & 18 of Marsh Creek and Chief Townships to install subsurface tile and water and sediment basins.

### **April 2010**

Note: The managers returned Permit Application #4-14-10-1 of Erik Zurn, Section 31, Spring Creek Township due to lack of information needed such as detailed design and easement information

#### **Approved**

- Permit Application #4-14-10-2 Loretel Systems, Section 29, Viding Township to install fiber optic cable under Clay County Ditch #14 with the condition that the cable is installed a minimum of 30" below the channel bottom.
- Permit Application #4-14-10-3 Loretel Systems, Section 1, Viding Township to install fiber optic cable under Clay County Ditch #14 with the condition that the cable is installed a minimum of 30" below the channel bottom.
- Permit Application #4-14-10-5 Marc Olson, Section 26, Wild Rice Township to install a field approach and culvert with the requirement that the pipe size is 30" in diameter or larger.
- Permit Application #4-14-10-7 Steve Mjolsnes, Section 12, Felton Township to install a field approach and culvert with the requirement that the pipe size is 24" in diameter or larger.
- Permit Application #4-14-10-8 Gene Kappes, Section 29, McDonaldsville Township to install a 24" culvert under his driveway.
- Permit Application #4-14-10-11 Randy Chisholm, Section 12, Strand Township to fill existing ditches and install new ditches.
- Permit Application #4-14-10-12 Dean Spaeth, Sections 7, 12, 13, 18 Marsh Creek and Chief Township to install subsurface tile and water and sediment basins with the recommendation that the applicant get approval from the NRCS and the SWCD regarding wetland issue.

- Permit Application #4-14-10-6 Norman County Highway Department, Section 14, Waukon Township to replace a wooden box culvert with a new culvert of the same capacity.
- Permit Application #4-14-10-13 Barry Halland, Section 12, Waukon Township to install a culvert an 18" by 80 foot culvert to gain access to his bin sight with the condition that the applicant contact the County Highway Department for authorization to work in the road ditch.

#### **Tabled**

- Permit Application #4-14-10-4 James Renner, Section 34, Viding Township to replace a 24" culvert with a new 24" culvert and construction ditch work along the east side of Section 34 of Viding Township. The landowner in the NE4 of Section 34, Viding Township, and the Viding Township Board will be notified.
- Permit Application #4-14-10-9 John Brandt, Section 11 Lake Ida Township to construct a field crossing across a private ditch. Pipe sizes for the crossing must be provided.
- Permit Application #4-14-10-10 USFWS, Section 33, Spring Creek Township to install a tile outlet for Lindsey Lake. USFWS will be contacted regarding working with adjoining landowners in attempting to remove the water from the road ditch.

### **May 2010**

#### **Approved**

- Permit Application #5-12-10-1 American Crystal Sugar, Section 7, Hendrum Township to install subsurface tile with the condition that the applicant obtain approval from the road authority for any work within the road Right-of-Way.
- Permit Application #5-12-10-3 David Visser, Section 14, Sundal Township to clean and deepen a ditch with the condition that the landowner obtains approval from the road authority for any work done in the road right-of-way and that the landowner install adequate erosion control measures.
- Permit Application #5-12-10-4 MNDOT, Section 27, 28, Winchester Township to replace a 4' x 10' box culvert with the same size with the condition that the culvert is installed at the same elevation and location as the existing culvert.
- Permit Application #5-12-10-5 Titan Machinery, Section 18, McDonaldsville Township to install an approach with an 18" culvert.
- Permit Application #5-12-10-7 John Brandt, Section 11, Lake Ida Township to construct a field crossing across a private ditch with the condition that the pipe(s) have a minimum waterway area of 9.621 ft (a 42" diameter pipe).

#### **Tabled**

- Permit Application #5-12-10-2 American Crystal Sugar, Section 4, McDonaldsville Township to install subsurface tile. Landowners in the E1/2SW4 of McDonaldsville Township will be notified prior to board action.

#### **Denied**

- Permit Application #5-12-10-6 James Renner, Section 34, Viding Township to replace a 24" culvert with a new 24" culvert and construct ditch work along the east side of Section 34 of Viding Township due to the ditchwork would be on a downstream landowner's property and that landowner is opposed to the permit.

### **June 2010**

#### **Approved**

- Permit Application #6-9-10-4, American Crystal Sugar, Section 4, McDonaldsville Township. Landowner Joe Kroshus and a representative from American Crystal met with Managers to discuss the permit application. Kroshus had concerns regarding the downstream road ditch. The managers approved the installation of subsurface tile with the condition that the Kroshus concerns regarding cleaning the ditch are addressed.
- Permit Application # 6-9-10-1, Pleasant View Township, Section 2 and 5 Pleasant View Township to replace a 24 Inch CMP with a 30 inch CMP with longer pipes to widen the roadways.
- Permit Application # 6-9-10-2, Marsh Creek Township, Section 25 Township to construct a field approach with a culvert with the condition that the pipe has a minimum waterway area of 1.767 feet (an 18" diameter pipe).



- Permit Application #6-9-10-3 Doug Spaeth, Section 15, Chief Township to install subsurface drain tile. Manager Dean Spaeth abstained due to a conflict of interest.
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## **July 2010**

### **Approved**

- Permit Application #7-1-10-1 Anthony Township, Sections 16, 17, Anthony Township To replace a damaged 48" culvert with a new 48" culvert with the condition that the culvert is installed at the same elevation and location as the existing culvert.
- Permit Application #7-1-10-2 Aaron Borge, Section 31, Mary Township to install a field approach with a 36" culvert.
- Permit Application #7-1-10-5 Georgetown Township, Section 20, 21, Georgetown Township to replace two 36" RCPs with a single arch pipe with the condition that the equivalent sized arch pipe (65" x 40" inches) is used.
- Permit Application #7-1-10-6 Andy Guttormson, Section 2, Viding Township to lower an existing culvert 1.5 feet with the condition that the adjacent landowner approves the project.
- Permit Application #7-1-10-7 Carol Halvorson, Section 31, Hendrum Township to install a field approach with a 30" or a 36" culvert.
- Permit Application #7-1-10-9 Steve Hlubek, Section 36, Waukon Township to move a field approach with a 24" culvert north approximately 1,000 feet.
- Permit Application #7-1-10-11 Lynn Johnson, Section 28, Pleasant View Township to install subsurface drain tile.
- Permit Application #7-1-10-13 Tim Ness, Section 4, McDonaldsville Township to install a driveway with a 30" or a 36" culvert.
- Permit Application #7-1-10-Ruud Farms, Inc., Section 23, Flom Township 14 to install subsurface drain tile with the condition that the applicant installs adequate erosion control measures at the outlet of the tile systems and with a recommendation that the applicant obtains approval from MN DNR for any work within protected waters.
- Permit Application #7-1-10-15 Stumbo Brothers, Section 13, Goose Prairie Township to install a field approach with a 22" culvert with the condition that a 24" road pipe or the equivalent size is used.
- Permit Application #7-1-10-16 Stumbo Brothers, Section 34, Goose Prairie Township to install a field approach with an 18" culvert.

### **Approved July 14, 2010**

- Permit Application #7-15-10-14 Mark Chisholm, Section 18, Strand Township to install subsurface drain tile.
- Permit Application #7-14-10-15 Mark Chisholm, Section 14, Green Meadow Township to install subsurface drain tile.
- Permit Application #7-14-10-16 Mahnomen County Highway Department, Sections 8, 9, 16, 17, 20, 21, 28, 29 of Island Lake to make culvert changes in the highway approaches.
- Permit Application #7-14-10-1 Kevin Paulsrud, Section 19, Halstad Township to remove an approach, widen an existing approach and install a new pipe and construct a new approach with the recommendation that he apply for a Wild Rice Watershed District permit for additional project features (new approach to the south of the culvert changes).
- Permit Application #7-14-10-2 Andrew Borgen, Section 21, Winchester Township to install subsurface drain tile.
- Permit Application #7-14-10-4 Bruce Brainerd, Section 24, Lake Ida Township to install a side inlet structure to reduce soil erosion.
- Permit Application #7-14-10-5 Charles Bernhardson, Section 32, Shelly Township to replace and lower a 30: CMP with the condition that the same sized culvert is installed equal to or higher in elevation than the 36: downstream culvert and that the applicant get approval from the road authority.
- Permit Application #7-14-10-6 David Arends, Section 35 Hubbard Township to install a field approach with an 18" culvert.

- Permit Application #7-14-10-7 David Arends, Section 14, Mary Township to install two field approaches with 18" pipes with the condition that the north approach has a 24" culvert.
- Permit Application #7-14-10-9 Derek Hendricks, Section 12, Rockwell Township to replace an 18" culvert with a larger pipe with the condition that the new culvert size is a 24" pipe.
- Permit Application #7-14-10-10 Home Lake Township, Section 36 to replace a 36" culvert at the same location with the same size pipe at the same location with the following notation: The culvert is in the Southeast Quarter of the section.
- Permit Application #7-14-10-13 Mark Chisholm, Section 15, Strand Township to install subsurface drain tile with the condition that the applicant contacts the Norman County Highway Department for work inside the Right of Way. It is also a recommendation that the applicant contact the NRCS and the SWCD office to insure work does not affect compliance with the USDA Farm Program or the Wetland Conservation Act.

#### **Tabled**

- Permit Application #7-1-10-8 Derek Hendricks south Half of Section 30, Wild Rice Township to remove a driveway and approach with a 12" culvert and 24" culvert
- Ken Jirava, Section 20, Beaulieu Township to install subsurface drain tile and a water and sediment basin and request a tiling plan from the applicant.

#### **Tabled July 14**

- Permit Application #7-14-10-3 Agassiz Recreational Trail, Section 3/10 Ulen Township. To replace a concrete 24" culvert with a new 24" steel pipe at the same location and elevation. Staff will contact applicant for clarification on the culvert locations.
- Permit Application #7-14-10-11 Home Lake Township, Sections 24/25 to replace a 35" culvert with a 48" culvert. Staff will notice the landowners in Section 26 of Home Lake Township.
- Permit Application #7-14-10-12 Keith Chisholm, Section 31 Sundal Township to install subsurface drain tile. Staff will request a tiling plan from the applicant.
- Permit Application #7-14-10-17 USFWS, Section 33, Spring Creek Township to install a tile outlet for Lindsey Lake. Representatives of the USFWS, MN DNR and Spring Creek Township will be invited to the meeting to discuss the possibility of obtaining some storage from this permit. Information will be sent to representatives in advance of the meeting.

#### **Denied July 14**

- Permit Application #7-14-10-8 Steve Lee, Good Hope Township, to install a 36" centerline culvert in Section 4/5 of Good Hope Township. Derek Hendricks, neighboring landowner, was opposed to the permit due to it causing water to drain onto him. Good Hope Township wanted to install the culvert to prevent some of the damage to the township road.

### **August 2010**

#### **Approved**

- Permit Application #8-11-10-4 MN DNR, Section 16, Wild Rice Township to install rock below the Heiberg Dam.
- Permit Application #8-1-10-5 Randal Chisholm, Section 12, Strand Township to install a field crossing with a 24" culvert and a ditch crossing with a 15" culvert.
- Permit Application #8-11-10-7 Ryan Halland, Section 21, Waukon Township to install three field approaches with 18" culverts.
- Permit Application #8-11-10-9 Good Hope Township, Section 4/5. to install asphalt on the roadway and the western roadway slope.
- Permit Application #8-11-10-10 James Hastings, Section 25, Viding Township to install a field crossing with a 24" culvert.
- Permit Application #8-11-10-11 Brendemuhl Farms, Section 2, Flowing Township. to install subsurface drain tile with the condition that the ditch bans are repaired to their existing condition and adequate erosion control measures are installed.
- Permit Application #8-11-10-12 Duane Brendemuhl, Section 14, Flowing Township to install subsurface drain tile that outlets to the creek with the condition that the levees are repaired to their existing condition and adequate erosion control measures are installed and that the

applicant notice the Watershed District upon completion to allow for inspection of the repaired levees.

- Permit Application #8-11-10-13 James Hastings, Section 16, Spring Creek Township to install a field crossing with a culvert with the condition that the culverts are 18" in diameter or larger.
- Permit Application #8-11-10-14 James Hastings, Section 9, Spring Creek Township to install a ditch crossing with a culvert with the condition that the culverts are 36" in diameter or larger.
- Permit Application #8-11-10-15 Tom Nelson, Section 22, Wild Rice Township to install three streambank protection barbs in the channel of the Wild Rice River with the recommendation that the applicant get approval from the MN DNR for any work in the channel.
- Permit Application #8-11-10-16 Agassiz Recreational Trail, Sections 3/10 Ulen Township to replace existing culverts with new culverts at the same location and elevation with the condition that the culverts are the same diameter and elevation (24" in Section 9; 36" and 18" in Section 3).
- Permit Application #8-11-10-17 Keith Chisholm, Section 31, Sundal Township to install subsurface drain tile with the condition that the landowner in the NW ¼ OF Section 31 of Sundal Township signs on the current permit application.
- Permit Application #8-11-10-8 Halstad Elevator, Section 20, Halstad Township to install three field approaches with culverts with the condition that the culverts are 18" in diameter or larger.
- Permit Application #8-11-10-18 Kenneth Jirava, Section 20, Beaulieu Township to install an erosion control structure and tile and abandon and fill an existing ditch or waterway with the conditions listed on the permit as the berm height is four feet or less; the sizes of the tile is shown on the permit and the landowner obtain approval from the NRCS and SWCD.
- Permit Application #8-11-10-1 Home Lake Township, Sections 24/25, with an amended permit application from to replace a 36" culvert with a longer culvert of the same size and not the increased size of 48" as originally requested.

#### **Tabled**

- USFWS, Section 33, Spring Creek Township. Scott Kahan, USFWS, and Managers discussed the permit application of the USFWS to install a tile outlet on Lindsey Lake for the purpose of drawing down the lake. A motion was made by Manager Ista to approve the permit application. Motion failed for lack of a second. Engineer Bents asked Kahan if there was a possibility of a fall drawdown. Curtis Borchert asked if the Board could request that the DNR review the Ordinary High Water Mark (OHM) and possibly have it lowered. Holmvik asked if the DNR would change the OHM, would the USFWS change to which Kahan replied that he didn't think so. A motion was made by Manager Erickson and seconded by Manager Austinson to table the permit application and make a request to the DNR to review the OHM. Carried with Manager Ista opposed.

#### **Denied**

- Permit Application #8-11-10-3 Gene Ueland, Section 33 Good Hope Township to replace an 18" CMP with a flap gate with a 36" CMP with a flap gate due to increased size of the culvert. Denied with Manager Ista abstaining and Manager Erickson opposed.
- Permit Application #8-11-10-6 Randy Chisholm, Section 12, Strand Township to replace a 24" CMP with a longer 30" CMP. Denied due to possible downstream impacts.

### **September 2010**

#### **Approved**

USFWS, Section 33, Spring Creek Township (Lindsey Lake). Scott Kahan, USFWS, met with Managers to discuss the permit application to install a tile outlet for Lindsay Lake. It was reported that this permit was reviewed at the August meeting and the consensus at that time was to table the permit and contact Bob Merritt, DNR, requesting that the DNR review the OHWM (Ordinary High Water Mark) which was done by staff. Merritt stated that he didn't think that was a possibility. Merritt stated that they could allow the culvert to be 1.5 feet lower than the OHW, which Aanenson stated would probably make the culvert approximately ½ full of water. Local landowners and township officials are requesting that it be lowered more, due to the impacts and damages to their roads as a result of the high water. Manager Erickson asked Scott Kahan, if he would be willing to meet on site with landowners and be willing to go through

old aerial photos to determine OHWM. Kahan stated that he would but he didn't think it would do any good as the DNR has stated that the maximum they can lower the culvert is 1 ½ feet. Landowners also brought up an alleged block that they said had been installed by USFWS. Kahan indicated that he had done research in his office regarding this claim and found no evidence of it. The managers approved lowering the culvert to elevation 1,241.4 or 1.5 lower. Manager Austinson noted that he would continue to assist landowners in determining if there was a blockage.

- Permit Application #9-8-10-14 Ulen Township, Section 19/20. to repair a washed out roadway and construct a low water crossing.
- Permit Application #9-8-10-3 Kurt Anderson, Section 17, McDonaldsville Township. to install two field approaches, the south approach (site #1) will also have a ditch crossing with a culvert, with the condition that Site #2 has a 48" diameter culvert and a 30" culvert in the roadway ditch and a 24" culvert at the ditch crossing at site#1 as shown on the permit application.
- Permit Application #9-8-10-5 Robert Brandt, Section 5, Lake Ida Township to remove a field approach with an 18" culvert and install a new field approach with an 18" culvert.
- Permit Application #9-8-10-6 Joe Chisholm, Section 14, Sundal Township to install a field approach with a 24" or 30" culvert.
- Permit Application #9-8-10-8 Floyd Hanson, Section 2, Green Meadow Township to add a 10 foot section of pipe to an existing six foot diameter culvert and widen the crossing with the condition that the final elevation of the culvert is the same as the existing pipe and with the recommendation that the applicant get MNDNR approval for any work done in MNDNR Protected Waters.
- Permit Application #9-8-10-10 Norman County Implement, Section 9, McDonaldsville Township to construct a berm east of the main building that is 150 feet long and 8 feet high and has a maximum height of 18-24 inches.
- Permit Application #9-8-10-11 Skaurud Grain Farms, Section 21, Pembina Township to fill in an existing ditch and construct a new ditch along the section line with the condition that the landowner in the SE ¼ of Section 21 sign the permit and that the applicant obtains approval from the township for any work within the Township Road ROW.
- Permit Application #9-8-10-12 Dave Vipond, Sections 18/19, Pembina Township to install subsurface drain tile with the recommendation that the applicant obtain approval from the NRCS and the Mahanomen County SWCD.
- Permit Application #9-8-10-29 Nick Zurn, Section 29, Spring Creek Township to install a water and sediment basin erosion control project with the condition that the landowner in the NE ¼ of Section 32 sign the permit application
- Permit Application #9-8-10-15 Norman County Highway Department, Sections in Sundal and Bear Park Township to install two new culverts through the ART, remove 24" centerline culvert, remove and relocate a number of field approaches approved with the exception of the two 18" culverts through the Agassiz Recreational Trail (ART) and the removal of the 24" centerline culvert just east of the ART. The approved project features have the condition that the adjacent landowners approve the changes.
- Permit Application #9-8-10-16 MNDOT, Section 31, Hendrum Township to clean out a ditch and install a 48" culvert and armor for erosion control.
- Permit Application #9-8-10-17 Ron Baker, Section 12, McDonaldsville Township to replace a tile with a new tile that outlets to J.D. #51 with the condition that the applicant obtain approval from MNDOT for work in the Highway #200 ROW and that the applicant obtain approval from the adjacent landowner and that the applicant is responsible for erosion control measures at the outlet to J.D. #51.
- Permit Application #9-8-10-4 John Austinson, Section 33, Walworth Township to install subsurface drain tile. Manager Austinson abstained.
- Permit Application #9-8-1-20 Steven Kahlbaugh, Section 17, Rosedale Township to install subsurface drain tile with the condition that the downstream landowner approves the tiling plan.

## Approved September 22

- Permit Application #9-22-10-1 Paul Adams, Section 11, Lake Ida Township to install subsurface drain tile, approved with the condition that the landowners in the SW ½ of Section 11 and the SE ¼ Section 10 of Lake Ida Township sign on the permit.
- Permit Application #9-22-10-2 Paul Adams, Section 14, Lake Ida Township to install subsurface drain tile, approved with the condition that the landowners in the W ½ of the SW ¼ of Section 14, Lake Ida Township sign on the permit.
- Permit Application #9-22-10-4 Austin Anderson, Section 12, Georgetown Township to extend a 24" culvert to widen the driveway, approved with the condition that the elevation of the culvert does not change.
- Permit Application #9-22-10-5 Rick Borgen, Section 5, Lee Township to replace a 32" RCP and a 36" CMP with 18" longer culverts and widen the field approaches.
- Permit Application #9-22-10-7 Michael Chisholm, Section 16, Strand Township to install subsurface drain tile, approved with the condition that the applicant gain approval from the road authority to outlet to the Road RWO and with a recommendation that the applicant get NRCS and SWCD approval prior to installation.
- Permit Application #9-22-10-11 Steve Kahlbaugh, Section 14, Pembina Township to install subsurface drain tile approved with a recommendation that the applicant get NRCS and SWCD approval prior to installation.
- Permit Application #9-22-10-12 Steve Kahlbaugh, Section 15, Pembina Township to install subsurface drain tile approved with a recommendation that the applicant get NRCS and SWCD approval prior to installation.
- Permit Application #9-22-10-13 Steve Kahlbaugh, Section 13, Pembina Township to install subsurface drain tile approved with a recommendation that the applicant get NRCS and SWCD approval prior to installation.
- Permit Application #9-22-10-14 Steve Kahlbaugh, Section 18, Rosedale Township to install subsurface drain tile approved with a recommendation that the applicant get NRCS and SWCD approval prior to installation.
- Permit Application #9-22-10-15 Harry Kveno, Section 28, Bear Park Township to install a field approach with an 18" culvert.
- Permit Application #9-22-10-17 Verdell Olson, Section 7, Sundal Township to install subsurface drain tile.
- Permit Application #9-22-10-18 Mike Roesch, Section 32, McDonaldsville Township to install a field approach and a culvert. Approved for a 36" or a 48".
- Permit Application #9-22-10-19 Vig Farms, Section 19, Heier Township to install two water and sediment basins with the condition that the landowner in the N ½ of the NW ¼ of Section of Heier Township sign on the permit.
- Permit Application #9-22-10-22 Greg Zillmer, Section 13, Hagen Township to install subsurface drain tile approved with the condition that the applicant gain approval from the road authority to outlet to the Road ROW and with a recommendation that the applicant get NRCS and SWCD approval prior to installation.
- Permit Application #9-22-10-24 Greg Zillmer, Section 18, Ulen Township to install subsurface drain tile approved with the condition that the applicant gain approval from the road authority to outlet to the Road ROW and with a recommendation that the applicant get NRCS and SWCD approval prior to installation.
- Permit Application #9-22-10-25 Greg Zillmer, Section 11, Hagen Township to install subsurface drain tile approved with the condition that the applicant gain approval from the road authority to outlet to the Road ROW and with a recommendation that the applicant get NRCS and SWCD approval prior to installation.

### **Tabled**

- Permit Application #9-8-10-1 Paul Adams, Section 11, Lake Ida Township to install subsurface drain tile and notify landowners in the SW ½ Section of 1 and the SE ¼ of 10 of Lake Ida Township.
- Permit Application #9-8-10-2 Paul Adams, Section 14, Lake Ida Township to install subsurface drain tile and notice landowners in the W ½ of the SW ¼ of Section 14 of Lake Ida Township.
- Permit Application #9-8-10-9 Blair Hoseth, Section 14, Fossum Township to install subsurface drain tile and notice downstream landowners and request a tiling plan.
- Permit Application #9-8-10-7 Clay County Highway Department Section 6, Viding Township to remove a span bridge and overflow pipe. Applicant must notify downstream landowners.
- Permit Application #9-8-10-19 Derek Hendricks, Section 30, Wild Rice Township to remove a driveway and approach with a 12" and 24" culvert. Derek Hendricks met with Managers to discuss his permit application, which if the work was completed, would change the flow of the water into another ditch system. Current permit application tabled and Hendricks will apply for a different permit which will be brought before the board at the next regular meeting.

### **Tabled September 22**

- Permit Application #9-22-10-3 Austin Anderson, Section 12, Georgetown Township to remove trees and install a temporary berm across the coulee for equipment access. Landowners in the NE ¼ of Section 11 and the SE ¼ of Section 2 of Georgetown Township will be notified.
- Permit Application #9-22-10-6 Michael Chisholm, Section 10, Strand Township to install subsurface drain tile. Landowners in the NW ¼ of Section 15, Strand Township, will be notified.
- Permit Application #9-22-10-8 Michael Chisholm, Section 8, Strand Township to install subsurface drain tile. Landowners in the W ½ of the NW ¼ of Section 8 and the E ½ of Section 7 of Wild Rice Township will be notified.
- Permit Application #9-22-10-10 Jeff Hoff, Section 19, Mary Township to install a 24" culvert and construct a ditch. Additional information from the applicant will be provided to the office.
- Permit Application #9-22-10-16 Russell Olson, Section 12, Rockwell Township to install two subsurface tiles or a ditch. Landowners in the NW ¼ of Rockwell Township will be notified.
- Permit Application #9-22-10-20 Scott Visser, Section 2, Wild Rice Township to change a culvert in a driveway from a 15" to an 18". Additional information is needed from applicant.
- Permit Application #9-22-10-21 Scott Visser, Section 26 Fossum Township to move a ditch. Additional information is needed from applicant.
- Permit Application #9-22-10-23 Greg Zillmer, Section 7, Ulen Township, to install subsurface drain tile. Landowners in the E ½ of Section 12, Hagen Township, will be notified.

### **Denied**

- Permit Application #9-22-10-9 Derek Hendricks, Section 30, Wild Rice Township to remove a block in the NW ¼ of Section 30, Wild Rice Township, and bring runoff west from the E ½ of the section, based on a recommendation from Attorney Hanson's due to a court order.

## **October 2010**

### **Approved**

- Permit Application #10-13-10-2 Carol Halvorson, Section 20, Hendrum Township to extend a 12 inch culvert in the farmstead driveway to widen the driveway.
- Permit Application #10-13-10-8 Jeff Petry, Section 2, Pleasant View Township to install a field approach with a 24" culvert.
- Permit Application #10-13-10-17 Scott Visser, Section 2, Wild Rice Township to change a culvert in the driveway from 15" to 18".
- Permit Application #10-13-10-18 Scott Visser, Section 6, Fossum Township to construct a new ditch to cause runoff to flow on the west side of the farmstead rather than the east side with the recommendation that the applicant obtain approval from the road authority for work in the road right-of-way.

The board approved (with Manager Ista opposed) the following two permit applications with the conditions shown:



- Permit Application #10-13-10-5 Mike Borgen, Section 1, Georgetown Township to lower a culvert in the NW ¼ of Section 1 with the condition that the pipe sizes do not change and that the culverts are installed to grade between the upstream culvert (on the half mile line north ½ of Section 1) and the downstream culvert (north ½ of the NW ¼ of Section 2).
- Permit Application #10-13-10-6 Mike Borgen, Section 1 Georgetown Township to lower a culvert between Section 1 and Section 2 of Georgetown Township with the condition that the pipe sizes do not change and that the culverts are installed to grade between the upstream culvert (on the half mile line north ½ of Section 1) and the downstream culvert (north ½ of the NW ¼ of Section 2).
- Permit Application #10-13-10-1 Doug Spaeth, Section 30, Chief Township. to install subsurface drain tile in Section 30 of Chief Township with the condition that the applicant get approval from the landowner in the SE ¼ of the Section for work on their property and that the applicant install adequate erosion control measures at the outlet of the tile system. Carried with Manager Spaeth abstaining.
- Permit Application #10-13-10-9 David Roesch, Section 6, McDonaldsville Township to install three culverts into J.D. #51 the sizes will be 18" or 24". The permit is conditional on there being no traps on the culverts and that the outlet end of the culverts are install no more than 24" off the bottom of J.D. #51.
- Permit Application #10-13-10-10 Dean Bentley, Section 14/15, Wild Rice Township to install a new 30" centerline culvert. (Note: Look under "Tabled" permits)
- Permit Application #10-13-10-11 Austin Anderson, Section 12, Georgetown Township to remove trees and install a temporary berm across the coulee for equipment access. Carried with Managers Ista and Holmvik opposed.
- Permit Application #10-13-10-14 Russell Olson, Section 12, Rockwell Township to install two subsurface tiles or a ditch with the condition that the applicant obtains approval from the road authority for work in the road ROW and that if a ditch is installed, the landowner must install a 24" or smaller culvert at the outlet and the landowner may install one or two 24" culverts in the new ditch to slow the runoff down to reduce soil erosion.
- Permit Application #10-13-10-16 Viding Township, Section 6, to remove a span bridge and overflow pipe with the condition that the ditch slopes are restored to match the existing ditch cross section and that the applicant install adequate erosion control measures during construction.
- Permit Application #10-13-10-4 Pete Moen, Section 23, Waukon Township. to install subsurface drain tile with the recommendation that the applicant obtain approval from the Ditch Authority (Norman County).
- Permit Application #10-13-10-7 Mattson Brothers, Section 1, Atlanta Township to install subsurface drain tile with the condition that a tile plan is provided to staff for review prior to the permit being mailed.
- Permit Application #10-13-10-12 Michael Chisholm, Section 10 Strand Township to install subsurface drain tile with the recommendation that the applicant obtains approval from the road authority for work within the road ROW and with the recommendation that the applicant obtains approval from Norman County for the outlets into Norman County Ditch #75 and that the applicant install adequate erosion control measures at the outlet of the tile system.
- Permit Application #10-13-10-13 Michael Chisholm, Section 8, Wild Rice Township to install subsurface drain tile with the condition that the landowner in the W1/2SW1/4 of Section 8, Wild Rice Township sign the permit and that the applicant install adequate erosion control measures at the outlet of the tile system.
- Permit Application #10-13-10-10 Dean Bentley, Section 14/15, Wild Rice Township. The managers rescinded the previous motion to approve to install a new 30" centerline culvert and tabled the permit and notice the N1/2 of Section 15, of Wild Rice Township. Carried with Manager Erickson opposed.

## **Denied**

- Permit Application #10-13-10-3 MnDOT, Section 22, Oakland Township to replace a 24" culvert with a 36" culvert due to water on Highway #113 and add overlay on top of the Roadway surface. Manager Hanson voted for the motion and everyone else against. Motion failed due to lack of majority. A motion was made by Manager Erickson and seconded by Manager Spaeth to deny the permit application due to downstream concerns. Carried with Manager Hanson opposed.
- Permit Application #10-13-10-15 Greg Zillmer, Section 7, Ulen Township to install subsurface drain tile. Denied due to downstream landowner concerns regarding increased water.
- Permit Application #10-13-10-19 Derek Hendricks, Section 30, Wild Rice Township to remove a driveway and approach with a 12" and a 24" culvert Denied due to the decision by Norman County to deny Mr. Hendricks' request to bring his property into the benefitting area of Norman County Ditch #39.
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## **November 2010**

### **Approved**

- Permit Application #11-4-10-1 Red River Power Coop, Section 7, Shelly Township to bury a high voltage power line under Project #5 Norman Polk with the condition that the cable is installed a minimum of 30" below the channel bottom.
- Permit Application #11-4-10-2 Bill Stalboerger, Section 1, Popple Grove Township to extend an existing centerline culvert to create a field crossing with the condition that the new section of culvert is the same size and elevation as the existing culvert and that the applicant is responsible for adequate erosion control measures at the outlet of the new section of pipe and that the applicant obtains approval from the road authority for work in the road right-of-way.
- Permit Application #11-4-10-3 Joe Slette, Section 32, Marsh Creek Township to install a single line of 4" subsurface drain tile with the condition that the applicant is responsible for adequate erosion control measures at the outlet.
- Permit Application #11-4-10-4 Joe Slette, Section 31, Marsh Creek Township to install a water and sediment basin erosion control project with the condition that the applicant is responsible for adequate erosion control measures at the outlet.
- Permit Application #11-10-10-01 Dean Bentley, Sections 14, 15, Wild Rice Township to install a new 30" centerline culvert.
- Permit Application #11-1-10-2 Don Johnson, Section 12, Winchester Township to install subsurface drainage tile with a lift station with the conditions that the applicant is responsible for adequate erosion control measures at the outlet, that the lift pump is not operated during freezing conditions, that the lift pump is not operated during downstream flooding conditions and the recommendations that the applicant get approval from the road authority for work in the road right of way and that the applicant get approval from the NRCS/SWCD office regarding wetland drainage issues.
- Permit Application #11-10-10-3 Larry Richards, Section 17, Georgetown Township to lower four inlet pipes in Clay County Ditch #14 with the condition that the culvert sizes remain the same and that the outlet of the culverts is a minimum of 1.5 feet off the channel bottom and that the applicant is responsible for adequate erosion control measures on the ditch slopes and at the outlets.

## **December 2010**

### **Tabled**

- Permit Application #12-8-10-1 James Matter, Section 13, Atlanta Township to construct wetland restorations and wildlife ponds tabled until an application is submitted that provides sufficient documentation to satisfy the opponents.
- Permit Application #12-8-10-2 Rick Borgen, Section 27, Hendrum Township to install a new centerline culvert tabled until additional information regarding culvert sizes is obtained.

## 2. Farmstead Ring Dike Program



Many rural people in the Wild Rice Watershed District were experiencing flood damages to the homes, out-buildings and equipment nearly every spring. After the 1997 flood, with help of the State of Minnesota Legislature, the Rural Farmstead Ring Dike Program began within the WRWD as well as other watershed districts within the Red River Basin on the Minnesota side of the river. Under this program, the State of Minnesota proved 50% of the costs, the Red River Watershed Management Board provides 25%, the Wild Rice Watershed District provides 12.5% and the landowner is responsible for the remaining 12.5% of the costs.

Note: Contracts were awarded and construction began in the Fall of 2009 for the following individuals: Steve Brammer, Mike Borgen, Terry Guttormson, Colin Hendrickson, Leon Miller, Jack Nyberg, Donald Pingree, Ruth Steen, Tom Carlson, Ryan Gilbertson, Jeff Hoff, Dave Scherfenberg, and Rick Prussia.

At the **January 13** meeting, The Board authorized Pay Request #1 in the amount of \$5,150.25 to Custom Earth for the Tom Carlson Ring Dike as well as Pay Request # 1 to Ziegler Construction in the amount of \$12,151.80 for the Mike Borgen Ring Dike.

At the **February 10** meeting, the Board authorized advertising of bids for the following NRCS funded ring dikes: Kevin Anderson; Keith Stevenson and Mike Roesch beginning at 9:00 a.m. on February 26, 2010, at the District office.

On **March 17**, Engineer Bents reported that ring dike bids were opened for Roesch, Anderson and Stevenson with All Seasons Contracting being low bidder. Bents stated that there will be an overage on the Roesch dike due to the area of the construction and he is currently in contact with the State of MN through Ron Harnack to determine if they will cover the additional costs. Also Stevenson has an issue with obtaining borrow material. The managers agreed to award the bids to All Seasons Contracting contingent on the additional state funding for Roesch and settlement of the Stevenson borrow issue. Bents also reported that there may be additional NRCS funding for the coming construction year.

At the **April 14** meeting, a request in the amount of \$824 was submitted by Dave Scherfenberg for reimbursement of funds from spring of 2010 to repair his driveway on the dike that is in the process of being construction. The managers denied the request.

During the **May 18** meeting, Attorney Hanson addressed the issue with Avery Brothers wanting to be released from their contract, but also wanting to be paid the balance without completing the projects. Hanson also addressed correspondence to Avery in which Avery was reminded that he must work with Houston Engineering staff and must treat the landowners and staff in a courteous manner. Hanson also reminded the Board of Managers that in future bidding to remember that Avery is not a responsible bidder, due to the recent issues with them.

The managers authorized the payment to BWSR and Krog and Paakh for the wetland mitigation on the Roesch Farmstead Ring Dike.

At the **June 9** meeting, the managers approved the billings with a change in the amount of the Ruth Steen ring dike to \$7,295.40. The managers also approved Change Order #2 in the amount of \$1,200 for the Ruth Steen ring dike.

At a **special meeting** on **July 1**, the managers agreed to Pay Request #1 in the amount of \$19,314.63 to All Seasons Contracting for the Kevin Anderson Ring Dike. Also discussed was a time extension requested by Roger Hennen Construction for the Leon Miiller and Terry Guttormson ring dikes. The managers denied the request due to the fact that a delay would interfere with the NRCS contract and therefore payment on the Guttormson ring dike, all farm dike contracts were to be completed by date stated in signed agreement and engineering will notify contractor.

At the **July 14** meeting, the managers approved a change order in the amount of \$2,620 for the Tom Carlson Ring Dike. The managers approved the following Pay Requests:

- Dave Scherfenberg, Pay Request #3 in the amount of \$3,301.10 to Custom Earth
- Mike Borgen, Pay Request #2 in the amount of \$3,150 to Ziegler Construction
- Tom Carlson, Pay Request #3 in the amount of \$17,557.69 to Custom Earth
- Mike Roesch, Pay Request #1 in the amount of \$45,008.55 to All Seasons
- Rick Prussia, Pay Request #3 in the amount of \$19,847.34 to Ziegler Construction
- Jeff Hoff, Pay Request #3 in the amount of \$3,423.60 to Ziegler Construction
- Ruth Steen, Pay Request #5 in the amount of \$1,278.22 to Ziegler Construction
- Leon Miller, Pay Request #1 in the amount of \$23,760 to Roger Hennen Construction
- Donald Pingree, Pay Request #3 in the amount of \$3,561.75 to Custom Earth

Attorney Hanson reported that a Mechanics Lien has been filed by RJ Zavoral & Sons against Avery Construction in the amount of \$3,500. The payment to Avery Dirtworks for the Steve Brammer and Jack Nyberg Ring Dikes until Attorney Hanson receives the recorded documents. The board approved the following payments to Zavoral and Avery per Hanson's approval.

- Jack Nyberg, Pay Request #3 in the amount of \$1,752.42 to RJ Zavoral & Sons
- Steve Brammer, Pay Request #3 in the amount of \$3,778.42 to Avery Brother Dirt Works
- Steve Brammer, Pay Request #3 in the amount of \$1,126.58 to RJ Zavoral & Sons
- Collin Hendrickson, Pay Request #3 in the amount of \$621 to RJ Zavoral & Sons

At the **August 11** meeting, Engineer Bents updated the Managers on the Farmstead Ring Dike Program stating that of the Wild Rice Watershed District projects, Brammer, Hendrickson, Pingree and Steen are completed awaiting grass, Nyberg is completed awaiting grass and a sump to install and Miller is 70 percent completed. The NRCS projects which include Carlson, Guttormson, Hoff, Scherfenberg, Prussia, Anderson and Roesch are completed awaiting grass, Gilbertson is completed pending NRCS closeout and Borgen is 70-80 percent complete. The managers approved the following pay requests:

- Ziegler Construction for the Mike Borgen ring dike in the amount of \$22,122;
- Roger Hennen Construction for the Guttormson ring dike in the amount of \$23,146.20;
- All Seasons for the Anderson ring dike in the amount of \$4,855.14;
- All Seasons for the Roesch ring dike in the amount of \$20,091.78.

At the **September 8** meeting, Engineer Bents reported on the farmstead ring dike program. He stated that the District has had 15 ongoing farm dikes, which were bid in 2009 and all except Leon Miller and Mike Borgen are complete. Seven of the dikes have Final Pay Requests in this month's billing. Borgen and Miller have both been later due to wet conditions. The contractor will be completing them soon. Upon Engineer Bents' recommendation the managers authorized the payment of the following:

- Roger Hennen Construction, Pay Request #2 in the amount of \$990 for the Leon Miller site and Pay Request #2 in the amount of \$5,900.40 for the Terry Guttormson site;
- Ziegler Construction, Pay Request #4 in the amount of \$1,418.20 for the Mike Borgen site, Final Pay Request in the amount of \$2,140.70 for the Jeff Hoff site, and Final Pay Request in the amount of \$3,409.13 for the Ruth Steen site;
- Custom Earth Final Pay Request in the amount of \$2,175.30 for the Donald Pingree site, Final Pay Request in the amount of \$3,341 for the Tom Carlson site, Final Pay Request in the amount of \$4,582.31 for the Dave Scherfenberg site;

- All Seasons Contracting Final Pay Request in the amount of \$2,685.76 for the Kevin Anderson site and Final Pay Request in the amount of \$11,803.87 for the Mike Roesch site.

At the meeting on **October 13**, Engineer Bents reported that the following NRCS funded dikes including Carlson, Gilbertson, Hoff, Scherfenberg, Prussia, Roesch and Anderson are completed and Borgen and Guttormson are nearly complete. The following State funded dikes of Pingree and Steen are complete, Brammer, Hendrickson and Miller will be completed in October with issues related to the Nyberg dike. The board approved the following final pay requests:

- Avery Dirtworks in the amount of \$2,626.37 for the Brammer Ring Dike,
- Avery Dirtworks in the amount of \$1,545.83 for the Hendrickson Ring Dike and
- Roger Hennen in the amount of \$21,255 for the Miller Ring Dike

Regarding the Final Pay Request to Avery Dirtworks for the Jack Nyberg Ring Dike, Bents reported that there is additional work that needs to be done and Avery verbally agreed to the District withholding \$1,800 for another contractor to complete the project and him being paid \$1,595.96. The board authorized approval of the Change Order and Pay Request in the amount of \$1,595.96 to Avery. The check will be held until a signed change order and final pay request is received from Avery. When these executed documents are received by staff the final payment will be mailed.

At the **November 11** meeting, Engineer Bents stated that some final touchups are being done by Ziegler Construction on the Borgen and Prussia ring dikes. No pay requests will be submitted today.

At the **December 8** meeting, Engineer Bents updated the Board on the status of the ring dikes. Bents recommended that Ziegler Construction be paid the Final Pay Request for the Mike Borgen ring dike. The managers authorized payment to Ziegler Construction in the amount of \$5,217.01 for the Mike Borgen dike. Bents went on to say that several of the projects are near completion and some of the applicants have a refund due from their prepay. Staff thought that it would be appropriate for those that are completed to send the checks out before Christmas. The board authorized staff to mail out the checks. Discussion continued regarding ring dikes, and Manager Ista recommended that an ad be placed in local news media noticing landowners that the District intends to request additional funding for the upcoming year for farm dikes. The board authorized staff to run ads informing the public that if they need a ring dike or an improvement on their current ring dike, they should notify the watershed district.

### **3. Improvement of Community Dikes / Levees**

Many of the communities within the WRWD experienced record flood levels during the Spring of 2009 flood. This resulted in the need for significant emergency measures (i.e. emergency levees, sandbagging, etc.) to be completed by the cities, U. S. Army Corps of Engineers and hundreds of volunteers.

These projects will provide a higher level of permanent flood protection for the communities of Perley, Hendrum, Shelly, Borup and Felton within the westerly portion of the Wild Rice Watershed District and should minimize future flooding impacts.

This will primarily involve construction of flood control levees, storm water pumping stations and equipment, land acquisition and project design. The cities are partnering with the State of Minnesota Flood Damage Reduction Program for funding.



[illegible]

At the **January 27** meeting, Engineer Bents distributed information on the Community Levee Projects. Bents stated that for the purpose of determining the value of the assessed area of the projects the Board can either appoint viewers or can act as viewers. The Board agreed that the Board of Managers would act as the viewers for the Hendrum and Perley Projects. Discussion was held regarding the manner to use for the assessments. The Board appointed Managers Ista, Holmvik and Christensen to be on the Assessment Committee. Managers also authorized the cities to determine the manner of assessments and caps.

The Board closed the meeting at 12:05 p.m. to discuss land negotiations with landowners outside of Hendrum and Perley for the acquisition of property for the Hendrum and Perley levees. Lawrence Hoff, Jeff Hoff, Thomas Strand in Section 19 Lee; Marjean Aabye, Doug Krogstad, and Jeff and Vicky Borgen in Section 30 Lee near the City of Perley and Wayne and Kari Borgen in Section 19 Hendrum (144/48), Dean and Cynthia Todd, and Dean, Cynthia, and Diane Todd in Section 30 Hendrum (144/48), Terry and Judy Guttormson in Sections 24 and 25 of Hendrum (144/49) near the City of Hendrum. The meeting was reopened at 12:15 p.m.

On **April 14**, Curt Johanason, Mayor of Hendrum, joined the meeting. Johanason and Engineer Bents discussed the latest funding issues with the Managers, informing the Board that the DNR has indicated that they will be cutting funding considerably and both cities are to attempt to determine how and where they can cut the costs of the projects. Although there are some minor revisions that could be made, neither Hendrum nor Shelly wants to lower the elevation of their levees. Also discussed was the

possibility of construction for one city each year for the next two years. Consensus of Mayor Johanson and Engineer Bents was that they would work on revised options to submit to the DNR and legislators.

The board authorized the hearings for Perley to be scheduled for June 10, 2010, at the Perley Firehall and the Hendrum hearing to be scheduled for June 15, 2010, at the Hendrum Firehall, and staff to send out necessary notices as by applicable law.

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

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

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

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

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

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

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

Dated this 12 day of May, 2010.

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

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



improvements, *storm* water lift station, closure structures, ditch realignment, emergency closures, and necessary land acquisition.

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

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

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

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

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

WILD RICE WATERSHED DISTRICT May 12, 2010,

At a **special meeting** on **July 1**, Administrator Wollin brought forth discussion from the Finance Committee meeting regarding cash flow funding for the construction. It was thought that a line of credit borrowing of \$500K as a revolving construction account, using the MN DNR Grant as funding collateral would be appropriate. The board authorized Administrator Wollin to establish this construction loan for up to \$500,000.

The board authorized acquisition of land and executing options at staff recommendation for the City of Hendrum Community Ring Dike and the Perley Community Ring Dike with Hendrum being the first for construction. Engineer Bents reported that utility relocation costs are less than originally anticipated. The board authorized entering into a relocation agreement with the Red River Valley Coop for relocation of utilities. It was also reported that the landowner on the east side of Perley is not included in the levee system and he felt he should be. Consensus was to contact him and indicate that he is free to come to the July regular meeting to discuss his request, at which time it will also be determined if he is actually living on the premises.

At the **July 14** meeting, Administrator Wollin asked for guidelines regarding the construction loan for Hendrum and Perley. Due to the amount of fund transfers with the loan, time constraints due to size of construction loan and staff time required, the question was raised if the loan could be kept at Frandsen Bank. Manager Hanson stated that he was adamant regarding the fact that all banks should be notified for a proposal. Consensus of Managers was for staff to continue working with local banks on a construction loan.

Benjamin Blair, rural Perley met with Managers to discuss the fact that although he is considered a Perley resident, he is not protected with the levee. Blair felt that he should be. Discussion was held regarding the fact that the DNR was contacted regarding changing of the design to include his property, offering him a buyout or a rural ring dike. DNR's reply was that he is not living on the property, nor is it a homestead, therefore no funds were available for a buyout and the cost of adding his property to the community levee was not a feasible option. He could apply for the farmstead ring dike program; although there are no funds at the current time and properties highest on the list usually are homestead. Attorney Hanson also stated that many communities when building ring dike protection are forced to leave some

homeowners on the outside. Blair asked what the process was for an appeal. Hanson replied that he could either go through BWSR or District Court.

The board approved the following "Findings of Fact" and provide it in a letter to Blair.

**STATE OF MINNESOTA  
WILD RICE WATERSHED DISTRICT**

**Order of the Board of Managers Denying Request to Expand Project #43**

**FINDINGS OF FACT:**

1. A project petition was filed by the City of Perley to establish Project #43 Perley Community Flood Control Levee (Project #43) on September 17, 2009.
2. The Wild Rice Watershed District Board of Managers held a final hearing regarding Project #43 on June 10, 2010, at the Firehall in the City of Perley, Minnesota, and at the conclusion of that hearing made an order establishing Project #43. A copy of the order of the Board of Managers establishing Project #43 is attached hereto and incorporated by reference herein.
3. At the final hearing on June 10, 2010, the Board of Managers received comments from a property owner, Benjamin Blair, who owns a parcel of property located within the Perley city limits, but said property is outside of the boundaries of Project #43 as established. The Board of Managers instructed the District's engineer to explore options to possibly incorporate the property as part of Project #43 if additional funding to include the property can be obtained.
4. The District's engineer, Jerry Bents, reported to the Board of Managers at the board's regular meeting on July 14, 2010, that inquiry had been made to the DNR to see whether additional funding could be obtained to expand the Perley levee to include such property.
5. The Board of Managers has received a response from the primary funding source for the Perley Levee Project, the Minnesota Department of Natural Resources, that because the Blair property has not residential structures (homes) on it that, given the demand for funding, the DNR is not positioned to cost-share in the acquisition of the parcel and outbuildings as to acquire that property does not remove people from harms way. The DNR has further advised the Board of Managers that the DNR's position is consistent with the past practice where neither a home or business structure is on a parcel and the land is not needed to complete the project.
6. The Board of Managers received comments from Benjamin Blair at the board's regular meeting on July 14, 2010, and advised him that he could complete a ring-dike application and that if funding becomes available for constructing a ring dike around his property that he would be considered in due course, subject to the criteria of the funding sources.
7. The District's engineer advised the Board of Managers that to expand the Perley ring dike to include the Benjamin Blair property would be a significant expense and that without DNR funding, including the Blair property would not be economically feasible.

NOW, THEREFORE, based on the above Findings, the request by Benjamin Blair to expand the City of Perley Community Flood Control Levee Project #43 is hereby denied.

Dated: July 14, 2010 WILD RICE WATERSHED DISTRICT

The foregoing Order was adopted by the Board of Managers at its regular meeting held July 14, 2010, at the office of the Board of Managers for the Wild Rice Watershed District in Ada, Minnesota.

Engineer Bents stated that The Community of Hendrum has agreed to pay ½ the cost share for the additional two feet on the ring dike with the DNR paying the balance, Perley said no. Bents asked if the Board was interested in seeking cost share funding from the RRWMB for Perley, but felt that they would only consider it if the WRWD also put in funds. Consensus of Managers was not to go to the RRWMB.

Joint Powers Agreement. The board authorized the chairman to sign a Joint Powers Agreement with Clay County for the bonding assessments for the Communities of Hendrum and Perley.

Execute Options. The board authorized Chairman Holmvik to execute the land options as funds are available for Hendrum and Perley.

The board authorized a finance committee meeting to make the decision on the proposals from banks regarding the \$500,000 construction loan.

A Hendrum and Perley Community Meeting is scheduled for 7:00 p.m. on Wednesday, July 28, 2010, at the Hendrum Community Center.

At the **August 14** meeting, Engineer Bents updated the Managers on the status of the Hendrum and Perley Communities Levee Projects. Bents stated that a \$4.2 Million grant was received from the State of Minnesota; Hendrum bid opening is scheduled for the 17th of August and Perley on the 31st of August. Construction is expected to begin on Hendrum in early September. The Board gave Engineer Bents the authority to award the bid to the lowest bidder if it comes in within 10 percent of the estimate. Bents went on to say that the Norman County bond sale is scheduled for September 7, 2010. Regarding the land acquisition for the project, Attorney Hanson has prepared the closing statements for the purchase of the property, abstracts on all property are expected to be updated within a few days and a board member should be authorized to execute the purchases. The board authorized Treasurer Dean Spaeth to execute the purchase agreements and closing statements.

At the **September 8** meeting, Engineer Bents distributed the bid tab sheet for the City of Perley. He stated that a base project was bid and an Alternate #1 for a higher levee elevation. R.J. Zavoral & Sons Inc., of Grand Forks was low bidder in the amount of \$1,666,301.40 for the base bid and \$1,829,951.65 for Alternate #1. Bents recommended awarding the bid to Zavoral. The board awarded the bid to Zavoral and authorized Chairman Holmvik to execute the necessary documents.

Engineer Bents also stated that the low bidder on the Hendrum was R.J. Zavoral, Inc. of Grand Forks in the amount of \$1,456,951.65. The managers awarded the bid to Zavoral and authorized Chairman Holmvik to execute the necessary documents.

Engineer Bents stated that orders to proceed on both projects will be held until land acquisition is clear. Attorney Hanson's office is working with the landowners on the acquisition of property. Bents also indicated that he met with the Norman County Board of Commissioners and Carolyn Drude of Ehlers, Asc. who will be handling the bond sale for the local share of the costs of the two projects. Midwest Bank of Waubun was the low bidder with a true percent rate of 4.28.

Interim Administrator Mark Aanenson reported that a preconstruction meeting for the City of Hendrum's Levee Project will be held soon and construction will begin within a couple of weeks.

At the **October 13** meeting, the managers approved payment of \$8,875 to Ehlers for the bonding expenses on Hendrum and Perley which will be reimbursed to the District through the expenses to the project.

Engineer Bents reported that Zavoral Construction of East Grand Forks, was awarded the contract for both projects and a preconstruction meeting was held. Bents stated that it appears that the DNR will fund the \$5,000 for a preliminary engineer's report for Shelly, however at this time will not fund Felton.

At the **November 11** meeting, Engineer Bents updated the Managers on the status of the Hendrum and Perley community levee improvements. Zavoral Construction, the contractor for both projects may begin some structural work this fall. Completion date for both projects is fall of 2011. The DNR has verbally approved the Community of Shelly for a second phase and we are currently awaiting the grant agreement from the State of Minnesota.

At the **December 8** meeting, Mr. Terry Guttormson submitted an email requesting an additional \$500 payment due to this extra cost for him in updating his current loan with his lending agency as a result of the sale of property to the City of Hendrum. A motion was made by Manager Ista and seconded by Manager Spaeth authorizing payment to Mr. Guttormson in the amount of \$500 and charging the costs to the project of City of Hendrum. Motion failed with Managers Spaeth, Ista and Holmvik for and Managers Hanson, Austinson, Erickson and Christensen opposed.

#### **4. Moccasin Creek Dam**

The Moccasin Creek Dam was originally known as the Flom Township Detention Dam. The project was authorized by the WRWD in 1977 with construction started in 1982 and completed in 1984.

The project consists of a 48' high earthen embankment with a clay core trench, eight foot by eight foot reinforced concrete box outlet, a gated 48 inch RCP inlet, and a 25 foot by eight foot vertical reinforced concrete box riser as the principal spillway. The riser also has a trash rack and anti-vortex wall system to eliminate hydraulic inefficiencies created by trash accumulation

and vortex action. The outlet of the dam includes a stilling basin with energy dissipaters to reduce channel erosion immediately downstream of the project.

It has the capability to hold 1,060 acre feet of runoff until downstream conditions allow for the discharge of the impounded water with an additional 814 acre-feet of flood water storage with automatic draw down. The watershed is currently asking that the operating plan be changed to include summer rain event operation allowing the gate to be operated based on trigger points when gauges downstream indicate reduced flooding.



At the **January 27** meeting, Manager Erickson stated that he wanted to update Wally Sparby, Aide to Representative Collin Peterson on the status of work on the **Moccasin Creek Project** and a request to the DNR to change the operating plan to include summer flooding. Engineer Bents distributed the reply received from the District on December 29, 2009. Managers discussed whether they should follow the process through the Project Team and/or pursue the changes without it. A list of information requested by the DNR was included in the letter. Chairman Christensen stated that he would talk to Ronald Olson, owner of the land where the project is located to find out his thoughts on the trees. The Board agreed to work with the Project Team on Moccasin Creek.

During the **February 10** meeting, Engineer Bents stated that the **Moccasin Creek O & M Plan** could be a topic for the Project Team. Manager Erickson presented what he felt was an alternative plan in which a committee consisting of members of the SWCD, WRWD and landowners, would manage the program. Managers J Spaeth, Ista and Holmvik felt that this should go to the Project Team, as originally intended. Engineer Bents recommended that the District invite the SWCD to the Project Team meeting to do a presentation on the investigation that they are currently doing upstream of Moccasin. Consensus of Managers was to invite SWCD to Project Team Meeting.

At the **March 17** meeting, the managers\_authorized Managers Erickson, Austinson and Christensen to attend the Moccasin Creek Landowner meeting scheduled for March 18, 2010.

At the **November 11** meeting, Manager Erickson distributed a proposed pilot project for Moccasin Creek and stated that he, Curtis Borchert, Mike Christensen and Brian Borgen established at a recent meeting they held concerning Moccasin Creek Pilot Project Pattern Tile Incentive. Erickson stated that Sharon Josephson of Congressman Peterson's office also attended the meeting to share ideas and to bring this forward to be a part of the 2012 farm bill. Erickson requested support from the District to attend a meeting and present this proposal to NRCS. Erickson stated that the NRCS has a small amount of funding left from the last year and this would probably fit into that funding as a pilot project. Chairman Holmvik stated that his concern was where the \$75,000 cost share would be funding would be available and asked Erickson. Manager Ista felt that technical information was necessary and engineering would need to provide that information prior to her being comfortable with this proposal. The board authorized

Managers Erickson, Ista and Christensen to work with Administrator Ruud and Engineer Bents in gaining additional technical information on this proposal.

At the **December 8** meeting, Curtis Borchert, Norman County SWCD, gave a presentation on Pattern Tile Incentive for Graduated Water Storage with Controlled Outlets. Items included in the presentation included wildlife incentives for landowners that store water; production agriculture incentives for landowners that store water; estimate budget assumptions; storage options, budget Moccasin Creek; NRCS practice standards, transferable; cost comparisons; landowner comments requests; landowner wetland issues, pros and cons; and do we need a cropland incentive. Manager Ista stated that while working on the farm bill in a committee, this was discussed and they wanted engineering costs and had strong concerns regarding paying farmers for tiling. Borchert stated that this is not intended to be a big project, the engineering would be done by NRCS. Manager Hanson stated that he did not have a problem with the tiling but did have concerns of the \$700 up front payment and thought that an annual payment of some kind would be preferable. Sharon Josephson, Aide to Congressman Peterson stated that this is not a part of Peterson's program, rather it is under the Red River Retention Authority whose primary purpose is dealing with storage and retention issues on both sides of the Red River. These committees are working very hard, and one is dealing with the issue of tiling and retention on individual lands. The NRCS is very active and involved with all of these committees because it is the NRCS that this funding would be funneled through with the farm bill. Manager Christensen stated that there needs to be a way of storing this water and still getting rid of it and cooperating with the farmers. The board authorized Administrator Ruud to attend any meetings in the basin regarding the programs related to this and the farm bill.

## **5. Flood Damages – FEMA Assistance**

At the **April 14** meeting, the managers approved the recommendation provided by Engineer Bents for repair of flood damages on Projects and Ditches in the Wild Rice Watershed District as a result of the spring flood of 2010.

At the **May 5 special meeting**, discussion was held regarding the J.D. #51 FEMA repair as a result of the 2009 flood event. The actual approval by FEMA was not received until March of 2010. The authorized engineering to move forward with plans and specifications for the project to bring to the Managers for approval at which time they will schedule a hearing date.

## **6. Small Projects through Soil and Water Conservation Districts**

At the **January 13** meeting, Curtis Borchert presented an SWCD Small Projects Report in which he stated that they had completed 484 acre/feet of storage in 2009 and would be presenting that invoice for payment in February.

At the **February 10** meeting, Curtis Borchert, SWCD, met with Manager to discuss the SWCD Small Project Funding requests. Discussion followed regarding old/new projects and whether they had been started previous to the agreement with the District for acre feet of storage. Manager Ista stated that she had real concerns regarding submitting costs for projects without locations. Borchert stated that the NRCS pays for the majority of the project and therefore the SWCD cannot disclose locations due to confidentiality. The Board approved the following payments: Becker County SWCD \$1,644; Clay County SWCD \$3,669; Mahnomon County SWCD \$14,613; Norman county SWCD \$28,109 with Managers Holmvik, J Spaeth and Ista opposed.. The Board authorized Administrator Odegaard to prepare an agreement for 2010.

Curtis Borchert stated that of the grants that he submitted for BWSR TMDL, one was approved and he stated that the funds the District has approved for the Small Projects may be used as a cost share for the project.

On **April 14**, the board tabled the requests by Mahnomon County SWCD to determine if funding for those projects could be obtained from the Clean Water Legacy Grant.

At the **May 5 special meeting**, managers discussed the Clean Water Legacy Grant in the amount of \$175,000, which was received from BWSR. A meeting was held with the Norman County SWCD in which the decision was made to build fewer projects with the funding providing a larger cost share incentive for the landowner. Curtis Borchert, N.C. SWCD, reported that this is not a broad

spectrum grant, rather very specific in that it applies to just three areas, the South Branch, Moccasin Creek and Marsh Creek of Mahnomen County. Manager Holmvik asked if there would be any additional cost share dollars required by the District, to which Borchert stated that there weren't. The managers approved allowing the District to execute the grant agreement.

On **May 12**, Curtis Borchert presented his 2010 SWCD Project Incentive Program request. Borchert noted that although it was now 2010, \$31,600 of the 2009 funds were not used. He requested that amount and an additional \$21,500 for a total request of \$53,100. Borchert stated that although the funds are being requested at this time, the majority will not be paid out by the District until 2012. The board approved the total request. Manager Holmvik asked Borchert, if these retention site sub-basins and buffers were installed on land that the WRWD could eventually put into a flood control storage site, could the land issue be a problem. Borchert stated yes. Chairman Christensen called for the vote, which carried.

At the **May 18** meeting, the managers approved the funding request by Aaron Neubert for the sediment basin cost share in the amount of \$6,000 to Charles Balstad for two, \$3,700 for Jason Keller for two and \$1,700 Vig Farms for one. The board authorized Administrator Wollin to communicate with the NC SWCD in an effort to fund the new sediment basins from grant funding.

## **7. Mahnomen Flood Control / Drainage Project**

The project is a north/south aligned ditch system with a berm which will provide drainage and protection during excess water on the west side of Mahnomen. In January, 2008, the project went to final design and construction preparation. That same month, both Mahnomen County and City of Mahnomen officials noted budget problems making it difficult for the county or city to make a cash contribution to the project. At that time, the Managers decided to provide the final funding required for the project.

At the **July 14, 2010** meeting, Wally Eid, Mahnomen County Commissioner, expressed a thank you to the Wild Rice Watershed District Board of Managers for their funding along with state and RRWMB for the project on the west side of Mahnomen. Eid stated that both the west side of Mahnomen and the adjoining farmer benefit from the work done.

## **8. FEMA Rural Home Acquisition Program**

At the **January 27** meeting, the Board authorized the purchase of the Merkle/Setervang property through the FEMA 2006 Rural Property Acquisition Program.

Engineer Bents and Loretta Johnson presented information to the board on the 12.5% local cost share that the State of Minnesota will not be paying under the current 2009 Rural Acquisition Program. Staff asked direction from the Board if they were willing to contribute the 12.5% cost share which with 9 projects could be approximately \$150K. The Board directed staff to inform landowners that the District would not be contributing the 12.5% cost share and landowners options were to deduct that amount from their payment at closing or not to be in the program.

At the **February 10** meeting, the Board adopted resolutions to support both the substantially damaged and non-substantially damaged homes for the 2009 FEMA Buyout Program. Chairman Christensen is authorized to execute the documents. (Copies of the resolutions can be obtained from the WRWD office.)

At a special meeting on **July 1**, the managers approved the DNR grant in the amount of \$209,360 for the DNR cost share funding for the rural home acquisition buyouts and the following resolution.

At the **September 8** meeting, Interim Administrator Aanenson updated the board on the status of the rural acquisition of homes under the FEMA program for 2006 and 2009. Aanenson stated that in discussions this week with Jennifer Nelson, HSEM, she indicated that FEMA now wants additional flood elevation certification on one property and a berm to be addressed on another.

At the **October 13** meeting, Mark Aanenson gave a brief update of the 2009 Rural Acquisition Home Property Buyout program and explained the process with the FEMA funding and status of the program.



## Exhibit B

### Local Government Resolution

BE IT RESOLVED that Wild Rice Watershed (Applicant) hereinafter referred to as the "Applicant" act as legal sponsor for the project contained in the Flood Damage Reduction Grant Assistance Program Application to be submitted on July 1, 2010 and that Chairman Holmuk (Title of Authorized Official) is hereby authorized to apply for the Department of Natural Resources for funding of this project on behalf of the Applicant.

BE IT FURTHER RESOLVED that the Applicant has the legal authority to apply for financial assistance, and the institutional, managerial and financial capability to ensure adequate acquisition, maintenance and protection of the proposed project.

BE IT FURTHER RESOLVED that the Applicant has not incurred any costs, and has not entered into any written agreements to purchase property proposed by this project.

BE IT FURTHER RESOLVED that the Applicant has not violated any Federal, State, or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the Applicant may enter into an agreement with the State of Minnesota for the above- references project, and that the Applicant certifies that it will comply with all applicable laws and regulations as stated in the contract agreement.

NOW, THEREFORE BE IT RESOLVED that Chairman Holmuk (Title of Authorized Official) is hereby authorized to execute such agreements as are necessary to implement the project on behalf of the applicant.

I CERTIFY THAT the above resolution was adopted by the Board of managers of Wild Rice Watershed (Applicant) on July 1, 2010 (Date) (City Council, County Board, etc)

SIGNED:

[Signature]  
(Signature)  
Chair  
(Title)  
7-1-10  
(Date)

WITNESSED:

[Signature]  
(Signature)  
Asst Admin  
(Title)  
7-1-10  
(Date)

At the **December 8** meeting, Administrator Ruud reported that he had conversations with Ron Harnack, Kent Lokkesmoe and Pat Armon, and from these discussions the recommendation came that Mr. Harnack take the lead and lobby the State of MN Legislature for special funding for several of the property acquisitions that have fallen by the wayside due to HSEM regulations. Ruud also stated that the office received an email approval for the cost overrun funds on the 2006 rural acquisitions.

## 9. Rockwell Dam

At the **December 8** meeting, the managers approved the billing from Ziegler Constriction, Inc, for repair to Rockwell Dam in the amount of \$3,465.

## 10. Clay County Ditch #4

At the **October 13** meeting, Riceville Township submitted a request for payment of \$460 for road repair by Project #4. the board agreed to pay \$460 to Riceville Township from the Project #4 Upper Becker account.

## 11. Project #9 Felton Ditch

At the **November 11** meeting, the managers authorized Engineer Bents to provide a report to the Managers at the December meeting about the previous projects that had preliminary plans for flood control in the Felton Ditch Watershed along with the District's Overall Plan.



## **12. Olson Agassiz Project #13**

At the **February 10** meeting, landowners who had previously submitted a petition to make changes to the operating plan on Olson Agassiz Project #13 for the purpose of better flood control met with board members at 2:00 p.m. They discussed how the project was in the beginning and felt that it should be drained down in the fall. Discussion was also held regarding seepage from the project and the fact that the seepage ditch doesn't work. The Board authorized the District to request an amendment to the operating plan to the DNR, starting at the Project Team meeting on February 24, 2010. Landowners are invited to the meeting.

## **13. Clay County Ditch #18**

At the **September 8** meeting, the board authorized the repair of N.C. Ditch #18 as requested.

## **14. Project #27**

At the **November 11** meeting, a repair request submitted by Bill Stalboerger on Project #27 in Mahanomen County was brought before the board. The board authorized the repair. Engineer Bents estimated the costs of the repairs would be approximately \$5-\$6,000.

## **15. Project #29**

At the **February 10** meeting, David Larson, Lake Park, met with Managers regarding snow cleanout on **Project #29**, if necessary. The Board authorized Larson to clean out the snow to prevent overland flooding and contacting Manager Austinson to review the site prior to cleanout.

## **16. Project #30 – Anthony Township**

At the **July 1 special meeting**, Engineer Bents reported that the appeal by the District to FEMA for additional funding on the Project #30 was approved in the amount of \$274,000 to backslope the ditch. Due to the size of the project and statue 103D635 it may be necessary to hold a mandatory hearing. The board authorized the hearing and for staff to begin the process.

At the **July 12 special meeting**, Mick Alm met with Managers to discuss the road washout on Norman County Highway #147, which is adjacent to Project #30. Alm stated that he had the slide repaired and would bring the billing to the Watershed District to determine if they would cost share on it as it is along a ditch system of the District's. Policy regarding damages to roads along ditch systems was discussed. Attorney Hanson agreed to do some research on the background of the project and determine if the law or policy should or will determine who is responsible for the costs associated with damages to roads that are adjacent to ditch systems and bring the information to the August meeting.

At the **October 13** meeting, Engineer Bents reported that Gordon Construction submitted the low bid on the Project in the amount of \$37,200 and recommended approval of the contract. The board authorized hiring Gordon Construction for the project.

At the **December 8** meeting, the board approved final pay request for \$36,852 to Gordon Construction for work on Project #30 FEMA repair.

## **17. J.D. #51 Upper Reaches**

In May, 2008 the Board decided to go forward with the repair request on JD #51 to clean the channel back to the original grade. Engineer Jerry Bents explained that under current conditions, the river had washed out about seven feet of its bottom behind the weir in the Wild Rice River where water enters JD #51 and the Marsh River. This meant that the water had to be seven feet deeper in the Wild Rice River before any water began travelling up JD #51.

This project had been put "on hold" following a request from the City of Ada to have their engineering firm review downstream effects of the cleaning. That review confirmed the original hydraulic report that the maintenance would not create significant downstream problems. The

board had been waiting until the U. S. Army Corps of Engineers finished their review of hydraulic capacity as part of the proposed 2005 flood protection feasibility study in Ada.

In June, 2008 the Board accepted the low bid from D & J Excavating of \$18,000 to do the cleaning and maintenance at the JD #51 outlet. In August, the managers were informed that ditch cleaning at the JD #51 inlet had been completed and approved payment to the contractor for additional negotiated dirt removal.

At a **special meeting** on **July 12**, Administrator Tom Wollin reported that Engineer Bents stated he would be here on Wednesday the 14th and have additional information regarding the repair to the ice control structure on J.D. #51.

At the **July 14** meeting, the managers approved scheduling a hearing for the FEMA repair to the ice control structure on J.D. #51 for 11:00 a.m. on Wednesday, August 11, 2010, at the Board's regular August meeting.

At the **August 14** meeting, the managers recessed the regular meeting and convene the hearing on the FEMA repair to the ice control structure on J.D. #51, Upper Reaches Project. Chairman Holmvik called the meeting to order. Engineer Bents reviewed the status of the project and provided an overview to interested landowners in attendance. Bents stated that the proposed project has nothing to do with the cement structure that was originally built to determine the height of the water. Rather this is the ice control structure repair and the proposed change is to move it 75 feet to the north due to the erosion in the channel where the current structure is. The amount approved by FEMA is \$122,805 estimated for construction and some funds for engineering and administration. Chairman Holmvik informed attendees that today's hearing and testimony taken from landowners will be for the ice control structure, not the weir and the entire Upper Reaches Project. Testimony from landowners was accepted at this time. Steve Jacobson asked if the ice control structure would change the flow downstream; landowners on the Wild Rice were concerned that the repair would throttle the flow. Engineer Bents stated no. Jerry Bitker stated that he believed it needed to be done to keep the debris from moving down the channel and he liked the ideas of the plates. Kenny Visser asked where this would benefit people to the west of Highway #9, and felt this is not a repair and had an issue with the assessment feeling it didn't benefit him. After taking testimony the hearing was closed to comments. The board approved the following order;

#### **ORDER OF BOARD OF MANAGERS REGARDING PROJECT #51 REPAIRS EXCEEDING NORMAL MAINTENANCE**

A meeting of the Board of Managers of the Wild Rice Watershed District was held at the district office in Ada, Minnesota, on August 11, 2010, at 11:00 a.m. A quorum of the board was present including: Greg Holmvik, Mike Christensen, John Austinson, Dean Spaeth, Diane Ista, and Duane Erickson. Also in attendance were district staff members including: the engineer, Jerry Bents; the attorney, Elroy Hanson; and the interim administrator, Mark Aanenson. Discussion was had concerning repairs to JD #51 exceeding normal maintenance per Minn. Stat. §103D.635. Specifically, an existing ice control structure on JD #51 has been structurally damaged and is in need of repair. The district's engineer presented construction plans for replacing the existing ice control structure with a new ice control structure approximately 75 feet north of the existing structure. Discussion was had regarding property owner's concerns that moving the ice control structure north 75 feet have a downstream impact by "throttling" the water, but the engineer stated no such "throttling" would occur. Discussion was had regarding when the ice control structure was put into Project #51 and it was clear said structure had been part of Project #51 for over 35 years and, accordingly, is a part of said project. Discussion was had regarding the costs of repairing the ice control structure where it is at versus the cost of putting in a new ice control structure which is hydraulically similar to the existing structure and provides similar benefits. Specifically, the engineer's estimate for construction costs for putting in a new structure as proposed is about \$98,985.00, while the cost for replacing/reconstructing the existing structure where the existing structure is at is almost \$185,000.00. Discussion was had that the district has an approved FEMA claim regarding the repair costs of \$122,805.00 and that, if the ice control structure is relocated as proposed 75 feet north of the existing structure, all of the construction costs should be covered. Any costs which may not be

covered by FEMA will be nominal and apportioned/assessed pro rata upon all property originally assessed for construction of JD #51.

NOW, THEREFORE, based on the above discussion, the board of managers makes the following:

**FINDINGS OF FACT**

1. That due notice of the hearing for repairs exceeding normal maintenance regarding the ice control structure on JD #51 was given in accordance with Minn. Stat. §103D.635.
2. The engineer's report and construction plans regarding the JD #51 ice control structure dated July 2010 are accepted and approved by the board of managers.
3. The existing ice control structure on JD #51 is in a state of disrepair such that it cannot be economically restored by normal and routine maintenance to the same condition as originally constructed.
4. The new ice control structure is beneficial to Project #51 as it helps to limit the amount of ice and other debris which otherwise would be in JD #51 and said structure should be installed per the engineer's construction plans to a location approximately 75 feet north of the existing ice control structure to attain the level of operating efficiency contemplated when the existing ice control structure was constructed.
5. Constructing a new ice control structure approximately 75 feet north of the existing structure is compliant with the district's water management plan and is necessary to accomplish the purposes of Minn. Stat. §103D.
6. The costs of the proposed repairs will not exceed the benefits as FEMA will pay for most, if not all, the costs. BASED on the above discussion and Findings of Fact, and upon motion by Dean Spaeth seconded by Mike Christensen, and unanimously carried, the Board of Managers hereby orders that the new ice control structure of JD #51 be constructed as set forth in the engineer's construction plans of July 2010 at the location stated in said report (approximately 75 feet north of the existing ice control structure). It is further ordered that the construction costs be paid out of the funds approved by FEMA for said construction, and that any costs, while nominal, not paid by FEMA will be paid by the original Project #51 benefiting area on a pro rata basis.

The hearing was adjourned and the regular meeting was opened.

At the **September 8** meeting, Engineer Bents distributed the bid tabulation for the J.D. #51 Ice Control Structure. Robert R. Schroeder Construction of Glenwood, MN, was low bidder in the amount of \$141,950 and recommended awarding the contract. The board awarded the bid to Schroeder.

Engineer Bents discussed the fact that Mrs. Grivno be notified that the District does have a recorded easement allowing access to the project.

At the **October 13** meeting, Engineer Bents reported that construction will begin on the Ice Control Project Repair, Monday October 18, 2010.

At the **November 11** meeting, the managers authorized Pay Request #1 in the amount of \$75,595.50 to Robert Schroeder Construction for work on the J.D. #51 Ice Control Structure. Photos of debris and trees were shown to board to determine what their thoughts were concerning the removal. Consensus of Managers was to not do the tree and debris removal at this time due to the sensitivity of the Grivnos.

At the **December 8** meeting, the board approved the billing of \$300 for work on Northern Improvement Dam and Gordon Construction in the amount of \$2,135 for levee repairs on the Upper Reaches Project. The board approved a bill to Robert Schroeder in the amount of \$57,623 for the FEMA Repair on the Ice Control Structure on J.D. #51.

## V. 2010 Meeting Minutes in Review

All meeting minutes from 2010 have been reviewed. The items pertaining to a certain project or program have been moved to the section titled **IV. Plan Performance** of this report. Consent agenda items (approval of agenda, minutes, payment of per diems, and bills, etc) have been deleted. All other items have been abbreviated under the monthly headings shown below.

### A. January Special, Regular and Reconvened Meetings

A **Special Meeting** of the Wild Rice Watershed District Board of Managers was held on Tuesday, **January 5, 2010**, at the office of the District located at 11 Fifth Avenue East, Ada, MN. The purpose of the meeting was for an update by Dennis Ertelt on land negotiations for Upper Becker and the prospective administrator proposal.

Managers discussed the administrative proposal submitted by Steve Odegaard. The Board accepted the proposal as submitted. Managers J Spaeth and Erickson opposed. Administrator to begin work as of February 1, 2010, if possible.

The Board accepted the Letter of Engagement presented by the Minnesota State Auditors.

The **Regular Meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, January 13, 2010. Managers in attendance included Diane Ista, Joe Spaeth, Greg Holmvik, Duane Erickson, John Austinson and Dean Spaeth. In addition the following persons were in attendance: Interim Administrator Loretta Johnson, Administrative Assistant Kari Kujava, Attorney Hanson, Engineer Jerry Bents, Marijo Vik, Paul Wannarka, Brian Dwight, Curtis Borchert and landowners, and Attorney Kristy Albrecht via conference call.

Manager J Spaeth asked about someone writing for Index and other newspapers. Consensus of Managers was for Loretta Johnson to send unapproved minutes to the Norman County Index.

Engineer Bents reported that staff has been working with the Norman and Mahnomen Counties to develop specific tasks for the FEMA Project of Flood Insurance Mapping. He stated that the tasks will be paid in a lump sum basis to prevent the trouble of going over budget, which is difficult then to get reimbursed through FEMA. The Board approved agreements with the Mahnomen and Norman County SWCDs at a rate of \$3,600 for Norman and \$2,500 for Mahnomen, tasks to be completed by February 15, 2010. Chairman Christensen was authorized to execute the document.

Randy Chisholm and Jim Wagner Sr. met with Managers to discuss a complaint filed by Jim Wagner alleging that Chisholm had done illegal ditching and trespassing on his property in Section 22 of Green Meadow. The Board agreed to give Chisholm until the February 10, 2010, meeting of the Board to come back with a resolution, or permit, as the ditching was done without a permit from the Watershed District.

Accountant Marcussen reported that former Administrator Steve Dalen's last unemployment payment was on 11/9/2009 and that IRS mileage rates had been reduced to \$0.50 per mile.

The Board closed the meeting at 11:15 a.m. for a teleconference with Attorney Kristy Albrecht to discuss attorney client confidential information regarding the Vik Litigation. At 11:25 a.m. the Board opened the meeting.

The Board authorized managers to attend the RRWMB Meeting and Basin Commission Conference scheduled for January 20, 2010, at Grand Forks.

Chris Ellison and James Fallon, USGS, reported on the sediment monitoring and collecting of data for the WRR Sediment Study 2007-2009. They gave a PowerPoint presentation which illustrated their data information. The interpretation of their initial data was that turbidity turned out to be the best indicator. They talked about continuing the work into 2010. Manager Erickson asked if this is a duplication of the TMDL study that the District is currently working on. Engineer Bents stated that it is not. The Board tabled a decision on future funding until the February meeting.

Attorney Hanson wrote up a contract and Manager Holmvik made revisions to the PTO time, etc. After editing per Holmvik, it was sent to Odegaard, he will sign it if board approves today. Previously the board approved accepting the offer that Odegaard presented to the Board. The Board accepted the agreement as presented.

The Board authorized Attorney Hanson and staff to move forward with advertisement for bids and sale of District Property formerly owned by Richards in Kragnes Township, pursuant to the right to reject any bids.

Chairman Christensen **reconvened** the meeting at 8:30 a.m. on Wednesday, **January 27, 2010**, at the office of the District. Managers in attendance were Joe Spaeth, John Austinson, Duane Erickson, Mike Christensen, Greg Holmvik, Diane Ista and Dean Spaeth. Managers absent: None. In addition those in attendance were: Engineer Jerry Bents, Interim Administrator Loretta Johnson and Brian Borgen, and landowners on the Upper Becker Project. Steve Odegaard, Administrator of the District beginning February 1, 2010, visited the meeting. Dennis Ertelt also joined the meeting via conference call.

Managers discussed the motion made previously regarding a proposed meeting with Langseth. Ista stated that she had made a motion to meet with Langseth although after thinking about it became concerned about doing it right now and thought it could wait. Manager Erickson stated that he felt it was a good idea when talking about moving the dam south but when the board wasn't interested in moving the dam, he didn't want to meet with Langseth.

The Board changed the March 10, 2010 Regular Meeting date to March 17, 2010, due to the MAWD Annual Meeting scheduled for the 10th of March.

The Board authorized a Special Meeting for land sale of the WRWD's Kragnes Township property on February 19, 2010, at Georgetown, MN.

Discussion was held regarding previous authorization for Engineer Bents to contact John Beckwith, NRCS to discuss the NRCS commitment to assist on the South Branch project. Manager Holmvik questioned why Bents had not contacted Beckwith. Bents stated that Manager Erickson had contacted him and told him not to. Holmvik stated that one Manager cannot be telling staff not to do something that was authorized by the Board. Bents will contact Beckwith.

The Board authorized Manager Spaeth to attend the Water Resources Conference in Crookston.

The Board authorized Managers D Spaeth, Christensen and Erickson to attend the Farm Management Tiling Conference.

The Board agreed that the Payroll would be done in-house on the current Quick Books Program.

Manager Erickson expressed concerns that the District had not received payment for costs related to the Vik Lawsuit. He also wanted to make sure that Managers were covered under the insurance clause and immune from liability.

The Board closed the meeting to discuss attorney/Client information on the Vik Lawsuit.

## **B. February Special and Regular Meetings**

A **special meeting** of the Wild Rice Watershed District was held on Friday, **February 5, 2010**, at the office of the District located at 11 Fifth Avenue East, Ada, MN. The purpose of the meeting was to discuss Upper Becker Land Negotiations and other issues. The following Managers were in attendance: Joe Spaeth, Mike Christensen, Diane Ista, Greg Holmvik, Duane Erickson, John Austinson and Dean Spaeth. Managers absent: None. In addition the following persons were in attendance: Administrator Steve Odegaard, Assistant Administrator Loretta Johnson, Engineer Jerry Bents, Attorney Elroy Hanson, Brian Dwight, Paul Wannarka, Steve Green, Tom Bergren, Jim Jirava and Lowell Anderson. Chairman Christensen called the meeting to order at 8:35 a.m.

Attorney Hanson reported that the attorney for Richards sent correspondence requesting a time extension on the land swap until March 15, 2010. The Board authorized the extension be given to Richards for the land swap. Hanson also reported that due to the delay in the land swap, he removed the Richards land auction, which the District would own as a result of the swap, scheduled for February 19, 2010, from the market.

The Board authorized Managers Ista and Christensen and Engineer Bents and Administrator Odegaard to attend the Legislative hearing on February 11, 2010.

Following the closed meeting, Chairman Christensen adjourned the regular meeting at 2:30 p.m.

The **regular meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **February 10, 2010**. Managers in attendance included Diane Ista, Joe Spaeth, Greg

Holmvik, Duane Erickson, John Austinson and Dean Spaeth. In addition the following persons were in attendance: Administrator Steve Odegaard, Assistant Administrator Loretta Johnson, Administrative Assistant Kari Kujava, Attorney Hanson, Engineer Jerry Bents, Marijo Vik, David Larson, Curtis Borchert and landowners interested in the Upper Becker Project.

Loretta Johnson reported that communication was sent to Mick Alm, Norman County Highway Engineer regarding the maintenance of Highway #147 and no reply has been received. .

Engineer Bents reported that John Beckwith, NRCS, has tentatively scheduled a meeting in Ada on the 2<sup>nd</sup> of March regarding the South Branch of the Wild Rice River NRCS Study. The Board authorized a Special Meeting to be scheduled for 9:00 a.m. on March 2, 2010, at the District office.

Engineer Bents reported that technician Mark Aanenson talked with James Wagner who had stated that he had discussions with Randy Chisholm regarding illegal ditching by Chisholm in Section 22 of Green Meadow Township and they both tentatively agreed on a resolution. The Board tabled the violation for resolution by both parties until June 1, 2010.

Managers held discussion regarding the 2010 funding of the USGS Stream Gage monitoring program. The Board agreed to fund the District's cost share of \$20,000 for the program and Bents agreed to request that the USGS monitor bed load.

Manager Ista updated the Managers regarding the City of Ada's discussions on how to protect landowners i.e. temporary dike construction for Kinkade, Jacobson and the Golf Course while awaiting possible upgrade on the levees.

Manager Erickson expressed concerns regarding the non-payment to date of the District's insurance carrier for fees for the lawsuit. Attorney Hanson stated that he had contacted the representative who said the payment would be released soon.

The Board approved payment in the amount of \$3,298.50 to RM Hoefs Associates for appraisals of Hendrum, Jiravas and Hastings.

A **special meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **February 17, 2010**, at the office of the District located at 11 Fifth Avenue East, Ada, MN. The purpose of the meeting was to accept Administrator Steve Odegaard's resignation and to make a decision on a future administrator. The following Managers were in attendance: Dean Spaeth, Mike Christensen, Greg Holmvik, Duane Erickson, Joe Spaeth and Diane Ista. Absent: John Austinson. Also in attendance were Interim Administrator Loretta Johnson and Attorney Elroy Hanson. Chairman Christensen called the meeting to order at 8:35 a.m.

The Board accepted the resignation of Steve Odegaard.

Discussion continued regarding what the next step should be. Manager Ista stated that she would like to go back to the original list of applicants and do some interviews to see how each person interviewed. A short discussion followed. The Board agreed to offer Tom Wollin another interview and discuss the terms of the position at the interview. Manager Ista opposed. The Board agreed to have Loretta Johnson contact Wollin and schedule a Personnel Committee meeting for discussion with him.

## **C. March Regular Meeting**

The **regular meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **March 17, 2010**. Managers in attendance included Diane Ista, Joe Spaeth, Greg Holmvik, Duane Erickson, John Austinson, Joe Spaeth and Dean Spaeth. In addition the following persons were in attendance: Assistant Administrator Loretta Johnson, Administrative Assistant Kari Kujava, Attorney Hanson, Engineer Jerry Bents, future Administrator Tom Wollin and various landowners and interested parties. Chairman Christensen called the meeting to order at 8:40 a.m.

Attorney Hanson updated the Board on the status of the AIG overdue insurance payment due the District for the Vik Lawsuit. The board authorized Attorney Hanson to notify AIG that they need to pay within 14 days or Attorney Hanson will report the company to the Insurance Commissioner.

USGS River Gauge Funding at Twin Valley. Discussion was held regarding the DNR's notification that they will no longer be funding the \$7,600 for the gauge at Twin Valley. Engineer Bents stated that Ron Harnack addressed the issue of the need of the gauge in the valley at the state level but to no avail. Kevin Ruud requested funding from Norman County. Manager Holmvik stated that the gauge south of

Ada on the Wild Rice River is very important for the City of Ada, therefore they would not want to try to trade one for the other. Consensus of Managers was for Holmvik to talk to Ruud to determine the next course of action.

The managers approved the Financial Report dated February 28, 2010 and transfers from the perspective projects to Red River Construction with the exception of COE FS and Mahnomen Project, which require additional information.

NRCS South Branch Evaluation. At 1:00 p.m. John Beckwith, Dave Jones, Pete Cooper and Glen Kajewski of the NRCS, met with Managers to discuss various programs that may be available for the District to use in funding local projects. Chairman Mike Christensen asked Mr. Beckwith if the NRCS could fund retention; he answered that in the last two years their planning funds for retention have gone to zero. Beckwith stated that you may be able to incorporate storage into the WRP program with no more than a 2 foot bounce. A PowerPoint presentation was given illustrating the various programs including the PL 566 program. Beckwith stated that the benefits to local sponsors (WRWD) are that they (NRCS) assist in writing a plan for a project. Curtis Borchert questioned if multiple 566 programs could be in place at the same time. Beckwith stated that in theory yes, but they are short of staff so probably not. Manager Erickson stated that the District has the South Branch for a project; however that may be too large to start with. Beckwith stated also, that he understood the hesitancy of landowners and the WRP or permanent easement projects. Manager D Spaeth stated that there is land on Upper Becker that is in the WRP and now the District cannot store water on it. Manager Ista stated that from what she was hearing and understanding the PL566 Programs would probably fit what the District is doing the best. Beckwith agreed. Ista felt the District should send information on Project #42 to the NRCS office for review. Beckwith stated that the District should send him open days for the next six weeks, and get organized with them to coordinate and work together.

The managers authorized staff to contact the USFWS to determine drawdown time for Lindsay Lake.

Meeting adjourned.

## **D. April Regular and Special Meetings**

The **regular meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **April 14, 2010**. Managers in attendance included Diane Ista, Joe Spaeth, Greg Holmvik, Duane Erickson, John Austinson, Joe Spaeth and Dean Spaeth. In addition the following persons were in attendance: Administrator Tom Wollin, Assistant Administrator Loretta Johnson, Administrative Assistant Kari Kujava, Attorney Hanson, Engineer Jerry Bents, and interested landowners. Chairman Christensen called the meeting to order at 8:35 a.m.

Managers were advised that John Beckwith, NRCS, and other NRCS staff will be visiting the Watershed District and other areas between May 3-5 and plan to do a tour of the South Branch.

Tom Wollin reported that the resolution to the State of Minnesota requesting that the funding for the stream gauge at Twin Valley was submitted and to date there has been no reply.

Administrator Wollin reported on a meeting held recently in which landowners and DNR personnel in attendance agreed upon a temporary change to the O & M Plan for a period of three years to include a late winter drawdown. The managers tabled any action until the May meeting.

Joe Chisholm Violation Section 15, Sundal Township. Managers D Spaeth and J Spaeth toured the violation site along with Floyd Hanson. Consensus of both was that the restoration plan provided was not sufficient. The managers agreed (with Manager Erickson opposed) to notify Joe Chisholm that he must have a revised plan for the restoration into the District office by 5:00 p.m. on April 20, 2010

The Board authorized a Special Meeting to be scheduled for 9:00 a.m. on April 21, 2010, at the District office. The purpose of the meeting will be to act on the Chisholm violation and discuss Upper Becker updates and any other business that may come prior to the meeting notice.

Accountant Marcussen presented the Financial Report dated 3/31/10. Manager Holmvik questioned if the insurance payment from AIG had been received. Staff stated that no check was received although Agent Jodia Nesbith informed the office approximately three weeks prior, that the check was in the mail. Attorney Hanson stated that he informed Nesbith that the Board was ready to begin either litigation or contact the Insurance Commissioner. Consensus of Managers was for Attorney Hanson to again contact AIG. Cash flow was also discussed, stating that the District had already paid out

The board authorized staff to obtain quotes for mowing and spraying 2010 and advertise in local newspaper for legal, engineering and accounting consultants 2010.

The managers authorized staff to obtain a quote from Drees, Risky and Vallager for the 2010 Audit for the District.

The board authorized the District to accept the quote of Arvid Ambuehl in the amount of \$10,800 for debris and flood damage cleanup on the Wild Rice River as a result of the flood 2010.

Administrator Wollin cautioned the Board regarding the conflict of interest issues and reminded Managers that previously today Dean Spaeth had abstained from voting on the permits to which he had an interest, one permit being his own. Wollin emphasized the need for each Manager to make sure that they abstain from voting if they knew that they had a direct benefit or gain as a result of their vote.

It was reported that NRCS officials would like a tour of the District's proposed projects for NRCS funding on May 4 and then would like to meet with the board on the 5th of May.

Meeting adjourned.

A **special meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **April 21, 2010**. Managers in attendance included Diane Ista, Joe Spaeth, Greg Holmvik, Duane Erickson and Dean Spaeth. Absent: John Austinson. In addition the following persons were in attendance: Administrator Tom Wollin, Interim Administrator Loretta Johnson, Attorney Hanson, Engineer Jerry Bents. Chairman Christensen called the meeting to order at 9:00 a.m.

Attorney Hanson stated that there is nothing new with the AIG insurance reimbursement, which still has not been received. Regarding insurance issues, Manager Erickson requested that he obtain a copy of the deck sheet from Agent John Hoffman for the District's liability insurance.

Local Government Resolution. The board authorized Chairman Christensen to execute the resolution documents.

Joe Chisholm Violation, Section 15, Sundal Township. Managers discussed the status of the Joe Chisholm violation in Section 15 of Sundal Township. Managers J Spaeth stated that he would like to see something done to repair the site. The managers agreed to notify Joe Chisholm that he needs to either repair the site to the original condition or bring a revised plan to the District by the 5th of May.

The managers approved the beaver removal and beaver dam removal proposal of Jim Wagner.

Meeting adjourned.

## **E. May Special, Regular and Reconvened Meetings**

A **special meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **May 5, 2010**. Managers in attendance included Diane Ista, Joe Spaeth, Greg Holmvik, Duane Erickson, John Austinson, Joe Spaeth and Dean Spaeth. In addition the following persons were in attendance: Administrator Tom Wollin, Assistant Administrator Loretta Johnson, Administrative Assistant Kari Kujava, Attorney Hanson, Engineer Jerry Bents, and interested landowners. Chairman Christensen called the meeting to order at 8:30 a.m.

John Beckwith, Pete Cooper, Dave Jones, and Glen Kajewski of the NRCS, met with Managers to provide an update on possible projects that their organization could do in cooperation with the Watershed District. Pete Cooper gave a PowerPoint presentation on the NRCS 566 Program; however John Beckwith and Pete Cooper were not very optimistic that this program would work for the District as it is based on the benefit/cost ratio and agricultural land usually doesn't provide enough benefits. Beckwith did state that he would still work with individual landowners and the District. He also talked about the EQUIP Program which he said is basically for individual landowners. He did feel that the Agricultural Water Enhancement program (AWEP) may be a better fit. AWEP does require matching dollars, and although it is for landowners, he recommended putting together a proposal that would go to the NRCS requesting that the District be able to work for landowners, even though the program is voluntary, in an effort to gain some storage along with water quality and other natural resource enhancements. Beckwith stated that the program sign up ends soon, so the District should begin the process as quickly as possible.

Joe Chisholm Violation/Corey Hanson Complaint, Section 2, Green Meadow Township. Joe Chisholm met with Managers to discuss the reestablishment to the original state of the violation in Section 2 of Green Meadow Township. Chisholm felt that he has completed the necessary restoration



called for by the Managers. The board tabled any action on the violation until the May 12, 2010, meeting. Staff, Managers and technician will do an on site review of the restoration prior to the meeting and bring back a recommendation.

Meeting adjourned.

The **regular meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **May 12, 2010**. Managers in attendance included Diane Ista, Joe Spaeth, Greg Holmvik, Duane Erickson, John Austinson and Dean Spaeth. In addition the following persons were in attendance: Administrator Tom Wollin, Assistant Administrator Loretta Johnson, Administrative Assistant Kari Kujava, Attorney Hanson, Engineer Jerry Bents and additional property owners, taxpayers and interested persons within the Watershed District. Chairman Christensen called the meeting to order at 8:35 a.m.

Tom Bergren, audience participant, called for a point of order. Bergren stated that per Mahnomen County Commissioner meeting on Tuesday, May 11, 2010, the Mahnomen County Attorney stated that Manager J Spaeth's term has expired and he may no longer vote. Attorney Hanson disagreed and said that under MN Statute Joe Spaeth could continue to vote until a replacement or he is appointed. Hanson also said that in talking to the Mahnomen County Attorney, she agreed and had indicated that she was not aware of that statute.

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

The mowing proposals were reviewed by Managers with Arvid Ambuehl \$90 per hour and Joe Boe \$58.50 per hour. Due to the large disparity in the bids, the managers rejected all bids and rebid the mowing using a lump sum basis.

The legal proposal submitted by Wambach and Hanson was discussed. The managers approved the proposal in the amount of \$160 per hour legal attorney and \$35 skilled secretary-paralegal type services.

The managers accepted the proposal of Marcussen for \$50 per hour general accounting/payroll and meeting attendance/consulting at \$60 per hour. Manager Austinson stated that he was not quite comfortable with the books as they are at this time and wanted something easier to understand. Administrator Wollin stated that a full time administrator here, it was a goal to have more accounting in house.

Wes Carlsrud submitted a proposal at \$150 per hour for spraying and the managers approved the proposal. Managers briefly discussed the cost of spraying with Manager Erickson opposed.

Houston Engineering proposal was distributed. Engineer Bents rate is \$116 per hour, and listed was a fee schedule for all engineering and surveying services offered. The managers approved Houston Engineering's proposal with Manager Ista opposed.

The meeting was recessed to reconvene at 8:30 a.m. on Wednesday May 18, 2010.

The **regular reconvened meeting** of the Wild Rice Watershed District was held on Wednesday, **May 18, 2010**, at the office of the District. All Managers were present, none absent. Also present were Administrator Tom Wollin, Assistant Administrator Loretta Johnson, Administrative Assistant Kari Kujava, Attorney Hanson, Engineer Jerry Bents and Lowell Anderson. Chairman Christensen called the meeting to order at 8:35 a.m.

Joe Chisholm Violation Section 15, Sundal Township. Administrator Wollin reported on a site investigation by himself, Managers D Spaeth and Mike Christensen along with Joe Chisholm, Everett Hanson, Floyd Hanson and Duane Erickson. Consensus at the site was that Chisholm agreed to put a culvert in place as requested by Floyd Hanson to resolve the issue. Floyd Hanson questioned damage costs to the property. Wollin informed him that the damages are a civil matter that would need to be resolved between the two of them.

#### **Board Reorganization.**

Nominations were taken for Chairman. Manager Austinson nominated Mike Christensen. Manager J Spaeth nominated Greg Holmvik. A motion was made by Manager Austinson and seconded by Manager Erickson that nominations cease. A ballot was taken. Managers Austinson, Erickson and D Spaeth voted for Mike Christensen. Managers Ista, J Spaeth, Christensen and Holmvik for Holmvik. Carried with Holmvik with majority and new Chairman.

Nominations were taken for Vice Chairman. Manager Austinson nominated Mike Christensen. Manager D Spaeth made a motion that nominations cease and the secretary cast a unanimous ballot for Christensen. Manager Erickson seconded the motion, which carried with a unanimous vote.

Nominations were taken for Secretary. Manager Christensen nominated John Austinson. Manager D Spaeth made a motion that nominations cease and the secretary cast a unanimous ballot for Austinson. Manager Christensen seconded the motion. Carried with a unanimous vote. John Austinson is Secretary.

Nominations were taken for Treasurer. Manager Erickson made a motion to nominate Manager D Spaeth. Manager Christensen seconded the motion and requested that the nominations cease and the secretary cast a unanimous ballot. Carried with a unanimous vote, D Spaeth is Treasurer.

A motion was made by Manager Christensen and seconded by Manager D Spaeth authorizing the four officers to update the signature cards at the Frandsen Bank. Carried.

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

The board authorized their own attendance at the MAWD Summer Tour.

Meeting adjourned.

## **F. June Regular Meeting and Hearings**

The **regular meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **June 9, 2010**. Managers in attendance included Diane Ista, Joe Spaeth, Greg Holmvik, Duane Erickson, John Austinson and Dean Spaeth. In addition the following persons were in attendance: Administrator Tom Wollin, Assistant Administrator Loretta Johnson, Administrative Assistant Kari Kujava, Attorney Hanson, Engineer Jerry Bents, Raymond Hanson and additional property owners, taxpayers and interested persons within the Watershed District. Chairman Holmvik called the meeting to order at 8:40 a.m.

Attorney Hanson administered the oath of office to Raymond Hanson, who was appointed by Mahnommen County to replace Joe Spaeth. A copy is on file at the District office.

Complaints/Violations, Mike Gillis, Section 14, Lake Ida Township. Mike Gillis filed a complaint against Bob Brandt in Section 14 of Lake Ida Township alleging that Brandt used a backhoe to ditch on the south side of the area to release water on him. The board authorized correspondence to be sent from the District to both parties to determine if they can work it out.

The following Committee appointments were made with Manager Ista opposed:

### **2010 WILD RICE WATERSHED DISTRICT COMMITTEES**

#### **FINANCE**

- Greg Holmvik
- Dean Spaeth
- Mike Christensen

#### **BONDING/LEGISLATION**

- Diane Ista
- Mike Christensen
- Ray Hanson

#### **PERSONNEL**

- Greg Holmvik – Employee Liaison
- Duane Erickson
- Diane Ista

#### **PROJECT TEAM**

- Mike Christensen
- Diane Ista
- Duane Erickson

#### **FARM RING DIKES**

- Diane Ista
- John Austinson
- Greg Holmvik

#### **PUBLIC INFORMATION**

- Diane Ista
- Mike Christensen

#### **REPRESENTATIVES**

##### **RRWMB**

- Greg Holmvik
- Mike Christensen (alternate)

##### **NORMAN COUNTY SWCD**

- Mike Christensen

##### **MAHNOMEN COUNTY SWCD**

- Dean Spaeth

##### **CLAY COUNTY**

- John Austinson

##### **BECKER COUNTY**

- Duane Erickson

##### **CITY OF ADA**

- Diane Ista

##### **CITY OF MAHNOMEN**

- Ray Hanson

## CONCERNED CITIZENS OF THE WRWD

- Diane Ista
- Greg Holmvik (alternate)

## DOWNSTREAM IMPACT, FM DIVERSION, SMALL CITIES

- Diane Ista
- Greg Holmvik (alternate)
- Mike Christensen (alternate)

The board authorized themselves to attend the FDR Work Group Meeting in Detroit Lakes on the 23rd of June 19.  
Meeting adjourned.

### HEARING JUNE 10 2010

A **Hearing** of the Wild Rice Watershed District Board of Managers was held on Thursday, June 10, 2010 at the Perley City Hall. Managers in attendance included Chairman Greg Holmvik, Vice Chairman Mike Christensen, Treasurer Dean Spaeth, Secretary John Austinson, Diane Ista, and Raymond Hanson. Absent was Manager Duane Erickson. In addition Engineer Jerry Bents, Administrator Tom Wollin, and Perley Mayor Ann Manley were present along with other Perley City Officials and Perley land owners.

Chairman Holmvik called the hearing to order at 7:00 PM.

Administrator Wollin provided an overview of the purpose of the hearing. These were:

- a. Review the Project
- b. Review the Appraisal Report
- c. Hear any additional Testimony
- d. Board Decision

Engineer Jerry Bents proceeded to review the Project including:

- a. Phase 1 – Concept Planning Overview
  - i. Land Owners Meeting(s)
  - ii. Community Meeting
  - iii. City Petition to WRWD for Project Development
- b. Phase 2 – Project Planning
  - i. Engineer's Report Developed
  - ii. Appraiser's Report Developed
  - iii. Land Options
  - iv. State Cost Share Secured
  - v. Leading to ... Public Hearing and Board Decision

#### Questions/Comments

- a. Can city residents choose type of payment plan (full amount or billed incrementally)
  - i. No. One method must be selected for all
- b. Property east of town. Can it be included in project
  - i. Options will be discussed at next WRWD meeting after discussions with State
- c. Currently State is willing to provide 100 year + 1 foot. What is cost for additional two (2) feet to make it 100 year + 3 feet?
  - i. Approximately \$105,000.00 (50% city share of \$210,000.00)
- d. Discussed Assessments for repair and potential improvements
- e. Can Perley come back later and apply for improvements i.e. raised dikes when diversion comes, etc.

Comments were closed.

Managers unanimously approved the Project Plan of 100 Year + 1 Foot with opening for revisions.

Hearing Adjourned.

### HENDRUM COMMUNITY LEVEE PROJECT HEARING JUNE 15, 2010

A Hearing of the Wild Rice Watershed District Board of Managers was held on Tuesday, **June 15, 2010** at the Hendrum Community Center/Fire Hall. Managers in attendance included Chairman Greg Holmvik, Treasurer Dean Spaeth, Secretary John Austinson, and Raymond Hanson. Absent were Vice

Chair Mike Christensen, Manager Duane Erickson, and Manager Diane Ista. In addition Engineer Jerry Bents, Administrator Tom Wollin, and Hendrum Mayor Curt Johannsen were present along with other Hendrum City Officials and Hendrum landowners.

Chairman Holmvik called the hearing to order at 7:00 PM.

Administrator Wollin provided an overview of the purpose of the hearing. These were:

- a. Review the Project
- b. Review the Appraisal Report
- c. Hear any additional Testimony
- d. Board Decision

Engineer Jerry Bents proceeded to review the project including

- a. Phase 1 – Concept Planning Overview
  - i. Land Owners' Meeting(s)
  - ii. Community Meeting
  - iii. City Petition to WRWD for Project Development
- b. Phase 2 – Project Planning
  - i. Engineer's Report Developed
  - ii. Appraiser's Report Developed
  - iii. Land Options
  - iv. State Cost Share Secured
  - v. Leading to ... Public Hearing and Board Decision

#### Questions/Comments

- a. Hendrum Mayor Curt Johannsen informed everyone that the City Council supported the option of 100 year + 3 feet with a twenty (20) year repayment schedule.
- b. Can the road raises be included with the 50/50 support from the state?
  - i. Has not been asked.
  - ii. At this point only additional height was included
- c. Assessment method discussed with explanation of FEMA and Army COE models for assessment numbers
  - i. Provides different categories for schools and churches
- d. Questions on Certification of dike with 100 + 3 foot height
  - i. Everything in place except for the handling of road raises
- e. Maintenance Cost questions
  - i. Currently mowing is about it
  - ii. More maintenance will be required. Cost and assessment for maintenance will increase
  - iii. Certified dike would require additional inspections and costs
- f. Could the dike be certified?
  - i. Engineer Bents felt there would be a good opportunity. Only item needing addressing would be the road raises
- g. Mayor Curt Johannsen restated City Council request for dike with height of 100 + 3 feet and 20 year repayment schedule.

Comments were closed

Managers unanimously approved the Project Plan of 100 Year + 3 Feet, 20 year repayment schedule, with opening for revisions.

Hearing adjourned.

## G. July Special and Regular Meetings

A **special meeting** of the Wild Rice Watershed District was held on Thursday **July 1, 2010**, at the office of the District located at 11 Fifth Avenue East, Ada, MN. The purpose of the meeting was to discuss Permits, Violations, Upper Becker and other issues. The following Managers were in attendance: Raymond Hanson, Mike Christensen, Diane Ista, Greg Holmvik, Duane Erickson, John Austinson and Dean Spaeth. Managers absent: None. In addition the following persons were in attendance: Administrator Tom Wollin, Assistant Administrator Loretta Johnson, Engineer Jerry Bents, Attorney Elroy

Hanson, Brian Dwight, Mark Christianson, NCSWCD, Steve Green, Tom Bergren, Eric Zurn, Mick Alm and Derek Hendricks..

Brian Dwight, BWSR, along with Mark Christianson, SWCD gave a presentation on a proposal regarding a project on the Jim Skaurud property in Section 29 of Fossum Township, in which RIM program can provide cost share funding on an existing easement. Christianson stated that cost estimate for the current plan is \$55,000 and with installation of a gated storage could provide 54 acre feet of storage, by using the current plan and a two foot bounce would provide 15-20 acre feet of storage. He also stated that there are 670 acres draining into this site. Brian Dwight stated that if the watershed district is interested in cost share funding, BWSR would need to be made aware of that soon. A recommendation was made to bring this idea to the Project Team meeting on July 28, 2010, in hopes of obtaining additional funding from agencies. Manager Erickson felt that the District should support the program and change the design to a dry dam type structure. The managers tabled any action by the Board and bring it before the Project Team with the dry dam focus.

4. Manager Austinson left the meeting at 10:00 a.m.

Managers discussed who should assist with permit review. Consensus was for Technician Mark Aanenson to contact the District office which will make a determination for a Manager to assist. Mick Alm also stated that he would like notification of permit applications that are for tiling in Norman County.

Engineer Bents distributed a packet of information on the Mike Gillis complaint in Section 14 of Lake Ida Township against Bob Brandt. It was determined that no violation occurred.

Terry Guttormson filed a complaint against Paul and Andy Borgen for ditch work in Section 12 of Georgetown Township. Upon investigation by staff technicians it was determined that it was a violation of District rules. The managers agreed (with Manager Erickson opposed) to report the offense to the Clay County Sheriff's office and request that they pursue it as a criminal case and restore it back to its original condition

Administrator Wollin brought forth information discussed at the Finance Committee Meeting, stating that several items were on the agenda including making some changes as recommended by the State Auditor: using Jon Schauer for training staff on Quick Books, either via phone or on site; banking procedures including reconciliation of checking account in office; having bank statements come directly to the District office for reconciliation and authorizing chairman, or treasurer or an additional person review and/or do the reconciliation of bank statements periodically. The board agreed to proceed with these accounting changes.

The board approved the regular meeting minutes for June 9, 2010, with the correction of adding Manager Christensen as being in attendance. The board approved the minutes of the Hendrum and Perley Hearings with the addition of the Orders for the Hearings.

The meeting was adjourned.

A **special meeting** of the Wild Rice Watershed District Board of Managers was held on Monday **July 12, 2010**. The purpose of the meeting was to discuss the resignation of Administrator Wollin and the presentation of the Red River Basin Commission. Managers in attendance include Diane Ista, Duane Erickson, Mike Christensen, Raymond Hanson and Greg Holmvik. Absent: John Austinson and Dean Spaeth. In addition the following persons were in attendance: Administrator Wollin, Assistant Administrator Loretta Johnson, Attorney Elroy Hanson, Bob Wright, Norman County Commissioner Steve Jacobson, Terry Guttormson, Mick Alm, Ron Gotteberg and Charlie Anderson and Lance Yohe. Chairman Holmvik called the meeting to order at 8:30 a.m. Attorney Hanson left the meeting at 9:00 a.m.

Wild Rice Modeling Related to the Main Stem – Presentation by the Red River Basin Commission (RRBC). Lance Yohe and Charlie Anderson gave a presentation on a plan for long term flood solutions in the entire basin north through Minnesota, North Dakota and southern Manitoba to Lake Winnipeg. Hard copies of the Power Point presentation are available at the District office. At the conclusion of the presentation Yohe stated that they are requesting that the District support the Basin Commission by agreeing to provide locations within the District where water could be stored, the acre feet of storage the storage would remove from the hydrograph and the volume of flow reduction. He stated that these could be identified from past records and sites that have been looked at. The long term overall goal is to reduce the flooding on the Red River by 20% along the entire length of the Red River Mainstem. Within the Wild Rice Watershed District the long term goal of the gaged tributary at Hendrum on the Wild Rice a

35% peak flow reduction; 3610 cfs peak flow reduction; 20% volume reduction; and 74,385 acre/feet of volume reduction and Shelly on the Marsh a peak flow reduction of 51%; 2100 cfs of peak flow reduction; 18% volume reduction; 15,247 volume reduction.

Yohe stated that he has \$10,000 50/50 cost share funding for each watershed district to use for the gathering and providing this information and indicated that the engineering firm the District uses would probably be the best place to assist in acquiring the information. Yohe stated that with this information from each Watershed District, it will be provided to Engineer Charlie Anderson to enter into a model which can be provided to legislators this upcoming session, with long term flood control for the Red River Valley, for possible future funding. Manager Hanson stated that he is opposed to spending any money for this and felt that the information had been provided to the Basin Commission in the seven year old Watershed District Plan in it was the responsibility of the RRBC to glean the information from that document. Manager Holmvik asked if in-kind services could be included to which Yohe said he would approve that. The managers approved (with Hanson and Erickson opposed) the request for modeling for flood control data and locations, to meet the requirements of the request by the Basin Commission.

The managers agreed to postpone Administrator discussion until the 14th of July regular meeting. Meeting adjourned.

The **regular meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **July 14, 2010**. Managers in attendance included Diane Ista, Raymond Hanson, Greg Holmvik, Duane Erickson, John Austinson and Dean Spaeth. In addition the following persons were in attendance: Administrator Tom Wollin, Assistant Administrator Loretta Johnson, Attorney Hanson, Engineer Jerry Bents and additional property owners, taxpayers and interested persons within the Watershed District.

**Bid Opening Mowing Ditches and Projects:** Administrator Wollin presented the bids from Arvid Ambuehl and Joe Boe. Boe withdrew his bid due to a time constraint and Ambuehl's bid was \$35,000. Managers approved the Mowing Bid from Arvid Ambuehl for \$35,000.

**Red River Watershed Management Board (RRWMB) Tiling Report.** Discussion was held regarding the fact that with increased tiling in the District, the Board should consider a tiling policy. Consensus of Managers was for Administrator Wollin to contact Naomi Erickson, RRWMB, and request a copy of their report for distributing to Managers.

**Approval of Bills.** Manager Christensen asked about the \$450 billing to the Mahanomen SWCD for a newsletter with an article included from the District. Managers discussed whether this newsletter was important anymore due to the availability of all of the District's minutes and information is available on the web site and felt that the program could be discontinued. Managers also discussed the Avery Construction payment because the office and Attorney Hanson received notice that Zavoral Construction has filed a Mechanic's Lien against Avery in the amount of \$3,500 for unpaid bills. The board approved the billings as presented, but withholding \$3,500 of Avery to be paid to Zavoral when the executed Mechanic's Lien is provided to the District at which time the balance of the Avery bill will be paid to him.

Chairman Holmvik recessed the meeting at 10:45 a.m. for an Open House Celebration in honor of Joe Spaeth's years of service on the Board of Managers. Chairman Holmvik reconvened the meeting at 11:15 a.m.

Doug Marcussen gave the Financial Report dated June 30, 2010. The managers approved the financial report as distributed; ½ cost share payment to the RRWMB in the amount of \$130,726.31 and Managers per diems and expenses. Administrator Wollin reminded Managers that if a meeting is less than 3 hours they should charge hourly, not for a full meeting. Managers are also paid mileage to and from meetings but not for the hours of travel.

**Red River Downstream Impact Group (RRDIG).** Manager Ista made a motion that the Board adopt and send a resolution similar to the resolution adopted and sent by the Norman County Board of Commissioners that indicates that the WRWD Board of Managers is opposed to the diversion without addressing downstream impacts. Ista withdrew the motion. Engineer Bents distributed a draft resolution prepared for the Red River Watershed Management Board (RRWMB). The board authorized a resolution that is prepared and approved at RRWMB meeting on Tuesday, July 20, after review by Manager Hanson. Chairman Holmvik is authorized to execute the resolution.

Administrator Wollin reported on a meeting called by staff of Congressman Peterson held at the Marriot Motel, Moorhead and was attended by Congressman Peterson, Pomeroy, Chief of NRCS, NRCS personnel from Minnesota, North Dakota, South Dakota, Lance Yohe, Charlie Anderson and aids for the congressmen. The purpose of the meeting was for Congressman Peterson to discuss proposed legislation that he intends to bring before Congress allocating approximately \$50M over the next several years for flood control in the Red River Valley and funded through the NRCS Farm Program. Wollin encouraged the Managers to work with the NRCS, RRBC, NRCS and other watershed districts up and down the valley in an effort to benefit from a part of these funds for the Wild Rice Watershed District.

Managers discussed the resignation of Administrator Tom Wollin and how they should move forward. The board agreed to re-advertise, using the same carriers as previously without the Grand Forks Herald. The board authorized Mark Aanenson, Houston Engineering, who previously worked part time as Interim Administrator at the District to be hired on a part time basis.

Meeting was adjourned.

## **H. August Regular Meeting**

The **regular meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **August 11, 2010**. Managers in attendance included Greg Holmvik, Diane Ista, Raymond Hanson, Greg Holmvik, Duane Erickson, John Austinson and Dean Spaeth. In addition the following persons were in attendance: Interim Administrator Mark Aanenson, Assistant Administrator Loretta Johnson, Attorney Hanson, Engineer Jerry Bents and additional property owners, taxpayers and interested persons within the Watershed District.

The managers approved the levies as distributed. A comparison of 2010 and 2011 interest changes will be provided in September.

Attorney Hanson reported that the District prevailed on every count and received a favorable opinion on all options in the appeal of the lawsuit by Viks. Attorney Hanson stated that the issue would be over unless the complainant chooses to appeal to the MN Supreme Court.

The following landowners requested assistance from the District in obtaining the necessary permits for ditch maintenance on the Moccasin Creek area: Gene Baukol, Amos Laport, Dennis Thorson, Gerald Lien, Arvid Swenson, Gerald Lien for Flom Township, David Lunde, Gary Lunde, Chris Erickson, Warren Seykora, Marlyn Syverson, Duane Malskog, Steve Mattson for Opal Malskog, Duane Erickson for Circle E, Justin Klemetson for Walworth Township, Bob Klemetson for Eleanor Krelitz, Rayn Groth and Lloyd Jirava. The board authorized the District to assist landowners with obtaining the necessary DNR permits (with Manager Erickson abstaining.)

Engineer Bents reported that it will be the final year of the USGS sediment analysis study, the first three were funded by the MPCA, last year the District contributed \$20,000 and he assumed that maybe the Board did not want to contribute for the upcoming year. Consensus of the Managers was to notify the USGS that the Board is still interested in the study, however only if outside funding is obtained.

Twin Valley Stream Gauge Cost Share. The manaters approved the District paying the cost share of \$1,962 for the year 2010- 2011.

Manager Ista stated that the Downstream Impact Group is requesting assistance from area residents and agencies for the purpose of hiring an attorney to assist in supporting changes to the Diversion Plan for the Fargo/Moorhead area to include protection of downstream cities and landowners. A motion was made by Ista for the District to contribute \$5,000. The motion failed for lack of a second.

The board authorized Chairman Holmvik to execute the Olson/Agassiz Revised Agreement with the DNR. The board authorized Manager Erickson to coordinate with Earl Johnson at DNR a repair to the outlet structure on the Olson Agassiz Project, making it more accessible and safer when opening and closing the gate.

The board authorized the Personnel Committee to review the applicants for the Administrator position and bring results to the board.

Complaints/Violations Chuck and Andy Borgen, Section 12, Georgetown Township. Interim Administrator Mark Aanenson reported that the complaint filed by Terry Guttormson against Chuck and Andy Borgen for ditch work in Section 12 of Georgetown Township was turned over to the Clay County Sheriff and upon contacting the Sheriff's department; he was told it is still under review.

The proposed 2011 Administrative Budget for consideration at the budget hearing in September was distributed for review. Pursuant to Chapter 162, laws of 1976, as amended, and under the direction from the Red River Watershed Management Board, the proposed levy of .0004836 times the taxable market value of the property in each county that lies within the District for the Red River Watershed Management Fund, one-half of which remains in the Wild Rice Watershed District for construction and maintenance of projects and one half provided to the Red River Watershed Management Board for projects and programs of common benefit to more than one member district and that the following proposed budget be adopted for consideration at the budget hearing scheduled for 11:00 a.m. on Wednesday September 9, 2010, at the office of the Wild Rice Watershed District located at 11 Fifth Avenue East, Ada, MN. The board adopted the 2011 proposed administrative budget and, upon the vote being taken, the same was declared unanimously approved.

## **PROPOSED BUDGET FOR ADMINISTRATIVE ACCOUNT**

**August 11, 2010**

### **2011 PROPOSED BUDGET**

|                                    |                     |
|------------------------------------|---------------------|
| Utilities                          | \$11,000.00         |
| Advisory Board                     | 1,000.00            |
| Supplies, Publications and Postage | 34,000.00           |
| Insurance and Bonds                | 19,000.00           |
| Engineering                        | 15,000.00           |
| Admin. Salaries                    | 80,000.00           |
| Legal Fees                         | 16,000.00           |
| Accounting Fees                    | 8,500.00            |
| Managers' Per Diem                 | 19,000.00           |
| Managers Expenses                  | 14,000.00           |
| Annual Report/Audits               | 10,000.00           |
| Organization Dues                  | 2,500.00            |
| Overall Plan (10 Year)             | 1,500.00            |
| Education Programs (Not Budgeted)  | 1,000.00            |
| Capital Improvements (10 Year)     | 12,500.00           |
| Mediation Project Team             | 5,000.00            |
|                                    | <b>\$250,000.00</b> |

The board authorized Curtis Borchert, NC SWCD, to be the agent for the BWSR grant agreement.

The meeting was adjourned

## **I. September Regular and Special Meetings**

The **regular meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **September 8, 2010**. Managers in attendance included Greg Holmvik, Diane Ista, Raymond Hanson, Greg Holmvik, Duane Erickson, John Austinson and Dean Spaeth. In addition the following persons were in attendance: Interim Administrator Mark Aanenson, Assistant Administrator Loretta Johnson, Attorney Hanson, Engineer Jerry Bents and additional property owners, taxpayers and interested persons within the Watershed District.

Eric Zurn, who stated that he farms adjacent to Lindsay Lake, spoke about the upcoming permit of the USFWS, in which they are requesting a culvert change. He encouraged the District not to work with USFWS as he feels that the lake was illegally raised some years ago, is concerned that the lake will be made higher at some later date and is also concerned about Ducks Unlimited being involved for duck habitat at the lake. Jim Jirava, landowner and Township Board Chairman stated that the lake is too deep and the water cannot go south. He believes that there is an illegal block there, the high water therefore causing damages to the Township road.

Andrew Borgen brought up the violation against him by the District in Section 12 of Georgetown Township. Chairman Holmvik stated that the violation is an agenda item for the 10:00 a.m. Permits.



Brent Kappes stated he was not receiving minutes. Consensus of Managers and attorney was for the Unapproved Minutes to be placed on Web Site as soon as they are completed and not wait for Board approval.

Mark Aanenson reported that staff notified USGS that the District would cost share for the Twin Valley Stream Gauge 2011, and is awaiting a new agreement. He also asked specifically about the balance of 2010, but has received no reply.

Engineer Bents provided a monthly update on the status of the Mahnomen and Norman County Digital Flood Insurance Rate Map (DFIRM) projects.

Andrew Borgen Violation, Section 12, Georgetown Township. Andrew Borgen met with Managers to review the complaint submitted by Terry Guttormson stated that Borgens widened a crossing, cleaned a ditch going north and blocked a coulee in Section 12 of Georgetown Township. Interim Administrator Mark Aanenson stated that he reviewed the incident and determined that it was a violation of District rules, Borgen had lengthened the culvert, placed a berm in and cleaned the ditch without a permit. At the July 1, 2010, special meeting, Managers approved forwarding the violation to the Clay County Attorney for prosecution to save investigation and other charges the District would have incurred. Aanenson stated that he contacted the attorney and she indicated that she is in the process of gathering data.

The regular meeting was recessed at 11:00 a.m. to convene the hearing on the Budget.

2011 Administrative Budget. Chairman Holmvik called the hearing to order on the proposed 2011 Administrative Budget. Loretta Johnson distributed copies of the proposed 2011 administrative budget that were published in the local newspapers in advance of the hearing. The board approved (with Manager Erickson opposed) the Administrative Budget and the Red River Watershed Management budget for the year 2011.

The managers approved the project and ditch levies as reviewed at the regular August 11, 2010, meeting.

Chairman Holmvik adjourned the hearing at 11:15 and reconvened the regular meeting.

Andrew Borgen Violation, Section 12, Georgetown Township. Discussion continued regarding the Borgen violation. Andrew Borgen addressed the Managers and stated that he agreed that he should have had a permit to extend the culvert, but felt the cleanout of the ditch was just a tree removal in the ditch bottom and the extension of the culvert and driveway was done as a favor to a neighbor. The board agreed to **decease** any action against Borgen and notify the Clay County Attorney's office of the Board's decision. Borgen also needs to restore the work to its original condition and apply for a watershed permit. Managers Erickson, Hanson, Ista and Austinson voted for and Managers Christensen, Spaeth and Holmvik opposed. Carried.

The board authorized Attorney Hanson to prepare a resolution requesting that MAWD pursue legislation that giving watershed districts the authority to do a Redetermination of Benefits of projects under 103D.

The board agreed to support the Waffle Tile Study approach. The managers authorized staff to contact Bethany Kurz and request that she and landowners in Norman County who did a pilot waffle project to meet with the Board of Managers.

Chairman Holmvik reported that the Personnel Committee reviewed the list of applicants, notified four that if they were still interested they should submit a formal application. Two returned the form and the Committee recommended interviewing both applicants at a special meeting. The managers authorized staff to notify the two applicants that they can interview at the special meeting scheduled for 8:30 a.m. on Wednesday September 22, 2010, for the purpose of interviews, permits and resolutions.

The meeting was adjourned.

A **special meeting** of the Wild Rice Watershed District was held on Wednesday **September 22, 2010**, at the office of the District located at 11 Fifth Avenue East, Ada, MN. The purpose of the meeting was for prospective administrative interviews, permits and other issues. The following Managers were in attendance: Raymond Hanson, Mike Christensen, Diane Ista, Greg Holmvik, Duane Erickson, John Austinson and Dean Spaeth. Managers absent: None. In addition the following persons were in attendance: Interim Administrator Mark Aanenson, Assistant Administrator Loretta Johnson, Attorney Elroy Hanson and applicants.

Chairman Holmvik explained the process that would be used when interviewing the two administrator applicants at 9:00 a.m. and 10:00 a.m. Managers previously had been given a list of questions to choose from. Each Manager was told to choose two questions that they would like from the list and then use the same fourteen questions for both applicants.

September 8, 2010, Meeting Minutes. Minutes were reviewed by Managers and the consensus was that editing and changes would be made and the edited minutes would be provided to Managers for approval at the Regular October 13, 2010, meeting.

The board authorized TDR1900 Sub-grant Agreement with FEMA in the amount of \$9,239.30 for categories C through G, permanent work.

Brad Oberg, candidate for Watershed District Administrator, met with Managers at 9:00 a.m. Managers asked the following questions of each candidate.

1. Compare and contrast a soil and water conservation district with a watershed district.
2. Explain the relationship between the Red River Water Management Board and the Wild Rice Watershed District.
3. In the WRWD there is a need for significant flood damage reduction, there is also a desire to keep local taxes affordable for the residents of the District, how would you accomplish the goals of flood damage reduction while keeping costs affordable for district residents assuming that a local funds are required to construct projects?
4. What do you think is the most important issue facing the WRWD right now?
5. Explain the difference between a county ditch and a watershed ditch?
6. Are you familiar with Quick Books, explain?
7. Where do the funds come from to maintain the ditch systems?
8. If you are hired as our administrator, you may see the need to change the organization. How would you approach this situation?
9. How do you typically deal with conflict?
10. Talk about a time you had to deal with a co-worker that was hard to get along with. How did you get along with them?
11. Tell about a situation where you were told "No" and you took the initiative to look for a win/win outcome.
12. Tell us how you've worked effectively under pressure.
13. What are the first five things you would do if you get this position?
14. Tell us about two memorable projects....on success and one failure. To what do you attribute the different outcomes? What would you do differently next time?

Oberg answered the questions to the best of his ability and also gave some background information, stating that he went to school for engineering and construction. He also asked about the Board's goal, what is the need, is there a job description and what is the compensation package. Chairman Holmvik stated that the compensation package would be discussed with the finance committee and be something that was agreeable to both the applicant and the District. Oberg was thanked for his time and left the meeting at 9:35 a.m.

Resolutions to be submitted to MAWD were discussed. The board approved the following resolution to be submitted to MAWD regarding Redetermination of Benefits on projects on 103D.

**REDETERMINATION OF BENEFITS FOR PROJECTS ESTABLISHED UNDER 103D**

Whereas, the redetermination of benefits and damages is a vital part of the fiscal management of the Watershed District Projects.

Whereas, the authority to conduct the redetermination of benefits and damages for projects established under 103D does not currently exist.

NOW, THEREFORE BE IT RESOLVED, that the Minnesota Association of Watershed District seek statutory authority to add an additional section to 103D that allows for Redetermination of Benefits and Damages on watershed district projects established under 103D to be completed using the procedures set forth in 103E.351 (Redetermination of Benefits and Damages).

Manager Erickson also brought up the fact that under current law, Managers are required to be included in the PERA program and pay into the retirement plan. The managers agreed that a resolution be submitted to MAWD that would allow Managers the right to chose whether they wanted to be involved in the PERA retirement plan.

Kevin Ruud met with Managers at 10:00 a.m. for the administrative interview. Ruud was asked the same fourteen questions that were given Oberg and answered accordingly. Ruud also gave background information regarding his current work with boards and government agencies and stated that his work history shows that he sticks around for awhile. He stated that he doesn't usually take long vacations and brought up that fact that he currently uses his vacations days as a Friday off. Ruud stated that he would be required to give his current employer a 30 day notice and even with that stated, would not be able to start prior to November 4, 2010. He stated that he would be waiting to hear and left at 10:35 a.m.

Manager Ista asked if the Board could go back and contact candidates from those who did not return the job applications when given the opportunity. No further discussion was held regarding former applicants. Manager Hanson stated that he felt that Ruud was more qualified for the job than Oberg, to which Chairman Holmvik agreed. The managers decided to hire Kevin Ruud pending a background check. The Finance Committee will hold a meeting and review the background information, negotiate a financial package and contract to be offered to Ruud. The Financial Committee's recommendation will be brought back to the full board for approval.

Manager Erickson brought forth additional resolutions that he would like to be brought to MAWD. The board approved a resolution to be submitted to MAWD requesting that Watershed Districts request that the State of Minnesota, Federal USFWS and MN DNR faithfully come forth with areas of water retention on property that they own and also that this request be forwarded to our State and Federal legislators.

Manager Erickson **made** a motion that was **seconded** by Manager Hanson to submit a resolution to MAWD requesting that a freeze be put on the RRWMB levy that keeps it at the current revenue equivalent to 2010. Chairman Holmvik called for a roll vote. Managers Erickson, Hanson, Austinson and Spaeth voted for the motion. Managers Holmvik, Christensen and Ista voted against. **Carried.**

Meeting Adjourned.

## **J. October Regular Meeting**

The **regular meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **October 13, 2010**. Managers in attendance included Greg Holmvik, Diane Ista, Raymond Hanson, Greg Holmvik and Dean Spaeth. Absent: John Austinson and Duane Erickson. In addition the following persons were in attendance: Interim Administrator Mark Aanenson, Assistant Administrator Loretta Johnson, Attorney Hanson, Engineer Jerry Bents and additional property owners, taxpayers and interested persons within the Watershed District.

Managers reviewed the administrator's contract that was previously presented to the Finance Committee by Kevin Ruud. Manager Spaeth, Treasurer of the District, and Chairman of the Finance Committee reported that committee members met with Ruud and reviewed the proposal. Manager Ista indicated that she did not agree with the portion of the agreement regarding the salary proposal and not being an at will employee contract. The board approved (with Manager Ista opposed) the Administrative Contract for Kevin Ruud, as presented. (A copy of the contract is on file at the District office.)

Adam Phillips, Biologist Ducks Unlimited introduced himself stating that he has filled the first permanent position in this part of the state for a biologist for Ducks Unlimited. Shawn Balstad and Jessica Heitman, local NRCS representatives were introduced to the Board.

The question was raised regarding Norman County Road #147 and the need for repair. Attorney Hanson commented that he has tried to contact Mick Alm at the County office regarding this repair numerous times and left messages at least three times, to which he had not received a reply. Hanson also stated that he doesn't have any evidence that the District should pay for the repair. Manager Hanson asked what the customary procedure was to which Engineer Bents replied that usually the road authority pays for damages to the road side and the field side damages on a ditch system are usually paid for by the ditch system.

Chairman Holmvik stated that Mick Alm had requested that action on the tiling permits be held until he comes to the meeting. He will be late due to a previous commitment. Mick Alm arrived at the meeting and requested discussion on tiling permits. Alm stated that he had concerns regarding tile draining into County Ditches and felt that the Watershed District needs to review to make sure that the outlet inverts are compatible with whatever is available. Alm asked if it would be reasonable to facilitate a

meeting with all county engineers, SWCD, NRCS and landowners in the Watershed District. The board authorized staff to schedule a special meeting for the purpose of discussing tiling and invite county engineers, SWCD and NRCS personnel and the Board of Managers. Consensus of Managers was also to send copies of all permits to the Township chairman within the Township of the permit application.

Lindsey Lake Section 33, Spring Creek Township, Mahnommen County: Mark Stalberger and James Jirava submitted complaints alleging that illegal blockage has been installed in Section 33 of Spring Creek Township, and requested an investigation. Manager Erickson stated that he had the actual GPS coordinates of the blockage so finding it would not be a problem. The board tabled discussion at this time and set up a field site meeting with landowners.

The managers approved the attendance of Managers, staff and administrator to the MAWD Annual Meeting December 2-4, 2010 in Alexandria, MN.

Engineer Bents provided an update on the DFIRM Grant and indicated that it was running on schedule.

Meeting adjourned.

## **K. November Special and Regular Meetings**

A **special meeting** of the Wild Rice Watershed District was held on Thursday, **November 4, 2010**, at the office of the District located at 11 Fifth Avenue East, Ada, MN. The purpose of the meeting was for administrative decision, tiling, permits and other issues. The following Managers were in attendance: Raymond Hanson, Mike Christensen, Diane Ista, Greg Holmvik and Duane Erickson. Managers absent: John Austinson and Dean Spaeth. In addition the following persons were in attendance: Interim Administrator Mark Aanenson, Future Administrator, Assistant Administrator Loretta Johnson and representatives of various agencies. Chairman Holmvik called the meeting to order at 8:40 a.m.

The managers approved a 3% increase for employees retroactive to employment date.

The board agreed to advertise in local newspaper, for bids for rental of the three separate parcels of farmland property owned by the Wild Rice Watershed District. The rental agreements will include that the term is for three years, rental is subject to sale, the land must be worked back and that James Jirava has the first right for refusal on the property previously owned by Jirava.

Kevin Ruud met with Managers to discuss the possibility of changing his contract to start sooner than December 1, 2010, as previously planned. Consensus was that he work with the Norman County Commissioners to agree to their terms of that contract. The board authorized Ruud's employment to begin between November 8 and December 1, 2010.

Chairman Holmvik recessed the meeting at 9:10 a.m. to be reconvened at 10:00 a.m. for the Drainage Tiling/Permits Meeting scheduled for that time.

Chairman Holmvik reconvened the meeting at 10:00 a.m. Attendees included county engineers, NRCS representatives and SWCD representatives from several counties within the watershed and landowners within the watershed interested in tiling.

Mark Aanenson, Interim Administrator, opened the Drainage Tile Permitting Meeting with a brief Power Point presentation for background information. Aanenson stated that the District has received approximately 68 tiling permits since 2007 with about 98% of them approved and 90% of the permits approved with conditions or recommendations. Considerations for approval of tile drainage permits applications include a tile plan showing the locations, tile sizes and outlet locations, looking at USFWS easements, NWI and potential wetland impacts, ditch system benefiting areas and outlet locations. Conditions and recommendations include contacting the NRCS/SWCD office for approval regarding wetland issues, approval from the road authority for work in the ROW and the applicant being responsible for adequate erosion control measures at the outlet of the tile system.

Questions were taken from the audience. Mick Alm asked if the District required elevations of the outlet, to which Aanenson stated no. Manager Ista talked about the possibility of the outlet being gated and the Gary Sands report on tiling.

Shawn Balstad, Norman County NRCS, stated that they will mark wetland projects if requested and stated that they have seen an increase in requests this last year. She stated that they encourage the farmer to fill out a 1026 and that landowners can also request a wetland certification. Dave Jones, NRCS Engineer, recommended that the District continue to give the permit but leave the indemnity verbiage on

the permit stating that it is the applicants' responsibility to get other permits. Landowner Andy Borgen stated that landowners need to take some responsibility themselves in obtaining their tiling plan early and getting all of the necessary permits for tiling.

Clay County Engineer stated that their only concern was that they be notified. They don't have a formal work in the right of way permit at this time.

Mick Alm stated that a committee had been formed some years ago with the District but he had not received any notifications for several years. Alm stated that they were not only interested in the listing of the tiling permits but intended to pass the information on to the county assessor with the feeling that value is added to the land when tile is in place and this would be a potential for increased land values. Alm also brought up the fact that they only are notified when a landowners stops by his office and requests permission to work in county ROW. He discussed an apparent violation where a landowner's tiling drained into the county ROW causing damages and the fact that the tile was draining below the ditch bottom. When asked if the landowner had a county permit or if any action had been taken by Alm regarding the violation, his answer was no to both. Alm felt that the District should require elevations. Manager Erickson stated that he strongly disagreed with Alm regarding the fact that the District should provide this information to the County Assessor for the purpose of increase to property tax. Manager Hanson stated that if the County Assessor wants this information, it is available upon request at any time under the Freedom of Information Act.

Mahnomen County Engineer Jon Large stated that the only tiling plan that they deal with is where the tile goes under their road and that is somewhat different.

Engineer Bents discussed the District incorporate a list of agency notifications, including personnel names and numbers, in each tiling permit application for the landowner. Chairman Holmvik asked for any additional county concerns. Alm stated that he would probably put together something for the counties that would be uniform in manner.

Manager Erickson distributed a Pattern Tile/Waffle Water Storage Plan that he, Manager Christensen, Curtis Borchert and Brian Borgen, put together along with providing this to landowners on Moccasin Creek and Representative Collin Peterson's office. The purpose of taking this information to Sharon Josephson would be to forward to Representative Peterson to be introduced as part of the 2012 Farm Bill.

Chairman Holmvik asked if there were any specific recommendations from organizations that they would like the Watershed District to address. Curtis Borchert requested an informational listing of all the contacts that may be necessary for applicants when obtaining tiling permits. Discussion followed and Manager Hanson recommended that this information be placed on the District's web site.

The meeting was adjourned.

The **regular meeting** of the Wild Rice Watershed District Board of Managers was held on Wednesday, **November 10, 2010**. Managers in attendance included Greg Holmvik, Diane Ista, Raymond Hanson, Greg Holmvik, John Austinson, Duane Erickson and Dean Spaeth. Absent: None. In addition the following persons were in attendance: Administrator Kevin Ruud, Assistant Administrator Loretta Johnson, Attorney Hanson, Engineer Jerry Bents and additional property owners, taxpayers and interested persons within the Watershed District.

The monthly update of the DFIRM Mahnomen and Norman County Grant Agreements was

Mick Alm, Norman County Highway Engineer, met with Managers at 8:50 a.m. to discuss a permit of the County's which the work has not been completed on that has expired. Alm stated that it was his understanding from previous years that the county did not have to complete their permits or update them if they expired. Manager Hanson just recommended renewing the permits. Consensus of Managers was that the Watershed Policy states permits are good for a year and felt that the county could just renew their permit.

Engineer Bents discussed the complaints filed by James Jirava and Mark Stalberger alleging that a block was installed in Section 33 of Spring Creek Township, Becker County, on Lindsey Lake. He stated that these property owners feel that there is an area that has been raised. The managers tabled any action by the Board until landowners are able to have NRCS do some soil borings to determine if they have evidence that a block was installed.

Managers discussed a request by Jerry Bitker for repair of County Road #134 along Project #30. Attorney Hanson stated that he did not feel it was the District's responsibility to repair this road, rather the county engineer. Consensus of Managers was for Attorney Hanson to send correspondence to the Norman County Commissioners notifying them of the request and the repair request by Bitker.

Manager Hanson reported the fact that he noticed shingles are missing on the office building. Consensus of Managers was for the Administrator to have someone come and take a look.

A request by Jamie Tronnes for repair in Norman Polk, Sec. 8, Shelly Township was brought before the board. The managers authorized the repair. Engineer Bents estimated the cost of the repairs would be approximately \$12,000.

Engineer Bents presented an analysis report to the Red River Basin Commission by Houston Engineer on the effect on the 1997 Flood if storage which was included in the 2003 Watershed Management Plan had been in place. The report noted that since this analysis was completed directly for the Red River Basin Commission using the District's 2003 Water Management Plan it may not represent the current position of the District Managers. The simulation results showed a 57% flood reduction at the Twin Valley Gauge, 24% reduction at the Hendrum Gauge and 4% reduction at the Marsh River Gauge at Shelly.

Administrator Ruud questioned how the Managers wanted him to decide which meetings he should attend. Consensus of Managers was that he would use his discretion in deciding which meetings he should attend but bring back to the board any information that was informative for the Board.

The meeting was adjourned.

## **L. December Regular Meeting**

The regular meeting of the Wild Rice Watershed District Board of Managers was held on Wednesday, **December 8, 2010**. Managers in attendance included Greg Holmvik, Diane Ista, Raymond Hanson, Mike Christensen, John Austinson, Duane Erickson and Dean Spaeth. Absent: None. In addition the following persons were in attendance: Administrator Kevin Ruud, Assistant Administrator Loretta Johnson, Attorney Hanson, Engineer Jerry Bents, Administrative Assistant Kari Kujava and additional property owners, taxpayers and interested persons within the Watershed District.

Engineer Bents provided updates to the Board the DFIRM grants for Norman and Clay County.

The board authorized the spending of up to \$5,000 for ditch maintenance items without board authorization.

Consensus of Managers was for the administrator to contact the Norman County Board of Commissioners to remind them that the County Road #147 road repair has not been completed.

The board approved the proposal for the 2010 audit by Drees Risky & Vallager Ltd. as presented.

The managers approved the addendum to the 2010 FEMA Claims 2010.

Administrator Ruud reported that Ms. Bethany Kurz of the EERC, did not come to the December meeting to give a presentation on the Waffle Plan, because she notified the office that she would like to wait until January 2011, and have Steve Dalen as a co-presenter. Consensus of the Managers was to notify Ms. Kurz that she did not need to come in January.

Manager Erickson asked if the District has a policy in place to require a 2 foot bounce on certain permits and if not maybe we should. Manager Christensen stated that it would be a good idea to hold a special meeting of the Managers to discuss rules and policies. Consensus of Managers was for staff to schedule an in service meeting of this type for the purpose of discussing what Managers would like for policies and rules.

The board authorized staff and Managers attendance at the Basin Committee Meeting Drainage Seminars on January 18-20 at the Ramada Inn, Fargo.

The managers decided to discontinue using the Mahnomen County Newsletter, beginning 2011, due to the Watershed District data now being available on the web site.

The meeting was adjourned.

## VI. Financial and Audit Reports

This section summarizes the District's financial activity for the period from January 1 through December 31, 2008 and January 1 through December 31, 2010.

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. A detailed report of all activity within the respective fund accounts is available for review at the District's office.

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 is 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 fund invested in interest bearing deposits. An annual review is conducted in August to review and determine if establishment of maintenance review is needed.

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



WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA

FINANCIAL STATEMENTS

DECEMBER 31, 2010

## CONTENTS

|   | <u>PAGE</u> |
|---|-------------|
| Official Directory  |             |
| Independent Auditors' Report  | 1 - 2       |
| Basic Financial Statements  |             |
| Statement of Net Assets – Modified Cash Basis   | 3           |
| Statement of Activities – Modified Cash Basis   | 4           |
| Balance Sheet – Modified Cash Basis – Governmental Funds  | 5           |
| Statement of Revenues, Expenditures and Changes in Fund<br>Balance – Modified Cash Basis – Governmental Funds   | 6           |
| Reconciliation of Change in Fund Balance of Governmental Funds to the<br>Statement of Activities – Modified Cash Basis  | 7           |
| Notes to Basic Financial Statements   | 8 - 17      |
| Required Supplementary Information  |             |
| Budgetary Comparison Schedule – Modified Cash Basis – General Fund  | 18          |
| Notes to Budgetary Comparison Schedule  | 19          |
| Supplementary Information   |             |
| Schedule of Changes in Fund Balances – Modified Cash Basis  | 20 - 22     |
| Auditors' Report on Legal Compliance  | 23          |
| Report on Compliance and on Internal Control Over Financial Reporting<br>Reporting Based on an Audit of Financial Statements Performed in<br>Accordance with <i>Government Auditing Standards</i> | 24 - 25     |
| Schedule of Internal Control and Compliance Findings  | 26 - 27     |

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
DECEMBER 31, 2010

BOARD OF MANAGERS

2010

|                |            |
|----------------|------------|
| Greg Holmvik   | Chairman   |
| Raymond Hanson | Vice Chair |
| Dean Spaeth    | Treasurer  |
| John Austinson | Secretary  |
| Joseph Spaeth  | Manager    |
| Diane Ista     | Manager    |
| Duane Erickson | Manager    |

# Drees, Risky & Vallager, Ltd.

*Certified Public Accountants*

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1405 Library Circle  
Telephone (701) 746-4466  
FAX (701) 772-6659

Crookston:  
117 South Broadway  
Telephone (218) 281-3789  
FAX (218) 281-5245

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Wild Rice Watershed District  
Ada, Minnesota

We have audited the accompanying financial statements of the governmental activities and the major funds of the Wild Rice Watershed District as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wild Rice Watershed District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the Wild Rice Watershed District prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities and each major fund of the Wild Rice Watershed District as of December 31, 2010 and the respective changes in financial position – modified cash basis for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2011, on our consideration of the Wild Rice Watershed District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Wild Rice Watershed District has not presented Management's Discussion and Analysis in accordance with the basis of accounting described in Note 1, which has been determined necessary to supplement, although not required to be part of, the basic financial statements.

The management's budgetary comparison as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wild Rice Watershed District's basic financial statements. The other supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

DREES, RISKEY & VALLAGER, LTD.

Certified Public Accountants

August 1, 2011  
Crookston, Minnesota

## BASIC FINANCIAL STATEMENTS

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS  
DECEMBER 31, 2010

3

ASSETS

Current Assets:

|                             |                  |
|-----------------------------|------------------|
| Petty cash                  | \$ 200           |
| Pooled cash and investments | <u>1,688,140</u> |
| Total Current Assets        | <u>1,688,340</u> |

Restricted Assets:

|                             |                |
|-----------------------------|----------------|
| Pooled cash and investments | <u>285,000</u> |
|-----------------------------|----------------|

Capital Assets:

|                                |                  |
|--------------------------------|------------------|
| Property and equipment         | 2,758,996        |
| Less: accumulated depreciation | <u>(124,392)</u> |
| Net Capital Assets             | <u>2,634,604</u> |

|              |                     |
|--------------|---------------------|
| TOTAL ASSETS | <u>\$ 4,607,944</u> |
|--------------|---------------------|

LIABILITIES

Other Noncurrent Liabilities:

|                           |                |
|---------------------------|----------------|
| Due within one year       | \$ 8,938       |
| Due in more than one year | <u>535,000</u> |
| TOTAL LIABILITIES         | <u>543,938</u> |

NET ASSETS

|   |                     |
|---|---------------------|
| Investment in capital assets, net of related debt | \$ 2,634,604        |
| Unrestricted                                      | <u>1,429,402</u>    |
| TOTAL NET ASSETS                                  | <u>\$ 4,064,006</u> |

The accompanying notes are an integral part of these financial statements.



WILD RICE WATERSHED DISTRICT

ADA, MINNESOTA

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2010

4

|                                   |                       | Program Revenues                                      |  |  | Net (Expenses)<br>Revenues<br>and Changes<br>in Net Assets |
|-----------------------------------|-----------------------|---|--|--|--|
|                                   | Expenses              | Special<br>Assessments<br>and Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                 |
| FUNCTION/PROGRAMS                 |                       |   |  |  |  |
| General administration            | \$ (294,007)          | \$ -  | \$ -                                     | \$ -                                   | \$ (294,007)   |
| RRWMB management and construction | (397,446)             | -   | -  | -                                      | (397,446)  |
| COE feasibility study             | (879)                 | -   | -  | -                                      | (879)  |
| Project development               | (91,011)              | -   | 39,088                                   | -                                      | (51,923)   |
| Wetland banking program           | (2,177)               | -   | -  | -                                      | (2,177)  |
| Ditch systems                     | (33,984)              | 131,876   | -  | -                                      | 97,892   |
| FEMA projects                     | (229,034)             | -   | 224,111                                  | -                                      | (4,923)  |
| Other projects and studies        | <u>(2,731,803)</u>    | <u>808,290</u>  | <u>1,704,393</u>                         | <u>-</u>                               | <u>(219,120)</u>   |
| Total Governmental Activities     | <u>\$ (3,780,341)</u> | <u>\$ 940,166</u>                                     | <u>\$ 1,967,592</u>                      | <u>\$ -</u>                            | <u>(872,583)</u>   |

General Revenues:

|  |              |
|--|--------------|
| Property taxes   | 898,198      |
| Intergovernmental, (not restricted to specific programs) | 53,037       |
| Miscellaneous  | 264,933      |
| Interest earnings  | <u>6,834</u> |

Total General Revenue 1,223,002

Changes in Net Assets 350,419

Net Assets - Beginning 3,713,587

Net Assets - Ending \$ 4,064,006

The accompanying notes are an integral part of these financial statements.

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2010

5

|                                 | <u>General</u>        | <u>Special<br/>Revenue<br/>Fund</u> | <u>Capital<br/>Project<br/>Fund</u> | <u>Total</u>            |
|---------------------------------|-----------------------|-------------------------------------|-------------------------------------|-------------------------|
| ASSETS                          |                       |                                     |                                     |                         |
| Petty cash                      | \$ 200                | \$ -                                | \$ -                                | \$ 200                  |
| Pooled cash and investments     | 169,701               | 141,870                             | 1,376,569                           | 1,688,140               |
| Restricted cash and investments | <u>285,000</u>        | <u>-</u>                            | <u>-</u>                            | <u>285,000</u>          |
| <br>TOTAL ASSETS                | <br><u>\$ 454,901</u> | <br><u>\$ 141,870</u>               | <br><u>\$ 1,376,569</u>             | <br><u>\$ 1,973,340</u> |
| <br>FUND BALANCE                |                       |                                     |                                     |                         |
| Unrestricted                    | <u>\$ 454,901</u>     | <u>\$ 141,870</u>                   | <u>\$ 1,376,569</u>                 | <u>\$ 1,973,340</u>     |

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

|  |              |
|--|--------------|
| Total fund balance per Balance Sheet, from above | \$ 1,973,340 |
|--|--------------|

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   | 2,758,996 |
| Accumulated depreciation | (124,392) |

|  |                  |
|--|------------------|
| Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore, are not reported in the funds. | <u>(543,938)</u> |
|--|------------------|

|            |                     |
|------------|---------------------|
| NET ASSETS | <u>\$ 4,064,006</u> |
|------------|---------------------|

The accompanying notes are an integral part of these financial statements.

WILD RICE WATERSHED DISTRICT

6

ADA, MINNESOTASTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010

|  | General    | Special<br>Revenue<br>Fund | Capital<br>Project<br>Fund | Total        |
|--|------------|----------------------------|----------------------------|--------------|
| REVENUES   |            |                            |                            |              |
| Property taxes   | \$ 207,709 | \$ 345,557                 | \$ 344,932                 | \$ 898,198   |
| Intergovernmental  |            |                            |                            |              |
| Federal flow through State   | -          | -                          | 297,197                    | 297,197      |
| State  | 20,552     | 32,485                     | 1,150,231                  | 1,203,268    |
| RRWMB  | -          | -                          | 161,270                    | 161,270      |
| Other local  | -          | -                          | 358,894                    | 358,894      |
| Special assessments  | -          | -                          | 470,930                    | 470,930      |
| Miscellaneous  | 8,132      | -                          | 1,252,803                  | 1,260,935    |
| Total Revenues   | 236,393    | 378,042                    | 4,036,257                  | 4,650,692    |
| EXPENDITURES   |            |                            |                            |              |
| General administration   | 255,505    | -                          | 29,294                     | 284,799      |
| RRWMB management and construction                                  | -          | 397,446                    | -                          | 397,446      |
| COE feasibility study  | -          | -                          | 879                        | 879          |
| Project development  | -          | -                          | 91,011                     | 91,011       |
| Wetland banking program  | -          | -                          | 2,177                      | 2,177        |
| Ditch systems  | -          | -                          | 33,984                     | 33,984       |
| FEMA projects  | -          | -                          | 229,034                    | 229,034      |
| Other projects and studies   | -          | -                          | 3,494,131                  | 3,494,131    |
| Total Expenditures   | 255,505    | 397,446                    | 3,880,510                  | 4,533,461    |
| Revenues Over (Under) Expenditures                                 | (19,112)   | (19,404)                   | 155,747                    | 117,231      |
| OTHER FINANCING SOURCES (USES)                                     |            |                            |                            |              |
| Proceeds from Debt Issued  | 535,000    | -                          | -                          | 535,000      |
| Revenues & Other Sources Over<br>(Under) Expenditures & Other Uses | 515,888    | (19,404)                   | 155,747                    | 652,231      |
| Fund Balance (Deficit), January 1                                  | (60,987)   | 161,274                    | 1,220,822                  | 1,321,109    |
| Fund Balance (Deficit), December 31                                | \$ 454,901 | \$ 141,870                 | \$ 1,376,569               | \$ 1,973,340 |

The accompanying notes are an integral part of these financial statements.

WILD RICE WATERSHED DISTRICT

7

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 \$ 652,231

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  | 587,787   |
| Disposal of asset                    | (599,693) |
| Gain recognized on disposal of asset | 79,761    |
| Depreciation expense                 | (22,981)  |

Increase in long-term debt is treated as an expense in statement  
of activities, but not a use of financial resources so not recorded in the fund statements. (346,686)

Change in Net Assets - Governmental Activities \$ 350,419

The accompanying notes are an integral part of these financial statements.

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

The Wild Rice Watershed District, (the "District") was established under the Minnesota Watershed Act as an agency of the State of Minnesota. The purpose of the District is to carry out conservation of the natural resources of the State of Minnesota through land utilization, flood control, and other needs upon sound scientific principles for the protection of the public health and welfare and the provident use of natural resources. The District serves an area in Northwestern Minnesota and includes all or parts of the following counties: Becker, Clay, Clearwater, Mahnomen, Norman and Polk. The District is governed by the Board of Managers, which is composed of seven members appointed by the county boards in accordance with Minnesota Statutes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed in Note 1.C, these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or after November 30, 1989, have been applied, to the extent applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements.

A. Reporting Entity

The financial statements of the District include all organizations, funds and account groups over which the District's Board exercises significant influence over and, or is financially accountable or organizations for which the nature and significance of their relationship with the District is such that exclusion would cause the Wild Rice Watershed District's financial statements to be misleading. Currently, the District does not have any component units.

B. Basis of Presentation

*Government-Wide Financial Statement*

The Statement of Net Assets and Statement of Activities display information about the reporting government taken as a whole. They include all funds of the reporting entity except any fiduciary funds. The statements would distinguish between governmental and business-type activities (if any). The District displays all operations as governmental activities, because generally governmental activities are financed through taxes, intergovernmental revenues and other non-exchange revenues.

*Fund Financial Statements*

Fund financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures. Funds are typically organized into two major categories: governmental and proprietary. The District currently has no proprietary or fiduciary funds.

An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

1. Total assets, liabilities, revenues or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that type, AND
2. Total assets, liabilities, revenues or expenditures of the individual governmental fund are at least 5% of the corresponding total for all governmental funds combined.

*Governmental Funds*

General Fund

The general fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Fund

The special revenue fund is used to account for the proceeds of specific revenue sources (other than capital projects) where the expenditures are legally restricted for purposes specified in the grant or project agreements. The reporting entity includes the special revenue fund as a major fund.

Capital Projects Fund

The capital projects fund is used to account for the financial resources to be used for the acquisition or construction of capital projects. The reporting entity includes the capital projects fund as a major fund.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe the recognition of revenues and expenditures within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

*Measurement Focus*

In government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting is used as appropriate:

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

*Basis of Accounting*

In the government-wide Statement of Net Assets and Statement of Activities governmental activities are presented using a modified basis of accounting. This basis recognizes assets, liabilities, net assets, revenues and expenditures when they result from cash transactions with a provision for depreciation in government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or unbilled services provided in current year) and certain liabilities and their related expense (such as accounts payables, unpaid good or services received in the current year and accrued expenses) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting and the government-wide financials would be presented on the accrual basis of accounting.

D. Budgets

The budget is prepared using the same method of accounting as the financial statements. The annual adopted budget is not legally binding on the District, with the exception of the budget for the administrative fund, which is limited by state statute at \$250,000 and set by the Board for 2010 at \$250,000.

E. Revenues

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the District's taxpayers are reported as program revenues. The District has the following program revenues; direct project cost reimbursements and project special assessments, rental income and operating and capital grants specific to projects. All other governmental revenues and general tax levies are classified as general revenue.

F. Property Taxes

The District levies property taxes on property owners within the District, which becomes an enforceable lien as of January 1. Taxes are levied in September and are payable to counties on May 15 and October 15 (November 15 for farm property) of the following year. The District levies the tax, while the respective counties collect and remit the tax collections to the District. Property taxes are recognized when received from the counties under the cash basis of accounting.

The District also levies special assessments through the counties against property owners who obtain direct benefits from projects or property owners who request, through the petition process, to have a project undertaken. The special assessment collections are recorded in a manner similar to that for property taxes.



WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

G. Compensated Absences

All full-time employees and part time employees that work at least 23 hours a week will receive paid time off (PTO) benefits, which vests upon termination. PTO may be accrued up to a maximum of 320 hours. PTO time is earned at the end of each month of employment pursuant to the following schedule:

| <u>Years of Continuous<br/>Employment</u> | <u>Rate Per Month</u> |
|---|-----------------------|
| 0 - 1 year                                | 6 hours               |
| 1 - 2 years                               | 8 hours               |
| 2 - 3 years                               | 10 hours              |
| 6 years and over                          | 14 hours              |

H. Cash and Investments

Cash balances from all funds are pooled and invested to the extent available in authorized investments authorized by Minnesota statutes. Earnings from such investments are allocated to the respective funds on the basis of average cash balance participation by each fund. Funds with deficit averages are charged with the investment earnings lost in financing the deficits.

I. Restricted Assets

The District has a certificate of deposit that has been pledged as collateral on a note payable, which restricts the use of such funds making them unavailable for appropriations and not expendable financial resources.

J. Capital Assets

The District's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate.

All capital assets are valued at historical cost or if donated recorded at its estimated fair value. Infrastructure assets acquired prior to January 1, 2004 are not capitalized, but subsequent acquisitions are recorded at cost.

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as an expense in the Statement of Net Assets, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Capitalization thresholds of \$500 for equipment and building improvements and \$10,000 for infrastructure are used to report capital assets. Estimated useful lives being used are summarized below:

|                                      |               |
|--------------------------------------|---------------|
| Building & improvements              | 19 - 40 years |
| Infrastructure                       | 25 - 70 years |
| Equipment, furniture<br>and fixtures | 5 - 20 years  |

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

In governmental fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

K. Long-Term Debt

All long-term debt arising from cash transactions to be repaid from governmental fund resources is reported as a liability only in the government-wide statements.

Any long-term debt arising from cash basis transactions of governmental funds is not reported as a liability in the fund financial statements. Debt proceeds would be reported as other financing sources and the payment of principal and interest reported as expenditures.

L. Equity

In the government-wide financial statements equity is classified as “net assets” and displayed in three components:

1. Investment in Capital Assets, Net of Related Debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by any outstanding debt issued that is attributable to the acquisition, construction, or improvements of those assets.
2. Restricted Net Assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted Net Assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

M. Interfund Balances

In the process of aggregating the fund information for the government-wide Statement of Net Assets and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Subsequent Events

Wild Rice Watershed District has evaluated subsequent events through August 1, 2011, the date which the financial statements were available to be issued.

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2. CASH

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the District's Board.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds.

At December 31, 2010, all deposits were protected by federal deposit insurance, corporate surety bond, or collateral as required by Minnesota Statute.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District is authorized by Minnesota Statutes to invest in the following: direct obligations or obligations guaranteed by the federal government or its agencies; share of investment companies registered under the Federal Investment Company Act of 1940 and is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better, general obligations of Minnesota Housing Finance Agency rated "A" or better; commercial paper issued by United States' corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank or insurance company, domestic branch of a foreign bank and with a credit quality in one of the top two highest categories; repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The District has no investment policy that would further limit its investment choices.

Concentration of Risk

The District does not have a formal investment policy that would restrict the amount that may be invested with any single financial institution.

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSET

Capital assets activity resulting from modified cash basis transactions for the year ended December 31, 2010, was as follows:

|                                 | Beginning<br>Balance | Additions         | Deletions         | Ending<br>Balance   |
|---------------------------------|----------------------|-------------------|-------------------|---------------------|
| <u>Capital Assets</u>           |                      |                   |                   |                     |
| Land                            | \$ 1,606,089         | \$ 587,787        | \$ 519,932        | \$ 1,673,944        |
| Building and improvements       | 75,002               | -                 | -                 | 75,002              |
| Infrastructure                  | 924,399              | 40,431            | -                 | 964,830             |
| Office equipment                | 42,232               | -                 | -                 | 42,232              |
| Other equipment                 | 43,419               | -                 | 40,431            | 2,988               |
| Total                           | <u>2,691,141</u>     | <u>628,218</u>    | <u>560,363</u>    | <u>2,758,996</u>    |
| <u>Accumulated Depreciation</u> |                      |                   |                   |                     |
| Building and improvements       | 27,855               | 1,875             | -                 | 29,730              |
| Infrastructure                  | 50,425               | 16,754            | -                 | 67,179              |
| Office equipment                | 20,891               | 4,203             | -                 | 25,094              |
| Other equipment                 | 2,240                | 149               | -                 | 2,389               |
| Total                           | <u>101,411</u>       | <u>22,981</u>     | <u>-</u>          | <u>124,392</u>      |
| Net Capital Assets              | <u>\$ 2,589,730</u>  | <u>\$ 605,237</u> | <u>\$ 560,363</u> | <u>\$ 2,634,604</u> |

Depreciation expense of \$ 22,981 for the year ended December 31, 2010 is included in general and administrative program costs.

NOTE 4. LONG-TERM DEBT

The following is a summary of the long-term debt transactions for the year:

|                             | Beginning<br>of Year<br>Balance | New<br>Issues     | Debt<br>Retired   | End<br>of Year<br>Balance | Due<br>Within<br>One Year |
|-----------------------------|---------------------------------|-------------------|-------------------|---------------------------|---------------------------|
| Contract for deed           | \$ 191,444                      | \$ -              | \$ 191,444        | \$ -                      | \$ -                      |
| Notes Payable:              |                                 |                   |                   |                           |                           |
| Frandsen Bank               | -                               | 285,000           | -                 | 285,000                   | 285,000                   |
| Frandsen Bank               | -                               | 250,000           | -                 | 250,000                   | 250,000                   |
|                             | -                               | 535,000           | -                 | 535,000                   | 535,000                   |
| Compensated absences        | 5,808                           | 6,808             | 3,678             | 8,938                     | -                         |
| Total Long-Term Liabilities | <u>\$ 197,252</u>               | <u>\$ 541,808</u> | <u>\$ 195,122</u> | <u>\$ 543,938</u>         | <u>\$ 535,000</u>         |

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

Long-term indebtedness is made up of the following issues as of December 31, 2010, excluding compensated absences:

|                | <u>Original<br/>Issue</u> | <u>Security<br/>Interest</u> | <u>Interest<br/>Rate</u> | <u>Maturity</u> | <u>Balance</u>    |
|----------------|---------------------------|------------------------------|--------------------------|-----------------|-------------------|
| Notes Payable: |                           |                              |                          |                 |                   |
| Frandsen Bank  | \$ 250,000                | Land                         | 4.50%                    | 6/13/2011       | \$ 250,000        |
| Frandsen Bank  | \$ 285,000                | Certificate<br>of deposit    | 4.50%                    | 1/15/2011       | <u>285,000</u>    |
|                |                           |                              |                          |                 | <u>\$ 535,000</u> |

NOTE 5. LINE OF CREDIT

The District has a \$500,000 line of credit available through Frandsen Bank through July 23, 2011. At December 31, 2010 there was no balance borrowed against the line of credit.

NOTE 6. DEFINED BENEFIT PENSION PLANS STATEWIDE

Plan Description

All full-time and certain part-time employees of the Wild Rice Watershed District are covered by a defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) which is a cost-sharing multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapter 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after three years of credited service. The defined retirement benefits are based on a member's average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For all GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree. No survivor annuity is payable. There are also various types of joint and survivor annuity options available which will reduce the monthly normal annuity amount, because the annuity is payable over joint lives. Members may also leave their contributions in the fund upon termination of public service, in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF. That report may be obtained on the web at [mnpera.com](http://mnpera.com) or by writing to PERA, 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 6.0%, respectively, of their annual covered salary in 2010. The District is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan GERF members, 7.0% for Coordinated Plan GERF members. The District's contributions to the Public Employees Retirement Fund for the years ending December 31, 2010, 2009 and 2008 were \$5,846, \$5,846, and \$7,826, respectively. The District's contributions were equal to the contractually required contributions for each year as set by state statute.

NOTE 7. EXPENDITURES EXCEED APPROPRIATIONS

Expenditures exceeded appropriations in the general fund for the year ended December 31, 2010 by \$ 5,505 .

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance coverage's on its commercial property and for liability, personal and advertising injury, non-owned auto and a miscellaneous floater. Insurance coverage has not been reduced from the prior year, and settlements have not exceeded insurance coverage in any of the past three years.

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 9. CONTINGENCIES

Grants

The District participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of money received may be required and the collectability of any related receivable at December 31, 2010, may be impaired. The District is not aware of any significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

Claims and Litigation

The District is involved in some legal actions relating to projects undertaken or attempted to be undertaken. Although the outcomes cannot be determined, the District believes any potential liability would not have a material impact on the financial condition of the District.



REQUIRED SUPPLEMENTAL INFORMATION

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010

|  | <u>Budgetary Amounts</u> |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------------|--------------------|--------------------|---|
|  | <u>Original</u>          | <u>Final</u>       | <u>Actual</u>      |   |
| REVENUE  |                          |                    |                    |   |
| Property taxes   | \$ 250,000               | \$ 250,000         | \$ 207,709         | \$ (42,291)   |
| Intergovernmental  | -                        | -                  | 20,552             | 20,552  |
| Miscellaneous  | -                        | -                  | 8,132              | 8,132   |
| Total Revenue  | <u>250,000</u>           | <u>250,000</u>     | <u>236,393</u>     | <u>(13,607)</u>   |
| EXPENDITURES   |                          |                    |                    |   |
| Salaries & benefits  | 86,000                   | 86,000             | 60,165             | 25,835  |
| Utilities  | 13,000                   | 13,000             | 8,455              | 4,545   |
| Supplies, publications and postage                                 | 18,000                   | 18,000             | 11,447             | 6,553   |
| Insurance and bonding  | 17,500                   | 17,500             | 31,543             | (14,043)  |
| Engineering  | 22,000                   | 22,000             | 14,002             | 7,998   |
| Legal, accounting and audit  | 26,000                   | 26,000             | 66,588             | (40,588)  |
| Advisory board   | 1,000                    | 1,000              | -                  | 1,000   |
| Managers' per diem   | 25,000                   | 25,000             | 21,400             | 3,600   |
| Managers' expenses   | 20,000                   | 20,000             | 13,405             | 6,595   |
| 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  | -                        | -                  | 25,663             | (25,663)  |
| Capital improvements   | <u>12,500</u>            | <u>12,500</u>      | <u>712</u>         | <u>11,788</u>   |
| Total Expenditures   | <u>250,000</u>           | <u>250,000</u>     | <u>255,505</u>     | <u>(5,505)</u>  |
| Revenues Over (Under) Expenditures                                 | -                        | -                  | (19,112)           | (19,112)  |
| OTHER FINANCING SOURCES (USES)                                     |                          |                    |                    |   |
| Proceeds from Debt Issued  | <u>-</u>                 | <u>-</u>           | <u>535,000</u>     | <u>535,000</u>  |
| Revenues & Other Sources Over<br>(Under) Expenditures & Other Uses | -                        | -                  | 515,888            | 515,888   |
| Fund Balance, January 1  | <u>(60,987)</u>          | <u>(60,987)</u>    | <u>(60,987)</u>    | <u>-</u>  |
| Fund Balance, December 31  | <u>\$ (60,987)</u>       | <u>\$ (60,987)</u> | <u>\$ (80,099)</u> | <u>\$ (19,112)</u>                                      |

WILD RICE WATERSHED DISTRICT  
ADA, MINNESOTA  
NOTES TO BUDGETARY COMPARSION  
FOR THE YEAR ENDED DECEMBER 31, 2010

Budgets are prepared by the District on the same basis of accounting used in the preparation of its fund financial statements. The budget presented in this report is prepared in accordance with the cash basis of accounting. All appropriations lapse at year-end.

The budget is adopted through passage of a resolution by the board. Administration can authorize the transfer of budgeted amounts within the general fund. The State imposed an administrative budget limit for all Minnesota Watershed Districts of \$250,000 for the year ended December 31, 2010.

## SUPPLEMENTAL INFORMATION

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

|  | Fund<br>Balance<br>(Deficit)<br>January 1 | Receipts                          |                                  |                   |            | Expenditures<br>Direct | Transfers<br>In<br>(Out) | Fund<br>Balance<br>(Deficit)<br>December 31 |
|--|---|-----------------------------------|----------------------------------|-------------------|------------|------------------------|--------------------------|---|
|  |   | Taxes &<br>Special<br>Assessments | Capital &<br>Operating<br>Grants | Other<br>Receipts | Total      |                        |                          |   |
| GENERAL FUND                                 | \$ (60,987)                               | \$ 207,709                        | \$ 20,552                        | \$ 543,132        | \$ 771,393 | \$ 255,505             | \$ -                     | 454,901                                     |
| SPECIAL REVENUE FUND JOB<br>RRWMB management | 161,274                                   | \$ 345,557                        | \$ 32,485                        | \$ -              | \$ 378,042 | \$ 397,446             | \$ -                     | 141,870                                     |
| CAPITAL PROJECTS FUND JOBS                   |   |                                   |                                  |                   |            |                        |                          |   |
| Works of common benefit                      | 22,107                                    | -                                 | -                                | 6,628             | 6,628      | 6,986                  | 118                      | 21,867                                      |
| FEMA funds remainder 96                      | 320                                       | -                                 | -                                | -                 | -          | -                      | -                        | 320   |
| Permits                                      |   |                                   |                                  |                   |            |                        |                          |   |
| General                                      | (44,811)                                  | -                                 | -                                | -                 | -          | 46,763                 | 45,391                   | (46,183)                                    |
| Violations                                   | (2,308)                                   | -                                 | -                                | 350               | 350        | (1,084)                | -                        | (874)                                       |
| Phase 6 Pederson Brothers                    | (13)                                      | -                                 | -                                | -                 | -          | -                      | -                        | (13)  |
| Phase 19 Brian Borgen Complaint              | (13)                                      | -                                 | -                                | -                 | -          | -                      | -                        | (13)  |
| Phase 21 Ueland Violation                    | (45)                                      | -                                 | -                                | -                 | -          | -                      | -                        | (45)  |
| Phase 27 Vik Dike                            | (3,473)                                   | -                                 | -                                | -                 | -          | -                      | -                        | (3,473)                                     |
| Phase 29 Klemetson\Erickson                  | 3,542                                     | -                                 | -                                | -                 | -          | -                      | -                        | 3,542                                       |
| Phase 33 Ambuch\Wik Violation                | (269)                                     | -                                 | -                                | -                 | -          | -                      | 255                      | (14)  |
| Phase 39 Joseph E. Kuechle Complaint         | (135)                                     | -                                 | -                                | -                 | -          | -                      | 135                      | -   |
| Phase 43 Marv Thompson Complaint             | (25)                                      | -                                 | -                                | -                 | -          | -                      | 25                       | -   |
| Phase 46 Airhart Violation                   | (727)                                     | -                                 | -                                | -                 | -          | -                      | -                        | (727)                                       |
| Phase 47 Home Lake Complaint                 | (538)                                     | -                                 | -                                | -                 | -          | -                      | -                        | (538)                                       |
| Phase 48 Dean Heitman                        | (441)                                     | -                                 | -                                | -                 | -          | 38                     | 441                      | (38)  |
| Phase 49 Chisholm\Hanson Violation           | (263)                                     | -                                 | -                                | -                 | -          | 1,212                  | -                        | (1,475)                                     |
| Phase 50 Brian Borgen UR Complaint           | -   | -                                 | -                                | 200               | 200        | 430                    | -                        | (230)                                       |
| Phase 51 James Wagner Sr. Complaint          | -   | -                                 | -                                | -                 | -          | 456                    | -                        | (456)                                       |
| Phase 52 Stalboerger\Jirava\Bergren          | -   | -                                 | -                                | -                 | -          | 930                    | -                        | (930)                                       |
| Phase 53 Gillis                              | -   | -                                 | -                                | -                 | -          | 896                    | -                        | (896)                                       |
| Phase 54 Terry Guttormson Complaint          | -   | -                                 | -                                | -                 | -          | 506                    | -                        | (506)                                       |
| Phase 55 Mike Christensen Complaint          | -   | -                                 | -                                | -                 | -          | 48                     | -                        | (48)  |
| Phase 56 Jim Jirava 2010 Complaint           | -   | -                                 | -                                | -                 | -          | 199                    | -                        | (199)                                       |
| Phase 57 JD 51 Borgen Complaint              | -   | -                                 | -                                | -                 | -          | 96                     | -                        | (96)  |
| Phase 24 B Borgen vs P Borgen                | -   | -                                 | -                                | 50                | 50         | -                      | -                        | 50  |
| Flood Mitigation COE 205                     | 1,696                                     | -                                 | -                                | -                 | -          | -                      | 3                        | 1,699                                       |
| WRR COE Feasibility Study                    |   |                                   |                                  |                   |            |                        |                          |   |
| General                                      | (67,947)                                  | -                                 | 50,000                           | -                 | 50,000     | 879                    | -                        | (18,826)                                    |
| RRWMB construction                           | 1,785,351                                 | 344,932                           | 33,110                           | 88                | 378,130    | 7,464                  | (247,830)                | 1,908,187                                   |
| Legislative funding                          | (26,066)                                  | -                                 | -                                | -                 | -          | 75                     | 25,746                   | (395)                                       |
| Mediation FDR work group-July '05-'06        | (190)                                     | -                                 | -                                | -                 | -          | (3)                    | -                        | (187)                                       |
| Mediation FDR work group-July '06-'07        | 8,816                                     | -                                 | -                                | -                 | -          | 178                    | -                        | 8,638                                       |
| Mediation FDR work group-July '07-'08        | 4,473                                     | -                                 | -                                | -                 | -          | -                      | -                        | 4,473                                       |
| Survey & data                                | 15,319                                    | 16                                | -                                | -                 | 16         | -                      | -                        | 15,335                                      |
| Project Development                          |   |                                   |                                  |                   |            |                        |                          |   |
| Upper Felton Ditch-storage invest.           | (1,388)                                   | -                                 | -                                | -                 | -          | (1)                    | 1,387                    | -   |
| Wiger Flood Storage Investigation            | (4)                                       | -                                 | -                                | -                 | -          | -                      | 4                        | -   |
| Upper Moccasin Creek flood storage           | (8)                                       | -                                 | -                                | -                 | -          | -                      | -                        | (8)   |
| Data Practices                               | (1,590)                                   | -                                 | -                                | -                 | -          | -                      | -                        | (1,590)                                     |
| Phase #2 - Bennett                           | (36)                                      | -                                 | -                                | -                 | -          | (1)                    | 35                       | -   |
| Phase #3 - Borgen                            | (15)                                      | -                                 | -                                | -                 | -          | -                      | 15                       | -   |
| South Branch - Off Channel Inv.              | (23,269)                                  | -                                 | -                                | -                 | -          | 1,202                  | -                        | (24,471)                                    |
| Riverwatch Stream Guage Monitoring           | (9)                                       | -                                 | -                                | -                 | -          | -                      | 9                        | -   |
| Public information\media                     | (7,988)                                   | -                                 | -                                | 16                | 16         | 364                    | 97                       | (8,239)                                     |
| Heiraas lawsuit                              | (308)                                     | -                                 | -                                | -                 | -          | -                      | 308                      | -   |
| BWSR-Ditch Mapping Grant                     | (17,793)                                  | -                                 | -                                | -                 | -          | -                      | -                        | (17,793)                                    |
| USGS-264 S Branch Guage Station              | \$ (10,032)                               | -                                 | -                                | -                 | -          | -                      | 9,984                    | (48)  |
| Flood Storage Investigation                  | (21)                                      | -                                 | -                                | -                 | (21)       | (4)                    | 17                       | -   |
| 2006 Water Res Dev (WRDA)                    | (2,114)                                   | -                                 | -                                | -                 | -          | -                      | 183                      | (1,931)                                     |
| USGS Sediment Investigation                  | (22,526)                                  | -                                 | -                                | -                 | -          | 10,565                 | 12,527                   | (20,564)                                    |
| TV Dam Reevaluation                          | (876)                                     | -                                 | -                                | -                 | -          | -                      | 817                      | (59)  |
| Mahnomen Drainage Issues                     | (51,093)                                  | -                                 | 39,088                           | -                 | 39,088     | 1,468                  | -                        | (13,473)                                    |
| Home Lake DNR Permit                         | (188)                                     | -                                 | -                                | -                 | -          | 2                      | 190                      | -   |
| Home Lake Storage #266                       | 311                                       | -                                 | -                                | -                 | -          | -                      | 60                       | 371   |
| Soil and Water Conservation District         |   |                                   |                                  |                   |            |                        |                          |   |
| Storage Sites #265                           | (30,779)                                  | -                                 | -                                | -                 | -          | 71,082                 | 30,778                   | (71,083)                                    |
| Wastweet Storage                             | (28)                                      | -                                 | -                                | -                 | -          | 1                      | 29                       | -   |
| Upper Felton-Alternative                     | (969)                                     | -                                 | -                                | -                 | -          | -                      | 883                      | (86)  |
| Hendrum City FIS Review                      | (17)                                      | -                                 | -                                | -                 | -          | 5                      | 22                       | -   |
| TMDL Study WRR                               | (6,001)                                   | -                                 | -                                | -                 | -          | 9                      | 6,010                    | -   |
| Water Management Investigation               | (63,181)                                  | -                                 | -                                | -                 | -          | 4,184                  | 61,819                   | (5,546)                                     |
| Lakeman Culvert Issue                        | (10)                                      | -                                 | -                                | -                 | -          | -                      | 10                       | -   |
| Heitman Project                              | (430)                                     | -                                 | -                                | -                 | -          | 2,135                  | 170                      | (2,395)                                     |

## WILD RICE WATERSHED DISTRICT

21

## ADA, MINNESOTA

## SCHEDULE OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

|  | Fund      | Receipts    |           |          |           | Expenditures | Transfers | Fund        |
|--|-----------|-------------|-----------|----------|-----------|--------------|-----------|-------------|
|  | Balance   | Taxes &     | Capital & | Other    | Total     | Direct       | In        | Balance     |
|  | (Deficit) | Special     | Operating |          |           |              |           | (Deficit)   |
|  | January 1 | Assessments | Grants    | Receipts |           |              | (Out)     | December 31 |
| CAPITAL PROJECTS FUND JOBS (Cont'd)    |           |             |           |          |           |              |           |             |
| MPCA Grant                             | 10,000    | -           | -         | -        | -         | -            | -         | 10,000      |
| Hydraulic Analy-Marsh Creek            | (41)      | -           | -         | -        | -         | -            | 41        | -           |
| Upper Marsh Creek Storage              | (227)     | -           | -         | -        | -         | -            | 227       | -           |
| Vik Lawsuit                            | (128,804) | -           | -         | 135,857  | 135,857   | 22,074       | -         | (15,021)    |
| Felton Subwatershed Plan               | (78)      | -           | -         | -        | -         | -            | 78        | -           |
| Special Meetings #328                  | (2,988)   | -           | -         | -        | -         | -            | 2,988     | -           |
| 2009 Drainage System Modernization     |           |             |           |          |           |              |           |             |
| #334                                   | 13,108    | -           | -         | -        | -         | 2,133        | -         | 10,975      |
| Geographic Information Systems         |           |             |           |          |           |              |           |             |
| WRWD Mapping #277                      | 17,295    | -           | -         | -        | -         | -            | 484       | 17,779      |
| Data Request #280                      | (1,595)   | -           | -         | 194      | 194       | 2,528        | 3,185     | (744)       |
| South Branch Storage #284              | 22,223    | -           | -         | -        | -         | 458          | 1,178     | 22,943      |
| City of Ada Levee Project #198         | (214)     | -           | -         | -        | -         | -            | 214       | -           |
| Lower WR RIM Project #337              | (36)      | -           | -         | -        | -         | -            | 36        | -           |
| Natural Resource Conservation District |           |             |           |          |           |              |           |             |
| Small Project #338                     | (650)     | -           | -         | -        | -         | 90           | -         | (740)       |
| Norman/Mahnomen FIS Grant #339         | (268)     | -           | 76,407    | -        | 76,407    | 144,515      | -         | (68,376)    |
| Downstream Impact WG #340              | (260)     | -           | -         | -        | -         | 382          | -         | (642)       |
| Lower WRR Corridor Project             | (36)      | -           | -         | -        | -         | -            | 36        | -           |
| WRWD Projects                          | (3,431)   | -           | -         | -        | -         | -            | -         | (3,431)     |
| Wetland Banking Program                |           |             |           |          |           |              |           |             |
| Anderson wetland restoration           | (4,319)   | -           | -         | -        | -         | 2,177        | 4,289     | (2,207)     |
| Flood Mitigation Projects              |           |             |           |          |           |              |           |             |
| Acquisition/Demolition - DR 1175       |           |             |           |          |           |              |           |             |
| Kesselberg 1175                        | (104)     | -           | -         | -        | -         | -            | -         | (104)       |
| Norman Cty Rural Acquisition-DR 1479   | 802       | -           | -         | -        | -         | -            | -         | 802         |
| Acquisition - DEM 1333                 |           |             |           |          |           |              |           |             |
| General                                | 269       | -           | -         | -        | -         | -            | (269)     | -           |
| Acquisition - DR 1370-2002             | (956)     | -           | -         | -        | -         | -            | 956       | -           |
| Farm Ring Dikes                        | (227,226) | -           | 148,241   | 469,236  | 617,477   | 491,833      | -         | (101,582)   |
| Acquisitions 2006                      | (54,355)  | -           | 97,566    | -        | 97,566    | 99,518       | -         | (56,307)    |
| Community Ring Dikes #336              | (102,311) | -           | 24,267    | -        | 24,267    | 8,428        | -         | (86,472)    |
| Cummunity Ring Dikes II                | -         | -           | 1,082,115 | 45       | 1,082,160 | 798,730      | -         | 283,430     |
| Acquisitions 2009                      | (16,737)  | -           | -         | -        | -         | 8,480        | -         | (25,217)    |
| WRWD Projects                          |           |             |           |          |           |              |           |             |
| Upper Reaches                          | (70,186)  | 117,129     | -         | -        | 117,129   | 46,148       | -         | 795         |
| Phase #6 - JD #51                      | (11,165)  | -           | -         | -        | -         | -            | -         | (11,165)    |
| 2006 Slide Repairs JD #51              | (917)     | -           | -         | -        | -         | -            | -         | (917)       |
| Marsh River Analysis                   | 11,620    | -           | -         | -        | -         | -            | -         | 11,620      |
| Northern Improvement Dam               | (661)     | -           | -         | -        | -         | 3,367        | 1,123     | (2,905)     |
| Lake Ida Detention                     | 3,728     | 2,332       | -         | -        | 2,332     | 1,040        | -         | 5,020       |
| Project No. 1, Norman Co. D. #1        | 6,220     | 7,541       | -         | -        | 7,541     | 5,294        | -         | 8,467       |
| Project No. 2 - Heiberg Dam            | 49,709    | 2,755       | -         | -        | 2,755     | 343          | -         | 52,121      |
| Project #3, Co County #20              | 12,757    | 524         | -         | -        | 524       | 151          | -         | 13,130      |
| Project #4, Becker Dams                | 74,697    | 14,389      | -         | -        | 14,389    | 14,150       | -         | 74,936      |
| Project #5, Norman Polk                | 210,384   | 18,958      | -         | -        | 18,958    | 8,975        | -         | 220,367     |
| Project #6, Lake Ida                   | 8,687     | 1,678       | -         | -        | 1,678     | 2,617        | -         | 7,748       |
| Project #8, Moccassin Creek            | (7,918)   | -           | -         | -        | -         | 4,452        | 7,885     | (4,485)     |
| Project #9 - South Branch              | 159,256   | 31,016      | -         | -        | 31,016    | 44,380       | -         | 145,892     |
| Project #10 - Mashaug Creek            | (16)      | -           | -         | -        | -         | 346          | -         | (362)       |
| Project #12 - WR Twp. Ditch            | (12,993)  | 6,824       | -         | -        | 6,824     | 1,456        | -         | (7,625)     |
| Project #13 Olson Agassiz              | 22,294    | 4,003       | -         | -        | 4,003     | 3,444        | -         | 22,853      |
| Project #14, N.C. Ditch #45            | 16,089    | 2,123       | -         | -        | 2,123     | 8,602        | -         | 9,610       |
| Project #16, Anthony Twp.              | 3,332     | 3,266       | -         | -        | 3,266     | 512          | -         | 6,086       |
| Project #17, Lockhart Twp.             | 27,039    | 2,501       | -         | -        | 2,501     | 279          | -         | 29,261      |
| Project #18 N.C Ditch #64              | 82,395    | 8,637       | -         | -        | 8,637     | 1,006        | -         | 90,026      |
| Project #19, #35, 10 & 16              | 45,585    | 7,986       | -         | -        | 7,986     | 7,032        | -         | 46,539      |
| Proj. #20, Clay J.D. #45, Lat. 1 & 2   | 66,844    | 33,225      | -         | -        | 33,225    | 3,787        | -         | 96,282      |
| Project #23, NC. D #34, Lat #1         | 39,183    | -           | -         | -        | -         | -            | -         | 39,183      |
| Project #25, N.C. Ditch #38            | 43,101    | -           | -         | -        | -         | 1,047        | -         | 42,054      |
| Project #27, Lat. A Mahn. Co. #3       | 10,036    | 787         | -         | -        | 787       | 694          | -         | 10,129      |
| Project #29, Atlanta Twp.              | 5,700     | 2,759       | -         | -        | 2,759     | 928          | -         | 7,531       |
| Pro. #30 - Anth. Pl. V, Gr. Medo       | (39,451)  | 53,943      | -         | -        | 53,943    | 12,229       | -         | 2,263       |
| Project. #31, Hegne Twp. Ditch         | 5,334     | 9,809       | -         | -        | 9,809     | 1,450        | -         | 13,693      |
| Project #32, Hegn Anthony Cutoff       | 22,714    | 2,699       | -         | -        | 2,699     | 2,781        | -         | 22,632      |
| Project #34, Lat. B Mahn. #3           | 21,456    | 706         | -         | -        | 706       | 2,377        | -         | 19,785      |
| Proj. #35, Sande Detention             | (8,020)   | -           | -         | -        | -         | 570          | 8,021     | (569)       |
| Project #36, Marsh Creek #3            | (2,849)   | -           | -         | -        | -         | 345          | -         | (3,194)     |
| Project #38, Rockwell Dam              | (398)     | -           | -         | -        | -         | 9,275        | 535       | (9,138)     |
| Project #39-Mashaug Dam                | (213)     | -           | -         | -        | -         | 30           | -         | (243)       |
| Project #40 Dalen Coulee               | 19,348    | 3,448       | -         | -        | 3,448     | 2,427        | -         | 20,369      |

## ADA, MINNESOTA

## SCHEDULE OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

|                                       | Fund                              | Receipts                          |                                  |                   |              | Expenditures | Transfers   | Fund                                |
|---------------------------------------|-----------------------------------|-----------------------------------|----------------------------------|-------------------|--------------|--------------|-------------|-------------------------------------|
|                                       | Balance<br>(Deficit)<br>January 1 | Taxes &<br>Special<br>Assessments | Capital &<br>Operating<br>Grants | Other<br>Receipts | Total        | Direct       | In<br>(Out) | Balance<br>(Deficit)<br>December 31 |
| CAPITAL PROJECTS FUND JOBS (Cont'd)   |                                   |                                   |                                  |                   |              |              |             |                                     |
| Project #42 S. Branch Storage         | (737,432)                         | -                                 | -                                | -                 | -            | -            | -           | (737,432)                           |
| - Phase 1 Wetland Review              | (13,761)                          | -                                 | -                                | -                 | -            | -            | -           | (13,761)                            |
| - Phase 2 Channel Alt.                | (4,526)                           | -                                 | -                                | -                 | -            | -            | -           | (4,526)                             |
| - Phase 3 Final Design & Const.       | (22,634)                          | -                                 | -                                | -                 | -            | 385          | -           | (23,019)                            |
| - Phase 4 Land Acquisition Assistance | (13,537)                          | -                                 | -                                | -                 | -            | 5,044        | -           | (18,581)                            |
| - Phase 5 Richard Property Survey     | (4,124)                           | -                                 | -                                | -                 | -            | 4,043        | -           | (8,167)                             |
| - Phase 6 Richards Data               | (4,643)                           | -                                 | -                                | -                 | -            | -            | -           | (4,643)                             |
| #329 - Upper Becker Geotech           | (44,398)                          | -                                 | -                                | -                 | -            | -            | -           | (44,398)                            |
| #330 - Upper Becker Design            | (130,284)                         | -                                 | -                                | -                 | -            | 38,364       | -           | (168,648)                           |
| #331 - CD #18 Geotech and Design      | (135,929)                         | -                                 | -                                | -                 | -            | 2,223        | -           | (138,152)                           |
| Upper Becker Project Costs            | (28,836)                          | -                                 | -                                | 26,553            | 26,553       | 98,350       | -           | (100,633)                           |
| #01 Cost Share Funds - RRWMB          | 600,000                           | -                                 | -                                | 613,586           | 613,586      | 1,422,106    | -           | (208,520)                           |
| Ditch Systems                         |                                   |                                   |                                  |                   |              |              |             |                                     |
| N.C. #11                              | 6,114                             | -                                 | -                                | -                 | -            | 669          | -           | 5,445                               |
| N.C. #12                              | 22,073                            | 5,448                             | -                                | -                 | 5,448        | 118          | -           | 27,403                              |
| N.C. #15                              | 4,206                             | 2,764                             | -                                | -                 | 2,764        | 71           | -           | 6,899                               |
| N.C. #18                              | 25,980                            | -                                 | -                                | -                 | -            | 5,034        | -           | 20,946                              |
| N.C. #18, LAT. #1                     | 1,045                             | -                                 | -                                | -                 | -            | 1,271        | -           | (226)                               |
| N.C. #21                              | 1,906                             | 1,788                             | -                                | -                 | 1,788        | 488          | -           | 3,206                               |
| N.C. #22                              | 1,902                             | -                                 | -                                | -                 | -            | -            | -           | 1,902                               |
| N.C. #37                              | 1,017                             | 9,606                             | -                                | -                 | 9,606        | 1,260        | -           | 9,363                               |
| J.D. 53 - Main                        | (90,285)                          | 37,945                            | -                                | -                 | 37,945       | 1,155        | -           | (53,495)                            |
| J.D. 53 LAT #1                        | 14,365                            | 4,041                             | -                                | -                 | 4,041        | 332          | -           | 18,074                              |
| J.D. 53 LAT #2                        | 19,358                            | -                                 | -                                | -                 | -            | 8,408        | -           | 10,950                              |
| J.D. #56                              | 49,919                            | 18,772                            | -                                | -                 | 18,772       | 1,395        | -           | 67,296                              |
| J.D. #56, LAT #1                      | 25,220                            | 8,251                             | -                                | -                 | 8,251        | 1,993        | -           | 31,478                              |
| Clay Co. #6                           | 926                               | 6,084                             | -                                | -                 | 6,084        | 889          | -           | 6,121                               |
| Clay Co. #7                           | 2,662                             | -                                 | -                                | -                 | -            | -            | -           | 2,662                               |
| Clay Co. #8                           | 4,514                             | 7,192                             | -                                | -                 | 7,192        | 103          | -           | 11,603                              |
| Clay Co. #14                          | (25,526)                          | 17,483                            | -                                | -                 | 17,483       | 444          | -           | (8,487)                             |
| Clay Co. #18                          | (24,747)                          | 8,772                             | -                                | -                 | 8,772        | 10,142       | -           | (26,117)                            |
| Clay Co. #42                          | 2,901                             | 2,018                             | -                                | -                 | 2,018        | 99           | -           | 4,820                               |
| Clay Co. #44                          | 7,005                             | 1,094                             | -                                | -                 | 1,094        | 113          | -           | 7,986                               |
| Clay Co. #52                          | 8,517                             | 618                               | -                                | -                 | 618          | 72           | -           | 9,063                               |
| FEMA 2000                             | 5,008                             | -                                 | -                                | -                 | -            | 2,865        | 124         | 2,267                               |
| FEMA 2001                             | -                                 | -                                 | -                                | -                 | -            | -            | 469         | 469                                 |
| FEMA 2002                             | (19,436)                          | -                                 | -                                | -                 | -            | 4,009        | 18,754      | (4,691)                             |
| FEMA 2006                             | (26,979)                          | -                                 | -                                | -                 | -            | 8,447        | -           | (35,426)                            |
| FEMA 2009                             | (42,519)                          | -                                 | 197,123                          | -                 | 197,123      | 203,740      | -           | (49,136)                            |
| FEMA 2010                             | -                                 | -                                 | 26,988                           | -                 | 26,988       | 9,973        | -           | 17,015                              |
| Dfirm Mahnommen County                | -                                 | -                                 | 35,187                           | -                 | 35,187       | 48,246       | -           | (13,059)                            |
| Fugleberg Legal                       | -                                 | -                                 | -                                | -                 | -            | 344          | -           | (344)                               |
| Maccasin Creek Channel                | -                                 | -                                 | -                                | -                 | -            | 448          | 8           | (440)                               |
| Maccasin Creek Tile/Outlet            | -                                 | -                                 | -                                | -                 | -            | 1,050        | -           | (1,050)                             |
| Clean Water Legacy Grant              | -                                 | -                                 | 157,500                          | -                 | 157,500      | 64,770       | -           | 92,730                              |
| Project 42 Unassigned                 | -                                 | -                                 | -                                | -                 | -            | 1,948        | -           | (1,948)                             |
| Unassigned                            | -                                 | -                                 | -                                | -                 | -            | 139          | -           | (139)                               |
| Total Capital Projects Jobs           | 1,220,822                         | 815,862                           | 1,967,592                        | 1,252,803         | 4,036,257    | 3,880,510    | -           | 1,376,569                           |
| TOTAL                                 | \$ 1,321,109                      | \$ 1,369,128                      | \$ 2,020,629                     | \$ 1,795,935      | \$ 5,185,692 | \$ 4,533,461 | \$ -        | \$ 1,973,340                        |

**Drees, Risky & Vallager, Ltd.**  
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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, 2010, and have issued our report thereon dated August 1, 2011. 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 seven main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions and tax increment financing. Our study included all of the listed categories, except tax increment financing which did not apply to the District.

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.

Certified Public Accountants

August 1, 2011  
Crookston, Minnesota



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Managers  
Wild Rice Watershed District  
Ada, Minnesota 56701

We have audited the financial statements of Wild Rice Watershed District, as of and for the year ended December 31, 2010, and have issued our report thereon dated August 1, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Wild Rice Watershed District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting, 2010-1 and 2010-2. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wild Rice Watershed District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Wild Rice Watershed District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the District Council, management, others within the organization, and federal and state awarding agencies and is not intended to be, and should not be used by anyone other than these specified parties.

DREES, RISKEY & VALLAGER, LTD.

Certified Public Accountants

August 1, 2011  
Crookston, MN 56716

WILD RICE WATERSHED DISTRICT  
SCHEDULE OF INTERNAL CONTROL AND COMPLIANCE FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2010

FINDING 2010-01

|                        |  |
|------------------------|--|
| Condition:             | Lack of sufficient segregation of duties in the cash receipts and disbursement process.  |
| Cause:                 | Size and cost constraints limiting the number of District personnel available within the municipality to perform accounting duties.  |
| Effect:                | The lack of segregation of duties reduces the level of internal controls over financial reporting which could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. |
| Recommendation:        | The areas should be reviewed periodically and consideration given to improving the segregation of duties in the most effective manner possible.  |
| Management's Response: | The District is aware of this situation and will continue to monitor operations, but believes it would not be cost efficient at this time to add staff and believes the most effective control lies in its awareness and oversight of this situation.                        |

FINDING 2010-02

|                        |  |
|------------------------|--|
| Condition:             | An internal control deficiency over financial reporting may be determined present in the absence of the District's preparation of its financial statements. This control deficiency could result in a material misstatement to the financial statements that would not be detected or prevented. |
| Cause:                 | As auditors we were requested to draft the financial statements and accompanying notes to the financial statements.  |
| Recommendation:        | It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.   |
| Management's Response: | The board charged with governance may be willing to accept the degree of risk associated with this condition because cost to provide additional control may exceed any benefit realized by the District and other considerations.  |