

Red River Watershed Management Board

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Board of Managers

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RED RIVER WATERSHED MANAGEMENT BOARD MEETING

March 19, 1999

Northland Inn, Crookston, Minnesota

Due to inclement weather, the regularly scheduled monthly meeting scheduled for March 17, 1999 was postponed until March 19, 1999, at the Northland Inn, Crookston, Minnesota following the conclusion of the Early Coordination Conference.

The RRWMB met on Friday, March 19, 1999, at the Northland Inn, Crookston, Minnesota.

Chairman Ron Osowski called the meeting to order.

Members present were: John Finney Harley Younggren
Curt Nelson Farrell Erickson
Robert Wright Vernon Johnson
Daniel Wilkens Jerome Deal

Others present were: Don Ogaard, Executive Director
Naomi Jagol, Administrative Assistant, Sand Hill River WD
Dan Thul, Red River Coordinator
Charlie Anderson, Engineer, JOR Engineering
Brent Johnson, Engineer, Houston Engineering
Arlene Novak, Interim Co-Administrator, Red Lake WD
George Dailey, Red Lake WD
Nolan Baratono, MPCA-Basin Coordinator
Dan Money, Administrator, Two Rivers WD
Loren Sanderson, Interim Co-Administrator, Red Lake WD
Bob Beduhn, Engineer, HDR Engineering
Brian Dwight, Board of Water & Soil Resources
Paul Swenson, MnDNR
Dr. Pamela Parkinson, Northland Technical College
Rudy Applequist

A revision was suggested for the agenda. Vernon Johnson requested that the section on legislative funding be moved up on the agenda.

Motion to dispense with the reading of the minutes of the February 16, 1999 meeting by Manager Nelson, **Seconded** by Manager Erickson, **Carried.** **Motion** to approve the minutes as written by Manager Erickson, **Seconded** by Manager Deal, **Carried.**

North Ottawa Project

The North Ottawa Project of the Bois de Sioux WD was discussed. Manager Nelson noted that when the project was originally approved for funding, it was his understanding that should construction not begin within a five-year period, that the funds allocated each year for the land purchase would be returned to the RRWMB. Nelson also stated that the February 20, 1996 minutes of the meeting in which the funding was approved, did not reflect this condition.

Motion by Manager Finney to reaffirm the original intent of the funding request of the Bois de Sioux WD for the North Ottawa Project to include the stipulation stating that construction must begin within a five-year period or the funds would be returned to the RRWMB, **Seconded** by Manager Nelson, **Carried**.

The previous discussion referred to the minutes of the February 20, 1996 meeting. For clarification, the following minutes are provided for informational purposes.

The following is an excerpt from the January 16, 1996 RRWMB meeting:

*The Bois de Sioux WD Board brought up the Tintah Slough Project for discussion. The major landowner within the project site has offered his land for sale. This land would provide the watershed district with 7/8 of the land needed to complete Option C. Option C would control runoff from 73 square miles, provide 13,000 acre-feet of flood storage (3.3 inches of runoff) and cost about \$6,000,000.00. It would provide one-half the land needed to complete Option B. Option B would control runoff from 75 square miles, provide 13,600 acre-feet of flood storage (3.4 inches of runoff) and cost about \$8,000,000.00. On a **motion** duly made by Manager Ross, **Seconded** by Manager Moen, and unanimously **Carried** the Red River Watershed Management Board (RRWMB) supports the Bois de Sioux Watershed District's (BdSWD) purchase of land for a water control project in North Ottawa Township, Grant County, Minnesota. If a water control project cannot be built within five years, the RRWMB shall at that time determine if the land should be resold and the RRWMB reimbursed fully for all funds forwarded to the BdSWD up to that time. The RRWMB hereby agrees to initially and annually expend funds, as requested by the BdSWD, to fund annual payments for the purchase of said land. Discussions also included a recommendation that the BdSWD enter into a five year contract for deed (CFD) for the purchase of said property, with appropriate clauses to allow for the transfer and/or sale of land not needed for the project. Any sale of land would necessarily require reduction in the CFD and delivery of clear title. The ability to pay up any unpaid balance at any time was also discussed and recommended.*

The following is an excerpt from the February 20, 1996 RRWMB meeting:

The Bois de Sioux WD reported their high priority for the past month was to secure the property for sale in North Ottawa Township, Grant County. In dealing with the landowner, they were able to agree on the following terms:

<i>Purchase Price:</i>	<i>\$1,985,445.00 (\$945 per acre)</i>
<i>Down Payment:</i>	<i>496,361.25 (25%)</i>
<i>Contract for Deed:</i>	<i>5 years, 5 equal payments on principle with interest calculated on balance each year, due March 15 of each year.</i>
<i>Interest Rate:</i>	<i>7%</i>
<i>Rental contract:</i>	<i>Currently in place for 2 years at \$80.00 per acre.</i>

The purchase agreement has been signed by both parties. Expected closing on or before March 1. They have changed the name to the North Ottawa Project.

They have quite a turnover on their board, therefore they would like a tour of completed projects during runoff so that new members could observe operations.

Motion by Manager Ross; **Seconded** by Manager Moen; to authorize payment of the amounts as explained in Bois de Sioux WD report, duly **Carried**.

Manager Wilkens explained that two issues were identified during the 1998 audit. The first issue identified regarded an investment. Wilkens explained that a certificate of deposit which should have been listed in the account of the RRWMB, was incorrectly listed as a Sand Hill River WD (SHRWD) investment. The error was identified when the investment matured, however, quarterly interest checks had been forwarded to the SHRWD throughout the year and improperly credited to their account. The second issue identified by the auditor regarded the data and acquisition account of the SHRWD. The SHRWD had received funds for this account throughout the year, however, inadvertently the funds were deposited into the administrative, construction, and RRWMB accounts on a pro rata basis. This resulted in an overpayment to the RRWMB by the SHRWD. Wilkens stated that the proper adjusting entries were made to the affected accounts.

The Treasurer's reports for January 1999 and February 1999 were presented and approved as read. **Motion** by Manager Johnson, **Seconded** by Manager Younggren, **Carried**.

Manager Wilkens reported on the status of the checking account. He explained that currently the checking account maintained at the First State Bank of Fertile accrues interest on a monthly basis of approximately 2.02 percent. He stated that he has been investigating potential investment opportunities for the excess funds maintained in the checking account. One such investment option is a checking account that offers the feature of a "sweep." This account is an automated system which "sweeps" excess funds from the account daily, allowing the RRWMB to have their short-term funds managed through one main operating account. The benefits of this account to the RRWMB would include increased income, greater liquidity, reduced costs, and convenience. Ogaard noted that the procedure for selecting financial institutions is outlined in the Treasurer's Manual, however, he suggested that the First State Bank of Fertile, as a courtesy, be offered the opportunity to match the same interest rate as those offered by a sweep account. Manager Wilkens added that he would discuss the various options available at the First State Bank of Fertile with the President of the bank giving them an opportunity to match the sweep option before making a decision.

Ogaard reviewed the monthly bills received. A **Motion** to approve and pay bills by Manager Younggren, **Seconded** by Manager Nelson, **Carried**. For further reference, copies of the bills approved are attached hereto in the Treasurer's Report.

Status of Legislative Funding

Ogaard distributed a handout which outlined a proposed legislative initiative for a funding allocation of \$3,000,000. He noted that the original proposal developed by the DNR included virtually no funding allocation for current projects. He added that the funds sought must be expended within the two-year timeframe.

A handout was distributed of the bills to be introduced in the House and Senate. Ogaard explained that in addition to the bills introduced in the House and Senate, \$1,300,000 would be sought in addition to the governor's budget. He stated that should this additional funding be approved, \$1.3 million would be available for construction purposes. He noted that a majority of the funds sought would require matching by a local sponsor. He suggested that it would be appropriate for individual districts to match funds on the basis of individual plans submitted, as well as the RRWMB determining a formula to apply matching funds on a similar basis as the ring dike funding percentage.

Swenson added that the new finance commissioner has not determined the amount needed for bonding for the upcoming biennium, however, a determination would need to be made prior to mid August. Ogaard added that the funds sought are for the time period of July 2000 to July 2001.

Ogaard distributed a handout which listed the flood damage reduction areas to be considered for prioritizing regarding funding. Ogaard noted that the districts should be aware that a commitment is needed to match the

funding currently being sought. Manager Johnson added that should funding be secured, it would require a significant contribution of the individual districts.

Brent Johnson stated that in order to model the watershed districts, a cost of approximately \$100,000 for each district would be incurred. He added that this would be an average approximation since the cost would be relative to the size of the district being modeled. He noted that a similar cost could be incurred for planning objectives.

Ogaard concurred with Johnson and added that the Board of Water & Soil Resources (BWSR) had estimated a cost of approximately \$200,000 on the average to model each district.

Ogaard recommended that the RRWMB develop a policy for disbursing the funds to the individual watershed districts regarding the modeling initiatives. He noted that the policy for fund allocation may have already been addressed in the funding request for the Wild Rice WD for the "systems approach."

Osowski inquired whether the planning objectives referred to earlier would include a revised overall plan for each district. Ogaard responded that this would be included in the modeling initiative and would assist in developing the groundwork for future district activities.

Deal noted that he envisioned the funding allocation to be similar to the ring dike policy. Ogaard added that the costs incurred for the entire program must be separated from the project costs. Ogaard explained that historically the individual district had to incur expenses and, if the project was not approved, the costs were absorbed by the district.

Motion by Manager Johnson to secure state funding by conducting the necessary lobbying to obtain the funds, with the recommended cost share apportionment as follows: 50% State, 25% RRWMB, and 25% local watershed district. The project expenses would be remitted to the individual districts according to the RRWMB Policy Manual. **Seconded** by Manager Wright, **Carried**.

Wilkins inquired on the procedure for prioritizing watershed districts to proceed for funding. Ogaard responded that a recommendation would be forwarded from BWSR stating the order which watershed districts should be modeled.

Early Coordination Conference

Ogaard stated that the costs associated with the Early Coordination Conference would be absorbed by the RRWMB and the DNR on an equal basis. Ogaard inquired of Swenson on the type of documentation that should be submitted to the DNR for funding approval. Swenson responded that the DNR would require an original invoice.

Swenson noted that when planning dollars become available with the appropriation to be received after July 1, 2000, the State would submit the funds to BWSR to administer grants to be disbursed to individual watershed districts. Swenson cautioned the watershed districts relative to incurring costs prior to securing funds from the legislature.

Beduhn inquired whether any DNR funds remained from the special session regarding alternative watershed district initiatives. Swenson responded that he would inquire whether any of those funds remained.

Ogaard inquired to Dwight about the prioritization of the planning process for the individual districts. Dwight responded that once the determination has been made, he would finalize the selection with the RRWMB. Dwight added that the determination could be prepared and presented at the next RRWMB meeting.

District Reports

- The Joe River WD reported that on January 20, 1999 the District held a public informational meeting concerning the creation of a dry crossing connecting U.S. Federal Highway 75 and Interstate 29. This project involved the raising of State Highway 171 east of the village of St. Vincent.

The Minnesota Department of Transportation (MnDOT) had previously proposed raising the road approximately 3.8 feet. Raising the roadbed to this elevation would correspond with the peak flood flow during the 1979 flood event. MnDOT did not include any provision for additional drainage capacity under the roadbed in its proposal.

The general consensus of the public meeting was that a dry crossing is desirable, but not at the expense of additional strain on existing flood protection structures. The District informed MnDOT that without adequate capacity for the flood flow under the road, it would not support the project.

The District has since been informed by MnDOT that the project has become too expensive, and no funds would be available until at least the year 2002.

- The Two Rivers WD reported that the District conducted a meeting with a group of petitioners who had submitted a petition for a 12-mile long ditch located in Barto and Polonia Townships of Roseau County, which is downstream and straight west of the City of Badger. Several factors will affect this new ditch including a 45 square mile upstream drainage area, overflows from State Ditch #95 to the north, questions about the adequacy of the downstream outlet, and how much water is currently passing through the area. The District will further investigate these issues and specifically research the feasibility of an upstream impoundment. The District has also agreed to study the area during the spring snowmelt event and measure stream flows.
- The Buffalo-Red River WD reported that Curt Nelson, Roger Ellefson, and Bruce Albright attended the Legislative Breakfast last week.

The acquisition of construction easements for the City of Georgetown Community Ring Dike is progressing quite well. Only a few easements remain to be obtained. One of the easements regards property which has a garage that would need to be moved or replaced in order to construct the dike. The property owner is also interested in a buyout since his home was flooded in 1997. The District is investigating this option with the assistance of Clay County. The project is anticipated to be completed in 1999.

- The Roseau River WD reported that the Board met with area landowners regarding a number of drainage problems associated with the WD #3 system. It was recommended that the affected landowners either petition the District for improvements or proceed with a re-determination of benefits.

- The Red Lake WD reported that a pre-construction meeting for the Thief River Falls Reservoir was held on March 9, 1999. Construction of the disposal site will begin in May, with the actual dredging of the reservoir to begin in June. The project is scheduled to be completed in the year 2000.
- The Sand Hill River WD reported that at the regular monthly meeting, an update was given by Manager Wilkens to the Board of Managers regarding the progress of the Union Lake-Sarah situation. Wilkens stated that the Lake Association has endorsed the option of installing a pumping station located at the southwest corner of Union Lake and pumping into the Sand Hill River. Members of the Lake Association were also in attendance at the March board meeting of the District and requested the project be included in the presentation of the Sand Hill River WD at the Early Coordination Conference. The project is estimated to cost approximately \$600,000 and, if bonded for the entire amount, would average approximately \$1,700 per property owner to construct and operate the pumping station for a 20-year time span. The engineers estimate that it would take 120+ days to pump the lake down to the ordinary high water elevation using a 24-inch pipeline at 20 cfs. Once the lake is drawn down, it would require a rate of 5 cfs to maintain the lake at a reasonable level given recent rainfall trends.
- The Bois de Sioux WD reported that the District is submitting five Challenge Grant applications to the Board of Water & Soil Resources. The applications are for culvert inventory projects, a CRP Buffer Strip Promotional Program, the initial planning process of the District's overall plan and related expenses, and a district wide ditch inventory. Total project estimated costs are \$259,200 with a grant request of \$126,000.

Red River Coordinator/TAC Report – Dan Thul

Thul stated that a cost breakdown was received from Greg Wiche of the U.S. Geological Survey (USGS). He noted that the TAC plans to conduct a final review of the proposed study. The proposed non-federal funding requests for the first year were as follows: \$12,000-Red River Joint Water Resources Board, \$12,000-Red River Watershed Management Board, \$16,750-MnDNR, and \$16,750-North Dakota State Water Commission. He suggested that the RRWMB should request representation on the technical group developed for the study. He noted that the TAC recommends that the RRWMB participate in this effort. The proposed study would document the impacts of wetland restorations and land use practices on flooding.

Brent Johnson added that he would prefer that an estimated total cost for the entire period should be developed with funding sought for the entire timeframe. He explained that currently the field work and costs are estimated only for the first fiscal year. He stated that the study should be conducted for a 4 or 5 year period in order to obtain comparable data.

Ogaard inquired whether firm commitments have been received from the U.S. Fish & Wildlife Service, USGS, and the Red River Joint Water Resources Board. Thul responded that commitments have been made by the DNR.

Motion by Manager Wilkens to approve funding for the current fiscal year in the amount of \$12,000, **Seconded** by Manager Younggren, **Carried**.

Executive Director Report – Don Ogaard

Ogaard stated that a request was received by a certified mapping scientist currently working with Clay County Soil & Water Conservation District to conduct a presentation at the next monthly meeting relative to wetland delineation. Following discussion, the board agreed by consensus to hear the presentation.

Informational handouts were distributed from the engineering firms of Barr Engineering, Widseth, Smith and Nolting, and HDR Engineering. The information was distributed to introduce the firms to the watershed districts in the RRWMB, and to provide comprehensive descriptions of the capabilities and expertise as they relate to the needs in the Red River basin.

The quarterly report for the period ending December 31, 1998 from the USGS regarding the mercury study for impoundments in the Red River basin was distributed.

Ogaard discussed the presentation from the Wilkin County Soil & Water Conservation District (SWCD) that was conducted earlier as part of the Early Coordination Conference. He explained that he received a request for the RRWMB to submit a letter of support in order to assist in obtaining major grant funding in the amount of \$5,000,000. **Motion** by Manager Deal to authorize Ogaard to prepare and forward a letter of support in order to endorse the initiative of the Wilkin County SWCD, **Seconded** by Manager Nelson, **Carried**.

The contract relative to publishing the “News & Views” newsletter of the RRWMB was discussed. Ogaard explained that the contract was awarded one year ago to Naomi Jagol, dba Desktop Documents. Ogaard suggested that the new contract could include language specifying that the contract would remain in effect until an intent to discontinue notification was received from either party giving a 30-day notice. Manager Finney noted that the newsletter should be evaluated on an annual basis. Ogaard stated that the newsletter could be evaluated at any time rather than specifying an annual review. **Motion** by Manager Wilkens to renew the “News & Views” newsletter contract with Naomi Jagol and for the contract to remain in effect until an intent to discontinue notification would be received by either party giving a 30-day notice, **Seconded** by Manager Erickson, **Carried**.

Ogaard stated that he has received requests to conduct a one-day “retreat” for watershed district managers and/or staff since the content of the March Conference has been altered. Erickson agreed with the suggestion and noted that manager training would encourage uniformity within the watershed districts in the RRWMB. Ogaard added that the disparity between the rules and regulations of the various districts has also been a concern. Wilkens noted that he has requested BWSR to conduct a seminar on rules and regulations in an effort to encourage uniformity among the watershed districts.

Wilkens stated that he has discussed the need for a training seminar for the Administrators and bookkeepers within the watershed districts of the RRWMB. He referred to the manager training referred to earlier and noted that this training could also include Administrators and staff, however, he would encourage the formation of an additional group comprised of the Administrators and bookkeepers in the RRWMB to move forward on an independent basis. He discussed the need for all the watershed districts to operate on a uniform basis while utilizing the most inclusive accounting system available. He explained that the Red River Basin Board obtained the services of a consulting firm to train on-site for various computer programs which he and Jagol had the opportunity to observe. He noted that he inquired on the rate for the services offered by this firm and obtained a quote of \$35 per hour for travel, and \$70 for consulting/training. **Motion** by Manager Erickson to conduct a one-day training session utilizing the services of the previously mentioned consulting firm at the Sand Hill River WD office for all watershed district Administrators and/or bookkeepers in the RRWMB, **Seconded** by Manager Younggren, **Carried**.

The Annual Report of the RRWMB was distributed to the Board. Ogaard encouraged each district to obtain the desired amount of copies needed and forward them to the watershed district offices.

Wild Rice WD “Resolution on CRP”

Ogaard distributed a hand out from the Wild Rice WD regarding a resolution on CRP. Ogaard explained that the Wild Rice WD is requesting a letter of endorsement from the RRWMB regarding the resolution.

Finney noted his concern regarding the first paragraph, second line, which reads “*flooded during the growing season due to improved drainage and increased rainfall.*” He stated that this statement could be misinterpreted.

Osowski suggested that minor revisions could be made to the resolution and forwarded directly from the RRWMB. Wilkens concurred with Osowski and recommended to revise the first paragraph, second line, by deleting the wording following the word “*season.*”

Motion by Manager Wilkens to develop a resolution on behalf of the RRWMB and forward to Representative Collin Peterson, **Seconded** by Manager Younggren, **Carried**.

District’s Funding Requests:

No requests for funds were submitted this month.

The next meeting will be on April 20, 1999, at 9:30 AM at the Norwest Bank, Barnesville, Minnesota.

There being no further business, the meeting was adjourned at 4:20 p.m.

Respectfully submitted,

E. Harley Younggren
Secretary

Naomi L. Jagol
Administrative Assistant