

# Red River Watershed Management Board

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## Board of Managers

John Finney-Humboldt Farrell Erickson-Badger Harley Younggren, Secretary-Hallock Ron Osowski, Chairman-Oslo Vernon Johnson-Clearbrook Daniel Wilkens, Treasurer-Fertile Robert Wright-Felton Curtis Nelson-Barnesville Jerome Deal-Wheaton Don Ogaard, Executive Director-Ada

## RED RIVER WATERSHED MANAGEMENT BOARD MEETING

October 19, 1999

City Hall, Warren, Minnesota

The RRWMB met on Tuesday, October 19, 1999, at the City Hall, Warren, Minnesota.

Chairman Ron Osowski called the meeting to order.

Members present were: John Finney                      Farrell Erickson  
Harley Younggren                      George Dailey  
Daniel Wilkens                      Robert Wright  
Curtis Nelson                      Jerome Deal

Others present were: Don Ogaard, Executive Director  
Naomi Jagol, Administrative Assistant, Sand Hill River WD  
Chuck Fritz, Administrator, Red Lake WD  
Ron Adrian, Engineer, Middle River-Snake River WD  
Richard Nelson, Mayor of Warren  
Maynard Pick, Congressman Peterson's office  
Dan Thul, Red River Coordinator  
Charlie Anderson, Engineer, JOR Engineering  
Brent Johnson, Engineer, Houston Engineering

Richard Nelson, Mayor of Warren, welcomed the board members and the participants to the City of Warren. He encouraged the board to use the facilities available in the City Hall for future board meetings.

The minutes of the September 14, 1999 meeting were read and approved with minor corrections. **Motion** to approve the minutes as written by Manager Deal, **Seconded** by Manager Finney, **Carried**.

No additional items were added to the agenda.

The Treasurer's report was presented and it was approved as read. **Motion** by Manager Nelson, **Seconded** by Manager Finney, **Carried**.

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

**Proposed “Logo”**

Manager Wilkens distributed copies of the proposals selected by the committee. Manager Erickson noted that he preferred the logo that included the recognition of the watershed district boundaries within the State of Minnesota. **Motion** by Manager Erickson to accept the third option selected by the committee, **Seconded** by Manager Finney, **Carried**.

**“Mediation Project Team” Progress/Problems**

Ogaard requested the individual watershed district managers to update the board on the status of the project teams. He inquired whether there were any issues that needed the attention of the Flood Damage Reduction work group.

Manager Deal stated that the project team for the North Ottawa project of the Bois de Sioux WD is in the process of finalizing the details of the project. He noted that at the next monthly meeting, a recommendation would be developed for the final site selection.

Ogaard inquired about the next issue to be addressed by the Bois de Sioux WD. Manager Deal responded that the next problem area to be addressed by the project team would be the 12-Mile Creek area. Deal noted that the preparation of a HEC 1 model has already been authorized by the board for the proposed project area.

Ogaard discussed the importance of including the participation of county commissioners in the project team meetings.

Manager Erickson stated that the Roseau River WD Board of Managers is scheduled to meet with officials from Manitoba and the Roseau County Board of Commissioners at a special meeting scheduled for October 26, 1999. He noted that at a previous project team meeting, several Canadians had attended and expressed an interest to be involved in the Hay Creek project.

Manager Wilkens noted that the Sand Hill River WD project team has been focusing on the Union/Lake Sarah issue. He explained that the Department of Natural Resources (DNR) and the Minnesota Pollution Control Agency (MPCA) have delegated permit authority down to the local level. He added that problems have been experienced with the permits issued by the U.S. Fish & Wildlife Service (USFWS) and the U.S. Army Corps of Engineers (USACE), however, the project team is currently trying to resolve the discrepancies between the permits.

Manager Nelson stated that a meeting was held last week with MPCA and no problems were noted regarding downstream water quality for the siphon system installed in Turtle Lake.

Manager Younggren added that the DNR and the USFWS have been participating in the Two River WD project team meetings. The meetings have been conducted on a monthly basis in conjunction with the Joe River WD.

Manager Osowski stated that the Middle River-Snake River WD project team has been meeting with members of the National Audubon Society regarding the Snake River flood damage reduction project at the Helgeland site. The topographic survey of the expanded site is underway.

Manager Wilkens inquired about how the National Audubon Society became involved in the Helgeland project. Manager Osowski responded that the land that needed to be acquired was located next to the National Audubon sanctuary and they expressed an interest in the upstream water supply that would be associated with the project.

George Dailey explained that the Red Lake WD currently has three project teams underway which are addressing the Badger Creek area, Parnell, and Ditch #83. Chuck Fritz, Red Lake WD Administrator, added that numerous meetings have been conducted regarding Ditch #83. Fritz noted that the board would ultimately determine whether to clean the ditch or incorporate the suggestions of the project team.

Ogaard noted that once a watershed district accepts the recommendation of the project team, the project could be initiated and the work of the project team is essentially complete. He added that the project team must recognize that no expenses can be incurred by the project team on behalf of the watershed district.

Ogaard explained that watershed districts operate under Minnesota Statutes, however, the mediation project teams have no such laws or authority to follow. He noted that the decision about whether a project is initiated ultimately rests with the watershed district.

Ogaard referred to a handout that he developed and would be distributing to the individual watershed districts regarding what activities should and should not be addressed by the project teams.

Manager Wright stated that the Wild Rice WD project team has been discussing the Flood Storage Easement Program that the district was selected to participate in. He noted that the project team has been concerned about the two-foot bounce criteria that was determined to be acceptable in the mediation agreement. He added that a question exists about whether the criteria applies to existing wetlands. Ogaard responded that the two-foot bounce criteria applies only to restored wetlands and created wetlands that meet the criteria for flood control.

### **District Reports**

- The Roseau River WD reported that LeRoy Carriere and Raymond Moser were sworn in as the District's new managers. The following were appointed interim officers for the remainder of 1999: Farrell Erickson-Chairman, Raymond Moser-Vice Chairman, and Allison Frislie-Secretary/Treasurer.
- The Two Rivers WD reported that the District is working with Wayne Goeken, River Watch Coordinator, and the Kittson County Soil & Water Conservation District to implement a River Watch program in the Lancaster and Kittson Central (Hallock – Kennedy) schools. Both macro-invertebrates and water chemistry samples were collected with the Lancaster school during the week of October 11<sup>th</sup>. Kittson Central will be collecting samples the week of October 18<sup>th</sup>.
- The Middle River-Snake River WD reported that construction is underway for the Angus Oslo Site #4 project. The contract work is approximately 35% complete. Construction on the concrete inlet structure is planned to begin and work on the concrete outlet structure is expected to resume the week of October 18<sup>th</sup>. The project is anticipated to be completed by mid summer of 2000.
- The Red Lake WD reported that dredging continues of the Thief River Falls Reservoir. Some seepage occurred through the disposal site embankment, however, it was determined not to be an emergency. Ryan Odenbach, Water Quality Coordinator, has begun sampling at the dredging site.
- The Sand Hill River WD reported on the status of the Union/Lake Sarah pumping station. The District has conducted two Flood Damage Reduction (FDR) Project Team meetings the month of October. Permits have been received from the U.S. Fish & Wildlife Service (USFWS), the Department of Natural Resources (DNR), and the U.S. Army Corps of Engineers (USACE) for the proposed pumping station. The Project Team is currently in the process of finalizing the pumping dates of the approved permits. The authorized

permits, as currently stated, allow for pumping only from October 15<sup>th</sup> to November 1<sup>st</sup>. The DNR has indicated that they would revise their current permit to allow for pumping until December 31<sup>st</sup> during the first year. The Union/Lake Sarah Improvement District (LID) will apply for an individual permit from the USFWS which would replace the current temporary permit listing the 100-day pumping requirement. A monitoring plan is also in the process of being developed.

- The Wild Rice WD reported on the two remaining community flood mitigation projects. Construction of the flood protection levee improvement project in Shelly is slated to begin later this month, and bids were opened last week for construction of the Twin Valley storm water outlet. These are the two remaining community flood mitigation projects sponsored through the Wild Rice WD and funded through the Minnesota Recovers Task Force following the 1997 spring flood.
- The Buffalo-Red River WD reported that the siphon system for Turtle Lake became operational on September 4, 1999. To date, the lake has been drawn down approximately 10 inches. A meeting was conducted last week with the MPCA. No problems regarding downstream water quality were noted. Plans are to operate the siphon all winter.
- The Bois de Sioux WD reported that detailed survey work has begun in the vicinity of the North Ottawa Impoundment area. Ducks Unlimited (DU) is providing survey assistance and will also provide a topography map with one-foot contours over the four square mile area. The perimeter of the potential impoundment is being surveyed which includes all roadways around and within the impoundment area. Cross sections of the roads are also being taken.

**Red River Coordinator/TAC Report** – Dan Thul

Thul stated that the Technical Advisory Committee (TAC) met earlier this morning and reviewed a letter from Mark Brigham, USGS, which included a summary of the results of the Mercury Study to date. He explained that the mercury study conducted on the Good Lake Impoundment produced results similar to a study conducted in Ontario, Canada. He noted that methyl mercury production occurred during the winter months. He added that during summer monitoring of impoundments with no permanent pool, there was little increase from inflow to outflow except in some cases where there were longer retention times.

Ogaard inquired whether a standard, acceptable level of methyl mercury was derived from the study. Thul responded that this issue was not addressed in the summary. Thul added that this issue could be included in the final report which has not yet been received.

Thul noted that the TAC would like to receive a presentation from Mark Brigham at the November 16, 1999 board meeting. He added that once the significance of methyl mercury is determined, projects could be designed to insure that the issue of methyl mercury is addressed. He explained that the results of the study should be used to develop criteria that could be incorporated into projects.

Thul inquired whether the board would like to discuss the final report with Brigham, or would it be more appropriate for Brigham to meet with the TAC prior to the presentation to the board. Ogaard suggested that Brigham meet with the TAC prior to the board presentation in order for a condensed report to be presented to the board. Thul noted that he would contact Brigham and invite him to give a presentation at the next board meeting.

Adrian noted that he was interested in finding out how methyl mercury applies to impoundments versus wetlands and whether or not it is a significant issue. Thul stated that methyl mercury seems to be associated with a permanent pool.

Fritz stated that he had been involved with a study conducted by the North Dakota Health Department during which they attempted to identify the source of methyl mercury. He noted that methyl mercury was determined to be a bio-accumulator. He explained that once methyl mercury is produced, it would remain in existence indefinitely regardless of the levels it accumulates.

Thul discussed the update received by the TAC from Brent Johnson regarding the wetlands study. Johnson had indicated to the TAC that monitoring had begun in the Hamden Slough area. Johnson also informed the TAC that, in addition to the watershed in Minnesota selected for the study, a second watershed had been selected in North Dakota.

Thul requested Charlie Anderson to update the board on the wetland guideline procedures developed by the TAC. Anderson explained that a parallel effort with Flood Damage Reduction work group and their Technical and Scientific Advisory Committee (TSAC) is being conducted to develop wetland restoration guidelines for water resources that would meet the bounce criteria discussed in the technical papers developed by the TSAC. Anderson added that the goal is to develop guidelines that would offer a simple approach to designing wetlands with regard to the size of the pipe and the emergency spillway. Anderson noted that the guidelines could also serve as a means for quantifying the flood control benefits. Anderson suggested that the RRWMB could direct the TAC to develop the guidelines for presentation to the TSAC.

Thul inquired whether the RRWMB would be interested in assigning the task of developing wetland guidelines to the TAC for presentation to the TSAC. Ogaard noted that should the TAC develop the guidelines, the RRWMB could oversee the effort, whereas should the TSAC prepare the guidelines there would be no governing entity. Manager Wilkens suggested that this issue be discussed at the next Flood Damage Reduction work group meeting.

Thul stated that the TSAC is also working on developing an overall basin strategy for flood control. He added that St. Germain was assigned the responsibility to prepare a work plan. He noted that, in addition to the wetland guidelines, the Flood Damage Reduction work group could also be involved with funding this initiative through the RRWMB.

Thul distributed a draft handout to be used for guidance to the Project Evaluation Committee. The handout outlined the various studies that had been previously conducted by the RRWMB. He explained that the information could be used for identifying trends which could be reviewed when establishing policies or developing budget determinations. He noted that he would discuss the breakdown of the categories with Dan Wilkens, Treasurer, to insure that the items were properly recorded.

#### **Parnell Impoundment/Red Lake WD** – Chuck Fritz

Fritz referred to the funding request submitted to the RRWMB for the cost overruns associated with the Parnell Impoundment Project. He stated that at the previous monthly meeting, the board had noted its concern regarding the interest charge that was included in the overrun costs. He explained that the district had not changed their method of bookkeeping for the past 15 years.

Fritz conducted an overhead presentation to discuss the structure of the funds of the Red Lake WD. He explained that of the funds levied by the RLWD, ½ remain in the Construction account, and ½ are forwarded to

the RRWMB. He noted that the maximum amount that can be levied under Minnesota Statutes for administration is \$125,000 without the enactment of special legislation, of which the RLWD had levied \$100,000 in previous years. He added that the RLWD board increased the amount levied for administration payable for the 2000 levy to the maximum allowed of \$125,000.

Fritz discussed a scenario of a hypothetical joint project between the RLWD and the RRWMB. He stated the following assumptions: Total project cost – \$100,000; 75% funded by the RRWMB; and 25% funded by the RLWD. He explained that once construction begins, accounts payable are accrued of \$100,000. The RLWD forwards a check for payment by withdrawing funds from the RLWD construction account. The RLWD then submits a bill to the RRWMB for cost share reimbursement of \$75,000. Following payment by the RLWD of \$100,000, interest is lost on the \$75,000 which was approved to be paid by the RRWMB. The RLWD's bookkeeping system charges interest on the RLWD's 25% commitment and also the RRWMB's 75% commitment.

Fritz stated that he had discussed the following two questions with three different offices: 1) Is it acceptable to charge interest (commonly used by other institutions)?, and 2) Is it ethical (fiscally sound practice)?

Fritz explained that a Certified Public Accountant (CPA) at Brady Martz had indicated that when interest is charged in the above-mentioned scenario, neither party gains financially. The CPA further noted that should no interest be charged, one partner would gain interest while the other partner would lose interest.

Manager Erickson inquired about how much interest is accrued if the RLWD writes a check at the first of the month, and forwards a bill for reimbursement to the RRWMB at the end of the month. Fritz responded that the amount of interest charged has to do with "opportunity cost" which relates to the funds the RLWD has on deposit at any specific time.

Fritz stated that the following questions need to be answered by the RRWMB:

1. Will the RRWMB pay for 85% of the remaining Parnell overruns?
2. Are personalities/politics affecting relationships between the RLWD and the RRWMB in this issue?
3. How can differences between the RLWD and the RRWMB be resolved?
4. Where do we go from here?

Manager Osowski responded that he does not believe there are negative feelings between the RLWD and the RRWMB. He stated that the Parnell Impoundment project was one of the best projects ever funded by the RRWMB. He noted that a feeling of mistrust occurred between the two boards when the RRWMB was not kept informed on the overruns as they occurred and then were requested to pay for a portion of the overruns when the project was completed. He added that the issue of charging the RRWMB interest was of great concern also.

Fritz noted that all the watershed boards accrue interest and inquired whether there was a more equitable method of allocating the interest rather than the method currently conducted by the RLWD. Manager Wilkens responded that all the accounts, with the exception of ditch accounts, accrue interest. Wilkens further noted that the construction account should not be charged interest since this account is intended to be spent for the construction of projects.

Wilkens explained that in the past, the RRWMB has forwarded advances for projects although it is not common practice. He added that the customary procedure is for the individual watershed district to submit monthly pay requests to the RRWMB after receiving funding approval for a project.

Ogaard explained that from the inception of the RRWMB, a "gentlemen's agreement" has existed regarding the disbursement of funds from the RRWMB. He noted that, for individual watershed districts, the construction

fund is the only fund that could be used as a pool to develop projects and should not be confused with a ditch account.

Fritz noted two areas of concern. The first issue is that the ideal way to deal with the construction account is to budget construction dollars as they come in, however, there is no method for doing so. And secondly, the issue of interest allocation needs to be addressed.

Ogaard stated that an account could not have a deficit unless all other resources have been expended. Fritz explained that the RLWD had to forego an opportunity to obtain interest in order to fund the project costs.

Manager Osowski suggested that a policy needs to be adopted with regard to the issue of charging interest. He stated that either all individual watershed districts should charge the RRWMB interest for their respective projects, or no one should charge interest.

Manager Wilkens commended Fritz for presenting contentious issues to the RRWMB for discussion. He noted that any animosity that exists between the two boards should be resolved, as it is imperative that the individual watershed districts and the RRWMB support each other.

Manager Deal stated that he was concerned with the RLWD not bringing the cost overruns to the RRWMB as they occurred rather than presenting one lump sum to the RRWMB following project completion. He noted his disappointment over the lack of communication.

Manager Wilkens referred to an incident that occurred at the RLWD in December of 1998. He explained that he was not in attendance at the regular monthly meeting, therefore, the Treasurer's Report was presented by Naomi Jagol. He said that following the presentation and approval of bills, Jagol calculated the funds on hand and determined that there were not enough funds in the checking account to cover the pay requests submitted. He noted that Jagol brought this to the attention of the Chairman, the Executive Director, and other board members. Since the pay request submitted from the RLWD was for approximately \$500,000, and the RRWMB had a CD maturing later on in the month, the Chairman inquired to the RLWD Administrator whether they could wait until the CD matured prior to the funds being disbursed. The Administrator had indicated there would not be a problem in waiting for the funds. The following month at the next regular board meeting, the Administrator chastised the Treasurer for not managing the funds of the RRWMB in an expeditious manner. He added that this could be a reason that some of the RLWD managers are under the impression that a strained relationship exists between them and the RRWMB.

Manager Osowski stated that the RRWMB is committed to the overrun of 85% on construction and noted that the issue of interest remains to be resolved.

**Motion** by Manager Wilkens to pay the interest charge in addition to the cost overruns of the Parnell Impoundment Project according to the original 85% cost share approval, with the understanding that henceforth, interest charges on current and subsequent billings would not be honored by the RRWMB, **Seconded** by Manager Deal, **Carried**.

Manager Finney added that in addition to this policy being noted in the minutes, it should be included in the revised project evaluation manual.

**Executive Director Report** – Don Ogaard

A) **Liaison “Funding Procurement” Position**

Ogaard referred to a change in the original contract which related to the issue of commission. He explained that several board managers were concerned about the offer of commission in addition to salary for the liaison position. He noted that the section on commission had been omitted.

Ogaard stated that Richard Nelson, Mayor of Warren, is not only an eligible applicant for the position but in his opinion is superior to the two previous individuals considered by the RRWMB for the position. He highly recommended Richard Nelson to be considered by the RRWMB for the liaison position for a 6-month trial period.

**Motion** by Manager Wilkens to offer the liaison funding procurement position for the RRWMB to Richard Nelson for a 6-month trial period, **Seconded** by Manager Younggren. Discussion followed.

Manager Osowski noted that at the Middle River-Snake River WD board meeting conducted last night, the board discussed the position and agreed to support offering the position to Richard Nelson. Ogaard added that the terms of the contract state that the liaison position would obtain a salary of \$5,000 per month, in addition to being reimbursed for any travel expenses incurred.

Richard Nelson stated that he had reviewed the contract with his attorney and noted that he has been encountering difficulties in obtaining "errors or omissions" insurance. He added that his attorney had advised him that it wasn't necessary but he would like to have his attorney discuss the issue with the attorney for the RRWMB. Ogaard stated that Nelson could possibly be added as a "rider" to the insurance of the RRWMB.

Dailey noted that the Red Lake WD (RLWD) had a great deal of discussion regarding this position at the previous monthly meeting and the board determined to instruct their representative to vote against the motion to obtain a liaison for the RRWMB based on a recommendation from their attorney.

Manager Osowski inquired whether the RLWD's attorney made this recommendation following the revision of the contract to exclude any commission fees. Dailey responded that the RLWD's based the recommendation following a review of the changes made to the contract.

Manager Nelson added that the Buffalo-Red River WD (BRRWD) had discussed the liaison position and also decided to vote against obtaining a liaison.

Manager Wright noted that the Wild Rice WD had discussed the issue and determined it would be worthwhile to pursue the position for a 6-month trial period.

As there was no further discussion, a vote was taken. Those voting in favor of the motion included: Finney, Erickson, Younggren, Osowski, Wilkens, Wright, and Deal. Opposed included: George Dailey and Curtis Nelson. Motion **Carried**.

Richard Nelson inquired about whether the watershed districts that had noted their concern regarding the position were related to the applicant or the position itself. Manager Nelson responded that the BRRWD was concerned with the costs incurred with authorizing the position. Dailey responded that the RLWD was concerned about the costs of the position rather than the applicant.

Richard Nelson stated that he had discussed several issues with Ogaard in terms of whether he became the successful applicant. Nelson noted that he plans to attend each individual watershed district's board meeting in order to be updated on the various projects that would need to obtain state funding.

Manager Osowski inquired whether the contract should be signed today. Ogaard responded that the contract should be signed when rider for the "errors and omissions" insurance is binding for Richard Nelson.

**B) Discussion/Action on Red River Basin Board Alternate Position**

Ogaard stated that he would be willing to serve as the alternate to Daniel Wilkens as the representative for Minnesota Watersheds. **Motion** by Manager Deal to nominate Don Ogaard as the alternate for the Red River Basin Board, **Seconded** by Manager Erickson, **Carried**.

**C) December Conference Agenda**

Ogaard noted that the following RRWMB documents would be reviewed at the conference: Treasurer's Manual, Policy Manual, and Project Evaluation Manual.

Ogaard distributed copies of the agenda to the board for review. No changes were noted to the proposed agenda.

Manager Wilkens stated that the first meeting of the Administrator's group convened yesterday at the RLWD office. He noted that the next meeting would occur following the final day of the conference at 1:00 p.m. during which the formal organization of the group would occur. He added that he wanted the individual watershed district boards to be aware of the purpose of the organization.

Fritz noted that he had discussed several issues with various Administrators within the RRWMB and they determined it would be beneficial to meet periodically. Fritz added that a drainage workshop has been scheduled for November 1, 1999 at the Best Western in Thief River Falls, MN. The workshop will be conducted by Kurt Deter of Rinke-Noonan and is hosted by the Marshall County Soil & Water Conservation District. There is no registration fee to the attendees.

**D) Red River Basin Summit on December 17<sup>th</sup>**

Ogaard stated that on December 17, 1999, the Red River Basin Board (RRBB) and the Energy & Environmental Research Center (EERC) are co-hosting a Water Summit at the EERC. The goal is to define ways in which government agencies can further assist the basin in addressing water management issues.

Ogaard added that a pre-meeting to prepare for the December 17<sup>th</sup> Water Summit is scheduled for November 4, 1999 at the EERC. Following discussion, the board determined that Don Ogaard should be the RRWMB representative.

**E) USGS Consolidation of Stream Gages into One Contract**

Ogaard suggested that a request be forwarded to the USGS to consolidate the four different stream gaging initiatives into one contract. Following discussion, the board agreed to forward the request for consolidating the stream gaging contracts to the USGS.

**F) Position Paper**

Ogaard distributed a handout that he prepared to forward to the individual watershed districts regarding the preparation of guidelines for the project teams. He stated that he would fax the paper to each watershed

district office and request that they be forwarded prior to the next Flood Damage Reduction work group meeting scheduled for November 17, 1999.

**Flood Damage Reduction Work Group's Meeting with the Governor's Staff**

Ogaard explained that Cheryl Miller, National Audubon Society, had scheduled a meeting with the Governor's staff and members of the Flood Damage Reduction work group for Thursday, October 21, 1999 in St. Paul, MN. He stated that although he was unsure of the specifics of the meeting, he had agreed to attend the meeting in order to participate in a discussion of the mediation agreement and future funding sources for projects with the Governor's staff. He noted that the future funding sources to be discussed would need to be bonded for July of 2001-2002.

**District's Funding Requests:**

No requests for funds were submitted this month.

The next meeting will be on November 16, 1999, at 9:30 AM at the Sand Hill River Watershed District office, Fertile, Minnesota.

There being no further business, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

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E. Harley Younggren  
Secretary

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Naomi L. Jagol  
Administrative Assistant