

Red River Watershed Management Board

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Board of Managers

John Finney, Vice Pres.-Humboldt Farrell Erickson, Secretary-Badger Harlan Solberg-Greenbush Ron Osowski, President-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

January 16, 2001

Best Western Town House, Grand Forks, North Dakota

The RRWMB met on Tuesday, January 16, 2001, at the Best Western Town House, Grand Forks, North Dakota.

Chairman Ron Osowski called the meeting to order.

Members present were:

John Finney	Farrell Erickson
Keith Cummins	Dennis Nikolayson
Daniel Wilkens	Robert Wright
Curtis Nelson	Jerome Deal

Others present were:

- Don Ogaard, Executive Director
- Dick Nelson, Financial Coordinator
- Naomi Jagol, Administrative Assistant, Sand Hill River WD
- Dan Thul, Red River Coordinator
- Rick St. Germain, Engineer, Houston Engineering
- Ron Adrian, Administrator, Middle River-Snake River WD
- Charlie Anderson, Engineer, JOR Engineering
- Brent Johnson, Engineer, Houston Engineering
- Rob Sando, Administrator, Roseau River WD
- Jerry Bennett, Administrator, Wild Rice WD
- Dave Lanning, Administrator, Red Lake WD
- Jim Moench, Executive Director, Red River Basin Board
- Chuck Fritz, Program Manager, Red River Basin Board
- Maynard Pick, Congressman Peterson's office
- Jim Johnson, Middle River-Snake River WD
- Richard Kuzel, Middle River-Snake River WD
- Kent Lokkesmoe, Director-Division of Waters, DNR
- Gale Mayer, DNR

Ogaard stated that item no. 7 would be moved up under item no. 4 on the agenda.

Motion by Manager Deal to dispense with the reading of the minutes of the December 19, 2000 meeting, **Seconded** by Manager Erickson, **Carried**. **Motion** by Manager Deal to approve the minutes as written with minor corrections, **Seconded** by Manager Erickson, **Carried**.

Motion by Manager Nelson to dispense with the reading of the Treasurer's Report, **Seconded** by Manager Deal, **Carried**. **Motion** by Manager Wright to approve the Treasurer's Report, **Seconded** by Manager Deal,

Carried. A one-page handout of monthly bills to be approved was distributed. **Motion** to approve and pay bills by Manager Wilkens, **Seconded** by Manager Finney, **Carried.** For further reference, copies of the bills approved are attached hereto in the Treasurer's Report.

Financial Coordinator Report

D. Nelson reported on upcoming legislation. A regular bonding bill is being prepared at the request of the Governor but under the assumption that there would be no legislative session in the year 2002. The Governor is proposing a regular session every two years. Should the biennial initiative not pass, the Governor has threatened to veto the bonding bill. The veto could be overridden, however, it is too early in the session to speculate.

D. Nelson stated that he would be pursuing a \$12 million dollar bonding allocation for the biennium and/or a \$6 million dollar allocation in the DNR annual base budget. He noted that the RRWMB has funds available to match the \$6 million dollars according to the 75/25 cost share requirement. He added that ring dike funding would also be pursued in the amount of \$1.5 million for the next biennium which would come from the general fund.

D. Nelson explained that he would be traveling with Ron Harnack, Executive Director-BWSR, to Washington, D.C. later this month along with representatives of the International Flood Mitigation Initiative (IFMI) and the North Dakota Consensus Council (NDCC). The purpose of the meeting is to brief Congressional leaders on the IFMI proposals that are supported in the basin.

Annual Board Organization

The Annual Board Organization was conducted. President Osowski turned the meeting over to Vice President Finney who asked for nominations for President of the Board. Manager Wilkens nominated Manager Osowski for President. Nominations were called for three times by Manager Finney. No further nominations were made. **Motion** to cease nominations and have the Secretary cast a unanimous ballot for Ron Osowski for President by Manager Deal, **Seconded** by Manager Erickson, **Carried.** Manager Finney returned the chair to President Osowski.

Manager Osowski asked for nominations for Vice President of the Board. Manager Nelson nominated Manager Finney for Vice President. Nominations were called for three times by Manager Osowski. No further nominations were made. **Motion** to cease nominations and have the Secretary cast a unanimous ballot for John Finney for Vice President by Manager Wilkens, **Seconded** by Manager Deal, **Carried.**

Manager Osowski asked for nominations for Secretary of the Board. Manager Wilkens nominated Manager Erickson for Secretary. Nominations were called for three times by Manager Osowski. No further nominations were made. **Motion** to cease nominations and have the Secretary cast a unanimous ballot for Farrell Erickson for Secretary by Manager Deal, **Seconded** by Manager Wright, **Carried.**

Manager Osowski asked for nominations for Treasurer of the Board. Manager Finney nominated Manager Wilkens for Treasurer. Nominations were called for three times by Manager Osowski. No further nominations were made. **Motion** to cease nominations and have the Secretary cast a unanimous ballot for Daniel Wilkens for Treasurer by Manager Erickson, **Seconded** by Manager Wright, **Carried.**

Resolution Authorizing the Regular Monthly Meeting Date and Time

The Red River Watershed Management Board considered the designation of the regular monthly meeting date and time at the regular board meeting held in Grand Forks, ND, on Tuesday, January 16, 2001.

On a **motion** by Manager Wilkens, **seconded** by Manager Erickson, and on a vote of 8 for and 0 against, the motion passed to designate the third Tuesday of each month at 9:30 a.m. as the regular monthly meeting date and time for the Red River Watershed Management Board.

Resolution Authorizing the Payment of Per Diem/Mileage to Managers

The Red River Watershed Management Board considered the authorization of payment of per diem/mileage to Managers at the regular board meeting held in Grand Forks, ND, on Tuesday, January 16, 2001.

On a **motion** by Manager Nelson, **seconded** by Manager Wilkens, and on a vote of 8 for and 0 against, the motion passed to allow the maximum per diem by state law which is currently \$55.00 per day and the maximum IRS limit for mileage which is currently .345 per mile unless a change occurs.

Resolution Authorizing Deposit/Investment of Funds

The Red River Watershed Management Board considered the authorization of deposit/investment of funds at the regular board meeting held in Grand Forks, ND, on Tuesday, January 16, 2001.

On a **motion** by Manager Nelson, **seconded** by Manager Finney, and on a vote of 8 for and 0 against, the motion passed to authorize the Red River Watershed Management Board to reaffirm the adoption of the Treasurer's Manual originally adopted on 4/19/91 and amended on 8/08/95.

Resolution Authorizing Legal Counsel

The Red River Watershed Management Board considered the authorization of legal counsel at the regular board meeting held in Grand Forks, ND, on Tuesday, January 16, 2001.

On a **motion** by Manager Deal, **seconded** by Manager Nelson, and on a vote of 8 for and 0 against, the motion passed to obtain legal counsel on a case-by-case basis for the Red River Watershed Management Board.

Report on RRBFDROWG Meeting on January 10-11, 2001

Ogaard stated that the allocation of bonding funds was discussed by the RRBFDROWG and determined that distribution would occur in the same manner as recommended by the RRWMB.

Ogaard noted that prior to the RRBFDROWG meeting, a handout had been distributed by a member of the work group regarding the Flood Damage Reduction project development document. The handout included suggested

revisions to the document which would have virtually eliminated all WD and RRWMB participation in the sequence of project development. The project development document adopted by the RRWMB had been distributed to the RRBFDWRWG for review in June, with no suggested revisions received at that time. Ogaard noted his concern regarding an effort to diminish the WD's decision-making role while increasing the project team's decision-making role.

D. Nelson stated that at the conclusion of the RRBFDWRWG meeting, one member of the work group threatened opposition of supporting future legislative initiatives should the Marsh Creek Site No. 6 project move forward.

D. Nelson inquired whether the Technical and Scientific Advisory Committee (TSAC) could determine the amount of storage needed to alleviate flooding problems in the basin. He added that this information would be beneficial in developing a cost estimate for implementation of flood damage reduction initiatives. St. Germain, TSAC member, responded that the TSAC is currently working on this issue.

Ogaard discussed the possibility of the TSAC updating the McCombs-Knutson study. He suggested that the data could be brought up to date from 1983 to the present. Manager Finney suggested that the data regarding the 1997 Flood presented by Brent Johnson would also be beneficial to include in the revised report.

Adrian inquired about the application for reimbursement of engineering costs to the work group. Manager Wilkens responded that application for reimbursement could be forwarded to the work group at any time following the costs being incurred.

Wilkens noted that the engineering costs would be reimbursed from the 50/50 cost share funding obtained, rather than the 75/25 cost share funds. Ogaard added that the work group had originally requested that these funds come from the 75/25 cost share, however, state regulations would only allow for these costs to be reimbursed from the 50/50 cost share funds. Ogaard further added that no reimbursement for costs incurred prior to 7/01/00 would be allowed.

Red River Coordinator/TAC Report

Thul stated that Rick St. Germain would be conducting a presentation later during the TAC report regarding information prepared by St. Germain, Brent Johnson, and Charlie Anderson for the TSAC regarding the amount of storage needed to alleviate flooding problems in the basin.

Thul distributed the TAC recommendations for the Thief River Flood Damage Reduction project, the Agassiz Valley Water Resource Management project, and the North Ottawa project. Ogaard distributed the project prioritization worksheet evaluation and comparison for the above-mentioned projects.

Thul distributed a handout regarding the proposed USGS streamflow information program. He explained that due to uncertainties in funding from year to year, a fragmented system of gages has developed based on short-term needs and funding priorities. He suggested that the network be modernized and reorganized in order to provide information needed by a vast community of water-information users. He stated that the TAC recommended that a letter be forwarded from the RRWMB in support of the USGS streamflow information program. **Motion** by Manager Deal to authorize Don Ogaard to forward a letter of support from the RRWMB to USGS for the streamflow information program, **Seconded** by Manager Finney, **Carried**.

Kent Lokkesmoe, Director-Division of Waters, visited with the board regarding the distribution of the legislative funding obtained by the RRBFDWRWG. Ogaard requested clarification regarding projects approved

to receive 75/25 cost share funds. Lokkesmoe responded that projects are eligible to receive 75/25 cost share funds once the contracts have been signed by the appropriate entity.

Ogaard inquired about the costs incurred by a project prior to signing contracts with state agencies. Lokkesmoe responded that typically projects would need special legislation in order to receive reimbursement for costs incurred prior to signing contracts.

Ogaard stated that most of the costs incurred by a project prior to signing contracts are preliminary engineering and would be part of the total project cost. Lokkesmoe noted that should costs incurred for feasibility studies and preliminary engineering be included in the 75/25 cost share funds, the project costs would exceed what could be paid from the general fund.

Ogaard inquired whether the preliminary engineering costs could be considered part of the local costs eligible for 75/25 cost share funds. Lokkesmoe explained that the state does not participate in cost sharing where no contract has been signed.

Ogaard referred to projects that are progressing in phases and inquired how cost share funding would be obtained for these projects. Lokkesmoe responded that once a contract has been signed and a project is moving forward, a percentage of the contract amount is retained to cover final expenses. Ogaard inquired whether the percentage of funds retained could be used towards preliminary engineering costs incurred prior to 7/01/00. Lokkesmoe responded that the percentage of funds retained could be used for preliminary engineering costs should a signed contract be effect.

Manager Wilkens inquired about whether the land purchase of the North Ottawa project would be eligible for 75/25 cost share funds. Lokkesmoe stated that a contract must be in place in order to receive 75/25 cost share funding.

Ogaard noted that at the time of signing contracts, land acquisition and preliminary engineering costs are treated differently. Lokkesmoe stated that a rider would be necessary in the legislation in order for a land purchase to be eligible for funding. Ogaard noted that under this scenario, projects costs would not be reimbursed at the rate of 75% of *total* project costs but rather at the rate of 75% of the *remaining* project costs following the signing of contracts. Lokkesmoe stated that he would discuss the issue of whether land acquisition costs could be included in the 75/25 cost share amount with Ed Fick-DNR.

D. Nelson encouraged the individual watershed districts with projects moving forward to get the necessary contracts signed with the state prior to incurring any additional costs.

D. Nelson noted that the RRBFDROWG did endorse the funding allocation that was included in the legislation. Lokkesmoe responded that the land acquisition for the North Ottawa project could be accommodated for similar to the costs incurred by the City of Crookston.

St. Germain conducted a presentation regarding the research activities of the TSAC under the direction of the RRBFDROWG. He explained that the TSAC has been discussing the amount of storage needed to alleviate flooding problems in the basin. He noted that the TSAC determined that approximately 1.4 million acre-feet would be needed for storage at a cost of approximately \$820 million dollars. He added that this alternative should be considered affordable when compared to the \$5 billion dollars in damages estimated by the International Joint Commission for the 1997 flood and also the cost of constructing the dikes designed by the USACE at \$340 million dollars.

St. Germain explained that direction is needed from the RRBFDWRWG regarding the strategies that should be pursued to implement the proposed alternative. Manager Finney inquired whether the TSAC had discussed locations for the projects that would need to be constructed in order to implement the storage requirements. St. Germain responded that the TSAC had determined that one project would need to be constructed for every tenth township in the basin in order to reach this goal.

Ogaard inquired whether the TSAC could utilize the McCombs-Knutson study, which is a timing analysis, in order to determine which tributaries should be targeted. St. Germain responded that in addition to utilizing the McCombs-Knutson study, the TSAC plans to review a report prepared by the USACE regarding specific locations of damages that have occurred.

Executive Director Report – Don Ogaard

A) Annual MN/ND Meeting

Ogaard stated that he had discussed the annual meeting with representatives from North Dakota and it was determined that a meeting could be scheduled for the second Wednesday in April. He suggested that presentations on each of the four projects currently progressing could be conducted.

Motion by Manager Nelson to authorize the annual MN/ND meeting to be conducted on April 11th at 9:00 a.m. at the Doublewood Inn, Fargo, ND, **Seconded** by Manager Deal, **Carried**.

B) Legal Consultant Proposals

Ogaard distributed the responses received from Dorsey & Whitney and Rinke Noonan regarding the request for proposal to provide legal services regarding the issue of payments in lieu of taxes. Following discussion, the board determined that the law firm of Dorsey & Whitney should be retained by the RRWMB regarding this issue since Kurt Deter of Rinke Noonan currently represents various watershed districts and counties within the basin. **Motion** by Manager Erickson to authorize Dorsey & Whitney to research the issue of payment in lieu of taxes, **Seconded** by Manager Nelson, **Carried**.

C) March Conference

Ogaard distributed a draft agenda for the Third Annual Joint Conference of the RRWMB and the RRBFDWRWG scheduled for March 29-30, 2001 at the Northland Inn, Crookston, MN.

D) Annual Report

Ogaard reviewed a letter received from Dahl, Hatton, Muir & Reese regarding the request for continued professional services regarding the preparation of the RRWMB annual report. The fee for the next three years would be \$1,250.00 per year plus out of pocket expenses.

Manager Osowski inquired whether a need exists for a more in depth audit than the current agreed upon procedures that are conducted. Manager Wilkens responded that he had visited with the auditor with regard to the extent of the audit and it was determined that the current scope of the audit is sufficient relative to the responsibilities outlined in the joint powers agreement of the organization. **Motion** by Manager Deal to authorize Dahl, Hatton, Muir & Reese to continue the agreed upon procedures engagement for another three-year term, **Seconded** by Manager Erickson, **Carried**.

E) Status Report on Computer Consultant

Ogaard reviewed a handout which outlined the expenditures to date for the services provided by the computer consultant to the member watershed districts of the RRWMB. He explained that the each

watershed district that decided to convert to the new accounting program has been operating the program for approximately one year.

Manager Wilkens stated that he has received questions from the member watershed districts regarding whether the consultant would continue to provide services with the RRWMB absorbing the costs. He added that a meeting has been scheduled for January 23, 2001 at the Sand Hill River WD office for all bookkeepers of the member watershed districts and the computer consultant to discuss year-end questions. **Motion** by Manager Deal for the RRWMB to continue funding the services of the computer consultant to the member watershed districts for another year, **Seconded** by Manager Erickson, **Carried**.

District Reports

- The Two Rivers WD reported that the District has formally adopted a resolution to update its overall plan. According to Minnesota Statute, notice has been given to state agencies, counties, townships, regional agencies, and others of the intent to update the plan. Requests for information have also been submitted to state and local agencies and governmental units. The District is developing a timeline, budget, and summary of the process. At the 2001 annual meeting, the Board of Managers appointed a Citizens Advisory Committee (CAC) and a Technical Advisory Committee (TAC). The committees will be used throughout the planning process to provide input to the Board of Managers. The plan update is estimated to require up to 1½ years to complete.
- The Middle River-Snake River WD reported that federal funding for the construction of phase 1 and a portion of phase 2 has been approved for the Public Law 566 project. Preparation of the plans and specifications for the project continues by the Natural Resources Conservation Service (NRCS). The second hearing on the project is scheduled for sometime in February or March 2001.
- The Red Lake WD reported that Dave Lanning, Administrator, has been working with the NRCS on a native prairie restoration project in Polk County; formerly known as Tilden Farms. The project is very large and will involve obtaining several permits from the District.
- The Sand Hill River WD reported that the riverbank by the Highway No. 9 bridge at Beltrami has been sloughing into the river over the past 2-3 years. A residence is located in close proximity to the project which makes developing a solution very difficult. The District has been discussing various options with the landowner. The banks should be sloped back to take off the weight, which could involve moving the residence.
- The Wild Rice WD reported that the Board of Managers has proceeded with the first phase of land acquisition for the Lockhart Flood Storage Pilot project. Bidding documents are being finalized for a bid letting in February.
- The Buffalo-Red River WD reported that the District has conducted two informational meetings regarding a flooding problem located in Cromwell township, north of Hawley. High water in a number of closed basin wetlands is threatening three homes, has inundated a township road, and is flooding farmland. Approximately 1,500 feet of 24" tile could be installed to alleviate the situation. The tile would be equipped with a gate to meter or stop flows. The water would eventually drain through Hawley's storm sewer to the Buffalo River. The District and Clay County plan to apply for a Flood Damage Reduction grant. Estimated project costs are \$115,000. The next step is for the landowners to file a project petition with the District.

District's Funding Requests:

Step II Reports

1. **Red Lake WD / Thief River Flood Damage Reduction Project:**

Motion by Dennis Nikolayson to approve the Step II submittal for the Thief River Flood Damage Reduction Project, **Seconded** by Manager Finney, **Carried**.

2. **Bois de Sioux WD / North Ottawa Project:**

Motion by Manager Deal to approve the Step II submittal for the North Ottawa Project, **Seconded** by Manager Wilkens, **Carried**.

3. **Middle River-Snake River WD / Agassiz Valley Water Resource Management Project (Helgeland)**

Project): President Osowski turned the meeting over to John Finney-Vice President who requested a motion. **Motion** by Manager Osowski to approve the Step II submittal for the Agassiz Valley Water Resource Management Project, **Seconded** by Manager Nelson, **Carried**. Manager Finney returned the chair to President Osowski.

The next meeting will be on February 20, 2001, at 9:30 a.m. at the Red Lake Watershed District office, Thief River Falls, Minnesota.

There being no further business, the meeting was adjourned at 12:00 p.m.

Respectfully submitted,

Farrell Erickson
Secretary

Naomi L. Jagol
Administrative Assistant