



Red River Watershed Management Board

Board of Managers

John Finney, President-Humboldt Steve Lee-Badger Dan Money-Hallock Ron Osowski-Oslo
Orville Knott, Vice President-Red Lake Falls Daniel Wilkens, Treasurer-Fertile Robert Wright, Secretary-Felton Jerome Deal-Wheaton
Naomi Erickson, Administrator-Detroit Lakes

RED RIVER WATERSHED MANAGEMENT BOARD MEETING

December 18, 2007

Sand Hill River Watershed District, Fertile, Minnesota

The RRWMB met on Tuesday, December 18, 2007, at the Sand Hill River Watershed District, Fertile, Minnesota.

In the absence of the President, Orville Knott-Vice President called the meeting to order.

Members present were:

Steve Lee	Dan Money
Ron Osowski	Daniel Wilkens
Robert Wright	Jerome Deal

Others present were:

- Naomi Erickson, Administrator
- Dan Thul, Red River Coordinator
- Ron Harnack, Project Coordinator
- Ron Adrian, Engineer, Houston Engineering, Inc.
- Charlie Anderson, Engineer, JOR Engineering, Inc.
- Maynard Pick, Congressman Peterson's office
- Joe Spaeth, Wild Rice WD
- Rob Sando, Administrator, Roseau River WD
- Jon Roeschlein, Administrator, Bois de Sioux WD
- Myron Jesme, Administrator, Red Lake WD
- Mike Bakken, Engineer, JOR Engineering, Inc.
- Nate Dalager, Engineer, HDR Engineering, Inc.
- Jerry Bents, Engineer, Houston Engineering, Inc.
- Blake Carlson, Engineer, JOR Engineering, Inc.
- Joe Belford, Ramsey County Commissioner
- Mark Meister, CR*CS
- Julie Goehring, Communications Coordinator, RRBC
- Doug Marcussen, Marcussen Accounting Service

No additional items were added to the agenda.

Motion by Manager Osowski to approve the minutes as written with minor corrections, **Seconded** by Manager Deal, **Carried**.

The Treasurer's report was presented and it was approved as read. **Motion** by Manager Deal to approve the Treasurer's Report, **Seconded** by Manager Wright, **Carried**. A one-page handout of monthly bills to be approved was distributed. **Motion** to approve and pay bills by Manager Money, **Seconded** by Manager Osowski, **Carried**. For further reference, copies of the bills approved are attached hereto in the Treasurer's Report.

Public Information Initiative

Mark Meister - CR*CS distributed a progress report representing preliminary and concrete information concerning the public information initiative coordinated by CR*CS and sponsored by the RRWMB.

In June 2007, the RRWMB contracted with CR*CS to conduct a two-phase research project investigating the public perceptions of water management issues in the RRWMB jurisdiction. Phase I of the project includes survey research. Phase II of the project, scheduled for January, February, and early March 2008, involves focus group data collection.

Preliminary results of the survey questions profile three distinct trends: 1. there is general agreement that the work of local watershed management boards and the RRWMB is important, 2. there is also general agreement that the work done by local watershed districts and the RRWMB is not publicized, and 3. there is also general agreement that survey respondents do not respect the work and/or decisions of local watershed management boards and the RRWMB.

The focus groups in Phase II will investigate possible strategies for engaging public understanding of work and decisions of local watershed districts and the RRWMB with specific emphasis on bolstering public respect and opinion for district and board decisions.

Meister also suggested that the RRWMB consider retaining an intern. He stated that internship programs are sponsored through North Dakota State University, the University of North Dakota, and the University of Minnesota – Crookston in either the agricultural or natural resources' fields.

Project Coordinator Report

Harnack reported that he attended the Minnesota Pollution Control Agency's (MPCA) water quality trading meeting on December 11, 2007. A draft document will be developed by the next scheduled meeting in February.

Harnack stated that he continues to follow up with the letter forwarded to Congressman Oberstar relative to the proposed Clean Water Act amendment. Some of the recipients had not yet received the letter, however, they have acknowledged the issues.

Harnack reported that the Board of Water & Soil Resources (BWSR) is proceeding to amend the Wetland Conservation Act (WCA) rules. Key elements to be considered by the RRWMB and member watershed districts include mitigation ratios, banking flexibility, simplification of the process, local wetland plans, and the relationship of WCA to Section 404 of the Clean Water Act.

Harnack suggested that the RRWMB consider sponsoring a legislative briefing for area legislators in St. Paul in February similar to the briefing conducted last year. He noted that the briefing could be conducted in conjunction with the February board meeting. N. Erickson reported that she had

contacted the Kelly Inn regarding the availability of meeting rooms and they indicated that rooms were currently available.

Red River Coordinator/TAC Report

Thul stated that the Technical Advisory Committee (TAC) met prior to the board meeting and discussed reevaluating the Star Value method. A discussion paper regarding the RRWMB cost per Star Value was distributed. Issues addressed by the TAC included whether the current \$20/Star Value is reasonable, the advantages/disadvantages of having a conservative maximum limit, and whether the limit should be based on the value associated with a project or the RRWMB's ability to fund the project. The TAC plans to further discuss this issue.

Blake Carlson, Engineer, JOR Engineering, Inc. reported that he participated in a teleconference and "webinar" hosted by the National Weather Service (NWS) on November 28, 2007. The teleconference was to discuss a proposal for the NWS to update rainfall distribution patterns for the upper Midwest and securing funding partners to conduct the study. Carlson reported that it was the consensus of the TAC to recommend that the RRWMB develop a letter of support for the project. Following discussion, the board requested N. Erickson to develop a letter of support in conjunction with the TAC and forward to the NWS.

Red River Basin Commission

Julie Goehring, Communications Coordinator – RRBC, referred to the 25th Annual Summit Conference scheduled for Tuesday, January 22 – Thursday, January 24, 2008 at the Ramada Plaza Suites, Fargo, ND. She distributed a nomination form for an Outstanding Project or Program that will be selected and recognized during the conference. Following discussion, the board directed N. Erickson to complete the nomination for the Red Lake WD's Project No. 60C and 60D and submit it to the RRBC for consideration.

Administrator Report

A) Accounting Firm Resignation

N. Erickson reported that at the previous monthly meeting she notified the Board of Managers that the accounting firm of Dahl, Hatton, Muir & Reese Ltd. would no longer be able to provide services to the RRWMB. The board requested that she contact member districts to inquire about which firms were currently retained by their districts for auditing services. The following information was obtained: Joe River WD – None selected, Two Rivers WD – None selected, Roseau River WD – Brady Martz, Middle-Snake-Tamarac Rivers WD – Brady Martz (Joe Martin), Red Lake WD – Drees Risky & Vallager (Kim Durbin), Sand Hill River WD – None selected, Wild Rice WD – Drees Risky & Vallager (Kim Durbin), and Bois de Sioux WD – Ness Waller Pearson. The Board of Managers requested N. Erickson to obtain estimates from the above-referenced firms prior to the January board meeting.

B) Red River Basin Mapping Initiative / RFPs

N. Erickson stated that Charles Fritz, Director-International Water Institute (IWI), attended the November board meeting and discussed the basin-wide Digital Elevation Model (DEM) initiative. He reported that funding of \$575,000 will be sought from the Minnesota Legislature during the next session. Following discussion, the board agreed to forward a letter to William Hunt, State Conservationist for the U.S. Department of Agriculture, Natural Resources Conservation Service (NRCS), requesting a match for the North Dakota funding commitment. A handout of the letter forwarded to NRCS was distributed.

C) Farmstead Ring Dike Program

N. Erickson reported that at the previous monthly meeting, member districts were requested to compile a list of ring dikes that remain to be constructed within their respective district. The following responses were received: Joe River, 1 ring dike; Roseau River, 1 ring dike; Middle-Snake-Tamarac Rivers WD, \$25,000 needed; and Wild Rice WD, 14 ring dikes (\$490,000).

D) Stream Gaging Program

The cost share payments for USGS Stream Gages for the 2007-2008 contracts have been received. The individual cost share responsibilities are listed below.

	<u>Amount Due</u> <u>2007-2008</u>
Red Lake	\$ 9,337.50
Wild Rice	\$ 9,662.50
Middle-Snake-Tamarac	\$ 3,600.00
Two Rivers	\$ 1,812.50
Sand Hill River	\$ 2,522.50
Roseau River	\$10,950.00

E) Upcoming Meetings/Conferences

1. Red River Basin Commission, 25th Annual Red River Basin Land & Water International Summit Conference, January 22-24, 2008 at the Ramada Plaza Suites, Fargo, ND.

District Reports

- The Bois de Sioux WD reported on the North Ottawa Project. The construction season concluded on December 1, 2007 with a storm that brought 6 to 10 inches of snow to the project area. On December 3, 2007 an end of season inspection was conducted to note any items to be addressed before spring.

Two contracts remain open on the project. Barry Construction of Fergus Falls has approximately 25% of their contract left to complete, and Riley Brothers Construction has approximately 15% to complete on their contract. All of the open areas have been seeded and mulched with temporary seed, with permanent seed to be planted in the spring as soon as conditions allow.

The west dike has been completed except for the intersection between structures E and F which still remains to be raised. The north dike is complete. The south dike has ½ mile completed with the second ½ mile under construction. The balance of the south dike will be let under construction next year. The east dike is still under construction and about 80% complete.

District's Funding Requests

1. Wild Rice WD / Short-term Financing / Project No. 42

Doug Marcussen, Marcussen Accounting, discussed the short-term financing needs of the Wild Rice WD. He explained that the WRWD has received a grant from the State of Minnesota for \$2.4 million for the initial phase of Project No. 42. The WRWD proposed the following allocation for the remaining 50% cost share for the project: \$600,000 (25%) WRWD and \$600,000 (25%) RRWMB.

Marcussen stated that financing is needed in the short-term to purchase replacement property for property being acquired by the WRWD for retention. The WRWD has been approved to secure a Line of Credit for \$200,000, however, since this amount would be insufficient to purchase the land needed the Board of Managers agreed to submit a loan request to the RRWMB which could be repaid from the grant received from the State of Minnesota.

Manager Money inquired when the funds would be needed from the RRWMB. Marcussen responded that the WRWD would need the funds in January.

Manager Osowski inquired whether the WRWD would be submitting the project for a Step I application to the RRWMB. Jerry Bents, Engineer – Houston Engineering, Inc., stated that a Step I submittal had been approved by the RRWMB for Project No. 42 in 2005, however, the project has changed significantly since the original approval was received and a new Step I application could possibly be presented at the January board meeting.

Myron Jesme referred to the *Project Compatibility and Readiness Form* developed by the Red River Basin Flood Damage Reduction Work Group as a means of prioritizing projects for state funding. He added that projects must receive Step I approval from the RRWMB prior to requesting state funding.

Harnack referred to the similar loan advance submitted for consideration at today's meeting by the BdSWD for land acquisition that the District has already agreed to purchase. He explained that the WRWD has been involved in lengthy negotiations to purchase land, but upon legal advice was not willing to negotiate the land purchase as did the BdSWD. He further noted the urgency of these projects moving forward prior to receiving Step I approval.

Manager Knott noted the importance of the RRWMB following the guidelines outlined in the Governing Documents. Manager Wilkens stated that the funding request from the WRWD could be used towards the RRWMB's share of project funding.

Motion by Manager Osowski to authorize \$600,000 of short-term financing to the Wild Rice WD for Project No. 42, contingent that the project progress to a Step I submittal by December 2008, **Seconded** by Manager Wilkens, **Carried**.

2. Bois de Sioux WD / Loan Advance / Redpath Project

Manager Deal discussed the Redpath Project of the BdSWD. A map was distributed depicting the potential new project in the early stages of development.

Jon Roeschlein, Administrator, explained that approximately 435 acres became available through public auction in late October, early November in the project area and the BdSWD entered into a purchase agreement to buy the land. The purchase price for all parcels is \$1,083,824.00 of which the District has remitted the 10% down payment. A cash advance, or loan, for the land acquisition for the new project was submitted to the RRWMB for \$975,441.60.

N. Erickson stated that Manager Deal had contacted her prior to the board meeting notifying her of the land acquisition and forthcoming funding request. She distributed a copy of the amendment to Section 4 of the Funding Procedures of the Governing Documents publication that refers to project loans.

Manager Knott reviewed the section on project loans which states that the Board may provide a loan or advance for a project that has received a Step III approval, or prior to a Step III in cases where the applicant can show a hardship case or urgent need, a preliminary engineer's report has been prepared and the project conforms with the District's overall plan, and the project has great potential for basin-wide benefit.

Manager Knott further noted that since the potential new project is in the preliminary stages of development, the board should schedule a conference call with their attorney prior to authorizing the loan advance. Manager Deal responded that should the RRWMB not approve the funding request, the BdSWD should consider packing their bags and going home.

Manager Wilkens added that the RRWMB recognizes the urgency of the funding needs of the BdSWD. He noted that the concern for approving the loan advance is not regarding the merits of the project, but whether or not the guidelines of the RRWMB are being followed.

Manager Deal explained that the infrequency of agricultural land being offered for sale requires that immediate action is taken by the purchaser or the opportunity may be lost. Manager Osowski concurred with Manager Deal.

Roeschlein indicated that the loan closing for the land purchase has been scheduled and the funds are needed by January 1, 2008. Harnack added that the Governing Documents publication provides for project loans and that this request is within those guidelines.

Motion by Manager Osowski to approve a project loan of \$975,441.60 for the Redpath Project of the BdSWD, contingent that the project progress to a Step I submittal by December 2008, **Seconded** by Manager Wilkens, **Carried**.

3. Wild Rice WD / Mahnomen Drainage Project

A funding request was submitted at the November board meeting by the Wild Rice WD for a 25% cost-share (\$41,475.00) of a total estimated project cost of \$165,900.00 for the Mahnomen Drainage Project. A flooding problem is occurring which overloads the county sewer system and causes flooding in some areas of the city.

Motion by Manager Deal to approve the funding request of \$41,475.00 for the Mahnomen Drainage Project, **Seconded** by Manager Osowski, **Carried**.

4. Red Lake WD / Project No. 60C and 60D

The information required for a Step III submittal was distributed. Myron Jesme, Administrator, explained that \$1,929,694.00 was committed by the RRWMB with the approval of the Step II Submittal. He explained that project costs have increased and requested an increased commitment from the RRWMB of \$163,607.76, for a total RRWMB cost share for Project No. 60C and 60D of \$2,093,301.76.

Motion by Manager Deal to approve the Step III submittal of Project No. 60C and 60D with an increased commitment of \$163,607.76 for a total RRWMB cost of \$2,093,301.76, **Seconded** by Manager Osowski, **Carried**.

Other Issues

Manager Deal suggested that the Board of Managers should schedule a retreat in order to review policy issues and discuss possible revisions to the Governing Documents publication.

Following discussion, the board agreed to schedule a retreat on Monday, January 21, 2008, from 9:30 a.m. – 3:30 p.m. at the Ramada Plaza Suites, Fargo, ND. Manager Wilkens requested member watershed districts to forward copies of their Form B's to the RRWMB for discussion purposes at the retreat.

Alternative meeting dates were discussed in order to schedule the January board meeting in conjunction with the 25th Annual Red River Basin Land and Water International Summit Conference in Fargo, ND on January 22-24, 2008. **Motion** by Manager Deal to reschedule the regular monthly meeting of the RRWMB for January 22, 2008, from 8:30 a.m. to 12:00 p.m. at the Ramada Plaza Suites, Fargo, ND, **Seconded** by Manager Osowski, **Carried**.

There being no further business, the meeting adjourned at 2:30 p.m.

Respectfully submitted,

Robert Wright
Secretary

Naomi L. Erickson
Administrator