



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 January 22, 2008 Ramada Plaza Suites & Convention Center, Fargo, North Dakota

The RRWMB met on Tuesday, January 22, 2008, at the Ramada Plaza Suites & Convention Center, Fargo, North Dakota.

President John Finney called the meeting to order.

Members present were:

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

Others present were:

- Naomi Erickson, Administrator
- Dan Thul, Red River Coordinator
- Ron Harnack, Project Coordinator
- Maynard Pick, Congressman Peterson's office
- Rob Sando, Administrator, Roseau River WD
- Jon Roeschlein, Administrator, Bois de Sioux WD
- Myron Jesme, Administrator, Red Lake WD
- Nate Dalager, Engineer, HDR Engineering, Inc.
- Lance Yohe, Executive Director, RRBC
- Diane Ista, Wild Rice WD
- Wayne Goeken, Monitoring Coordinator
- Danni Halvorson, Monitoring Specialist
- Nick Drees, Administrator, Middle-Snake-Tamarac Rivers WD
- Paul Wannarka, MNDNR Red River Basin Coordinator
- Jake Lauritsen, Lauritsen & Associates

No additional items were added to the agenda.

Motion by Manager Knott to approve the minutes as written with minor corrections, **Seconded** by Manager Lee, **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 Osowski, **Carried**. A one-page handout of monthly bills to be approved was distributed. **Motion** to approve and pay bills by Manager Deal, **Seconded** by Manager Osowski, **Carried**. For further reference, copies of the bills approved are attached hereto in the Treasurer's Report.

Annual Board Organization

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

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

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

President Finney asked for nominations for Treasurer of the Board. Manager Deal nominated Manager Wilkens for Treasurer. Nominations were called for three times by President Finney. No further nominations were made. **Motion** to cease nominations and have the Secretary cast a unanimous ballot for Daniel Wilkens for Treasurer by Manager Deal, **Seconded** by Manager Osowski, **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 Fargo, ND, on Tuesday, January 22, 2008.

On a **motion** by Manager Knott, **seconded** by Manager Money, and on a vote of 7 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 Fargo, ND, on Tuesday, January 22, 2008.

On a **motion** by Manager Deal, **seconded** by Manager Osowski, and on a vote of 7 for and 0 against, the motion passed to allow the maximum per diem by state law which is currently \$75.00 per day and the maximum IRS limit for mileage which is currently .505 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 Fargo, ND, on Tuesday, January 22, 2008.

On a **motion** by Manager Deal, **seconded** by Manager Osowski, and on a vote of 7 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, 1/18/00, and 3/16/04.

Resolution Authorizing Legal Counsel

The Red River Watershed Management Board considered the authorization of legal counsel at the regular board meeting held in Fargo, ND, on Tuesday, January 22, 2008.

On a **motion** by Manager Deal, **seconded** by Manager Osowski, and on a vote of 7 for and 0 against, the motion passed to obtain legal counsel on a case-by-case basis for the Red River Watershed Management Board.

Project Coordinator Report

Harnack reported that he met with Greg Anderson, Farm Service Agency, and discussed the implications for CRP under the new Farm Bill. The most recent information indicates that incentives will be provided for bio-fuels.

Harnack reported that the Governor submitted the bonding proposal for the next two years. A summary of the proposal was distributed.

Deferred Compensation Plans

Jake Lauritsen, Lauritsen & Associates, distributed handouts regarding 457 Deferred Compensation plans. He explained that a deferred compensation plan is a payroll deduction supplemental retirement savings program that allows you to set aside a portion of your salary before income tax

withholdings. This program offers the means to postpone income tax, build savings and create a portfolio of investments that are well balanced.

Red River Coordinator/TAC Report

Thul introduced Paul Wannarka, the new Red River Basin Coordinator hired to fill the vacated position of Don Buckhout. Wannarka reported that his background is in agriculture and DNR Parks and that he's spent the last 30 years working all over the state in several different state parks.

Water Quality Project Monitoring Report

Wayne Goeken reported that preparations continue for the River Watch Forum scheduled for Wednesday, March 19th at the University of Minnesota – Crookston campus.

Red River Basin Commission

Lance Yohe, Executive Director – RRBC, noted that the 25th Annual Summit Conference is scheduled for this afternoon at the Ramada Plaza Suites, Fargo, ND. He discussed the modeling effort currently being developed by the RRBC which utilizes both the MIKE 11 model and a HEC RAS model. He reported that following the completion of the effort, a workshop will be conducted to discuss the results of the modeling.

Administrator Report

A) Auditing Requests for Proposals

N. Erickson reported that at the December meeting, the Board of Managers requested that she request proposals for auditing services from the following three accounting firms prior to the January board meeting: Brady Martz; Drees, Risky & Vallager, Ltd.; and Larson-Allen LLP (formerly Ness Waller Pearson).

Brady Martz and Larson-Allen submitted three different fees for three tax years (2007 through 2009) whereas Drees quoted only for tax year 2007.

The average annual fee proposed by Brady Martz was \$5150.00.

The average annual fee proposed by Larson-Allen LLP was \$6026.67.

The tax year 2007 fee proposed by Drees, Risky & Vallager, Ltd. was \$7665.00.

Motion by Manager Wilkens to retain the accounting firm of Brady Martz, Grand Forks, ND to perform auditing services for the board, **Seconded** by Manager Money, **Carried**.

B) March Conference – Project Team Reports

N. Erickson stated that requests were forwarded to member districts, and the BRRWD, to have one representative from each respective Project Team present a 10- minute summary of activities and/or accomplishments from the past year at the March Conference. The Planning Committee

recommends that each watershed district designate their representative (and an alternate) soon to provide adequate preparation time.

C) IRS Standard Mileage Rate

Beginning January 1, 2008, the standard mileage rate for the use of a car (including vans, pickups or panel trucks) will be 50.5 cents per mile for business miles driven. The new rate for business miles compares to a rate of 48.5 cents per mile for 2007.

D) Year-end Tax Information

N. Erickson reported that the 2007 year-end tax information has been prepared and W-2's and 1099's for the board have been distributed. She requested the recipients to review the tax information for accuracy and report any discrepancies that need correction.

E) Minnesota Department of Finance

The State of Minnesota has elected to forward payments for contracts by Electronic Funds Transfers (EFT). N. Erickson explained that as these funds are forwarded electronically to the board's checking account, she established an online account utilizing the board's tax identification number and PIN to access information indicating the history of the transferred amount.

F) Flood Damage Reduction Program Manager

N. Erickson reported that Ed Fick, MDNR Division of Waters, retired as of mid December. Consequently, Pat Lynch was selected to fill the vacated position. Mr. Lynch's contact information is as follows: Pat Lynch, Floodplain Hydrologist, 500 Lafayette Rd, St. Paul, MN 55155-4032, (651)259-5691, Fax (651) 296-0445, pat.lynch@dnr.state.mn.us

G) 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.
2. March Conference, Thursday, March 20, 2008, Northland Inn, Crookston, MN.

District Reports

- The Roseau River WD reported on the West Intercept Project. Closeout of the project is anticipated to occur next summer. The District is awaiting some last minute touch-ups by Gladen to complete the project. A maintenance fund is also in the process of being established.
- The Middle Snake Tamarac Rivers WD reported on the Marshall County investigation. The private investigative firm hired by Marshall County has completed their investigation and delivered it to the Marshall County attorney. The investigative firm performed their investigation over a two-month period, conducted over two dozen interviews, and accumulated over 500 documents at a cost in excess of \$10,000. The County Attorney presented the report to the Marshall County Commission at their December 18th board meeting. The attorney reported that there were no actions discovered that constituted malfeasance or nonfeasance and he recommended no further action at this point.

District's Funding Requests

1. Wild Rice WD / Step I Submittal / Project No. 42

The following motion was authorized at the December 18, 2007 board meeting: **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**.

Since the December board meeting additional information was provided that responds to the board's funding procedures. **Motion** by Manager Deal to reconsider the decision made at the December 19, 2007 board meeting to authorize short-term financing to the Wild Rice WD for Project No. 42, **Seconded** by Manager Wright, **Carried**.

**Resolution to Confirm Funding Advance for
Project No. 42 - Goose Prairie Water Management Project**

WHEREAS, on December 18, 2007, the Red River Watershed Management Board (RRWMB) approved a project cash advance or loan to the Wild Rice Watershed District (District) for the Goose Prairie Water Management Project CD-18, a component of Project 42 (Project), in the amount of \$600,000.00 in order to facilitate land acquisition for the project, contingent on the District's presentation of a Step I submittal by December 2008;

WHEREAS, following December 18 and at its meeting of January 22, 2008, the RRWMB received additional information including a Step I submittal and a letter from the District dated January 18, 2008, that describes the District's need for short-term funding;

WHEREAS, the District's Step I submittal of January 18, 2008 concludes that the Project is feasible, will provide significant local and regional flood control benefits by reducing the discharge at the outlet of the South Branch of the Wild Rice River, and reduce downstream peak discharges on the Wild Rice River and the Red River of the North;

WHEREAS, the RRWMB recognizes the importance of acquiring property in a timely, voluntary, and cost-effective manner for watershed district projects that meet the goals and policies of the RRWMB, and also seeks to promote effective planning of projects and wise stewardship of the RRWMB's financial resources;

THEREFORE BE IT RESOLVED, that the Red River Watershed Management Board hereby finds that the District has demonstrated an urgent need to acquire the subject property; has provided a preliminary engineer's report in the Step I submittal that indicates that the Project is in conformity with the District's watershed management plan, and has great potential for basin-wide benefits in the larger watershed of the Red River of the North;

BE IT FURTHER RESOLVED, that the RRWMB, upon reconsideration of all of the information described above, hereby confirms its decision of December 18, 2007 to provide a cash advance to the District in the amount of \$600,000.00, subject to the following conditions:

1. The District will submit a Step I application for the Project for approval by the RRWMB no later than December 16, 2008. Failure to obtain RRWMB approval of a Step I application by December

16, 2008 shall obligate the District to repay the funding advance in full no later than December 16, 2009.

2. The District will submit a Step II application for approval by the RRWMB no later than December 15, 2009. Failure to obtain RRWMB approval of a Step II application by December 15, 2009 shall obligate the District to repay the funding advance in full no later than December 15, 2010.

3. The District will execute an agreement to document these obligations with the RRWMB pursuant to the RRWMB's Funding Procedures.

The question was on the adoption of the resolution and there were 7 yeas and 0 nays as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>
DEAL	X		
FINNEY			X
KNOTT	X		
LEE	X		
MONEY	X		
OSOWSKI	X		
WILKENS	X		
WRIGHT	X		

Upon vote, the President declared the Resolution adopted.

The information required for a Step I submittal was distributed to the board for review. **Motion** by Manager Deal to accept the Step I submittal for Project No. 42, **Seconded** by Manager Money, **Carried**.

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

The following motion was authorized at the December 18, 2007 board meeting: **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**.

Since the December board meeting additional information was provided that responds to the board's funding procedures. **Motion** by Manager Deal to reconsider the decision made at the December 19, 2007 board meeting to authorize a project loan to the Bois de Sioux WD for the Redpath Project, **Seconded** by Manager Osowski, **Carried**.

Resolution to Confirm Loan Advance for the Redpath Project of the Bois de Sioux Watershed District

WHEREAS, on December 13, 2007, the Bois de Sioux Watershed District (District) sent a letter to the Red River Watershed Management Board (RRWMB) describing land that became available through public auction in the area of the Redpath Project of the District, and requesting a cash advance or loan from the RRWMB; and the District further offered to demonstrate progress in

project planning within an allotted time or else sell the subject property and return the funds to the RRWMB;

WHEREAS, on December 18, 2007, the Red River Watershed Management Board approved a project cash advance or loan to the Bois de Sioux Watershed District for the Redpath Project in the amount of \$975,441.60 in order to facilitate land acquisition for the project, contingent on the District's presentation of a Step I submittal by December 2008;

WHEREAS, following December 18 and at its meeting of January 22, 2008, the RRWMB received additional information in the form of a preliminary engineer's report from the District that describes the District's Overall Plan, storage as the preferred alternative for flood damage reduction, and a goal of constructing 150,000 acre-feet of additional flood storage capacity, 75,000 acre-feet should be located upstream from Lake Traverse, including in the drainage area of Judicial Ditch 14 in Redpath Township of Traverse County;

WHEREAS, the District's preliminary engineer's report concludes that the Redpath Project is feasible, will provide significant local and regional flood control benefits by reducing flows on the Mustinka River, overflows to the Rabbit River, reduce flood levels on Lake Traverse, reduce flood flows on the Bois de Sioux River and the Red River of the North, while improving the adequacy of Judicial Ditch 14 and other drainage systems in the area;

WHEREAS, the RRWMB recognizes the importance of acquiring property in a timely, voluntary, and cost-effective manner for watershed district projects that meet the goals and policies of the RRWMB, and also seeks to promote effective planning of projects and wise stewardship of the RRWMB's financial resources;

THEREFORE BE IT RESOLVED, that the Red River Watershed Management Board hereby finds that the District has demonstrated an urgent need to acquire through public auction the subject property in Redpath Township; has provided a preliminary engineer's report that indicates that the Redpath Project is in conformity with the District's watershed management plan, and has great potential for basin-wide benefits in the larger watershed of the Red River of the North;

BE IT FURTHER RESOLVED, that the RRWMB, upon reconsideration of all of the information described above, hereby confirms its decision of December 18, 2007 to provide a cash advance to the District in the amount of \$975,441.60, subject to the following conditions:

1. The District will submit a Step I application for the Redpath Project for approval by the RRWMB no later than December 16, 2008. Failure to obtain RRWMB approval of a Step I application by December 16, 2008 shall obligate the District to repay the funding advance in full no later than December 16, 2009.
2. The District will submit a Step II application for approval by the RRWMB no later than December 15, 2009. Failure to obtain RRWMB approval of a Step II application by December 15, 2009 shall obligate the District to repay the funding advance in full no later than December 15, 2010.
3. The District will execute an agreement to document these obligations with the RRWMB pursuant to the RRWMB's Funding Procedures.

The question was on the adoption of the resolution and there were 7 yeas and 0 nays as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>
DEAL	X		
LEE	X		
FINNEY			X
KNOTT	X		
MONEY	X		
OSOWSKI	X		
WILKENS	X		
WRIGHT	X		

Upon vote, the President declared the Resolution adopted.

Other Issues

Manager Wilkens reported that he and Lee Coe, Red Lake WD, have been requested to assist Mike Carroll, MNDNR - Regional Director, with utilizing criteria and procedures for determining drainage benefits to state-owned lands in con-con areas administered under Minnesota state law. The process is expected to begin the end of January.

The next meeting will be on February 19, 2008, at 12:30 p.m. at the Kelly Inn, St. Paul, Minnesota.

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

Respectfully submitted,

Robert Wright
Secretary

Naomi L. Erickson
Administrator