

APPROVED (September 18, 2006)

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**REGULAR MEETING OF THE BOARD OF MANAGERS OF THE
MIDDLE- SNAKE-TAMARAC RIVERS WATERSHED DISTRICT
HELD AT 453 NORTH MCKINLEY STREET, WARREN, MN
7:00 P.M. August 21, 2006**

The meeting was called to order by President Doug Sorenson. Managers Doug Sorenson, Arlyn Stroble, Tracy Anderson, Alvin Nybladh, and David Bakke were present. Bruce and Mary Osowski, Loren Zutz, George Hess, Brian and Jody Szczepanski, Glenn Bergeron, Robert and Diane Dammen, Ronald J Adrian, Nick Drees, Connie Kalinowski, and Attorney Jeff Hane were also present.

Motion by Mr. Tracy Anderson, seconded by Mr. Arlyn Stroble, that Connie Kalinowski be appointed the recording secretary for purposes of keeping the minutes of the meeting. Motion unanimously carried.

Roger Hille joined the meeting at approximately 7:04 p.m.

Motion by Mr. Tracy Anderson, seconded by Mr. David Bakke to approve the agenda as amended: Manager Alvin Nybladh requested that Bruce and Mary Osowski, Brian and Jody Szczepanski, and Robert and Diane Dammen be added to (9) Guests; and Manager Arlyn Stroble requested that the Recovery of Attorney Fees be added to (11) PL-566. Motion unanimously carried.

Eldon Elseth joined the meeting at approximately 7:07 p.m.

Manager John W Nelson joined the meeting at approximately 7:11 p.m.

Motion by Mr. David Bakke, seconded by Mr. Arlyn Stoble to approve the minutes of the July 17, 2006 regular meeting as corrected. Motion unanimously carried.

Motion by Mr. Tracy Anderson, seconded by Mr. Alvin Nybladh to approve the minutes of the August 7, 2006 regular meeting as presented. Motion unanimously carried.

Motion by Mr. Arlyn Stroble, seconded by Mr. Tracy Anderson to approve the Treasurers Report, subject to audit. Motion unanimously carried.

Motion by Mr. Alvin Nybladh, seconded by Mr. David Bakke that the bills be paid including the following: from the Administrative Funds, that payroll checks numbered 4395 through 4410 inclusive for a total of \$15,272.90; that checks 13101 through 13105 inclusive for a total of \$9,714.63; and checks numbered 13099, 13100 and 13106 through 13127 inclusive and the bank service charge for a total of \$5,613.06 be paid; from the Administrative Project Funds that checks numbered 1227, 1229 through 1234 and 1236 through 1251 inclusive for a total of \$352,976.87 be paid; and from the Ditch Funds that checks numbered

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2157 through 2160 inclusive for a total of \$71,603.00 be paid. Motion unanimously carried.

Manager Mr. Ben Kleinwachter joined the meeting at approximately 7:17 p.m.

Nick Drees reported that the appeal of the landowners regarding the Agassiz Valley Water Resource Management Project has been completed.

Attorney Jeff Hanes reported that the hearing on the non-appealing landowners was held on August 15, 2006, at the Marshall County Courthouse. The judge indicated he would give George Hess 7 days to submit additional information, and that he would make a ruling sometime after that.

Nick Drees reported that the delineation of the wetlands on the Agassiz Valley Water Management Project has begun, and that a letter was sent to the landowners notifying them of the work that is being performed. He also reported that he had been contacted by a few landowners with questions regarding the work.

Manager Mr. Doug Sorenson stated that he had been contacted by the renter of property in the SW4 NW4 of section 12 of Brislet Township, that the surveyors had driven across his unharvested grain. Mr. Sorenson told the individual that it is the policy of the District to pay for damages if any are incurred.

Jim Stengrim questioned the need for the on-site work and if there was funding available for the work.

Loren Zutz stated that more courtesy should be given to landowners.

Manager Mr. Doug Sorenson stated that the meeting would be closed for purposes of discussing strategies and theories regarding the Agassiz Valley Water Management Project litigation.

Luther Omdahl and Tom Omdahl joined the meeting at approximately 7:20 p.m.

Eldon Elseth requested that he and Loren Zutz be allowed to attend the closed session of the meeting.

Attorney Jeff Hane stated that Eldon Elseth and Loren Zutz were not board members at this time, the Board may be waiving their attorney-client privilege by allowing them to attend the closed session.

Motion by Mr. John W Nelson, seconded by Mr. Ben Kleinwachter that the meeting be closed for purposes of discussing strategies and theories regarding the Agassiz Valley Water Management Project litigation. Motion unanimously carried.

The meeting was closed at approximately 7:22 p.m.

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Bruce and Mary Osowski, Loren Zutz, George Hess, Brian and Jody Sczepanski, Glenn Bergeron, Robert and Diane Dammen, Jim Stengrim, Loren Zutz, Eldon Elseth, Roger Hille, Luther Omdahl and Tom Omdahl left the meeting at approximately 7:22 p.m.

Motion by Mr. Ben Kleinwachter, seconded by Mr. Tracy Anderson that the meeting be reopened. Motion unanimously carried.

The meeting was reopened at approximately 7:42 p.m.

Bruce and Mary Osowski, Loren Zutz, George Hess, Brian and Jody Sczepanski, Glenn Bergeron, Robert and Diane Dammen, Jim Stengrim, Loren Zutz, Eldon Elseth, Luther Omdahl and Tom Omdahl rejoined the meeting at approximately 7:42 p.m.

A discussion was held regarding the Agassiz Valley Water Resource Management Project.

Eldon Elseth questioned why the Attorney for the Watershed District would not allow a 30 day extension to the non appealing landowners regarding the Agassiz Valley Water Resource Management Project.

The settlement agreement with Luther Omdahl on the Agassiz Valley Water Resource Management Project was reviewed.

After review of the settlement agreement with Luther Omdahl, the following changes were made: on page 1, 2nd line, change the year 2007 to 2006; and page 4, number 9, add, the total gravel to be removed from now (August 21, 2006) until December 1, 2007 shall not exceed 15,000 CY.

Motion by Mr. John W Nelson, seconded by Mr. Tracy Anderson to authorize the President of the Watershed District and Attorney Jeff Hane to sign the settlement agreement of Luther Omdahl for the Agassiz Valley Water Resource Management Project for \$306,600 as amended. Motion unanimously carried, with Mr. Arlyn Stroble abstaining.

Motion by Mr. Ben Kleinwachter, seconded by Mr. Alvin Nybladh that Nick Drees be authorized to sign on behalf of the Watershed District, the Lease Agreement with Luther Omdahl. Motion unanimously carried.

Luther Omdahl and Tom Omdahl left the meeting at approximately 7:58 p.m.

Motion by Mr. Tracy Anderson, seconded by Mr. Arlyn Stroble to approve or deny the following permits:

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1. Permit (06-046) be issued to Chad Anvinson to install a field crossing with a 30" culvert on Judicial Ditch #1, Branch, in the NW4 of section 31 of Sandsville Township;
2. Permit (06-047) be issued to Bruce Peterson to install a 24" culvert with a trap through the field crossing into Judicial Ditch #27, in the NE corner of Section 8 of Donnelly Township;
3. Permit (06-048) be issued to Floyd B Johnson to relocate the culvert through the field crossing, on the east side of the township road, in the NW4 of section 24 of Oak Park Township, with the size and elevation of the culvert to remain the same;
4. Permit (06-050) be issued to Arveson Township to clean $\frac{3}{4}$ mile of the township road ditch, on the north side of section 32, of Arveson Township, and to install a 24" CSP and lower the (2) existing culverts to the grade established by the District;
5. Permit (06-051) be issued to Eagle Point Township to replace the existing 4' x 6' arch culvert with a 4' x 6' reinforced arch pipe, on Marshall County Ditch #43, in the NE4 of section 24, of Eagle Point Township, with the elevation to remain the same, and provided permission is received from Marshall County;
6. Permit (06-052) be issued to Ron Pape to clean the west side of Minnesota Trunk Highway #220 road ditch for approximately $\frac{1}{2}$ mile, in section 13 of Esther Township, provided he receives permission from the Minnesota Department of Transportation;
7. Permit (06-053) be issued to Donovan Pietruszewski to clean approximately 1300' of the unnamed coulee in the SW4 of section 34 of Augsburg Township, and to replace the 48" CSP, with a 60" CSP or equivalent; provided permission is received from the Minnesota Department of Natural Resources;
8. Permit (06-054) be issued to Augsburg Township to replace the existing 3' x 5' arch and the 4' x 3' arch with (2) 42" reinforced arch pipes, in the SE4 of section 34 and the SW4 of section 35 of Augsburg Township, provided the elevation of the culverts remains the same;
9. Permit (06-055) be issued to Augsburg Township to replace the (2) existing 24" CSP with (1) 30" CSP through the township road in the SE4 of section 32 and the SW4 of section 33 of Augsburg Township, with the elevation of the culverts to remain the same;
10. Permit (06-056) be issued to C & J Farms Inc, to remove sediment from the east road ditch of Minnesota Trunk Highway #75, in section 9 of

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Tamarac Township, and that Minnesota Department of Transportation requirements are met;

11. Permit (06-059) be issued to the Marshall County Highway Department to replace the 60" CSP with (1) 60" CSP, and remove the 24" CSP on Marshall County Ditch #40, in the NW4 of section 25 of Newfolden Township, provided the elevation of the culvert remains the same;
12. Permit (06-060) be issued to the Marshall County Highway Department to replace the existing 65" x 40" CSPA with (1) 64" x 43" CSPA, on Marshall County Ditch #15, in the N2 of Section 35 of Newfolden Township, provided the elevation of the culvert remains the same;
13. Permit (06-061) be issued to the Marshall County Highway Department to replace the existing 60" CSP with (1) 60" CSP, on Branch M of Judicial Ditch #19, in the W2 of section 30 of East Park Township, provided the elevation of the culvert remains the same;
14. Permit (06-062) be issued to the Marshall County Highway Department to replace the existing 24" CSP with (1) 24" CSP, thru Marshall County State Aid Highway #30, in the SE4 of section 24 of Wanger Township, provided the elevation of the culvert remains the same;
15. Permit (06-063) be issued to the Marshall County Highway Department to replace the existing 24" CSP with (1) 24" CSP, thru Marshall County Highway #117, in the NE4 of section 15 of New Solem Township, provided the elevation of the culvert remains the same;
16. Permit (06-064) be issued to the Marshall County Highway Department to replace the existing 24" CSP with (1) 24" CSP, thru Marshall County Highway #1, in the SW4 of section 2 of Bloomer Township, provided the elevation of the culvert remains the same;
17. Permit (06-065) be issued to the Marshall County Highway Department to replace the existing 18" CSP with (1) 18" CSP, thru Marshall County Highway #102, on the section line 2/3 of Bloomer Township, provided the elevation of the culvert remains the same;
18. Permit (06-066) be issued to the Marshall County Highway Department to replace the existing 24" CSP with (1) 24" CSP, thru Marshall County Highway #101, in the NW4 of section 27 of Vega Township, provided the elevation of the culvert remains the same;
19. Permit (06-067) be issued to the Marshall County Highway Department to replace the existing 36" CSP with (1) 36" CSP, thru Marshall County State Aid Highway #21, in the NE4 of section 36 of Vega Township, provided the elevation of the culvert remains the same;

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20. Permit (06-068)) be issued to the Marshall County Highway Department to replace the existing 48" CSP with (1) 48" CSP, thru Marshall County State Aid Highway #17, in the NE4 of section 11 of Fork Township, provided the elevation of the culvert remains the same;
21. Permit (06-069) be issued to the Marshall County Highway Department to replace the existing 36" CSP with (1) 36" CSP in the SW4 of section 23 of Donnelly Township, provided the elevation of the culvert remains the same;
22. Permit (06-071) be issued to Cecil Deschene to install field drain tiles in the NW4 of section 33 of Middle River Township, and the SE4 NE4 of section 5 of Warrenton Township;
23. Permit (06-072) be issued to Mike Tiedeman to clean the west side of the township road ditch, and to lower the culvert on the north field crossing in section 23 of Angus Township, provided that permission is received from the landowner to the west,

And to deny the following permits;

24. Permit (06-049) of J Myron Larson to reslope the township road ditch and build up the road on section line 10/11 of Eagle Point Township is denied, since the work was done prior to Board approval;
25. Permit (06-070) of Higdem Township to install (3) 48" CSP's through the township road on section line 8/17 of Higdem Township is denied, pending further information;

Motion unanimously carried.

Jim Stengrim inquired on who the responsible party would be for maintaining the bridge in the SE4 of section 1 of McCrea (Strip) Township; and he discussed the public relations of the Watershed District.

George Hess discussed with the Board the amount of damages awarded to him for the Agassiz Valley Water Resource Management Project.

Bruce and Mary Osowski, Brian and Jody Sczepanski, and Robert and Diane Dammen inquired if their properties qualify for the State of Minnesota and the Middle Snake Tamarac Rivers Watershed District's ring dike cost share program.

Nick Drees stated that the Watershed District employees conducted a survey of the properties, and that it appears that there is not enough room to construct a ring dike around the properties that would meet the criteria required to receive state cost share funding under the State's ring dike program. Nick Drees stated he would investigate this further and get back to them.

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Roger Hille of the Minnesota Department of Transportation stated that there would be safety issues and certain requirements to be met before any work could be done along Trunk Highway #75.

After considerable discussion, it was agreed that more information would be needed, and that Nick Drees contact the Department of Natural Resources and the Red River Watershed Management Board to see if any variances could be issued.

Bruce and Mary Osowski, Brian and Jody Sczepanski, and Robert and Diane Dammen left the meeting at approximately 9:24 p.m.

Manager Mr. John W Nelson left the meeting at approximately 9:25 p.m.

A letter from the Red River Basin Flood Damage Reduction Work Group concerning an upcoming meeting scheduled for Wednesday, August 30, 2006, was distributed.

Nick Drees reported that the PL-566 diversion structure is complete, with only some spot seeding remaining.

Nick Drees reported that he has contacted the landowners adjacent to the PL-566 Diversion to see if they are interested in renting the District's land. He said one landowner has committed to renting; one landowner will get back to the District; and one landowner is not interested.

After further discussion, Nick Drees was directed to contact the landowner who is interested in renting the property to see if he is interested in renting all of it, provided the other landowners are not interested. If all the lands cannot be rented then it is was the consensus of the Board that the District plant a cover crop and entertain bids on the properties over the winter for next year.

Mr. Arlyn Stroble inquired about seeking recovery of the PL-566 litigation court costs. Attorney Jeff Hane responded he would check into this matter.

Nick Drees reported that the cleaning of Judicial Ditch #15, Branch B is continuing; and that the survey of State Ditch #3 spoil banks has been completed.

Glenn Bergeron stated that the north spoil of State Ditch #3 has always been set higher than the south side. Nick Drees reported that the spoil heights do vary, and that he is planning on scheduling a meeting with the landowners along State Ditch #3.

It was also reported, that a disaster application has been filed with FEMA to repair some areas of the State Ditch #3 channel.

Glenn Bergeron left the meeting at approximately 9:58 p.m.

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Nick Drees reported that he has been in contact with a representative of FEMA regarding the District's disaster application filed for Judicial Ditch #75. He stated it appears that FEMA is looking at consolidating the 2002 disaster application with the 2006 disaster application for Judicial Ditch #75.

It was announced that the District has Responded to the Discovery of documents regarding the Angus Oslo #4 lawsuit; and that the mitigated wetlands have been delineated and that we are waiting for a report from JOR Engineering.

Manager Mr. Doug Sorenson reported that the terms of David Bakke and Tracy Anderson expire on August 27, 2006, and that Loren Zutz and Eldon Elseth have been appointed by the Marshall County Commissioners to serve as managers of the Middle Snake Tamarac Rivers Watershed District for a term of 3 years. Manager Sorenson extended a thank-you to the outgoing managers for their service to the District.

A letter from Managers Mr. Tracy Anderson and Mr. David Bakke was publically read and is included hereto:

To the Managers, Staff, and Residents of the Middle Snake Tamarac Rivers Watershed District

I have enjoyed and appreciated working with the managers, staff and residents of the Watershed District, during my term as manager.

I wish the new members and of course the serving members, staff, and residents the best of luck in the future.

I am sure the managers will and will continue to work for the best interests of the residents and taxpayers. Especially in matters concerning the paying of taxpayer funds only for purposes that are a matter of law and not because of threatened litigation that has no basis in law.

s/s Tracy Anderson, David Bakke

Manager Mr. David Bakke expressed his concern with the lack of representation the Watershed District will have in the Eastern part of the District.

Manager Mr. Tracy Anderson left the meeting at approximately 10:18 p.m.

Jim Stengrim left the meeting at approximately 10:21 p.m.

Nick Drees reported that the Red River Watershed Management Board meeting was held in Warren, Minnesota on August 15, 2006. He stated a tour of the PL-566 project was conducted. The District's activity report was distributed.

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Mr. Ronald J Adrian, Engineer for Houston Engineering, gave a report on the preliminary report prepared for a project in Section 19 of Brandt Township along the Angus/Brandt coulee.

Mr. Ronald J Adrian was directed to continue with the preliminary plans for a project in Section 19 of Brandt Township, following project procedures.

George Hess left the meeting at approximately 10:47 p.m.

A discussion was held regarding the drainage problems along the Swift Coulee. Nick Drees stated that he is planning on scheduling a meeting with the landowners to discuss the problem.

A discussion was held concerning the Canon C3220 printer the District has on a trial basis from Tony Dorns.

Motion by Mr. Ben Kleinwachter, seconded by Mr. Arlyn Stroble that the District lease the Canon C3220 printer, for approximately \$215 per month from Tony Dorns. Motion unanimously carried.

Manager Mr. Doug Sorenson reported that he had an interview with Mark Hatton as one of the procedures needed to complete the Districts 2005 audit. He also stated that it is anticipated the 2005 audit will be completed by the end of August 2006.

The District's 2007 proposed budget was distributed and reviewed. After a brief discussion the following changes were made to the proposed budget: Increase the Building Budget to \$15,000 and Contingency to \$15,000.

Motion by Mr. Ben Kleinwachter, seconded by Mr. Alvin Nybladh that the following resolution be adopted:

RESOLUTION ADOPTING PROPOSED BUDGET & LEVIES

1) the proposed 2007 Administrative Funds Budget be set at:

Building Maintenance	15,000	Miscellaneous	1,000
Utilities	5,000	Insurance	16,000
Supplies	20,000	Legal & Professional	43,000
Equipment	40,000	Managers Per Diem & Expenses	20,000
Telephone	6,000	Association Dues	2,200
Publication & Printing	5,000	Employee Mileage & Expenses	2,000
Postage	3,000	Vehicle Expenses	20,000
Employee Payroll & Fringes	320,000	Contingency	15,000
USGS Stream Gage & Cost Share	4,000	Stream Maintenance	15,000
Property Taxes	16,000	Total	568,200
		Less Estimated Project Expenses (1)	367,500
		Net Administrative Fund Budget	200,700

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2) that the Secretary certify to the Auditors of Marshall, Polk, Pennington, Kittson and Roseau Counties a proposed Administrative Fund Levy of **\$219,745**.

3) that the Secretary certify to the Auditors of Marshall, Polk, Pennington, Kittson and Roseau Counties a proposed Project Fund Levy of .04836 percent of the estimated Market Value of all the taxable property within the District.

4) that the Secretary certify to the Auditors of Marshall, Polk and Pennington Counties proposed levies for the repair and maintenance of the Ditch funds as listed:

<u>Drainage System No</u>	<u>Percent (Benefits)</u>	<u>Levy Projected Receipts</u>
JD #1		
Marshall	1.00%	4,970
Polk	1.00%	31,680
WD #2		
Marshall	3.00%	1,210
SD #3		
Marshall	2.00%	1,960
WD #4		
Marshall	0%	-
Polk	0%	-
WD #5		
Polk	0.50%	12,840
BRF	7.30%	187,360
WD #6		
Polk	1.00%	19,400
BRF	6.20%	120,270
WD #7		
Marshall	1.00%	3,040
Polk	1.00%	2,160
WD #7-Imp		
Marshall	2.00%	1,520
Polk	2.00%	1,080
JD #14		
Marshall	0%	0
Pennington	0%	0
JD #15		
Marshall	2.00%	30,710
JD #16		
Marshall	2.00%	18,580
JD #17		
Marshall	1.00%	430
Polk	1.00%	6,270
JD #20		
Marshall	2.00%	47,090
JD #21		
Marshall	0%	-
JD #24		
Marshall	2.00%	4,940
Polk	2.00%	1,850
JD #25-I		
Marshall	0%	-
Polk	0%	-
JD #25-II		
Marshall	3.00%	2,120
Polk	3.00%	12,830
Pennington	3.00%	8,100

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JD #28		
Marshall	0%	-
JD #29		
Marshall	2.00%	44,750
CD #39		
Marshall	1.00%	1,250
CD #39 Improvement		
Marshall	7.16%	7,760
JD #68		
Polk	1.00%	2,430
JD #75		
Polk	1.00%	36,530
BRF	3.85%	140,760
CD #175		
Polk	3.00%	35,410

and that the Secretary publish the proposed 2007 budget for two consecutive weeks, as required by statute, in the Roseau Times, Kittson County Enterprise, Stephen Messenger, Warren Sheaf, Thief River Times and the Crookston Times, and that the 2007 Budget hearing be scheduled for 7:00 p.m., September 11, 2006, at the District office, and that the Districts Annual meeting of the Board of Managers be held immediately following the Budget hearing. Motion unanimously carried.

Nick Drees reported that 3 persons applied for the Engineer Technician II position. The Board reviewed the applications.

Motion by Mr. Arlyn Stroble, seconded by Mr. Alvin Nybladh that Nick Drees be given the authority to hire Danny Omdahl, as an Engineer Technician II, with a starting salary of \$14.00/hour plus benefits, with a salary and performance review after a 6 month probationary period. Motion unanimously carried.

Nick Drees reported that he had contacted the City of Warren regarding the lot the Districts garage is on, and is waiting to hear back from them.

Nick Drees reported on the buyout program being conducted by Marshall County for property owners along the Red River of the North.

The next regular meetings are scheduled for 7:00 p.m., Monday, September 11, 2006 and Monday, September 18, 2006, at the District office.

Motion by Mr. David Bakke, seconded by Mr. Ben Kleinwachter that the meeting be adjourned. Motion unanimously carried.

The meeting was adjourned at approximately 11:48 p.m.

Connie Kalinowski
Recording Secretary

Ben Kleinwachter
Secretary