

APPROVED
(as corrected April 21, 2008)
REGULAR MEETING OF THE BOARD OF MANAGERS OF THE
MIDDLE- SNAKE-TAMARAC RIVERS WATERSHED DISTRICT
HELD AT 453 NORTH MCKINLEY STREET, WARREN, MN
4:00 P.M. MARCH 17, 2008

The meeting was called to order by President Doug Sorenson. Managers John W Nelson, Alvin Nybladh, Doug Sorenson, Loren Zutz, Arlyn Stroble and Elden Elseth were present. Manager Ben Kleinwachter was not present. Nick Drees, Connie Kalinowski, Danny Omdahl, Ronald J Adrian, LeRoy Vonasek, Dean Danielski and Wallace Diedrich were also present.

Wallace Diedrich recorded the meeting with three recorders.

Motion by Mr. Alvin Nybladh, seconded by Mr. John W Nelson, that Connie Kalinowski be appointed the recording secretary for purposes of keeping the minutes of the meeting. Motion carried, with Mr. Loren Zutz and Mr. Elden Elseth voting no.

Chairman Doug Sorenson requested to add the letter received from the State Auditor's Office to agenda item #16 (Administrator's Report).

Motion by Mr. Arlyn Stroble, seconded by Mr. John W Nelson that the agenda be approved, with the addition of the letter from the State Auditor's Office to agenda item #16 (Administrator's Report). Motion unanimously carried.

Motion by Mr. Arlyn Stroble, seconded by Mr. Alvin Nybladh that the minutes of the February 25, 2008 meeting be approved as presented. Motion unanimously carried.

Mr. Ben Kleinwachter joined the meeting at approximately 4:08 p.m.

Connie Kalinowski reported that check #1453 to the Minnesota Department of Natural Resources for \$150.00 is not included in the Treasurer's report.

The financial report was reviewed to be filed for audit purposes.

Motion by Mr. Elden Elseth, seconded by Mr. Loren Zutz that the payments for the attorney bills be voted on separately. Motion failed, with Mr. John W Nelson, Mr. Alvin Nybladh, Mr. Arlyn Stroble and Mr. Ben Kleinwachter voting no, and Mr. Loren Zutz and Mr. Elden Elseth voting yes.

Motion by John W Nelson, seconded by Mr. Arlyn Stroble that the following bills be paid: from the Administrative funds: that payroll checks numbered 4675

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through 4685 inclusive for a total of \$13,561.77 and checks numbered 13686 through 13718 inclusive, and the service charge for a total of \$45,429.00; from the Project funds that checks numbered 1450 through 1452 inclusive, and check #1453, for a total of \$36,586.87; and from the Ditch Funds that checks numbered 2244 through 2246 inclusive for a total of \$1,990.50. Motion carried, with Mr. Elden Elseth and Mr. Loren Zutz voting no.

Motion by Mr. Ben Kleinwachter, seconded by Mr. Elden Elseth that the following permit be issued:

1. Permit (08-002) of Floan Sanders to install a sediment catch basin and to install 321' of 12" reinforced concrete storm sewer pipe, in the Parkview Second Addition, located within the City of Warren, in the SW4 NW4 of section 1 of Boxville Township be granted.

Motion unanimously carried.

Nick Drees announced that the Red River Watershed Management Board meeting is scheduled for Wednesday, March 19, 2008, at the University of Minnesota-Crookston campus, at 9:30 a.m.; that the Red River Basin Flood Damage Reduction Work Group will meet at 6:30 p.m., March 19, 2008 at the Northland Inn, Crookston, Minnesota; and that the 10th Annual Conference of the Red River Watershed Management Board and the Red River Basin Flood Damage Reduction Work Group will be held on March 20, 2008, at 9:30 a.m., at the Northland Inn, in Crookston, Minnesota.

The District had no activity report to the Red River Watershed Management Board.

The News and Views of the Red River Watershed Management Board were distributed.

Jim Nelson joined the meeting at approximately 4:25 p.m.

Jim Nelson discussed with the Board the drainage issues associated with Watershed Ditch #7, in sections 7, 8, 9 and 10 of Oak Park (Strip) Township.

Motion by Mr. Arlyn Stroble, seconded by Mr. Alvin Nybladh that the District expend funds to clean Watershed Ditch #7 in sections 7, 8, 9 and 10 of Oak Park (Strip) Township, if necessary, and that the District staff survey the area to be cleaned. Motion unanimously carried.

Jim Nelson left the meeting at approximately 4:32 p.m.

The data practice request of Jim Stengrim was distributed, and a data practice request received from an anonymous individual(s) was also distributed.

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A discussion was held concerning responding to the data practice request from an unidentified individual at a Post Office Box in Park Rapids, Minnesota. Attorney Jeff Hane responded that it should be treated as any other data request, however, the charges for the copies should be paid in advance.

Milt Gowan, Ray Gowan, Mark Gowan and Craig Jones joined the meeting at approximately 4:40 p.m, to discuss cleaning of Watershed Ditch #7, in sections 7, 8, 9 and 10 of Oak Park (Strip) Township.

Since the Board had taken previous action on this matter, Milt Gowan, Ray Gowan, Mark Gowan and Craig Jones left the meeting at approximately 4:42 p.m.

Paul Aakre joined the meeting at approximately 4:42 p.m.

Paul Aakre presented a slide presentation of the ditch in the N2 of section 36 of Helgeland Township. It was stated in a letter to Paul Aakre from the District that the ditch was cutting a ridge diverting waters into another sub-watershed and that the ridge should be restored. Paul Aakre requested that the ditch remain as is. The Board took no action on this matter.

Wally Diedrich left three recorders unattended.

Ron Sorvig joined the meeting at approximately 5:47 p.m.

Paul Aakre also discussed his lawsuit with Warren Hermreck. He also stated that he would like to improve the drainage from the NW4 of section 6 of Bray Township into Judicial Ditch #25-2.

Paul Aakre left the meeting at approximately 6:03 p.m.

Correspondence from Marshall County regarding a Leadership Event on April 1, 2008 was distributed. It was the consensus of the Board that the admission fee would be paid by the District if any Manager or Employee wished to attend.

Correspondence from Marshall County regarding a Renewable Energy Meeting scheduled for March 18, 2008, at 2:00 p.m., at the Marshall County Courthouse; a request of Loren Zutz to provide him with a claims history report from the District's insurance; and a letter from an anonymous individual to Marshall County requesting action concerning an alleged open meeting violation of the District, was distributed.

A discussion was held concerning the anonymous letter received by the Marshall County Board alleging an open meeting violation of the District.

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Nick Drees reported that Polk County also received a similar anonymous letter.

A letter was distributed from the District Employees to the Board requesting information on their payroll checks that were copied at the Bremer Bank by Loren Zutz and requesting an Attorney General's opinion on the matter.

Danny Omdahl, Connie Kalinowski and Ron Sorvig asked Loren Zutz and Elden Elseth if they wished to answer the employee questions concerning the payroll checks that were copied by Loren Zutz.

Mr. Loren Zutz responded that Kathy Docter would know the answers to the employee questions, and that the employees should ask her.

Mr. Elden Elseth stated he believed the payroll checks were given to Kathy Docter.

Nick Drees stated that the President of Bremer Bank verified that both sides of the employee payroll checks were copied.

Attorney Jeff Hane addressed the 8 employee requests seeking a legal opinion from the Attorney General's office.

Motion by Mr. John W Nelson, seconded by Mr. Alvin Nybladh that the Board direct the District's legal council, to draft a letter to the Attorney General and the State Auditor to address as many questions of the District's employees as possible. Motion carried, with Mr. Loren Zutz and Mr. Elden Elseth abstaining.

A discussion was held concerning signatories on the District's bank accounts.

Mr. Loren Zutz questioned what the problem is with all the Manager's being authorized signatories.

Motion by Mr. John W Nelson, seconded by Mr. Ben Kleinwachter that the President, Treasurer and the Assistant Secretary/Treasurer be the only authorized signatories on the District's bank accounts. Motion carried, with Mr. Loren Zutz and Mr. Elden Elseth voting no.

Signature cards from the Community Bank of the Red River Valley and Bremer Bank were signed by the President, Treasurer and the Assistant Secretary/Treasurer.

The District employees requested that the Board consider adopting a resolution limiting the actions of individual board members or group of managers to procure employee records without prior approval of the Board as a whole and include said resolution in the District's Personnel Policy handbook.

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Motion by Mr. John W Nelson, seconded by Mr. Arlyn Stroble that the Board limit the ability of any individual manager or group of managers to obtain employee records without the approval of the full board. A roll call of votes was taken, with Mr. Elden Elseth, Mr. Loren Zutz and Mr. Ben Kleinwachter voting no, Mr. John W Nelson, Mr. Alvin Nybladh, and Mr. Arlyn Stroble voting yes. Chairman Mr. Doug Sorenson broke the tie, voting yes.

Motion by Mr. Doug Sorenson, seconded by Mr. Ben Kleinwachter to advise the District's legal counsel to take the motion limiting the ability of any individual manager or group of managers to obtain employee records without the approval of the full board, and prepare said motion with potential wording and bring back to the next regular meeting of the Board for review. Motion carried, with Mr. Loren Zutz and Mr. Elden Elseth voting no.

Mr. Loren Zutz stated he wanted to go on record stating that the motion takes away some of the fiduciary responsibilities of a manager.

The Employees requested that a Tennesen Warning be added to the District's Personnel Policy Handbook. No action was taken or motion entertained.

Ron Sorvig left the meeting at approximately 7:31 p.m.

Nick Drees briefly described the funding, construction phases and the letting of bids regarding the construction of the Agassiz Valley Water Resource Management Project.

Nick Drees stated that he met with Sonny Chruszch regarding the lease back on the lands in section 19 of Brandt Township.

Motion by Mr. Arlyn Stroble, seconded by Mr. Alvin Nybladh that the Chairman be authorized, on behalf of the District, to sign the 3 month lease back extension with the Chruszch Trust, in the amount of \$1,250.00, on the lands in section 19 of Brandt Township. Motion unanimously carried.

Jeff Hane reported that the Angus/Oslo #4 lawsuit with Drewes, Inc is scheduled to be heard in June 2008; that litigation continues with Riley Brothers regarding the PL-566 project and is being handled by the firm of Rinke-Noonan; that he has not received any word on the Elseth/Zutz lawsuit against managers Nelson and Stroble; and requested that the litigation committee meet in closed session, immediately following the regular meeting, pursuant to MN Statutes 13D.05 subd 3(b), to discuss legal theories and strategies regarding the Stengrim lawsuit and the PL-566 Riley contract claim.

Nick Drees informed the Board that insurance coverage for the District has been obtained, however, the coverage is limited.

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A discussion was held concerning the insurance claim report prepared by Thompson Insurance.

Nick Drees reported that the land rental agreement with Randy Huderle for the parcels in sections 2 and 1, of Boxville Township, has been agreed to be extended for an additional four years, with the terms and conditions of the lease to remain the same; that the rental agreement with David Jadeke for the approximately 20 acres of pasture land in the SW4 of section 12 of Brislet Township has been agreed to be extended for one year, with the terms and conditions of the lease to remain the same.

A discussion was held concerning the NE4 of section 12 of McCrea (Strip) Township. Mr. Loren Zutz questioned the terms of the mediation agreement and sought a legal opinion from the District Attorney regarding the terms of the Mediation agreement concerning the former Hess property regarding his ability to rent the property in 2008. He stated if he was not eligible to rent the former Hess property in 2008, then no one should be allowed to rent it.

Attorney, Jeff Hane, read a portion of the Mediation Agreement concerning the rental terms for the property in the NE4 of section 12, McCrea (Strip) Township, citing that a strict interpretation of the agreement nullifies Mr. Zutz's lease.

Mr. Loren Zutz entertained a motion that the District not entertain bids for the rental of the properties obtained for the Agassiz Valley Water Resource Management Project. Mr. Loren Zutz withdrew his motion.

A discussion was held concerning renting the lands obtained for the Agassiz Valley Water Resource Management Project. The decision of the Board was that the lands would not be rented this year (2008).

Nick Drees reported on the Minnesota Board of Soil and Water Resources Performance Review and Assistance Program; on entering into a Joint Powers Agreement for Project 60 with the Red Lake Watershed District; and on the letter received from the State Auditor Office regarding the investigation of the District's finances.

Motion by Mr. Ben Kleinwachter, seconded by Mr. Alvin Nybladh that the Middle-Snake-Tamarac Rivers Watershed District enter into a Joint Powers Agreement for Project 60 with the Red Lake Watershed District. Motion unanimously carried.

Nick Drees briefly updated the Board on the Legislative Breakfast that was attended by himself, Mr. John W Nelson and Mr. Alvin Nybladh on March 13, 2008.

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Mr. Arlyn Stroble stated that he has been contacted by Doug Safar and Phil Thompson regarding the District's garage. He stated that they are interested in purchasing the District's property to make room for a new business.

Chairman Mr. Doug Sorenson appointed Mr. Loren Zutz, Mr. Arlyn Stroble and Nick Drees to meet with the Marshall County Development Committee on this matter.

Motion by Mr. Arlyn Stroble, seconded by Mr. Alvin Nybladh to install an additional incoming phone line with additional features with Frontier Telephone. Motion unanimously carried.

The permit meeting was scheduled for April 7, 2008 at 4:00 p.m.; and the regular meeting was scheduled for April 21, 2008, at 4:00 p.m.

Motion by Mr. Elden Elseth, seconded by Mr. Arlyn Stroble that the meeting be adjourned.

The meeting was adjourned at approximately 9:17 p.m.

The litigation committee was meeting immediately, in closed session, pursuant to Minnesota Statutes 13D.05 subd 3(b) to discuss litigation strategies and legal theories regarding the Agassiz Valley Water Resource Management Project-Stengrim case; and the Snake River PL-566-Riley contract claim.

Connie Kalinowski
Recording Secretary

Ben Kleinwachter
Secretary