

APPROVED (June 16, 2008)

Motion by Mr. Elden Elseth, seconded by Mr. Loren Zutz that the Treasurer's report be included in the Managers packets, prior to the board meeting. A roll call of votes was taken, with Mr. Elden Elseth, Mr. Loren Zutz and Mr. Ben Kleinwachter voting yes; Mr. Arlyn Stroble, Mr. Alvin Nybladh, Mr. John W Nelson and Mr. Doug Sorenson voting no. Motion failed.

The financial report was reviewed and filed for audit purposes.

Motion by Mr. Elden Elseth, seconded by Mr. Loren Zutz that that the payments for the attorney bills be voted on separately from the other bills. Motion failed.

A discussion was held on the payment of the State Auditor's bill on copies of employee payroll checks obtained from the Office of the State Auditor.

Mr. Loren Zutz requested to see a few of the copies of the payroll checks. The District's legal council advised Mr. Loren Zutz that the documents are not public data.

Motion by Mr. Arlyn Stroble, seconded by Mr. John W Nelson that the following bills be paid: from the Administrative funds: that payroll checks numbered 4697 through 4710 inclusive for a total of \$14,632.37 and checks numbered 13751 through 13793 inclusive, including the service charge for a total of \$50,009.28; from the Project funds that checks numbered 1459 through 1466 inclusive for a total of \$14,917.42; and from the Ditch Funds that checks numbered 2250 through 2252 inclusive for a total of \$2,816.50, with the District employees to reimburse the District for the copy fees charged by the Office of the State Auditor. Motion carried, with Mr. Elden Elseth and Mr. Loren Zutz voting no.

Rick St. Germain and Mark Aanenson, Houston Engineering, presented a PowerPoint presentation and provided a discussion regarding the updated Overall Plan of the District.

Brian Dwight with the Board of Soil and Water Resources stated that he has set aside funding to assist the District in preparing the updated Overall Plan, and that he would help prepare a letter requesting qualified firms to provide a detailed Scope of Service document for preparation of the District's Overall Plan.

Rick St. Germain and Mark Aanenson left the meeting at approximately 5:30 p.m.

Joe Martin, of Brady Martz and Associates, presented the Board the 2007 draft audit report.

Mr. Doug Sorenson stated that any questions regarding the 2007 Audit be put in writing and directed to Joe Martin of Brady Martz and Associates. The final 2007 audit report will be presented at the June 16, 2008 regular meeting of the Board.

APPROVED (June 16, 2008)

Motion by Mr. John W Nelson, seconded by Mr. Alvin Nybladh to accept the 2007 draft audit report prepared by Brady Martz and Associates. Motion unanimously carried.

Joe Martin left the meeting at approximately 6:00 p.m.

Paul Wannarka, Minnesota Department of Natural Resources Red River Basin Coordinator introduced himself to the Board.

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

1. Permit (08-015) be issued to Brad Johnson to lower a 15" culvert, in the SE4 SE4 of section 6 of Oak Park (Strip) Township, provided the District set the grade and that a functioning trap is maintained.

Motion carried, with John W Nelson abstaining.

Motion by Mr. Arlyn Stroble, seconded by Mr. Loren Zutz that the following permit be issued:

2. Permit (08-016) be issued to the Marshall County Highway Department to replace a 36" culvert with a 36" CMP, on the north side of CSAH #4, in the SW4 SW4 of section 7 of Bloomer, at the established grade.

Motion unanimously carried.

A discussion was held regarding the formation of a permit committee. No action was taken.

Ron Adrian, Houston Engineering, presented a power point presentation on the areas benefited by Watershed Ditch #7.

Motion by Mr. Alvin Nybladh, seconded by Mr. Elden Elseth that a hearing on the Petition for the Removal of Properties from the benefited area of Watershed Ditch #7 be scheduled for July 24, 2008 at 7:00 p.m., at the Oslo Community Center, and that notice of said hearing be sent to the affected property owners and said notice be published for 3 weeks in the Crookston Times and the Warren Sheaf. Motion unanimously carried.

A discussion was held concerning the Petition of Dennis Mack to add lands in section 36 of Higdem Township to the benefited area of Judicial Ditch #68.

Motion by Mr. Elden Elseth, seconded by Mr. John W Nelson that a hearing be held on the Petition of Dennis Mack to add lands from section 36 of Higdem Township, to the benefited area of Judicial Ditch #68 be scheduled for July 22, 2008, at 7:00 p.m., at the Community Center in Oslo, Minnesota, and that notice

APPROVED (June 16, 2008)

of said hearing be sent to the individuals benefited by Judicial Ditch #68 and that publication be given for 3 weeks in the Crookston Times and the Warren Sheaf. Motion unanimously carried.

Nick Drees gave a brief update on the Agassiz Valley Water Resource Management Project. He stated the District is awaiting the Dam Safety Permit from the Minnesota Department of Natural Resources; that the site showing of Phase 1 is scheduled for May 21, 2008, at 1:00 p.m.; and that the bid opening for Phase 1 will be held on May 29, 2008, at 1:00 p.m., at the District office.

A letter from David Jadeke withdrawing his bid for Parcel #3, for the rental of the lands of the Agassiz Valley Water Resource Management Project was distributed.

Mr. Loren Zutz stated that he does not have a conflict of interest on this matter, and recommended offering Parcel #3 to John Copp, the next apparent high bidder.

Motion by Mr. Arlyn Stroble, seconded by Mr. John W Nelson that the District reject all bids for the rental of the land of Parcel #3 of the Agassiz Valley Water Resource Management Project, and that the District maintain the lands by spraying. A roll call of votes was taken with Mr. Loren Zutz, Mr. Elden Elseth and Mr. Ben Kleinwachter voting no, Mr. John W Nelson, Mr. Alvin Nybladh, Mr. Arlyn Stroble and Mr. Doug Sorenson voting yes. Motion carried.

Nick Drees reported that it appears that there will be no State bonding money available at this time for the purchase of lands for the Angus/Brandt site and that the purchase option with Alice Stancyk has expired.

Nate Dalager, HDR Engineering, stated that the preliminary Engineer's Report for the Angus/Brandt project has been put on hold awaiting Board direction. He said finishing the plan and doing the soil borings would be a logical spot to stop. He also stated that a Project Acceleration Grant from the Flood Damage Reduction Work Group could be requested.

Motion by Mr. Arlyn Stroble, seconded by Mr. John W Nelson that Nate Dalager complete the Preliminary Engineer's Report, soil borings, and request a Project Acceleration Grant for the Flood Damage Reduction Work Group. Motion unanimously carried.

It was the consensus of the Board that the Option to Purchase properties from Alice Stancyk for the Angus/Brandt project not be extended.

Nate Dalager left the meeting at approximately 7:53 p.m.

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

APPROVED (June 16, 2008)

Nick Drees reported that the Red River Watershed Management Board would like the District to participate in a surface water assessment program. He stated the Red River Watershed Management Board would reimburse the District for expenses incurred up to \$7,872.00.

Motion by Mr. Ben Kleinwachter, seconded by Mr. Alvin Nybladh that the Chairman be directed to sign on behalf of the District, the Surface Water Assessment Grant (SWAG) Agreement, with the Red River Watershed Management Board with reimbursement of expenses not to exceed \$7,872.00. Motion unanimously carried.

It was reported that the next Red River Watershed Management Board meeting is scheduled for May 20, 2008 at the Wild Rice Watershed District in Ada, Minnesota; and the June 17, 2008 meeting will be held at the Bois de Sioux Watershed District. No activity report of the District was distributed.

Jeff Hane gave a brief update on the pending Manager's suit. He also reported that the District court returned the order in favor of the District, regarding the Jim Stengrim SLAPP matter and that he received word that the Attorney for Jim Stengrim is appealing the court's order on the Agassiz Valley Water Resource Management Project; that the trial with Drewes, Inc is scheduled for the first week of June; and that depositions are set for June 9th and June 10th and the 18th and 20th of June on the PL-566 Riley case.

Mr. Loren Zutz stated he has a lot of questions regarding the litigation Committee. He stated he will not take responsibility or be liable for any actions taken by the litigation committee.

Nick Drees reported that the Equipment Rental proposals for the 2008 construction season were publicly opened at 1:00 p.m., on May 19, 2008.

Nick Drees reported that he had met with the architectural firm of Widseth, Smith and Nolting to assess the remodeling of the District office.

Motion by Mr. Ben Kleinwachter, seconded by Mr. Arlyn Stroble that the District sign the agreement with Widseth, Smith and Nolting to assess remodeling the District office, up to \$3000.00. Motion unanimously carried.

Nick Drees gave an update on the construction status of the farmstead ring dikes. The Teigen/Rustad ring dike is completed with seeding remaining; The Pribula ring dike is nearing completion and the Abbey ring dike is awaiting the contractor to start.

Nick Drees stated that the ring dike of Myron Larson would need to be advertised for bids as the cost will approach \$100,000. With favorable bids, the District

Regular Meeting Minutes

May 19, 2008

Page-6

APPROVED (June 16, 2008)

may be able to construct the ring dike with the remaining Farmstead Ring Dike Grant Agreement funds.

The next permit meeting was scheduled for June 2, 2008, at 4:00 p.m. and the regular meeting was scheduled for June 16, 2008, at 4:00 p.m.

Motion by Mr. Arlyn Stroble, seconded by Mr. John W Nelson that the meeting be adjourned. Motion unanimously carried.

The meeting was adjourned at approximately 8:43 p.m.

Connie Kalinowski
Recording Secretary

Ben Kleinwachter
Secretary