

**APPROVED (as corrected Sept 3, 2013)
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. AUGUST 19, 2013**

The meeting was called to order by President Roger Hille. Managers John W Nelson, David Bakke, Doug Sorenson, Roger Hille, and Alvin Nybladh were present. Manager Ben Kleinwachter and Marvin Hedlund were not present. Nick Drees, Danny Omdahl, Ron Sorvig, Heidi Hughes, Rolland Miller, were also present.

In the absence of Connie Kujawa, Danny Omdahl assumed the duties of Recording Secretary.

Motion by Mr. Alvin Nybladh, seconded by Mr. John W Nelson that the agenda be accepted, as amended. Motion unanimously carried.

Motion by Mr. Doug Sorenson, seconded by Mr. David Bakke that the minutes of the August 5, 2013 meeting be approved, as presented. Motion unanimously carried.

Marvin Hedlund, Ben Kleinwachter, Eric Johnson and Jim Johnson joined the meeting at approximately 4:10 p.m.

The financial report was reviewed and filed for audit purposes.

Motion by Mr. Alvin Nybladh, seconded by Mr. David Bakke that the following bills be paid: from the Administrative funds: that payroll checks numbered 5525-5536 inclusive for a total of \$17,758.27; from the Administrative funds that checks numbered 15850 thru 15888 inclusive, for a total of \$24,968.26; from the Project funds that checks numbered 2285 thru 2298 inclusive for a total of \$428,566.01; from the Ditch funds that checks numbered 2651 thru 2655 inclusive for a total of \$41,219.25. Motion unanimously carried.

By unanimous consent the meeting recessed at approximately 4:15 p.m., for the Hearing on the 2014 Proposed Budget.

Motion by Mr. Doug Sorenson, seconded by Mr. Marvin Hedlund that the proposed budget be adjusted to include raising the Judicial Ditch #20 2014 Levy from 0.05% to 1.0% to reflect increased expenses. Motion unanimously carried.

Motion by Mr. Alvin Nybladh, seconded by Mr. David Bakke that the following resolution adopting the 2014 Budget and Levies be approved, with the addition of 1.0% Levy increase for Judicial Ditch #20.

RESOLUTION ADOPTING BUDGET & LEVIES

1) the 2014 Administrative Funds Budget be set at:

Building Maintenance	5,000	Miscellaneous	1,000
Utilities	5,500	Insurance	15,000
Supplies/Equipment	24,000	Legal/Professional/Administrative Services/Outreach	75,000

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Telephone	4,000	Managers Per Diem & Expenses	20,000
Publication & Printing	5,000	Association Dues	2,000
Postage	2,000	Employee Mileage & Expenses	2,000
Employee Payroll & Fringes	274,000	Vehicle Expenses	15,000
USGS Stream Gage & Cost Share	8,500	Project Construction	50,000
Property Taxes	40,000	Stream Maintenance	3,500
		Total	551,500
		Less Estimated Project Expenses (1)	301,600
		Net Administrative Fund Budget	249,900

2) that the Secretary certify to the Auditors of Marshall, Polk, Pennington, Kittson and Roseau Counties an Administrative Fund Levy of **\$249,900**.

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

Motion by Mr. Ben Kleinwachter, seconded by Mr. John W Nelson that the Secretary certify to the Auditors of Marshall, Polk and Pennington Counties the levies for the repair and maintenance of the Ditch funds, and the Snake River PL-566 Project as listed:

<u>Drainage System No</u>	<u>Percent (Benefits)</u>	<u>Levy Projected Receipts</u>
JD #1		
Marshall	1.00%	4,970
Polk	4.00%	126,750
WD #2		
Marshall	0.00%	0
SD #3		
Marshall	5.00%	4,920
WD #4		
Marshall	0.00%	0
Polk	0.00%	0
WD #5		
Polk	.50%	12,840
BRF	5.519%	141,740
WD #6		
Polk	1.00%	19,400
BRF	4.69%	90,990
WD #7		
Marshall	4.00%	12,180
Polk	2.00%	680
WD #7-Imp		
Marshall	0.00%	0
Polk	5.00%	2,710
JD #14		
Marshall	25.00%	11,230
Pennington	25.00%	5,090
JD #15		
Marshall	1.00%	15,350
JD #16		
Marshall	2.00%	18,580
JD #17		
Marshall	0.00%	0

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Polk	0.25%	1,560
JD #20		
Marshall	1.00%	23,540
JD #21		
Marshall	0.00%	0
JD #24		
Marshall	0.00%	0
Polk	0.00%	0
JD #25-I		
Marshall	22.00%	3,780
Polk	10.00%	3,220
JD #25-II		
Marshall	1.00%	700
Polk	.50%	2,140
Pennington	0.00%	0
JD #28		
Marshall	5.00%	2,800
JD #29		
Marshall	1.00%	22,370
CD #39		
Marshall	1.00%	1,250
CD #39 Improvement		
Marshall	3.00%	3,250
CD #43		
Polk	2.00%	23,520
CD #44		
Polk	1.00%	10,010
JD #68		
Polk	0.00%	0
JD #75		
Polk	.50%	18,260
BRF	0.00%	0
CD #175		
Polk	0.50%	5,900
PL 566 (lien)		
Marshall	0.307%	35,720
PL 566 (maint)		
Marshall	0.150%	17,480
PL 566 (operation)		
Marshall	0.029%	3,380

Motion unanimously carried.

The following permit was unanimously tabled for more information:

1. Permit (13-066) Angus Twp to install a culvert (TBD) in a dry crossing in the east ditch at the NW NW of Sec 6, Angus Township. (Motion John W Nelson, second Doug Sorenson)

The following permits were unanimously approved:

2. Permit (13-080) Dave Lind to raise the cartway from MN Trunk Hwy #220 to the east edge of the evergreen trees on the north side of the cartway not to exceed 815.0', to construct a spillway commencing from the east edge of the evergreen trees 400' east at an elevation not to exceed 814.8', from there to raise the cartway to an elevation not

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to exceed 815.0' to extend to the west end of the east 80, in the SW4 of section 17 Sandsville Township. (Motion Ben Kleinwachter, second Alvin Nybladh)

Mr. John W Nelson left the meeting.

3. Permit (13-070) Steven Moen to remove an 18" cement culvert & replace with an 18" x 60', same elevation, SW4, Sec 24, Higdem Twp. (Motion Ben Kleinwachter, seconded David Bakke)

4. Permit (13-071) Jarod Peterson to install an 18" culvert and header ditch, E of SW4 & SE4 line, to drain southerly into JD #16, Sec 30, Warrenton Twp. (Motion Marvin Hedlund, seconded Ben Kleinwachter)

5. Permit (13-072) Lind Brothers to install 80 ac drain tile; 1/4" drainage coefficient, 50' spacing, and tie into an existing 7.5 HP (1250 GPM) VFD pump, E2 SE4, Sec 27, Higdem Twp upon the condition that no pumping take place during freezing of flooding conditions, the outlet is ripped, Geotextile fabric is used and the outlet is visibly marked. (Motion Alvin Nybladh, seconded Marvin Hedlund)

6. Permit (13-074) Marvin Hedlund to install an additional 5 HP VFD pump along side an existing 10 HP VFD pump, N2 Sec 31, Sandsville Twp. upon the condition that no pumping take place during freezing of flooding conditions, the outlet is ripped, Geotextile fabric is used and the outlet is visibly marked. (Motion David Bakke, seconded Alvin Nybladh) Marvin Hedlund abstaining

7. Permit (13-075) Marvin Hedlund to lower a 24" culvert by 13" & add 20ft; lower a 24" culvert in twp road ditch, clean & regrade in S road ditch to the W, middle of Sec 26.; NW4 Sec 25 & NE4 Sec 26, Higdem Twp. (Motion Alvin Nybladh, second Doug Sorenson) Marvin Hedlund abstaining.

8. Permit (13-076) Marvin Hedlund to remove 18" culvert & reset grade; add 20 ft & regrade S to twp road ditch E, with culvert thru twp road, NE4, Sec 18, Sandsville Twp. (Motion Ben Kleinwachter, second David Bakke) Marvin Hedlund abstaining.

9. Permit (13-077) Marvin Hedlund to move 18" culvert 30 ft W & add 30 ft, same grade; clean twp road ditch to coulee, SE4, Sec 7, Sandsville Twp. (Motion Alvin Nybladh, second Doug Sorenson) Marvin Hedlund abstaining.

10. Permit (13-078) Marvin Hedlund to replace crossing (60' x 18") & clean twp road ditch to grade with culvert in the NW corner of the field, NE4 & NW4, Sec 31, Sandsville Twp. (Motion Ben Kleinwachter, second Alvin Nybladh) Marvin Hedlund abstaining.

11. Permit (13-079) (Administratively Approved) Michael Erickson to widen existing crossing; install culvert (TBD), same grade; NW4, Sec 9, Northland Twp.

12. Permit (13-081) Mark Yutrzenka to install 60 ac drain tile; coefficient of 1/4", 80 ft spacing, connected to gravity outlet in N end, W2 E2, Sec 31, McCrea Township upon the condition that an easement be attained with the District, that the tile be installed no closer than 30' from District property; the outlet is ripped and Geotextile fabric used; an outlet control valve is installed with the District to be able to operate the valve, no outletting to take place during flooding conditions. (Motion Ben Kleinwachter, second David Bakke)

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The following permit was unanimously denied, due to concerns of water flowing West in to the North Hwy #1 road ditch and downstream property owners inability to movw the bottom and side slopes of ditch:

13. Permit (13-073) Mike Bienek to install 80 ac drain tile, 1/4" coefficient, 70' spacing, connect to 5 HP (900 GPM) VFD pump, SE4, Sec 32, McCrea Twp. (Motion Doug Sorenson, second David Bakke, with Roger Hille abstaining.

There were no updates of Communications or DPA's.

Nick Drees reported:

1. The status of Judicial Ditch #20 road sloughing was discussed; Vega Township Chairman Harlan Boman discussed costs and procedures with the Board
2. Updated the Board on Judicial Ditch #14 Redetermination of Benefits. Ron Adrian reported land ownership details are still underway.
3. That the Judicial Ditch #1 resloping bid documents have been advertised.

Nick Drees reported:

1. Agassiz Valley: The Corps of Engineers Protected Waters permit has not been issued; a discussion of land requirement for excavation and spoil leveling took place; that the Northwest Minnesota Foundation will enter into a Memorandum of Understanding (MOU) with the District concerning Conservation Reserve Program.

Motion by Mr. Doug Sorenson, seconded by Mr. Alvin Nybladh for the Administrator to sign the MOU Agreement with the Northwest Minnesota Foundation. Motion carried unanimously.

Heidi Hughes discussed progress towards the Audubon's CRP contract, the design of a visitor's center and birding trail.

2. Brandt Angus Coulee: Nate Dalager with HDR Engineering updated the Board on the MN DNR Dam Safety Report; the District has recorded the WRP boundaries with Polk County; Payment in Lieu of Taxes checks for Brandt Township and Polk County have been issued and will be forwarded to Polk County.

Nick Drees reported he will attend the next Red River Watershed Management Board Meeting in Ada, scheduled for August 20, 2013.

The Marshall County manager appointment process was discussed; that the District's auditor recommended a Designated Fund Balance Policy be adopted by the Board.

Motion by Mr. Marvin Hedlund, seconded by Mr. Alvin Nybladh to approve the Designated Fund Balance Policy, as follows:

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FUND BALANCE POLICY

I. PURPOSE

The purpose of this policy is to establish specific guidelines the MSTRWD will use to classify fund balances into categories based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in these funds can be spent.

II. CLASSIFICATION OF FUND BALANCE/PROCEDURES

1. Nonspendable
 - consists of amounts that are not in spendable form, such as inventory and prepaid items.
2. Restricted
 - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.
3. Committed
 - consists of internally imposed constraints. These constraints are established by the Board of Managers.
4. Assigned
 - consists of internally imposed constraints. These constraints reflect specific purpose for which it is the District's intended use. These constraints are established by the Board of Managers and/or management.
5. Unassigned
 - Is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to first use restricted resources, and then use unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the District's policy to use resources in the following order; 1) committed, 2) assigned and 3) unassigned.

Motion unanimously carried.

Nick Drees and Danny Omdahl discussed the status of the Public Access Policy; the Board approved access to the Brandt Angus Coulee Project.

At approximately 7:56 p.m. attorney Vraa was recognized. Attorney Vraa appeared by telephone. Ms. Vraa stated that this agenda item involved discussing legal strategies and legal issues on actual litigation, namely the appeal from the redetermination of

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benefits for Judicial Ditch 25-1 by 11 landowners, in the lawsuit entitled Loren Zutz et al v. Middle-Snake-Tamarac Rivers Watershed District, Drainage Authority for Judicial Ditch 25-1, Consolidated Court File No: 45-CV-12-442 and the discussion required absolute confidentiality between her and her clients, and that a frank discussion would be impossible in an open meeting setting. Therefore, Ms. Vraa recommended closing the meeting under Minn. Stat. section 13D.05, subd. 3(b).

Mr. David Bakke moved to close the meeting, Mr. Ben Kleinwachter seconded, and the managers voted to close the meeting. Motion unanimously carried.

At approximately 8:25 p.m., on a motion by Mr. Ben Kleinwachter, seconded by Mr. Alvin Nybladh that the meeting be reopened. Motion carried unanimously.

By unanimous consent, the meeting was adjourned at approximately 8:26 p.m.

Danny Omdahl
Recording Secretary

Marvin Hedlund
Secretary