

APPROVED (June 16, 2008)
SPECIAL MEETING OF THE BOARD OF MANAGERS OF THE
MIDDLE- SNAKE-TAMARAC RIVERS WATERSHED DISTRICT
HELD AT 453 NORTH MCKINLEY STREET, WARREN, MN
8:00 A.M. JUNE 6, 2008

The meeting was called to order by President Doug Sorenson. Managers John W Nelson, Doug Sorenson, Alvin Nybladh, Ben Kleinwachter, Loren Zutz, Arlyn Stroble and Elden Elseth were present. Nick Drees, Connie Kalinowski, Ronald J Adrian, Wallace Diedrich, and Jeff Hane were also present.

Wallace Diedrich taped the meeting with two recorders.

Motion by Mr. John W Nelson, seconded by Mr. Alvin Nybladh, 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.

Mr. Elden Elseth requested a copy of the Findings and Fact of the Agassiz Valley Water Resource Management Project. A copy was furnished to him.

Mr. Loren Zutz asked if the court case with Drewes, held this week, could be added to the agenda or if the meeting is strictly for the Agassiz Valley Water Resource Management Project.

Mr. Elden Elseth sought clarification on whether a public hearing needed to be held to accept the bids and award the contract and if the final hearing will ever be reconvened.

Mr. Jeff Hane provided an explanation to Mr. Elden Elseth.

Mr. Elden Elseth wished to add to the agenda funding of Agassiz Valley Water Resource Management Project.

Nick Drees explained the percentage of funding being provided by the State of Minnesota, Red River Watershed Management Board and from the District project funds for the Agassiz Valley Water Resource Management Project.

Mr. Loren Zutz asked Mr. Hane, if he, Mr. Zutz, wished to address the funding of the Agassiz Valley Water Resource Management Project if that would be a breach of the Settlement Agreement.

Motion by Mr. Elden Elseth, seconded by Mr. Loren Zutz to amend the agenda to include the source of funding of the Agassiz Valley Water Resource Management Project. Motion failed.

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Motion by Mr. Arlyn Stroble, seconded by Mr. John W Nelson to accept the agenda as presented. Motion carried, with Mr. Loren Zutz and Mr. Elden Elseth voting no.

Motion by Mr. Arlyn Stroble, seconded by Mr. Alvin Nybladh that the following resolution to accept and award to the lowest responsible bidder the contract for the Agassiz Valley Water Resource Management Project:

WHEREAS, Minnesota Statutes Section 103D.605 provides Watershed Districts authority to establish projects to be constructed within the watershed district under an agreement between the managers and the state or federal government and the cost of the project is to be paid for in whole or in part by the state or federal government, but the rights-of-way and the cost of the project are assumed by the watershed district as well as projects identified in the District's Water Management Plan; and

WHEREAS, upon unanimous resolution of the Managers, the Managers initiated the Agassiz Valley Water Management Project; and

WHEREAS, at a public hearing, the Managers established the Agassiz Valley Water Management Project; and

WHEREAS, after appeals were filed and heard by the District Court, upon settlement of all claims and appeals, the District Court affirmed the establishment of the Agassiz Valley Water Management Project, and

WHEREAS, Minnesota Statutes Section 103D.335 grants to the Managers the power to incur obligations, to enter into construction contracts and to perform all acts expressly authorized, and all other acts necessary and proper for the watershed district to carry out and exercise the powers expressly vested in it; and

WHEREAS, the managers recessed the final hearing on the Agassiz Valley Water Management Project to receive construction bids; and

WHEREAS, the managers duly advertised the Agassiz Valley Water Management Project for bids with an engineer's estimate of \$4,574,500, and

WHEREAS, pursuant to advertisement for bids for the Agassiz Valley Water Management Project bids were received, opened and tabulated according to law, and the bids listed on attachment A to this resolution were received, and

WHEREAS, the Zavoral Construction, having bid the amount of \$3,806,623.78, is the lowest responsible bidder;

NOW THEREFORE, the Managers resolve as follows:

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1. The administrator is hereby authorized to enter into a contract with Zavoral Construction for the Agassiz Valley Water Management Project according to the plans and specifications therefore approved by the managers and on file in the Board of Managers;
2. The administrator is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

Motion unanimously carried.

Mr. Loren Zutz requested to receive a copy of the plans and specifications of the Agassiz Valley Water Resource Management Project. Copies were provided to him.

Mr. Doug Sorenson distributed the dam safety permit received from Kent Lokkesmoe, Director of the Minnesota Department of Natural Resources, for the Agassiz Valley Water Resource Management Project.

Motion by Mr. Ben Kleinwachter, seconded by Mr. John W Nelson that Nick Drees, on behalf of the District, be appointed the Contracting Officer for the Agassiz Valley Water Resource Management Project. A roll call of votes was taken, with Mr. Ben Kleinwachter, Mr. Arlyn Stroble, Mr. Alvin Nybladh, and Mr. John W Nelson voting yes, and Mr. Loren Zutz and Mr. Elden Elseth abstaining, citing litigation concerns.

Mr. Doug Sorenson distributed a memo from Pat Lynch stating that the original Flood Damage Reduction Grant Agreement with the State of Minnesota will be amended to include an additional \$3 million for the Agassiz Valley Water Resource Management Project.

Motion by Mr. John W Nelson, seconded by Mr. Arlyn Stroble that Nick Drees be authorized to sign the amended Flood Damage Reduction Grant Agreement, with the additional \$3 million, from the State of Minnesota. Motion unanimously carried.

Nick Drees reported that the Red River Watershed Management Board has committed to the funding of the Agassiz Valley Water Resource Management Project.

Motion by Mr. John W Nelson, seconded by Mr. Ben Kleinwachter that Nick Drees be authorized to sign the loan agreement with the Red River Watershed Management Board for the Agassiz Valley Water Resource Management Project, subject to approval by the District's legal council. Motion unanimously carried.

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The next regular meeting of the Board of Managers will be held on June 16, 2008, at 4:00 p.m., at the District office.

Motion by Mr. Arlyn Stroble, seconded by Mr. Alvin Nybladh that the meeting be adjourned. Motion unanimously carried.

The meeting was adjourned at approximately 8:55 a.m.

Connie Kalinowski
Recording Secretary

Ben Kleinwachter
Secretary