The Board of Managers, Buffalo-Red River Watershed District (BRRWD), held their annual meeting on Monday, January 9, 2012, at 7:00 PM in the Barnesville office. BRRWD Managers present were Gerald L. VanAmburg, Roger G. Ellefson, Curtis M. Nelson, John E. Hanson, and Breanna L. Paradeis Kobiela. Others attending included: Bruce E. Albright, BRRWD Administrator, Erik S. Jones, Engineer, and Julie Jerger, Resident Secretary, Houston Engineering, Inc. (H.E.).

Chairman VanAmburg called the meeting to order at 7:00 PM. He announced that the proceedings were being recorded to aid in preparation of the minutes.

Secretary's Report. The Board reviewed draft minutes for the 10/24/11 regular meeting. Nelson had a correction regarding a reference to the handicap accessibility of the current office. Motion by Paradeis Kobiela to approve the minutes, subject to correction. Seconded by Hanson. Approved.

Treasurer's Report. The Board reviewed the year-end financial reports, the current 2012 monthly statements, and the year-end transactions, which include interest allocation and account transfers. Albright reported that the accounts are all in order and ready for the 2011 audit. The office is putting together the 2011 W-2/1099 tax information for Salber & Associates Tax Office. The Board also reviewed the Accounts Receivable Summary. Albright reported that 2006 Federal Emergency Management Agency (FEMA) account has been finalized. He explained the funding/interest allocations to the various project/ditch accounts. Albright also explained the allocations for the BRRWD 2011 ditch/spraying costs. We currently have $895,587.58 cash on hand. We received a total of $2,089,003.84 since 1/01/12 from the Minnesota Department of Natural Resources (DNR) for Project No. 49, Oakport Flood Mitigation ($1,571,000.01), Project No. 39, Georgetown Levee Improvement ($428,479.29), Project No. 65, County Line Outlet ($62,321.57), and Project No. 68, Lake Jacobs Outlet ($26,977.97). The office also completed and filed the Federal Annual Financial Survey Census Report. The Board discussed updating methods for preparing financial reports. Motion by Paradeis Kobiela to approve the Treasurer's Report and the year-end account transfers. Seconded by Ellefson. Approved.

Other business brought before the Board included:

Permit No. 11-149, Spring Prairie Colony. Joe Wipf, Spring Prairie Colony, plans to discuss his proposed tiling project in Sections 2, 7, and 12, Deerhorn Township, Wilkin County, with the neighboring landowner.

2012 Permits. Albright noted that we have received a few permit applications for 2012, primarily for tiling projects. The Board discussed the issue of tiling companies doing work without the landowners obtaining permits. The office will send a letter about the BRRWD's tiling regulations to area tiling companies. Motion by Hanson to send the referenced notices. Seconded by Nelson. Approved.

Tom Trosvik Tiling. On 11/22/11, the office sent a certified letter to Tom Trosvik ordering him to complete work by 11/28/11 to reroute his tiling project in Section 32, Norwegian Grove Township, Otter Tail County. Trosvik's 2010 project routed water onto his downstream neighbor, Orrin Sorum, who had concerns about the tiling project’s impact on his property. The Board suggested a new route for the tiling
last summer, which would outlet the water north along 110th AVE for approximately 1,300' to a natural waterway on Sorum's property. To date, Trosvik has not contacted Sorum and has not completed the work.

**Norby Diking Complaint.** Manager VanAmburg still plans to contact Norby regarding his alleged diking project along the Buffalo River in Section 22, Kragnes Township, Clay County.

**Minch Mediation.** Based on attorney/client privilege, and in accordance with Open Meeting Law, the Board went into closed session at 7:35 PM to discuss the status of this issue. At 7:38 PM, the Board reopened the meeting.

**H.E. Permit Data Management Proposal.** The Board reviewed H.E.’s proposal to provide customized permit management software to update the BRRWD permit file management. The Board discussed how Rice Creek Watershed District has utilized this software. Albright will contact Brian Fischer, H.E., to set up a demonstration of the software for the Managers.

**Project No. 72, Wilkin County Ditch No. 22-Later 3 Improvement.** Jones filed the Preliminary Engineer's Report for the Board's review. Motion by Ellefon to accept the Preliminary Engineer's Report. Seconded by Hanson. Approved. The next step will be for the BRRWD to schedule the Preliminary Hearing.

**Project No. 71, Moorhead 50th AVE S Flood Control.** Wade Opsahl is working with the Viewers to prepare their Report.

**Project No. 70, Crystal Creek.** Wade Opsahl is working with the Viewers to prepare their Report. The Board discussed possible assessments. The Board still needs to hold the project hearing.

**Project No. 69, Lake Alfred.** The landowners would like to put this project on hold to see if the wet cycle continues this summer.

**Project No. 68, Lake Jacobs Outlet.** Albright reported that the project was operational on 12/22/11. Jones estimated that the lake is down about 1' in 11 days. He expects the elevation to be lowered about 2' by the end of the month. The target elevation is approximately 1307 to 1308. The final pipe installation will be completed next spring. H.E. submitted Pay Request No. 2 for Johnson Excavation for $35,773.05, and Change Order No. 1 for $5,834.00. Motion by Hanson to approve the referenced pay request/change order. Seconded by Paradeis Kobiela. Approved. The Final Hearing could be held this winter.

The Board discussed the Lake Annie project. Some landowners have contacted the office regarding the project status. The Minnesota Department of Transportation (MNDOT) would be the party to promote project development since they would have the most benefits/Trunk Highway (T.H.) No. 108.

**Project No. 67, HRBP Outlets.** The Board discussed a landowner's concerns about Pete Lake's elevation and his proposal to dike the outlet. A meeting will be held this winter to discuss a target elevation for the project. Opsahl is working with the Appraisers to finalize their Report. Albright discussed project costs and funding.

**Project No. 66, Tansem/Ranum Lakes Outlet.** We received the Department of Employment and Economic Development (DEED) funds from the Wild Rice Watershed District (WRWD) that Wynn Consulting inadvertently sent to them for the Hersch buyout. Albright will prepare a final billing for Wynn Consulting and follow up with Tim Magnusson regarding the DNR billing. The Hersches are still renting the house. Demolition will be scheduled this summer.
Project No. 65, County Line Outlet. Jeff Bjornson will need a culvert for a crossing to access his property on the north side of the project. H.E. will coordinate that work this summer. The Appraisers are working on their Report.

Project No. 64, LaBelle/Boyer Lake Outlets. MNDOT has asked for information regarding the project costs. The BRRWD would like to schedule a meeting with the agencies regarding shoreline restoration.

Project No. 61, Clay County Ditch No. 11. The Board discussed possible attorneys who could represent the BRRWD in our effort to recover payment from John Leseth for his share of the cost to install access culverts for his former farmstead.

Project No. 56, Manston Slough Restoration. The Board discussed possible 75% funding from the Reinvest In Minnesota (RIM) program and the Wetlands Reserve Program (WRP) for the natural resource enhancement (nre) project features. We still need approximately $650,000. Albright thought we should be notified regarding the status of the funding by the end of the week. The Appraisers' Report has been filed. The Board discussed the status of the easement acquisitions. Today, Albright called the landowners who still haven't signed their easement/options. The Board discussed the landowners’ concerns.

Project No. 50, Cromwell Township Outlet. Albright sent Lorilee Petermann her revised easement for rerouting the project access across her property. Her additional payment is $1,250.

Project 49, Oakport Flood Mitigation. Albright will forward the revised cost estimate to complete the rest of the project from Ulteig Engineers, Inc. (UEI) to Pat Lynch, Financial Coordinator, DNR, and Kent Lokkesmoe, Director of Capital Investment, DNR.

H.E. submitted Pay Request No. 1 to for LTP Enterprises, Inc. ($7,760) for sealing 12 wells and Pay Request No. 2 for Master Construction, Inc., for demolition work ($65,112.50). Motion by Nelson to approve the referenced pay requests. Seconded by Paradeis Kobiela. Approved.

Albright informed our insurance company that several of the buyout properties we had insured have been sold, and the insurance coverage can be dropped.

Project No. 39, Georgetown Levee Improvement. Albright had a conference call with Rick St. Germain and Gabe Bladow, H.E., regarding the project. They estimate that the easement options could be ready to distribute later this month. Albright also discussed John David Lee’s easement. A buyout has been scheduled for the end of February. The Board discussed the easement acquisition process. Albright noted that the DNR billing is current.

Project No. 38, Ringdike. The Board discussed the final 2011 billings, which have been sent to the respective landowners.

Project No. 32, Hawley EDA Diversion. The Board has agreed to revise the cost share agreement to include four parties instead of five, as the project contractor, Sellin Brothers, Inc., decided not to participate in the cost share agreement. The Board plans to hire an independent contractor to repair the deteriorated 60” dia. pipe. Albright thought we could be ready to hold the Final Hearing for the redetermination of benefits this winter.

Project No. 19, Becker County Ditch No. 21. The Board authorized H.E. to apply for a DNR permit to clean the Buffalo River downstream of Becker County Ditch No. 21 outlet. Jones is working on the application. The Board discussed what would be involved with a larger project to clean the river in this area, which is DNR protected waters.
Mediation Project Team (PT). The next PT meeting is scheduled for Thursday, January 19, 2012, at 1:30 PM, MSUM Science Center.

Watershed District Enlargement. The Minnesota Board of Water and Soil Resources (BWSR) will schedule the hearing on the enlargement petition next month.

New Administrative Assistant. The Board went into closed session at 8:45 PM to discuss the secretarial applicant interviews and possible salary/benefits. The Board came back on record at 9:30. They appointed a committee to negotiate with the selected applicant and agreed that the BRRWD would pay 100% of the employee's health insurance with any dependents added at the employee's expense. Motion by Hanson to appoint Paradeis Kobiela and VanAmburg as the hiring committee, and to approve the Employee Handbook and the health insurance provisions, as discussed. Seconded by Ellefson. Approved.

Clay County Ditch No. 32. A petition has been submitted for repair of the entire ditch. Jones is analyzing the proposal, which might show that a ditch improvement project is needed. Albright suggested that we should hold an informational meeting to give the ditch system landowners a chance to review and provide input on the results of the investigation.

Hawley Buffalo River Restoration. Albright reported that the City of Hawley did not get their BWSR grant for their proposed river restoration project. Jones will prepare a Flood Damage Reduction (FDR) application for a smaller grant to provide 50% funding for the soil borings and flood control levee work. The Army Corps of Engineers (COE) is interested in this project as a possible mitigation site for the proposed Fargo-Moorhead Diversion Project.

Buffalo Total Maximum Daily Load (TMDL) Phase 2. An open house is scheduled for Tuesday, January 17, 2012, at 1:30 PM in Hildebrand Hall, Assumption Catholic Church, Barnesville. The Minnesota Pollution Control Agency (MPCA) is hosting the event, and our office will send notices.

Elkton Township Wetland Banking Investigation. Albright has prepared easement options and will be mailing them to the four participants this week. Albright has contacted Mary Poehls to discuss the project timeline information for their renter.

Wolverton Creek/Comstock Coulee Clean Water Fund (CWF). The Board discussed the project status. Jones prepared maps for distribution to the various Counties/agencies to facilitate bufferstrip easement acquisition. Albright will set up a meeting with the Grant Steering Committees. The semi-annual report is due by 2/01/12.

WRP/RIM. H.E. is working on the identification and prioritization of the WRP/RIM sites. The Board briefly discussed potential 2012 funding. Jones will make a Power Point presentation for the WRP/RIM sites we are working on at this time. The Board reviewed a handout about 2012 RIM Conservation Easement payment rates from Natural Resources Conservation Service (NRCS).

New Office. Bids for the new building will be opened on 2/09/12 in the Barnesville City Hall at 4:00 PM. Architect Margaret Follingstad, YHR Partners, will submit bid notices to various newspapers and construction publications, and she will also forward plans and specifications to a number of local contractors. The Board discussed plan revisions, including heat sources.

Project No. 49, Oakport Flood Mitigation. Opsahl will file the revised Appraisers' Report with the Clay County Auditor. Albright observed that once the project is completed, the BRRWD might need to conduct a redetermination of benefits.
Aquatic Invasive Species (AIS) Workshop. An AIS workshop will be held on Saturday, January 14, 2012, from 9:00 AM to Noon in Detroit Lakes. The BRRWD is a $200 sponsor for this event. The Board discussed who would be able to attend. There is also an opportunity to display the BRRWD booth. Albright will have the booth materials available for Justin Johnson, H.E., to set up.

BWSR Performance Review and Assistance Program (PRAP). The Board discussed completing and reviewing the PRAP questionnaire at their next meeting.

Buffalo River Log Jams. Gust Johanson submitted a cost estimate of $5,000 for two log jam sites along the Buffalo River south of Moorhead. Johanson will need to obtain permission to enter the site from the affected landowners. **Motion** by Nelson to accept Johanson's bid and approve the work. **Seconded** by Hanson. **Approved.**


Chris Yoder Seminar. Van Amburg provided information about a seminar on a fish assessment for the Red River of the North to be held on January 25, 2012, at 10:00 AM at North Dakota State University.

River Keepers Update. Albright distributed the River Keepers' November/December staff report for the Board's review.

Project No. 14, Clay County Ditch No. 10. A number of ditch system landowners submitted a repair petition was for County Ditch No. 10. **Motion** by Ellefson to authorize H.E to conduct a repair investigation. **Seconded** by Paradeis Kobiela. **Approved.**

COE Fargo Moorhead Diversion. The Board discussed the DNR's concerns regarding the COE's Environmental Impact Statement (EIS). Albright thought that a meeting of the participating agencies and local governments should be held to discuss the EIS issues.

NRCS EQIP Statues. Albright reported that NRCS is working on their new statutes regarding Environmental Quality Incentives Program (EQIP) funding allocation for impaired waters. He forwarded a map of the BRRWD's impaired waters to the NRCS.

Barnesville River Watch. Nate Strand, Barnesville River Watch Advisor, sent a thank you note to the BRRWD for our support of the River Watch program.

2012 BRRWD Annual Meeting.

**Election of 2012 Officers.** Chairman VanAmburg called for nominations for Board officers. **Motion** by Hanson to reelect the current officers. **Seconded** by Paradeis Kobiela. **Approved.** The BRRWD officers for 2012 will be as follows: Chairman-Gerald VanAmburg, Vice Chairman-Paradeis Kobiela, Treasurer-Curtis Nelson, and Secretary-John Hanson.

**Appointment of 2012 Consultants.** The Board discussed 2012 consultant appointments. Harold Rotunda, Certified Public Accountant (CPA), submitted a letter of agreement regarding his services to conduct the 2011 audit. He indicated that the fee for his services would increase to $2,100. The Board also discussed Lobbyist Joel Carlson's contract for $850/month, which is on a 2-year basis, and will be reviewed in 2013. Vogel Law Firm also submitted a proposal for 2012 legal consultant with a small fee increase.
Jones presented H.E.’s 2012 proposal for engineering services. He noted that H.E. is looking at restructuring staff workloads in light of the new BRRWD secretarial hiring. The individual H.E. staff members will remain the same. The fee schedule reflects about a 3% increase. Nelson noted that Jeff LeDoux, President, CEO, H.E., plans to meet with the Board on January 23, 2012, to discuss improving office efficiency. The Board had an extended discussion regarding possible changes to office operations to reduce administration costs. The Board discussed raising the BRRWD’s Administrative levy, currently capped at $250,000. **Motion** by Hanson to work with our Legislators and Lobbyist to seek an increase for the BRRWD’s Administrative levy cap to the same level as Sauk River Watershed District. **Seconded** by Paradeis Kobiela. **Approved.**

Nelson suggested that the Board delay review of H.E.’s proposal until after the meeting with LeDoux. Van Amburg felt that H.E.’s proposal should be approved tonight, as the meeting with LeDoux would be only about office operations. Nelson questioned if the BRRWD would still have to use H.E. staff if we choose to hire our own field technician. Albright pointed out that the staff listed on the proposal is on an as needed basis. **Motion** by Ellefson to appoint H.E. as the BRRWD’s 2012 engineering consultant; Joel Carlson as the BRRWD Lobbyist; Vogel Law Firm as the 2012 legal consultant on an as needed basis at the BRRWD’s discretion; and to hire Harold Rotunda to complete the 2011 audit. **Seconded** by Hanson. **Approved.**

### 2012 Financial Designation

**Motion** by Nelson to designate Wells Fargo Bank and Midwest Bank, Barnesville, as the official 2012 BRRWD depositories, subject to the use of any other depositories within the District as needed throughout the year, provided they are FDIC insured, and to hire Salber and Associates, Inc. to prepare the 2012 W-2s and 1099s. **Seconded** by Paradeis Kobiela. **Approved.**

The following bills were presented for approval:

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<th>Accounts Payable</th>
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<th>Account</th>
<th>Amount</th>
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<tr>
<td>Assumption Catholic Church</td>
<td>Hildebrand Hall rental</td>
<td>Buffalo TMDL Phase 2</td>
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<td>Breanna Paradeis Kobiela</td>
<td>#1133, 11/01/11-12/31/11</td>
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<td>Bruce E. Albright</td>
<td>250 laser checks</td>
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<td>Bruce E. Albright</td>
<td>Reimburse for Labor Posters</td>
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<td>Gerald L. VanAmburg</td>
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<td>H.E.</td>
<td>December billing summary</td>
<td>Varies-see attached</td>
<td>$102,783.47</td>
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<td>IRS</td>
<td>4th Qtr. Form 941 taxes</td>
<td>Admin</td>
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<td>Jason Rick</td>
<td>December snow removal</td>
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<td>John E. Hanson</td>
<td>Voucher #1130, 11/11-12/31/11</td>
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<td>Johnson Excavation</td>
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<td>Pj. 68, Lake Jacobs</td>
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<td>LTP Enterprises, Inc.</td>
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<td>Pj. 49, Oakport</td>
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<td>#181, beaver dam removal</td>
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<td>RMB Laboratories, Inc.</td>
<td>#162158, IWI analysis</td>
<td>Buffalo TMDL Phase 2</td>
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<td>Roger Lundberg</td>
<td>12/30/11 beaver control</td>
<td>Clay 31, Pj's. 8/16, Becker 15/19, Wilkin 43</td>
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Motion by Nelson to approve the bills. Seconded by Ellefson. Approved.

Next Meeting. The next regular meeting will be held on Monday, January 23, 2012, at 7:00 PM.

Adjournment. Chairman VanAmburg adjourned the meeting at 10:40 PM.

Respectfully submitted,

John E. Hanson, Secretary