



Minnesota River Board

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<http://www.minnesotariver.org>
<http://mrbd.mnsu.edu>

Date: Monday, November 20, 2006

Time: 8:00 a.m.-9:00 a.m. Executive Committee
9:00 a.m. - noon Full Board

Location: Sibley County Courthouse, Lower Level
Gaylord, MN

William Stangler
Chairperson
Le Sueur County
31925 Cedar Lane
St. Peter, MN 56082
507-931-1219

Judy Hanson
First Vice-Chair
Nicollet County
39384 403rd Avenue
St. Peter, MN 56082
507-246-5388

Harold Solem
Second Vice-Chair
Lac qui Parle County
2225 - 361st Avenue
Montevideo, MN 56265
320-769-2063

Charlie Woehler
Treasurer
Sibley County
20191 425th Avenue
Arlington, MN 55307

John Schueller
Secretary
Redwood County
29157-250th Street
Wabasso, MN 56293

Harlan Madsen
Ex-Officio
Kandiyohi County

James Ische
Ex-Officio
Carver County

Shannon Fisher
Director
507-389-5491
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Diane K. Wiley
Assistant Director
507-351-8751
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FULL BOARD AGENDA

1. **Call Meeting to Order** William Stangler
2. **Roll Call**
3. **Approval of Agenda**
4. **Agency, Citizen, City, County, Watershed Updates**
5. **Minutes**
September 18, 2006 Executive Committee Full Board Vote
September 18, 2006 Full Board Accept Approve
6. **Financials**
Financial Report Approve
7. **Director's Update** Shannon Fisher
Water Resources Center Update
Ditch Task Force
Clean Water Legacy Act (CWLA) Update
People and Places
8. **New Business**
Election Results
9. **Continuing Business**
MRB
- Stationary
- Dues
- Meeting Dates/Annual Conference
Schmidt Foundation Update
Nutrient Trading Tom Green, Ag Flex
MN River Summit (January 2007)
- Attendance
- Sponsorship
10. **Adjourn** William Stangler

Next MRB Full Board Meeting Date is: January 22, 2007
Chippewa County Courthouse
Montevideo, MN

MINNESOTA RIVER BOARD

Executive Committee Meeting

Unapproved Minutes: September 18, 2006
Chippewa County Courthouse, Board Room
Gaylord, MN
8:00 a.m. – 9:00 a.m.

Present: William Stangler, Judy Hanson, Harold Solem, Charlie Woehler and John Schueller.
Director – Dr. Shannon Fisher; Asst. Director – Diane Wiley
Lori Nelson and Scott Sparlin, Friends of the Minnesota Valley

Call to Order: Chair William Stangler called the meeting to order at 8:03 a.m.

Agenda: The agenda was approved by general consensus.

Minutes: John Schueller suggested the Executive Committee minutes be more generic about re-joining and the Executive Committee concurred. There was a question on p. 19 of the board packet about the Indirect Charges * under the MSU/WRC Expenses. It should read as Indirect Charges **. John Schueller made a motion to approve the July 17, 2006 Executive Committee minutes with that change being made and Harold Solem seconded the motion. All in favor; motion carried.

Financials: The only invoice to pay is Deb's Dining for providing refreshments at this meeting. Harold Solem made a motion to accept the financial report and Charlie Woehler seconded the motion. All in favor; motion carried. The financial report will be submitted to the Full Board for approval.

Director Update: Director Fisher has a lengthy update but he will try to keep it brief.

Communications Coordinator: The new position of communications coordinator was offered to Scott Kudelka and he accepted the offer. Scott has worked within the Minnesota River basin for some time. He has worked in Lac qui Parle and Chippewa watersheds; he knows the history of the basin and has a communications background. This position is funded by The McKnight Foundation grant applied for by the Minnesota River Watershed Alliance.

Clean Water Legacy Act (CWLA) Basin Meeting: The MRB, along with BWSR and MPCA, sponsored a one-day workshop in Redwood Falls to disseminate information on the Clean Water Legacy Act. County staff, water planners and watershed coordinators were targeted to attend this event. One of the outcomes was a coordinated effort on projects submitted for funding. Applicants for funding are SWCDs, counties, districts and joint powers boards. John Schueller and Director Fisher are still in the running for the Clean Water Legacy Council. Both were asked to provide additional information, and neither has heard anything further.

New Business:

Schmidt Foundation: Director Fisher and Lori Nelson, Friends of the MN River Valley, had submitted a proposal to Xcel Energy but it was declined. The proposal was to fund CREP Acreage and Xcel declined due to the focus on land acquisition. This proposal will also be submitted to the Schmidt Foundation. The MRB was to submit the proposal but is not a 501c3 organization. With approval from the MRB, Friends of the Minnesota River Valley will submit the proposal and list the MRB as a partner. BWSR will not open up the CREP program unless there is \$500,000 available. All monies have to be garnered by October 31, 2007 for this project. The Executive Committee agreed to ask for 1 ½ million dollars from the Schmidt Foundation. There is no option of going back a second year to ask for support. To complete the additional CREP acreage the estimated cost is 7 million dollars. The communications coordinator will be working on approaching other organizations for the remaining funding to reach this goal.

CWLA Projects: Director Fisher will talk about the submittals during the full board meeting.

MRB Membership Update: All the information in this board packet went to all 47 counties. A couple counties that had withdrawn in the past have discussed becoming members again. In the interim they will send delegates to the MRB meetings. Director Fisher is working with county staff of withdrawn counties, too. One metropolitan county has indicated MPCA is strongly encouraging them to continue supporting the MRB.

Miscellaneous: There was a suggestion to have a link on the MRB website to the Star Tribune and to the Lower Minnesota River Watershed District (Terry Schwalbe). The Tribune has written recent articles on the Minnesota River. Judy Hanson will attend the Minnesota River Summit planning meetings if Katy Wortel is unable to make the meetings.

Adjourn: The meeting adjourned at 9:03 a.m.

Respectfully Submitted:

Diane K. Wiley

Assistant Director

Minnesota River Board

Full Board Meeting

Unapproved Minutes: September 18, 2006

Chippewa County Courthouse, Montevideo, MN

PRESENT – BOARD MEMBERS: Howard Janssen, Big Stone; Katy Wortel, Blue Earth; Jim Dahlvang, Chippewa; John Oeltjenbruns, Cottonwood; Thomas Egan, Dakota; William Groskreutz, Jr., Faribault; Ellen Sones, Hennepin representative; Harold Solem, Lac qui Parle; William Stangler, Le Sueur; Ray Bayerl, McLeod; Judy Hanson, Nicollet; Jeannie Olson, Pope; John Schueller, Redwood; Jerry Hennen, Scott; Charles Woehler, Sibley; Wendell Armstrong, Waseca; and John Berg, Watonwan.

Shannon Fisher, Director and Diane Wiley, Assistant Director of Water Resources Center, MSU Mankato.

PRESENT – WATERSHEDS: Kylene Olson, Chippewa Watershed Project; Mary Homan, Lac qui Parle-Yellow Bank Watershed Project; Kerry Netzke, Area II; Terry Schwalbe, Lower Minnesota River Watershed District; Lori Nelson, Friends of the Minnesota Valley; Patrick Moore, CURE; Scott Sparlin, CCMR & Friends of the Minnesota Valley, Don Oerter, John Boulton, and Delmar Mamer, Yellow Medicine River Watershed District.

PRESENT – STATE AGENCIES: Jack Frost, Met Council; Mark Jacobs and Forrest Peterson, MPCA; and Jeff Nielsen, BWSR.

PRESENT – GUESTS: none

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1. **Call to Order:** Chair William Stangler called the meeting to order at 9:07 a.m.
 2. **Roll Call:** Seventeen (17) counties were present, enough for a quorum.
 3. **Approval of Agenda:** A motion to approve the agenda was made by Jeanne Olson and seconded by Tom Egan. All in favor; motion carried.
 4. **Agency, Citizen, County and Watershed Updates:**
 - CCMR – Friends of the MN Valley –Scott Sparlin: Scott will talk later in the agenda about the Schmidt Foundation. Approximately 4,000-5,000 people attended the celebration at New Ulm over the Labor Day weekend.
 - Friends of the MN Valley –Lori Nelson: Friends received a grant from Xcel Energy for water runoff reduction activities. The MRB helped Friends spearhead this activity several years ago; Lori thanked the MRB. Invitations will be sent out to attend the Friends annual dinner, to be held on October 25, 2006.
 - MPCA – Mark Jacobs: There was a fecal TMDL meeting for the Chippewa River last Thursday. Blue Earth is getting ready for turbidity TMDL, with 18 reaches underway. EPA is accepting applications for grants, and David Johnson is the main contact. MPCA has been working extensively with the Clean Water Legacy Act and is accepting applications for TMDLs.
 - Lac qui Parle-Yellow Bank Watershed Project – Mary Homan: She is working on a low dissolved oxygen plan with MPCA and Booz Allen Hamilton, a leading global consulting firm. The challenge now is selling it to the public.
 - AREA II – Kerry Netzke: They are involved in a busy fall construction.
 - CURE – Patrick Moore: All are invited to take part in a bus tour October 6, 2006. In working with legislature and tourism they highlight businesses being built around nature which they call a 'green route' in the upper Minnesota River watershed. The green route links all businesses and historical societies. Tours are growing in history, bird watching and personally-owned businesses. There is no charge for the tour; he is asking interested people to sign up quickly. The tour begins near Chaska at the Arboretum, traveling to Morgan Creek Vineyard, New Ulm, Harkins Store, Morton, Granite Falls and Moon Stone Farm (grass-based farming). On the opinion page of the Star Tribune is a look at Lake Pepin and the phosphorus loading. The relationship with federal farm policy and water quality will be discussed. This is a first in newspapers to have such a focus and it is an opportunity to have a dialog discussing our issues.

Met Council - Jack Frost: Jack provided a handout describing the low flow activities on the Minnesota and Mississippi Rivers. For more information about their efforts go to the website:
<http://metro council.org/directions/water/water2006/lowwater.htm>.

BWSR- Jeff Nielsen: BWSR is getting input from various stakeholders and then seeing if there is any legislative action that can be taken.

Chippewa Watershed Project - Kylene Olson: A public informational meeting on fecal TMDL was held in Glenwood. The plan was submitted to EPA for approval and for public comment. She hoped it would be approved soon. They are in the last round of funding for loan interest money in all the counties within the Chippewa Watershed Project. Criteria are the applicant cannot be behind in taxes and that the loan can't exceed the value of the property. There is only 3% interest on the loan and it is part of the Clean Water Program through MPCA. Hawk Creek also obtained substantial loan dollars for septs, too. Some watersheds don't pursue the loans because they can't get anyone to apply for the loans. Property transfer instigates upgrading. The loan money can be accessed for buffers on lakes. Chippewa will be submitting a proposal to the CWLC. Construction will soon begin at the cemetery.

5. Approval of Minutes: Katy Wortel made a motion to approve the Full Board meeting minutes of July 17, 2006 and accept the Executive Committee meeting minutes of July 17, 2006. Jerry Hennen seconded the motion. All in favor; motion approved.

6. Approval of Minutes and Financials: Katy Wortel made a motion to approve the financial report and Jeanne Olson seconded the motion. All in favor; motion carried.

7. Director's Update:

Minnesota River Watershed Alliance: A proposal for a communications coordinator was written with Friends of the Minnesota Valley and submitted to The McKnight Foundation. Eight applicants were interviewed and Scott Kudelka was hired. The coordinator will have more of an educational role and this is a good opportunity for him. He will start on September 27, 2006, with the Water Resources Center overseeing and managing the contract.

Ditch Stakeholder Update: In the metropolitan area some ditches previously used for agriculture are being proposed for abandonment. What does that mean to agricultural producers in the head waters? Recommendations will be proposed for drainage modernization records. Key components will guide drainage management. The proposal is on the table to open 103 and make changes. Many diverse groups are involved in drainage management and all are afraid of opening that statute for changes. The fear is that the changes made will not be the ones that should be changed. Additional language will be added that should be beneficial to all. Rick Hanson started this stakeholder task force which involves a large network of organizations so that there is 'buy-in.'

Shannon was asked if there is any where the minutes of these meetings are posted. Al Kean has been producing minutes and distributing it to members. Shannon will inform this group that the MRB is interested in reading the minutes. The facilitator of these meetings is BWSR since funding was allocated for BWSR to complete a ditch survey. That survey was done a year ago but there was a desire by all to continue meeting even though there was no additional funding. Bullet points are clarity on using ditch maintenance funds, what is eligible for ditch maintenance funds, use of a piggyback program funding to keep costs down for land owners, additional options for counties to put buffers on rather than going through full ditch re-determination. There is an issue on how buffered lands are taxed. Conservation acreage should be taxed low. Land sold for recreational use has been selling at a premium and affecting acreage values. Legislature should set tax values so recreational land does not affect the value of agricultural land. Shannon will be attending another meeting in November and he feels this group will continue to meet on a bi-monthly basis.

Clean Water Legacy Update: There is approximately \$24-25 million allocated to the Clean Water Legacy Act. Proposals are accepted during September. The MRB hosted a half-day workshop on August 10th to answer questions on what the priorities are, where the money would probably be allocated and what coordinated efforts or partnerships could be formed. Doug Thomas of BWSR, Larry Gunderson of MPCA and Department of Agriculture assisted. Approximately 75-80 people attended. It is estimate that there will be between \$100-200 million worth of proposals submitted. The benefit for the Minnesota River basin is substantial. Already there are several approved TMDL plans and several close to being approved.

Strategic Plan Update: The Strategic Plan was approved at the last meeting. A final version was sent to delegates and alternates, and is also posted on the MRB web site. Director Fisher handed out an update on work plan items and their status. Areas in progress include how the Board can better serve, compiling a listing of pre-2006 resolutions with summary, developing official MRB stationery, and completing a presentation on the value of the MRB. Director

Fisher asked if the materials sent out in a previous packet were helpful. Commissioner Egan said they were well received. This packet will be distributed to water planners and coordinators. The summary pointers will also be posted on the web site.

People and Places: Preparing the summary and the Strategic Plan took the majority of his time. He has also been fielding a number of questions. Lyon County requested Director Fisher to talk to their board. He has classes on Tuesdays and asked Harold Solem to speak to the Lyon County board. Lyon County commissioners wanted to know what plans the MRB had for the short-term and future. They will consider re-joining, and will send a representative to future MRB meetings. Traverse and Lincoln counties are also discussing re-joining. Director Fisher is working with staff from Renville County. He sent out an invitation to withdrawn counties asking them to re-join. John Bolton suggested that the MRB invite someone from the SWCD or watershed coordinator to talk to abdicated counties. The dues are a pittance to what those counties could gain by being members.

The Clean Water Legacy Act provided an opportunity for Director Fisher to interact with watershed coordinators. He discussed with them how the Board could coordinate partnering. The majority of the coordinators view the MRB's new actions as positive. The Board is involved in nine grant applications submitted to the CLWC.

A Communications Coordinator has been hired and is funded by a McKnight Foundation grant with the Minnesota River Watershed Alliance. Scott Kudelka will be starting in a couple weeks; he has worked at Sibley County on the Rush River-High Island TMDLs. Scott will be working out of the Water Resources Center office at Minnesota State University Mankato.

Director Fisher continues to attend ditch stakeholder meetings.

A Minnesota River Summit will be held on January 10-11th in New Ulm. Approximately 180 participants will be selected to represent the diversity of people working on water quality in the basin. MPCA has hired a consulting team to facilitate the discussion with recommendations and action items resulting. Scott Sparlin informed the Board there will be a request for future priority actions. Past accomplishments will go into a comprehensive document that will show the public what has been accomplished over the last 10-15 years. The history, both positive and challenging, will set the tone for the Summit. Director Fisher urged those who receive the request to fill out the form and return it as soon as possible. The forms will be mailed out in the near future.

Director Fisher attended the Lower Minnesota River Watershed District's boat tour. The day was warm but rainy. There were 125 people in attendance. Terry apologized that not everyone received an invitation; staff were invited first because of the technical topic. Those attending discussed how the Minnesota River is affecting Lake Pepin and what possible steps can be implemented.

There was a Minnesota River conference in Duluth last week which Director Fisher attended. The MRB is partners in a nutrient trading grant with AgFlex, receiving \$20,000/year. Tom Greene from AgFlex will be attending the November meeting to talk more about the BMP challenge. Farmers who are lowering or modifying agricultural practices work with insurance companies. Insurance monies will pay the difference between the normal crop average and what the actual crop produces. There are successes in Ohio and Illinois. AgFlex has requested full day seminars to be set up. The MRB will assist in setting up these seminars and help with training. There will be three people training others. A request was made to have a seminar in conjunction with the Summit but that may not be workable.

7. New Business:

The Charles and Verna Schmidt Foundation Proposal—The headquarters are in Rochester but Charles and Verna lived near St. Peter. Upon their death the foundation was established and with approximately \$2.2 million granted each year. Their mission is conservation and protection of sensitive habitat. A grant application will be submitted to the Schmidt Foundation by Friends of the Minnesota Valley for the MRB and the Minnesota River Watershed Alliance (MinnRivWA). The MRB and the MinnRivWA cannot apply since they are not 501c3 organizations. Friends of the Minnesota Valley have accountants to handle finances and will partner with the MRB. MinnRivWA's first action is to obtain funding for an additional 15,000 acres of sensitive land within the Minnesota River basin under the current CREP agreement with the federal government. Originally 200,000 acres were requested but only 100,000 was possible due to limited funding from the state. Maximum dollars to be raised is seven million, to be matched by the federal government (\$14 million) for a total of \$21 million. October 2007 is the deadline to raise the necessary funding. There are people waiting to enroll in the program. BWSR needs at least \$500,000 before opening up CREP. If funding falls short the money raised can be used in other programs such as RIM. Anyone can donate to the program. As soon as Scott Kudelka begins work he will be contacting groups and citizens. The projects needs anchor funding to get it started and for some organizations to take notice. Gambling organizations will be targeted, as well as

going into public schools to talk to students. Contributions by individuals should not be underestimated. Tom Egan made a motion to have Friends of the Minnesota Valley submit a grant application asking for \$1.5 million to fund additional Minnesota River CREP acreage. Bill Groskreutz, Jr. seconded the motion. All in favor; motion approved.

MRB Membership Update- Director Fisher asked if there were any problems with counties in approving the dues request. No one indicated a problem. There has been a dramatic change since Shannon was hired and the MRB thanked him for his efforts on their behalf. On page 20 of the board packet are the supplemental dues that will be asked for 2007. Invoicing will be done in early December, 2006.

8. Continuing Business:

Funding Opportunities- Clean Water Legacy Act- The MRB is dealing with three different granting opportunities: 319 grants, Clean Water Legacy and two EPA proposals. MRB is partnering with Mills-Loons-Crystal. They are also partnering with Middle Minnesota (Kevin Kuehner) and Renville County. Although Renville County is not part of the MRB Director Fisher determined it was important to bring in septic money and technical assistance to this area. He is anticipating that more partnering with the withdrawn counties will demonstrate the value of the MRB. If good work relations are established the staff will relay that back to their commissioners and membership to the MRB may be re-evaluated. The MRB concurred and encouraged Director Fisher to continue working with all counties. The US Geological Survey (USGS) and BWSR are also involved in partnerships. USGS will evaluate CREP implementation. There are substantial amount of easements in place and the effectiveness is being monitored. Storm water management is a major project for Friends of the Minnesota Valley and they continue to expand the project. A couple years ago the MRB partnered and assisted them with the initial storm water runoff project.

Two EPA proposals have been submitted. Keiser and AgFlex are pursuing more money through EPA. One is for building capacity in basin to develop models for identifying road blocks. Why or why not actions are implemented and getting the work done. The process includes system dynamics modeling that helps us resolve issues and complement science. As part of the grant, people will be trained to collect the information, interpret it and get results.

The MRB has submitted nine CWLA proposals ranging from city to federal. Many groups excluded from CWLA money are approaching the MRB to partner and submit a proposal on their behalf.

MN River Summit (January 2007) - Planning Committee and MRB Representation. Director Fisher has been asked by MPCA if there is any commissioner interested in serving on this committee. Meetings are being held once a month, usually in the New Ulm area. Katy Wortel volunteered. Due to the broad range of partners working on the Minnesota River there will be an invitation sent to selected individuals. The MRB will be asked at the next meeting to designate representatives to attend the Summit.

Scheduled Meetings - the MRB meetings have been held alternately in Montevideo and Gaylord. The Board voted to have two meetings in alternate locations starting in 2007. These two meetings could include going out and viewing projects. Director Fisher asked for the Board to start thinking about where they would like to hold these two meetings. Tom Egan indicated he would talk to John Jaschke.

9. Adjourn: Judy Hanson made a motion to adjourn the meeting and Jeanne Olson seconded the motion. Meeting adjourned at 11:05 a.m.

The next Full Board meeting will be held on November 20, 2006 at Sibley County Courthouse lower level, Gaylord, MN.

For the most current information, please view our web site at
<http://www.minnesotariver.org> and <http://mrbdm.mankato.mnsu.edu>.

Respectfully Submitted:

Diane K. Wiley

Assistant Director

MRB FINANCIALS
FY 2007[illegible]

MINNESOTA RIVER BOARD

Money Market: FY 2006

DATE	DESCRIPTION	COUNTY	RECONCILE	WITHDRAWAL	DEPOSIT	BALANCE
10/31/2005	Interest Payment		x		\$ 40.48	\$ 28,385.38
11/14/2005	Transfer to Checking		x	\$ 14,000.00		\$ 14,385.38
11/16/2005	MCIT Refund		x		\$ 1,167.00	\$ 15,552.38
11/30/2005	Interest Payment		x		\$ 27.36	\$ 15,579.74
12/22/2005	Interest Payment		x		\$ 19.06	\$ 15,598.80
1/23/2006	Transfer to Checking		x	\$ 1,200.00		\$ 14,398.80
1/27/2006	Transfer to Checking		x	\$ 14,000.00		\$ 398.80
1/31/2006	Interest Payment		x		\$ 15.55	\$ 414.35
1/31/2006	Service Fee		x	\$ 15.00	\$ -	\$ 399.35
2/20/2006	2006 Dues- Nicollet		x		\$ 2,000.00	\$ 2,399.35
2/24/2006	2006 Dues - Murray		x		\$ 500.00	\$ 2,899.35
2/24/2006	2006 Dues - Chippewa		x		\$ 1,050.00	\$ 3,949.35
2/24/2006	2006 Dues -Lac qui Parle		x		\$ 870.00	\$ 4,819.35
2/24/2006	2006 Dues - Le Sueur		x		\$ 1,370.00	\$ 6,189.35
2/27/2006	2006 Dues - Faribault		x		\$ 1,330.00	\$ 7,519.35
2/27/2006	2006 Dues-Hennepin		x		\$ 2,000.00	\$ 9,519.35
2/28/2006	Interest Payment		x		\$ 0.23	\$ 9,519.58
2/28/2006	Service Fee		x	\$ 15.00		\$ 9,504.58
3/3/2006	2006 Dues- Dakota		x		\$ 2,000.00	\$ 11,504.58
3/3/2006	2006 Dues-Stevens		x		\$ 800.00	\$ 12,304.58
3/6/2006	2006 Dues-Scott		x		\$ 2,000.00	\$ 14,304.58
3/6/2006	2006 Dues-Carver		x		\$ 2,000.00	\$ 16,304.58
3/6/2006	2006 Dues - Blue Earth		x		\$ 2,000.00	\$ 18,304.58
3/6/2006	2006 Dues - Ramsey		x		\$ 500.00	\$ 18,804.58
3/7/2006	2006 Dues - Brown		x		\$ 2,000.00	\$ 20,804.58
3/7/2006	2006 Dues - Redwood		x		\$ 1,390.00	\$ 22,194.58
3/15/2006	2006 Dues - Waseca		x		\$ 1,200.00	\$ 23,394.58
3/15/2006	2006 Dues - Kandiyohi		x		\$ 1,500.00	\$ 24,894.58
3/15/2006	2006 Dues - Big Stone		x		\$ 500.00	\$ 25,394.58
3/17/2006	2006 Dues - Cottonwood		x		\$ 714.00	\$ 26,108.58
3/17/2006	2006 Dues - Pope		x		\$ 950.00	\$ 27,058.58
3/27/2006	2006 Dues - Martin		x		\$ 1,390.00	\$ 28,448.58
3/27/2006	2006 Dues-Freeborn		x	\$ -	\$ 500.00	\$ 28,948.58
3/31/2006	Interest Payment		x	\$ -	\$ 26.17	\$ 28,974.75
3/31/2006	Service Fee		x	\$ 15.00	\$ -	\$ 28,959.75
4/28/2006	Interest Payment		x		\$ 44.70	\$ 29,004.45
5/1/2006	2006 Dues - McLeod		x		\$ 500.00	\$ 29,504.45
5/12/2006	Transfer to Checking		x	\$ 14,000.00	\$ -	\$ 15,504.45
5/31/2006	Interest Payment		x		\$ 30.74	\$ 15,535.19
6/26/2006	2006 Dues-Sibley		x		\$ 1,150.00	\$ 16,685.19
6/30/2006	Interest Payment		x		\$ 21.11	\$ 16,706.30
7/18/2006	Transfer to Checking		x	\$ 13,500.00		\$ 3,206.30
7/31/2006	Interest Payment		x		\$ 13.08	\$ 3,219.38
7/31/2006	Service Fee		x	\$ 15.00		\$ 3,204.38
8/31/2006	Interest Payment		x		\$ 0.68	\$ 3,205.06
8/31/2006	Service Fee		x	\$ 15.00		\$ 3,190.06
9/30/2006	Service Fee		x	\$ 15.00		\$ 3,175.06
9/30/2006	Interest Payment		x		\$ 0.65	\$ 3,175.71
10/31/2006	Interest Payment		x		\$ 0.68	\$ 3,176.39
10/31/2006	Service Fee		x	\$ 15.00		\$ 3,161.39
						\$ 3,161.39
						\$ 3,161.39



Minnesota River Board

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The Carl & Verna Schmidt Foundation
c/o Allen Anderson
PO Box 638
Rochester, MN 55903

Subject: Friends of the Minnesota Valley Proposal
October 10, 2006 meeting - Board packet material

Dear Schmidt Foundation Board Members:

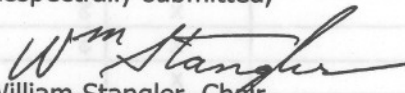
Enclosed please find a one-page summary of the Conservation Reserve Enhancement Program (CREP) initiative by the Minnesota River Watershed Alliance. Friends of the Minnesota Valley, the Minnesota River Board, Coalition for A Clean Minnesota River, Clean Up the River Environment, Minnesota Pollution Control Agency, Board of Water and Soil Resources, concerned citizens are just a few of the partners working on the goal to preserve an additional 15,000 acres of Minnesota's sensitive land.

The CREP program is relatively new – Minnesota was second in the nation selected to implement CREP. If successful, the federal government promised to match future funds. The State of Minnesota provided funding for the first match. Due to the success of this program other watersheds in Minnesota have applied for this program, and state funding is assisting those watershed in obtaining federal match money. However, the Minnesota River Basin is the largest of the basins in Minnesota, even in the United States. The Minnesota River Basin covers a more diverse range of land use and has more reaches of the river on the impaired waters list. The initial 100,000 acres set aside permanently in CREP was significant but there are many more acres that could be set aside.

Recent CREP programs have been modified and do not have permanent easements available. The Minnesota River Basin has the advantage of still being able to permanently set aside acreage and land owners actually prefer the permanent easement. There is a list of landowners waiting to be considered for enrollment in this program. The Minnesota River Board was a partner in the initial CREP program – I have enclosed the MRB's 2002 Annual Report that recounts the success. The Board has voted to promote this endeavor, asking Friends of the Minnesota Valley to submit a proposal to the Carl and Verna Schmidt Foundation for financial support of this program.

If you have any questions or concerns please let me know. I can be reached at home (507-931-1219) or via my cell phone (507-327-9896). Thank you for your consideration.

Respectfully submitted,


William Stangler, Chair
Minnesota River Board

WS:dkw

cc: MRB, Friends of the MN Valley, MN River Watershed Alliance, file
encl.

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October 26, 2006

The Carl & Verna Schmidt Foundation

P.O. Box 638

Rochester, MN 55903

Dear Board Members,

On behalf of the Minnesota River Board, Friends of the Minnesota Valley, and all the participants in the Minnesota River Watershed Alliance we thank you for the opportunity to present our proposal at the October 10th board meeting. Your questions, concerns and interest in the CREP project were very much appreciated.

We are so excited about the federal funding opportunity still available to assist in purchasing land conservation easements. Your leadership role in this project would be instrumental in highlighting CREP and attracting other donors, as well as providing the end result of improved water quality and increased wildlife habitat for generations to come.

Once again we thank you for your time and consideration of the CREP proposal.

Respectfully yours,

William Stangler

Chair

WS:dkw

Cc: Friends of the Minnesota Valley

MRB

File

Drainage Work Group Meeting Notes October 19, 2006

Attendance

Ron Ringquist, MVA; Craig Austinson, Blue Earth Co.; Gerald Amiot, MACO; Mark Nisley, Ag Policy Cmte., MN House; Bruce Kleven, Commodity Groups; Chris Radatz, MFBBF; Scott Moen, FWLA; Matt Norton, MCEA; LeAnn Buck, MASWCD; Shannon Fisher, MRB/MSUM-WRC; Larry Gunderson, MPCA; Harlan Madsen, AMC/Kandiyohi Co.; Glenn Schafer, USDA-FSA; Greg Anderson, USDA-FSA; Bob Meier, MDNR, Ray Bohn, MAWD; Warren Seykora, MAWD; Kurt Deter, Rinke-Noonan; Allan Kuseske, MADI, NFCRWD; Dan Wilkens, MADI, SHRWD, RRWMB, RRBC; Joe Martin, MDA; Thom Peterson, MFU; Doug Thomas, BWSR; Al Kean, BWSR

Handouts Prior to or During Meeting:

1. Drainage Work Group Meeting Logistics and Agenda for 10-19-06
2. Drainage Work Group Meeting Notes for 9-21-06
3. Copy of email to Greg Anderson, FSA, with questions and concerns about CRP/CCRP/CREP along public drainage ditches sent 9-26-06
4. Revised final draft of Drainage Work Group recommendations for Drainage Records Modernization topic, dated 10-13-06
5. Revised discussion paper for subtopics a), b) and c) of Enhance Authority to Establish and Maintain Buffers general topic, including draft Drainage Work Group recommendations, dated 10-13-06
6. Revised discussion paper for subtopic a) Clarify the point of beginning for measuring required grass buffer strips" of Technical general topic, including revised draft Drainage Work Group recommendations, dated 10-16-06

Introductions and Agenda Overview

People in attendance introduced themselves. Doug Thomas provided an overview of the meeting agenda and objectives. It was suggested that Dave Weirens, BWSR, attend a Drainage Work Group meeting to talk about WCA agricultural exemptions.

Review of Meeting Notes for 9-21-06

No additions or corrections requested.

Discussions about CRP Questions and Concerns

Al Kean gave an overview of several questions and concerns provided to Greg Anderson, FSA, about CRP along public drainage ditches. Greg and Glenn Schafer provided explanations of FSA policies and procedures in this regard. Points of information included:

- CRP includes 30-some conservation practices, including CP-21, Grass Filter Strip, which can be up to 120 ft. wide, if warranted for water quality, and CP-22, Riparian Buffer.
- For land along a public drainage ditch, the ditch must be a perennial or intermittent stream to be eligible for CP-21 or CP-22. FSA/NRCS typically use DNR perennial and intermittent streams GIS layer to determine eligibility.
- Eligible land must be legally able to be cropped. An existing easement that prohibits cropping would make the land under easement ineligible. A question was asked if the

103E.021 allowance for haying of required grass strips would make the associated land eligible for the cropping criteria. CRP allows managed mowing and burning, but not harvest.

- Several versions of CRP since 1985, with somewhat different criteria.
- O.K. to put a conservation easement over CRP (e.g. CREP), if CRP requirements are met.
- May need state definition of conservation easement to include 103E.021 grass strips? It was suggested that BWSR might work with FSA to help develop a CRP Technical Note about piggybacking of conservation easements on CRP lands. If a landowner were to be penalized for a 103E.021 buffer strip implemented over CRP, that would affect damages to the landowner for the 103E.021 buffer strip.
- Conservation cover disturbed or destroyed by a ditch maintenance activity must be reestablished at no cost to the USDA. Both CRP and RIM require the participating landowner to be responsible for reestablishment of disturbed or destroyed cover.
- To avoid penalties to a landowner with a CRP contract along a public drainage ditch, maintenance of a ditch must comply with the CRP permissive and restrictive use policy and procedures, which prohibit work during the nesting / brood rearing season (May 15 – August 1, in southern MN and June 1 – August 1 in northern MN). Concerns were expressed about inconsistencies of application of this policy. Greg Anderson indicated that FSA would be interested to help address any inconsistencies in FSA determinations.
- CRP conservation plan must govern during the CRP contract. An easement must be subordinate during the contract period.
- It was agreed that BWSR should work with FSA to help clarify associated policies and bring back follow up information to the Drainage Work Group.

Enhance Authority to Establish and Maintain Buffers

Al Kean overviewed the 10-13-06 discussion paper for this topic, including proposed 103E.021 Subdivision 6. Incremental implementation of vegetated ditch buffer strips and side inlet controls. DWG discussion resulted in elimination of several sentences and phrases in the draft; changing “shall” to “may” in regard to appointment of an engineer; and the addition of references to watershed districts along with auditors, where applicable.

Discussion about draft clarifications of drainage law regarding the responsibility of drainage systems to restore vegetative or structural practices disturbed or destroyed by repair projects resulted in the following key concerns and decisions. The focus of this clarification must be tailored to restoration associated with repairs, such as on CRP or conservation easement land adjacent to a public drainage ditch. The need and advisability for proposed item (5) under 103E.315, Subd. 8. Extent of damages. was questioned. Use of the word “damages” in the proposed 103E.701, Subd. 7. Restoration of a practice damaged by a repair. was also questioned. Al Kean, Kurt Deter and Ron Ringquist agreed to further discuss and revise these proposed clarifications of drainage law before the next DWG meeting.

Clarification of Point of Beginning for Measuring Required Grass Buffer Strips

Al Kean overviewed the 10-16-06 discussion paper for this topic, including sketches of a hypothetical drainage ditch over time, spoil placement, and grass strip locations for different types of proceedings, ditch side slope and spoil placement design and routine repair. Much discussion about the point of beginning of the required grass strips.

- A concern is how best to relate the grass strip easement to the existing ditch easement for reasons of compensating the landowner for the grass strip easement and creating adequate records.
- It was suggested that the point of beginning should be the crown of the spoil, so that farming was set back 1 rod from the point(s) on the cross section where the ground slopes toward the ditch.
- Not certain what the perspective of all producer groups is in this regard.
- It was suggested that drainage law should be definitive about required buffer width (1 rod, and not allow variable width defined by drainage authority).
- It was suggested that measuring a 1-rod buffer strip outward from the crown of the spoil would likely promote drainage engineers designing the crown of spoil at the top of the ditch side slope to minimize the drainage ditch easement and buffer width.
- Some concern that spoil banks should be set back from the top of the ditch side slopes and/or flatter ditch side slopes used for reasons of slope stability and reduced ditch maintenance.

BWSR offered to redraft the proposed clarifications of Section 103E.021, Subdivision 1 to reflect the suggestion to measure the required minimum 1-rod buffer strip from the top of the ditch side slope, or the crown of the spoil bank, whichever results in the greater buffer width, and provide the redraft to DWG members well before the next DWG meeting to enable further coordination by DWG members before the meeting.

Next Meeting

The regular DWG meeting date of the third Thursday is November 16. Several DWG member organizations have annual meetings in mid November and it would be good to have one more DWG meeting before then. BWSR will canvas DWG members via email and identify an alternative date for the November DWG meeting. November 13 was a potential date discussed. The MNFB conference and training room is not expected to be available.