

**Minutes of the Special Meeting of the Board of Managers
Of the Two Rivers Watershed District
Held: Wednesday, January 28, 2026 @ 3:00 p.m.**

The Board of Managers of the Two Rivers Watershed District held their special meeting beginning at 3:00 p.m. on Wednesday, January 28, 2026. The meeting was held in the District office in the Kittson County Courthouse, 410 S. 5th Street, Hallock, MN.

Managers present included President Rick Sikorski, Secretary Daryl Klegstad, Treasurer Gerald Olsonawski, Bruce Anderson, and Mark Langehaug. Vice President Roger Anderson and Manager Scott Klein were absent.

Others present included District Administrator Dan Money, District Technician Tyler Coffield, Administrative Assistant Kimberly Soberaski, Attorney Jeff Hane (Brink Lawyers), Wetland Mitigation Specialist Mark Aanenson (Houston Engineering), and Engineer Nate Dalager (HDR Engineering).

The meeting was called to order by President Sikorski.

Administrator Money discussed the purpose of the meeting, which was to discuss several matters relating to funding, planning, permitting and construction of the Klondike Clean Water Retention Project (KCWRP).

Land Exchange Update:

The proposed school trust land exchange between the TRWD and the DNR was approved by the Minnesota Land Exchange Board on December 3, 2025. Attorney Hane is working on title insurance needed to complete the paperwork process for the exchange. Another separate land exchange will need to go before the State of Minnesota Land Exchange Board because it requires Federal authorization from the United States Fish and Wildlife Service which is currently pending. Attorney Hane stated that once all paperwork is completed, President Sikorski and Secretary Klegstad will need to sign a land conveyance agreement with the DNR to complete the exchange.

WCA Permit Update:

Administrator Money discussed a letter received from the Kittson SWCD regarding an apparent permit violation under the wetland conservation act. The SWCD is asking the TRWD to submit a bond as a financial assurance the certain wetland restoration work will be completed. Mark Aanenson of Houston Engineering explained the permit that was received and the details of the required wetland replacement. He noted that according to the permit 297 acres of wetland needed to be restored and that the hydrology has currently been restored on 366 acres which is more than required. The SWCD letter focuses on a ditch that has not yet been restored, which amounts to 0.27 acres of credit.

Money noted that the issue has been discussed at a meeting with staff from both Kittson and Roseau SWCD's, MN Board of Water & Soil Resources, MN DNR, and US Army Corps of Engineers. At this meeting, it was verbally agreed that in order to mediate the matter and come to common ground, it could be settled if the TRWD submitted a sum of money to be deposited into an escrow account until such time that the 0.27 acres are mitigated by accomplishing the engineering plans for the restoration project which are on file. A dollar amount was not specified but would need to be deliberated by the SWCD board(s).

Wetland Specialist Aanenson stated the Wetland Conservation ACT (WCA) permit specifies that a mitigation site needs to be built before or during construction. Aanenson noted that in addition to restoration of hydrology on the 366 acres, the TRWD has actively prepared plans for the ditch restoration, advertised to contractors for quotes, and two quotes were received. Due to flooding on the site, quotes came in higher than 30% above the engineer's estimate, and, by law, the TRWD had to reject all quotes. The TRWD intends to re-quote this project for construction as soon as possible. Aanenson stated that because of the restoration of hydrology, he doesn't believe TRWD is in violation of the WCA permit.

Engineer Dalager arrived at 3:35 p.m.

Discussion was held regarding TRWD staff, consultants and board members attending the next SWCD board meeting on February 11, 2026, at 8:00 a.m. to further discuss the matter and try to resolve it.

Administrator Money presented an updated opinion of probable cost from Engineer Nordby in the amount of \$134,532 for wetland mitigation work. The TRWD will readvertise for quotes, send notices to contractors, and advertise hiring a contractor to complete the mitigation work. The final completion date for mitigation work is tentatively March 12, 2027, to allow for potential unforeseen circumstances that could delay construction work. This matter was tabled and will be discussed at the February 5, 2026, Regular Board Meeting of the TRWD.

DNR dam safety permit:

A letter from the Minnesota DNR regarding the pending dam safety permit was handed out and discussed. Engineer Dalager reviewed the status of the construction bid that was accepted. He stated that HDR Engineering has been working on the DNR Dam Safety Permit since 2024, and it was officially submitted in May 2025. Money reviewed the timeline for this permit application and discussed the dates that the application was submitted, dates the DNR has asked for further information, meetings that have been held with DNR and other landmarks. In September 2025 DNR had indicated a permit would be acted on between 45 and 150 days, and the TRWD expected to have the permit by the end of 2025, however it has not yet been issued. TRWD staff and consulting engineers have met with DNR, and the DNR has submitted more questions they would like answered. Staff and consultants are working to answer the questions and hopefully resolve any issues so that a permit can be approved.

Funding:

Funding sources for the KCWRP were discussed. \$1.9 million was awarded in 2021 by the Lessard Sams Outdoor Heritage Council (LSOHC) and this grant is due to expire in 2026. Another LSOHC grant for \$0.9 million was awarded in 2022 and will expire in 2027. Two Flood Hazard Mitigation grants from the DNR totaling \$0.5 million have been used, and the TRWD has been applying for additional Flood Hazard Mitigation grants. There is the potential for a bonding bill from the state in 2026, but that is yet to be determined by the Legislature. Additional funding may be available either through a federal funding program known as the Water Resources and Development Act or the Federal Economic Development Authority. Assessing outlet fees to the benefited area of SD95 was also discussed, as well as revenue generated from land leases. Discussion on various funding sources and availability was tabled to be discussed at future board meetings.

With no other matters to come before the Board of Managers, the meeting was adjourned at 4:35 p.m.

Attest:



Daryl Klegstad, Secretary



Rick Sikorski, President