



TITLE: REGULAR MONTHLY BOARD
MEETING MINUTES

DATE: SEPTEMBER 3, 2019

1. ATTENDANCE:

Vice Chairman Dan Vesledahl called the September 3, 2019 meeting to order at 8:05 AM at the District Office. Other managers present were Clayton Bartz, JJ Hamre, and Roger Hanson. Managers Absent: Stuart Christian. One staff member was present April Swenby – Administrator. Others in attendance include Jeff Langan – Houston Engineering, and Bill Downs – Landowner.

2. APPROVAL OF THE AGENDA:

A **Motion** was made by Manager Hanson to approve the agenda, **Seconded** by Manager Bartz, **Carried**.

3. MINUTES:

A **Motion** was made by Manager Bartz to approve the minutes from the August 6, 2019 meeting, **Seconded** by Manager Hamre, **Carried**.

4. BUDGET HEARING:

A **Motion** was made by Manager Bartz to recess the regular meeting at 8:30 AM and open the budget hearing, **Seconded** by Manager Hamre, **Carried**. The budget hearing was called to order at 8:31 AM by Vice Chair Dan Vesledahl. Vice Chair Vesledahl opened the hearing for discussion. The budget for 2020 was presented as follows:

Income	
HOMESTEAD/AG CREDIT (HACA)	7,000.00
INTEREST INCOME	20,000.00
TAX LEVY INCOME	<u>250,000.00</u>
Total Income	277,000.00
Expense	
WEB-SITE	600.00
PUBLICITY	1,000.00
MEETING EXPENSE	2,000.00
DUES-MEMBERSHIP	3,000.00
EDUCATION	4,000.00
PAYROLL TAXES	5,500.00
EMPLOYEE TRAVEL EXPENSES	8,000.00
BUILDING	
MAINTENCE/OCCUPANCY	10,000.00
COMPUTER EXPENSE	10,000.00
OFFICE OPERATIONS	12,000.00
FURNITURE-EQUIP	15,000.00
MANAGER EXPENSE	16,000.00
PROF SERVICES	20,000.00

CAPITAL IMPROVEMENTS	80,025.00
PAYROLL EXPENSES	<u>89,875.00</u>
Total Expense	277,000.00

Three petitions to fund basic water management, water quality and erosion, and water studies education and agency support in accordance with M.S.A. 103D.905, Subd. 3, were displayed, as well as the insurance levy.

No one came forward with any comments or questions on the budget as advertised.

A **Motion** was made by Manager Hanson to adjourn the budget hearing at 8:33 AM and reconvene the regular meeting at 8:33 AM, **Seconded** by Manager Bartz, **Carried**.

5. TREASURER'S/FINANCIAL REPORT:

A **Motion** was made by Manager Hamre to approve the administrative budget as presented during the budget hearing, **Seconded** by Manager Hanson, **Carried**.

A **Motion** was made by Manager Bartz to approve the following resolution as presented during the budget hearing, authorizing Chairman Christian to sign upon his return, **Seconded** by Manager Hanson, **Carried**.

BE IT RESOLVED by the Board of Managers of the Sand Hill River Watershed District:

WHEREAS, the Board of Managers of the Sand Hill River Watershed District have adopted budgets for 2020, said levies shall be for the year 2020 and shall be collectible with the taxes recovered in the year 2020; and said levies are all based on the 2020 taxable market values; and

WHEREAS, pursuant to Minnesota Statutes Annotated (M.S.A) Sections 103D.905, 103D.911, and 103D.915, the Board of Managers, Sand Hill River Watershed District is authorized to levy an ad valorem tax against all taxable property, in the District for various purposes; and

WHEREAS, pursuant to Minnesota statutes, published notice was given by the said Board of Managers, Sand Hill River Watershed District, for a hearing, which was held on September 3, 2019, whereby the 2020 budget of the Sand Hill River Watershed District was determined, and the said Board of Managers is legally authorized to tax the levies listed below.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Managers, Sand Hill River Watershed District:

- 1. In accordance with M.S.A. 103D.905, Subd. 3, the Sand Hill River Watershed District does hereby levy an ad valorem tax of \$250,000 to be assessed at the appropriate mill rate on all taxable property within the district. The proceeds of said levy shall be used and credited to the District's General Fund to pay for the general administrative expenses and any expenses involved in the construction and maintenance of any projects of common benefit to the District.*
- 2. In accordance with M.S.A. 466.06, the Sand Hill River Watershed District does hereby levy \$9,000 for liability and other insurances necessary to operate the Sand Hill River Watershed District.*

3. *In accordance with M.S.A. 103D.905, Subd. 3, the Sand Hill River Watershed District does hereby levy an amount not to exceed 0.00798 percent of all taxable market value (\$95,881.56) to pay the costs attributable to the basic water management features of projects initiated by petition of a political subdivision within the Watershed District. In 2020, these funds will be used for a variety of water management related efforts such as records retention and housing, project construction/maintenance, beaver control and NRE benefits.*
4. *In accordance with M.S.A. 103D.905, Subd. 3, the Sand Hill River Watershed District does hereby levy a second amount not to exceed 0.00798 percent of all taxable market value \$95,881.56) to pay the costs attributable to the basic water management features of projects initiated by petition of a political subdivision within the Watershed District. In 2020, these funds will be used for water quality and erosion efforts.*
5. *In accordance with M.S.A. 103D.905, Subd. 3, the Sand Hill River Watershed District does hereby levy a third amount not to exceed 0.00798 percent of all taxable market value (\$95,881.56) to pay the costs attributable to the basic water management features of projects initiated by petition of a political subdivision within the Watershed District. In 2020, these funds will be used for watershed studies, education and agency support.*
6. *That the Auditors of the Counties of Polk, Norman and Mahnomen shall make said levies in accordance with the provisions of the Minnesota Watershed Act, Chapter 103D, as amended. This entire levy (\$287,644.68) can be levied as one assessment, prorated per taxable market value between the three counties, and our office can do the breakdown.*

As per new MN Statute requirements, in November, an agenda item will be added for truth and taxation information, offering a second comment period.

The money market fund has been set up with Bremer. Checks and deposit tickets have been ordered and received. The Treasurer's Report has been modified to include another bank account. A letter of collateral was provided to the managers.

Swenby read the Treasurer's Report. It was noted that on the report presented, the bank statements were not received thus the bank accounts have not been reconciled. A **Motion** was made by Manager Hamre to approve the Treasurer's Report for August, pending reconciliation, **Seconded** by Manager Hanson, **Carried**.

There is a CD that is coming due in September. Swenby will solicit bids for the CD interest rate.

The managers reviewed their expense reports and reported on activities for the month. The following bills were reviewed:

Anderson, Bottrell, Sanden & Thompson	1,155.00
April J. Swenby	469.96
East Polk Soil and Water District	1,635.00
First Community Credit Union	278.32
Garden Valley Telephone Company	209.10
Heier Township	1,170.00
Houston Engineering	16,808.25
Jack Doyle	1,500.00

JC & J Trucking, Inc.	1,405.00
Minkota Technologies	396.00
Red River Insurance	295.00
Red River Watershed Mgmt Board	11,941.74
TOTAL	<u>37,263.37</u>

Additional bills that were reviewed (they came in late after the report was printed) and not listed on the bills to be paid report include:

A & S Construction	7490.00
Sarah Wise	55.00
Mahnomen Pioneer	88.00
Norman County Index	131.60
US Post Office	56.00
Wild Rice Electric	142.64
TOTAL	7,963.24

A **Motion** was made by Manager Hanson to approve and pay the bills, **Seconded** by Hamre, **Carried**.

The Audit report for 2018 was presented and reviewed. A **Motion** was made by Manager Bartz to approve and audit report for 2018, **Seconded** by Hamre, **Carried**.

6. ENGINEER'S REPORT

City of Nielsville: Herrmann and Swenby will be meeting with Bill Brekke to review the plans.

Sand Hill River Expansion: Spruce Valley is contracted for the additional riffles. Completion date is set for November 2019.

Kittleson Creek Outlet: The original completion date is September 25. Due to supplier issues, the completion will be extended to October 25.

Sand Hill Lake Outlet: The permits are pending for the MnDNR and USACE. Larry Puchalski (Corps Regulatory) and the cultural staff will complete a field review. Nathan Olson (DNR Fisheries) has acquired access agreements with landowners (Licenses to Cross) in the construction area and has sent them to the Commissioner of Land and Minerals within the MnDNR to get final approval of those documents.

The East Polk SWCD has given written confirmation of no WCA permitting issues. The bidding schedule is subject to permitting.

Targeted Watershed Demonstration Program: The project was awarded to Wright Construction and is scheduled for completion by November 30, 2019. A landowner has requested the removal of dead falling trees in the channel, and BWSR has approved this expenditure. Negotiations are in the process with the contractor to develop a change order.

Polk County Ditch 80: The completion date is set for November 1, 2019. Liquidated damages are \$1,000 per day.

Project # 17: Herrmann is working on a recommendation for the breakout on Ditch # 9.

7. ADMINISTRATOR REPORT:

Administrator Calendar: Swenby highlighted her calendar for September.

Annual Report: The Annual Report for 2018 has been filed and recorded with the required agencies.

Vesledahl Wetland Mitigation: A tour is planned with Senator Mark Johnson and various landowners. A date has been set for September 18 with Jeff Bratager, Manager Vesledahl, Travis Fuchs, and LeRoy Johnson.

Ditch Maintenance: Swenby met with A & S Construction on August 22, 2019 for instructions for cleaning the plugged culverts on Project #17. They removed the corn stalks and hauled away. Swenby inspected it on August 29 and suggests seeding just on the stretch directly west of Highway 9, noting that Mark Stortroen and Herrmann also suggested seeding. The managers opted to have it seeded if vegetation does not recur next spring.

This fall after crops are off, JC&J Trucking is scheduled to complete ditch cleaning on Project #12 and the scour hole repair.

Swenby met with Larson Helicopters (sprays for the county, Middle Snake & Red Lake) and discussed at length his services. Owner, Mark Larson, will present to the board at an upcoming board meeting.

Administrator's Meeting: This meeting's agenda focused on the Mediation Agreement. It was suggested by an Administrator to "rebrand" the FDRWG. Many administrators felt that NRE and FDR were of equal value and both merit the same funding. It was confirmed that NRE projects, if allocated a project team, are eligible for the 50% cost share through the mediation agreement. The group also discussed the benefits for an economic study and many administrators confirmed that without economic studies controversial projects wouldn't have seen fruition.

MN Statute Training: Met with John Kolb on August 9 for almost 4 hours. A written report was provided to the managers and each line item was discussed.

Watershed Boundary – Onstad Township: MnDOT has responded regarding our request for removing the culvert near our boundary. It has been confirmed that the offtake ditch is the responsibility of MnDOT. The Red Lake Watershed District is not opposed to a replacing the ditch plug, assuming that MnDOT will maintain the offtake ditch. Swenby has asked MnDOT to apply for a RLWD permit to replace the ditch plug.

Nielsville Ring Dike: The City of Nielsville has asked for clarification regarding their cost should they proceed forward with a ring dike and asked if new census data affects their cost. I have verified that the required local match, assuming future bonding bills continue to include the rider language limiting municipalities' share, would be the number of households in a community times the median household income of the community times 0.02. Based upon current US census data, for Neilsville that would be: 42 households x \$30,833 x .02 = **\$25,900 maximum local match**. When the 2020 US census data is available, the local match number will be adjusted according to latest demographic data.

Gerald Paulson Data Request: Last month, Mr. Paulson asked the board/staff multiple questions and the written response that was distributed in August was given to the managers.

Union Lake Pumping Project: Swenby attended the Annual Meeting of the LID and provided the meeting packet to the managers. The term of Lonnie Paradis has expired, and a new chair-person will be appointed in September. The easements for Steve Ness, Jack Doyle and Anderson Trust are out for signatures. A purchase agreement has been negotiated between Prudhomes and Bryan Boll

Beaver Trapping: Beaver trapping reports are as follows:

- **Carlson Coulee:** Miller removed the beaver dam.
- **Bear Park:** A landowner in the area has asked the board to make a determination and investigate the cause of the high water in the Bear Park area. The landowner suggests removing the underwater dams east of Rindahl.

The Conservation Corp reported no dams in the stretch below Rindahl but reported multiple underwater dams. They have broken up all in channel underwater dams below Rindahl to the best of their capabilities. At previous meetings the board has decided to wait until water goes down before removing under water dams upstream of Rindahl.

It was noted by managers that at the time of this project, there was a channel. Over time, the channel has filled in with silt and sediment, likely due to overland erosion. The managers determined that an investigation as requested is not a financial responsibility of the project and determined that the high water is a result of the overland erosion and time lapse of land use in the area (natural progression of the flat area of the land), combined with weather patterns (wet year). The board will continue to be proactive at removing dams and limiting beaver activity in the area.

Beaver activity is expected to increase during the fall/lower water times. The beaver trappers have been contacted to take a tour in September to help maintain the progress that's been made on the beaver population this spring. They will continue to be proactive.

Annual Audit: Exit conversations claim that the district should consider adopting an investment policy. Swenby drafted a policy and presented it to the board. A **Motion** was made by Manager Hanson to adopt the presented policy, **Seconded** by Manager Bartz, **Carried.**

Manager Per Diem: A draft per diem policy is provided. Swenby noted that John Kolb said to be cautious with the manager per diems due to PERA requirements. Swenby investigated this with PERA, and because district managers are appointed under an elected governing body and the district managers having voting authority, managers have the choice to opt out of PERA if the annual income is more than \$5,100 per year per managers. A MOTION/SECOND is required to opt out of the Defined Contribution Plan. As appointed/elected/governing bodies, managers are not eligible for a coordinated plan. Swenby suggests asking an attorney to review the proposed policy to ensure it is compliant with statutes. A **Motion** was made by Manager Hanson to have John Kolb review the provided policy and provide a recommendation, **Seconded** by Manager Bartz, **Carried.**

Building Project Discussions: Swenby met with Tim Olson and Kevin Nephew (City Maintenance Department). Swenby informed the Advisory Committee by mail of the district status for the building project. Yergens has suggested that the board hire an engineer to do some spot elevations. A **Motion** was made by Manager Hamre to hire Houston Engineering to develop spot elevations are recommended, **Seconded** by Manager Bartz, **Carried.**

Notary: To become a notary, a \$120 non-refundable filing fee applies when you submit your application, and a \$20 fee applies when you register with your county after you receive your commission certificate, which is valid for five years. A stamp will also need to be purchased. In the past 9 months, multiple notary signatures have been required on documents for the Sand Hill River Watershed District. Manager Vesledahl questioned if district staff can notarize documents that pertain to the district. Swenby will ask about the conflict of interest with the Administrator notarizing documents that are district business.

City of Fosston: The City of Fosston is in the process of performing an environmental review to assess the environmental impacts of a proposed wastewater facility expansion project and is

seeking comments. Manager Clayton Bartz had multiple concerns regarding the influx of water and if the water goes northeast or to the south drainage ditch. The managers agreed that the project should define the outcome on down stream landowners. Swenby will work with Herrmann to provide comments.

Farmstead Ring Dike Funding: The landowner that the district had in mind for a ring dike was interested in the program. The preliminary engineering has been authorized to fill out the application. Upon investigations, it was noted that preliminary estimates are close to \$100,000. The district is conversing with the landowner to determine alternative scenarios.

8. OTHER BUSINESS

No other business was brought before the board.

Partnering agency reports was provided to the managers.

9. PERMITS:

Five permits are presented to the board. Houston Engineering has reviewed the permits.

A **Motion** was made by Manager Hanson to table permit # 2019-21, **Seconded** by Manager Bartz, **Carried**. Manager Vesledahl suggested asking Herrmann to review the ditch plug elevations in more detail and the affect of the potentially affected land and structures. Manager Vesledahl also ask for confirmation of the notification of affected landowner.

2019-21: US Fish and Wild Life, Rosebud Township, Section 24, Wetland Restoration

Permit # 2019-22 will need an operating plan. Swenby will confirm the operating plan aligns with the rules and regulations.

Herrmann made preliminary comments on permit 2019-23 stating a primary concern is that it appears to outlet through a privately-owned channel before reaching a water course and recommended that the permit conditions call for no adverse impact to adjacent property owners.

A **Motion** was made by Manager Bartz to approve the following permits, authorizing Chairman Christian to sign upon his return, with the conditions listed above for permit # 22 & # 23, **Seconded** by Manager Hanson, **Carried**.

2019-22: Earl Pederson/Pederson Bros., Bejou Township, Section 16 & 17, Install Tile

2019-23: CMBG Farms, Hubbard Township Section 23, Install Tile

2019-24: Roger Hanson, Reis Township, Section 20, Install a culvert/field crossing

2019-25: JJ Hamre, Scandia Township, Section 20, Install Culvert

Permit # 2019-14 - Landsverk: The district recently permitted and sized culverts for Polk County on Polk Ditch 176. It was noted there is a landowner/county dispute regarding the grade of the culvert installation. The managers determined that the permit that was applied for was to be set at the same grade of their replacement or the specifications of their most recent ditch proceedings. In recent conversations, it appears that the county may have lowered a culvert 1' lower than grade. Last month the managers unanimously asked Swenby to converse with the County to comply with the permit that was applied. The County was asked for more clarification regarding the culvert reported at grade set to 1' below its replacement. A letter provided from the county was attached providing explanation for the culvert grade. It was noted that the letter said South and East and it should be South and West. Discussion was held regarding whose responsibility it is to ensure that the county is following MN Statute and Ditch improvement statutes. A **Motion** was made by Manager Hanson to ask Dave Hauff to review the watershed obligations for instances such as

culvert grade based on MN Statute and our Rules and Regulations, **Seconded** by Manager Hamre, **Carried.**

To avoid this in the future, our on-line and printed permit application now asks three additional questions:

- If culvert installation is proposed, is it being placed at the same flowline of the existing channel?
- If culvert installation is proposed, does the culvert size match the in-place culvert?
- Will the project, including any area inundated as a result of the project, be located entirely on land owned or operated by the applicant?

10. **ADJOURNMENT:**

The next regular meeting will be held Tuesday, October 1, 2019 at 8 AM. As there was no further business to come before the board, a **Motion** was made by Manager Hanson to adjourn the meeting at 10:46 PM, **Seconded** by Manager Bartz, **Carried.**

April Swenby, Administrator

JJ Hamre, Secretary