



TITLE: REGULAR MONTHLY BOARD MEETING MINUTES

DATE: OCTOBER 3, 2024

1. ATTENDANCE:

Chairman Stuart Christian called the October 3, 2024, meeting to order at 8:00 AM at the District Office. Other managers attending were Don Andringa, Clayton Bartz, Craig Engelstad and Shawn Brekke. Staff members present included April Swenby – Administrator and Donna Bjerk – Administrative Assistant. Others in attendance included Zach Herrmann - Houston Engineering (remote attendance), Dave Hauff – District Attorney (remote attendance), and Lonnie Paradis – Union Lake Improvement District.

2. APPROVAL OF THE AGENDA:

A **Motion** was made by Manager Engelstad to approve the agenda with the addition of an action item for a joint funding agreement with USGS for the gage at Climax, and an agreement with Gladen Construction for the Moen Stabilization project, **Seconded** by Manager Brekke. **The Motion was carried.**

3. MINUTES:

A **Motion** was made by Manager Bartz to approve regular board of managers meeting minutes on September 5, 2024. **Seconded** by Manager Andringa. **The Motion was carried.**

4. FINANCIAL REPORT:

A **Motion** was made by Manager Brekke to approve the September treasurer’s reports as presented, Seconded by Manger Engelstad. **The Motion was carried.**

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

Anders Valley Publishing	144.89
April J. Swenby	280.51
EcoLab	57.98
Fertile Hardware Hank	7.99
First Community Credit Union	178.36
Garden Valley Telephone Company	184.14
Houston Engineering	84,372.94
Otter Tail Power Company	163.63
True North Steel	2,440.36
Wild Rice Electric	114.14
TOTAL	<u>87,944.94</u>

Swenby drew the managers attention to a billing for \$4,468.20 that was on the bills to be paid, stating that she has issued this check with a September 30 date, to align with the reimbursement process with the FDRWG, as this is a quarter 3, 2024 expenses.

Additional bills were added to the bills to be paid including Lacy Berhow for \$137.50.

A **Motion** was made by Manager Englestad to approve and pay the bills to be paid with a total of \$88,082.44, which includes Berhow’s billing, **Seconded** by Manager Andringa. **The Motion was carried.**

3. PROJECT # 27 – DISTRICT ATTORNEY:

Dave Hauff, Sand Hill River Watershed District Attorney provided alternatives and suggestions regarding the assessed area for Project #27. In June of 2024, the USLID asked Swenby to investigate inconsistencies on the assessed area, namely regarding back lots. Swenby looked through the records that the district does have (this project was transferred to the district after its establishment along with many boxes of records), and she found records showing that only shoreline lots were levied for the actual construction. She did not find records relating to the origination of how the maintenance assessments were allocated. She had no reason to believe that it would have changed for the maintenance portion. Since June she has been working with the county to research the inconsistencies with the levy. Polk County sent Swenby the parcels that are currently levied and to also send a parcel list of all lots categorized as “back lots”. A map was made with layers to depict the levy area and it highlights the inconsistencies. The map highlights the following:

1. There are shoreline lots that aren't paying the assessment.
2. There are back lots that are paying the assessment
 - a. It appears most of the back lots that are paying are lots that were subdivided out at one time since the project origination. Swenby thinks that it is possible that when they were subdivided, the back lots just assumed the same special levies as the original lots. However, there are back lots that are paying that were not subdivided out.
3. There are back lots that aren't paying, creating inconsistency.
4. There are parcels that are identified as “unimproved”, meaning they have no home or infrastructure on them, and they don't pay.
5. It is important to note that for this particular assessment, contributing lands that are not adjacent to lake have not historically paid for pumping maintenance and they did not pay for the construction of the project.

Swenby reported that this was petitioned as a MN 103D project, not a MN 103E project like she had originally understood. The district's attorney presented alternatives to the managers that meet requirements to correct the inconsistencies in the levy. Hauff described a process that begins with reopening the project. By statute, managers can determine the benefits, and he suggests the option of hiring an appraiser to assist the managers in developing a formula that is fair and equitable, based on assessed value of the lots. This will ensure that as the property values change and new structures are built the assessment for protection is assessed equitably. At the same time a process can be instituted with the county, that defines the expectation when parcels are subdivided, alleviating future issues with inconsistencies. The attorney suggests a formula and a definition that is “self-executing” in the future. When the process is complete the managers have the option to approve the consultants recommendations or modify it. The process will require a hearing and public notification. After the statutory process is complete, the Sand Hill River Watershed District board can redetermine benefits on the project. Paradis suggested that for the LID, a self-executing process was not possible, and it is their responsibility to double-check the county's assessment annually. Swenby testified that for the legal ditch systems that the watershed assesses, it is self-executing, but given Paradis's caution, she'd like to communicate with Polk County regarding back-lot subdivisions for the future first before the board makes their decision.

Swenby informed the managers that there is a property owner who is frustrated and disappointed that this is not being taken care of for the 2025 assessment. He told her that he felt that the watershed had plenty of time to correct this issue this summer. Swenby said that she had explained to him the amount of research that took place between herself and the county in July, and the research was dependent upon other partners. Placing the information on a map, so that the attorney had clear communication about what inconsistencies existed was important, but took time. Receiving the answers that the board needs was dependent upon three different entities (the county, the engineering team, and the legal team), and that all takes coordinating time and coordinating availability. Lonnie Paradis suggested that the watershed district use the same assessment that the LID uses, at least for this year to ensure that everyone is paying equitably for the next levy season. The district's attorney advised against that stating that any process to change the levy could not be completed and meet the public notice and hearing requirements by November 15. He also suggested that it would be a temporary fix and advised that it would be more cost-effective to adopt a process and assessment that would not need to be revisited annually. Paradis asked if Houston Engineering would create a map, like what the watershed developed, for the LID. Swenby asked who would incur that cost, and the managers agreed that while it is beneficial for the LID, it is also beneficial for the SHRWD to have that data/map to offer to an appraiser, should they decide to hire a consultant to help them evaluate a fair and equitable assessment formula.

The managers discussed contributing lands that contribute to the lake with runoff, ultimately adding for the need of the pump. The managers discussed the current assessment which does not include those contributing acres. Herrmann was asked to develop a map of the contributing acres, as an overlay to the current map that shows the lands that are currently being assessed.

Before the managers consider adoption of the resolution presented by the district's attorney, Manager Christian asked Swenby to contact H2Over Viewers regarding this assessed area and the correlation between the possible redetermination of the Sand Hill Ditch.

5. ADMINISTRATOR REPORT:

Project #27 Zebra Mussels The district has been proactively communicating with the MNDNR to try to find an affordable solution to the zebra mussel issue at the Union Lake pumping station. The current "slot" size on the screen at the inlet end of the pump station is 0.019" maximum opening width, which equals 482 Micrometers. Members of the LID thought the screen may have been sized for Zebra Mussels, however the MnDNR has confirmed that the slot size must be 35 Micrometers, making what is currently in place insufficient. Secondly, at the request of the LID, the District inquired about extending the inlet pipe further into the lake to sufficient depths that Zebra Mussels are no longer an issue due to prolonged cold-water temperature at deeper waters. The idea was that this may provide an option to have a longer pumping period before water temperatures would exceed 48 degrees. The MnDNR indicated that regardless of depth, water temperatures must be measured one foot below the water surface and deepening the inlet would not have any bearing on allowable pumping timeframes. When discussing costs for a new screen, Swenby reported that she found records indicating that the cost of the current screen for all materials and installation was upwards of \$471,000.

HEI has been working to locate the pump performance specifications that were included in the change orders (records show there were mechanical change orders to the original specifications and construction documents). To date, the information has not been located. The pump performance information needed to determine a feasible solution is referred to as the total dynamic head vs discharge pump relationship, which specifies the allowable resistance limits for the pump, as well as pump performance at various resistance head conditions within those limits. This information is critical because a filter screen (35 micrometers or less) will create additional resistance on the pump. This could result in reduced discharge capacity, or failure of the pump. To date, HEI has reviewed the records provided to the District when the project became a Watershed Project, requested information from the engineer of record, and worked with a pump supplier in an attempt to locate the pump performance information. An additional obstacle is that the pump manufacturer is no longer in business. HEI has been working with a company that has some familiarity with the prior manufacturer. Another consideration is the age of the pump. The current pump is about 25-years old, and wear-and-tear on the pump components could already be causing reduced performance. Paradis indicated that the pump was recently repaired, and records may be available through that effort. Paradis will check on the records from this repair and provide to the District. One option would be to send an expert to evaluate the condition of the pump and provide a recommendation if rehabilitation and/or replacement may be a recommended consideration.

Manager Engelstad brought up the idea of a pump that may have internal capabilities to meet filter requirements for Zebra Mussels. Herrmann wasn't aware of such a pump, however he will bring the idea back to HEI's pump design team to see if that may be an option, if pump replacement is required.

PEIP (Public Employees Insurance Plan) Renewal: 2025 rates were released, and rates are increasing from \$2506.04 to \$2824.98. The district pays 80%.

Project Team: Project Team Meeting is being planned for October. Herrmann is still working the assignments for presentation at the next meeting, but suggested a meeting in a couple of weeks.

1W1P Reimbursement: As the fiscal agent for the planning grant the district is working through the reconciliation of the grant with the state of Minnesota. They have asked for records from the district, and Swenby is complying with their requests. Upon completion of the audit the remaining 10% will be dispersed to cover the costs. This will clear out the following line items on the fund balance report:

- Water Management and Retention/One Watershed One Plan District
- Water Quality & Erosion/SHR Ecosystem Restoration/ SHR Ecosystem Rest PT (est. about \$15,000).

Legislative Connections: Swenby met with Mark Johnson on September 26 to talk about the upcoming district needs for the SH River Ecosystem Restoration.

MN 102 Boundary: Swenby provided a letter from Rich Sve, Vice Chair of the Board of Water and Soil Resources, regarding the approval of the Sand Hill River Watershed District and Red Lake Watershed District Boundary Change Petition. Also provided was the corresponding board order. This is considered complete, and the district can move forward with the plan solidify the boundary. Swenby will also have to update our web-site mapping system to reflect the new boundary and she has already started that process.

Swenby reviewed the agreements with the Red Lake Watershed District (RLWD) which stated that in June of 2025, the Red Lake Watershed District agreed to pay 1/2 of the field survey and hydraulic impact analysis (up to \$8,000). The total cost that the district has incurred for boundary revisions is \$21,516.29. Swenby reminded the managers that they had asked for additional investigations from HEI on this area beyond a field survey/hydraulic impact analysis, thus the additional costs. Swenby has submitted a reimbursement request to RLWD for \$3,962.81 for the RLWD share of the field survey and hydraulic impact analysis.

Progress on Ditch Inspections/Maintenance: Swenby provided the following status updates to the managers:

Project 17: The project is out for bid. Bid opening October 24.

Scandia Section 25: (State disaster declaration funds) waiting on finalized specs from HEI.

Liberty Erosion/Twp Road: (State disaster declaration funds) waiting on finalized specs from HEI.

Sand Hill Ditch – Section 23 Reis Culvert Repair: Staked and in progress. Dean Johnson was the awarded contractor. The project is complete. Houston Engineering will perform a final inspection and then Swenby will contact Dale Berhow for seeding.

Project 13 Clean out: Staked and in progress. Dean Johnson was the awarded contractor.

Project 12 Clean out: Staked and in progress. Dean Johnson was the awarded contractor.

Swenby stated that because it is looking like Scandia Section 25, Liberty Erosion Twp. Road, and the repair on 290th Avenue on Project #17 will be repaired in 2025, she has asked for an extension with HSEM for those three repairs for a completion date of December 2025. She provided the Managers the paperwork drafted for the extension request. She informed the managers that she has submitted the paperwork for a request for reimbursement from HSEM for the following for the 2023 State Disaster Declaration:

Ditch 9 – Site 1: \$18,513.68 – Section 26 Hammond Twp.

Ditch 9 – Site 2: \$11,129.55 – Section 25 Hammond Twp.

Project 20: \$6,697.88 (NE corner of Section 18, Liberty Township)

Diorama Cover: Swenby asked for suggestions from the board regarding acrylic vs. plexiglass. She asked an online company for a quote on a five-sided acrylic box that is 11” tall, 61.5” long and 25.5” wide. The acrylic was \$750 and delivery from Chicago was \$350. She thought that was too expensive for what we are looking for. Manager Engelstad suggested Dean Kronschnabel as a possible contractor to make a cover.

September Meetings: In September Swenby attended the following partnering meetings: MAWA, FDRWG Meeting, IWI, FDRWG Communications Committee, and the RRWMB meeting. Swenby provided meeting materials for the managers.

Employee Evaluations: Swenby provided employee evaluation sheets along with a copy of their comments from last year for comparison. She asked the managers to return them in November so that they are available for the Personnel Committee to review in November in preparation for employee evaluation recommendations in December.

Mn Watersheds: Swenby will be presenting alongside Houston Engineering at Mn Watersheds annual conference on the new software that was purchased and are now using for Project and Ditch Inspections and the district Permit Database. The educational topic is “Learn How Watersheds are Tackling Data Management Needs”.

MPCA Preliminary Assessment Results: On October 7, MPCA will present preliminary assessment results for all water quality and biological data collected from the watershed from 2014 through 2023. They will share assessment results for different segments of the Sand Hill River, Kittleson Creek, and other tributary or

secondary stream systems, as well as a handful of lakes including Kittleson, Union, Sarah, and a few others. Attendees will be invited to ask any questions they may have and to provide any local input or knowledge for any of the assessment results. Input will be considered for the final assessments, which will feed into the MPCA's 2026 impaired waters list and then into the MPCA's and DNR's stressor identification, WRAPS, and other related water quality reports. This meeting will be held at the district office starting at 10 AM.

Building Project: Swenby informed the managers that the addition is staked, and she was told Tim Olson was to start this week or next with the water/sewer lines. Swenby said that she has been in communication with the architect and has asked for an hourly rate for assistance needed throughout the construction, namely for periodic inspections at her request and for change orders. The board can expect a contract with an hourly rate at the November meeting.

6. ENGINEER'S REPORT

Herrmann stated that in the essence of saving time, his items were covered in Swenby's report. The managers did not have any questions for him at this time.

7. ACTION ITEMS.

December Meeting: The December meeting falls during the MN Watershed Annual Conference. A **Motion** was made by Manager Engelstad to change the December 5, 2024, regular meeting to December 12, 2024, **Seconded** by Manager Bartz. **The Motion was Carried.**

Joint Funding Agreement/Climax streamgage: The managers were provided a copy of the standard joint-funding agreement (25NTJFA0032) for the Dakota Water Science Center Water Resources Investigations project, operation and maintenance of the stream gage on the Sand Hill River at Climax, during the period October 1, 2024, through September 30, 2025, in the amount of \$6,380 from the Sand Hill River Watershed District. U.S. Geological Survey contributions for this agreement are \$5,300 for a combined total of \$11,680.

A **Motion** was made by Manager Andringa to sign and participate in the joint funding agreement in the amount of \$6,380 for October 1, 2024, through September 30, 2025, **Seconded** by Manager Brekke. **The Motion was Carried.**

Moen Stabilization Project: The bid opening was held September 19, 2024, at the district office. The project was awarded to Gladen Construction as the lowest, qualified bidder for \$214,474.44. A preconstruction meeting was held on October 2, 2024. The agreement was presented to the managers.

A **Motion** was made by Manager Brekke to sign and approve the presented agreement between the Sand Hill River Watershed District and Gladen Construction in the amount of \$214,474.44, **Seconded** by Manager Engelstad. **The Motion was Carried.**

Redetermination of Benefits – SH Ditch: Swenby informed the managers that the survey that was being conducted relating to landowner perspectives on redetermining the Sand Hill Ditch was not fruitful. Zero landowners submitted comments in the online survey and zero paper surveys were received. The only comment was verbally from a Norman County Commissioner/landowner in the SH River Watershed who supported a redetermination.

Swenby suggested that that board is at the point where staff needs board direction of where to focus their time.

A **Motion** was made by Manager Brekke to place a decision regarding a redetermination of the Sand Hill Ditch on the agenda for the December 2024 meeting, **Seconded** by Manager Engelstad. **The Motion was Carried.**

6. OTHER BUSINESS

The managers received information from the Drainage Work Group and MN Watershed's.

7. PERMITS:

There were no permits presented to the board.

8. ADJOURNMENT:

The next regular meeting will be held November 7, 2024, at 8 AM. As there was no further business to come before the board, a **Motion** was made by Manager Engelstad to adjourn the meeting at 10:09 AM, **Seconded** by Manager Andringa. **The Motion was carried.**

Donna Bjerck, Administrative Assistant

Shawn Brekke, Secretary