

# SAND HILL RIVER WATERSHED DISTRICT

November 6, 2018

1. **Attendance:** Chairman Stuart Christian called the November 6, 2018 meeting to order at 8:05 AM at the District Office. Other managers present were Clayton Bartz, JJ Hamre, Dan Vesledahl and Roger Two staff members were present Daniel Wilkens – Administrator and April Swenby – Administrative Assistant. Others in attendance include Bill Downs and Joyce Downs – Landowner, and Zach Herrmann – Houston Engineering. Joyce Downs left at 10 AM.
2. **Approval of the Agenda:** A **Motion** was made by Manager Hanson to approve the agenda as presented, **Seconded** by Manager Bartz, **Carried**.
3. **Minutes:** A **Motion** was made by Manager Vesledahl to approve the minutes from the October 2, 2018 meeting, **Seconded** by Manager Bartz, **Carried**.

A **Motion** was made by Manager Bartz to approve the minutes for the Reconvened Redetermination of Benefits final hearing for Project 5 held on October 2, 2018, **Seconded** by Manager Hanson, **Carried**.

4. **Treasurer's/Financial Report:** Swenby noted that October has not been reconciled as of the date of the presented report due to our early meeting date and not receiving the bank statement.

Daniel Wilkens read the Treasurer's Report. A **Motion** was made by Manager Hamre to approve the Treasurer's Report for October, **Seconded** by Manager Vesledahl, **Carried**.

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

<b>Edwin Johnson</b>	<b>897.15</b>
<b>Fertile Hardware Hank</b>	<b>6.42</b>
<b>Garden Valley Telephone Company</b>	<b>235.93</b>
<b>Hannaer's Workplace Interiors</b>	<b>804.83</b>
<b>Houston Engineering</b>	<b>10,899.71</b>
<b>International Water Institute</b>	<b>750.00</b>
<b>Jason Benbo</b>	<b>525.00</b>
<b>L M Road Services</b>	<b>10,866.95</b>
<b>Office Supplies Plus</b>	<b>33.99</b>
<b>Otter Tail Power Company</b>	<b>163.84</b>
<b>Sam's Club</b>	<b>135.96</b>
<b>VISA Credit</b>	<b>201.77</b>
<b>Wild Rice Electric</b>	<b>265.68</b>

A **Motion** was made by Manager Bartz, to approve and pay the above listed bills along with manager per diems, **Seconded** by Manager Hamre, **Carried**.

**Credit Card Information:** Swenby informed the managers that Agassiz Federal Credit Union is now First Community Credit Union. They have asked the district to sign a Membership Agreement, an Entity Authorization form, and an Authorization Designation form. The original account opened 30 years ago, and they are asking that proper documentation be on file. The district itself does have a credit card policy, but the FCCU is asking for additional records.

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A **Motion** was made by Manager Bartz to add the Administrator and the Administrative Assistant as authorized signers to the Business Rewards Credit card with FCCU giving them the ability to use the

assigned credit card on behalf of the district, **Seconded** by Manager Hanson **Carried**. Credit card charges are always listed on the bills to be paid individually for the managers to review each month. Meeting minutes and 1 signature are required for any future additions/removals to this credit card.

A **Motion** was made by Manager Vesledahl to sign the business account agreement, **Seconded** by Manager Hamre, **Carried**.

A **Motion** was made by Manager Hamre authorizing the April Swenby, Daniel Wilkens, and Clayton Bartz as authorized representatives regarding the Membership Savings account and credit card and can be listed on the entity authorization form. **Seconded** by Manager Vesledahl, **Carried**.

There is \$5.26 in the Reward Savings account at First Community Credit Union. One signature is required to withdraw funds from this account. One signature is also required to open/close any accounts with First Community Credit Union.

When new employees or new Treasurer's represent the Sand Hill Watershed District, proper documentation will need to be reflected for the credit card in the future.

## 5. Engineer's Report

**Climax Ring Dike:** Swenby and Wilkens met with Jeff Langan to troubleshoot the deficit for the Climax Ring Dike. In summary, expenses were missed for reimbursement in the early stages of the project. Expenses prior to 2015 are not eligible for reimbursement due to bonding expirations. The oldest funds available to request from are from the 2015 special session, which was an appropriation bill enacted June 14, 2015. Swenby has submitted expenses after 2015, and total about \$35,000. The home buy outs income offsets the expenses prior to 2015, and the account will balance. A detailed written explanation was given to the managers.

A new grant will be written for expenses after 2015. A resolution is required and states that the board is requesting reimbursement and identifying an authorized agent representing the watershed to act on their behalf. Pat Lynch states this resolution is a necessary formality to enter into the agreement. A **Motion** was made by Manager Bartz to adopt and sign the following resolution, **Seconded** by Manager Vesledahl, **Carried**

***Resolution No. 1118-1 For Flood Hazard Mitigation Grant Funding  
Assistance to The Sand Hill River Watershed District  
Project No. 15 (12), Cities of Climax and Nielsville Flood Control Project including  
Outstanding Unreimbursed Project Expenses Incurred During the Effective Period of  
Grant #3000000516***

*BE IT RESOLVED that the Sand Hill River Watershed District, hereinafter referred to as the "Grantee" acting as legal sponsor for the recently completed flood risk reduction project or phase described in the State of Minnesota Flood Hazard Mitigation Grant #B49329/3000000516 dated 10/27/10 is hereby authorized to apply to the Department of Natural Resources for funding for eligible outstanding expenses related to said project and incurred between June 14, 1015 and June 30, 2018.*

*BE IT FURTHER RESOLVED that the Grantee has the legal authority and the institutional, administrative, and managerial capability to ensure adequate administration of the proposed project.*

*BE IT FURTHER RESOLVED that the Grantee hereby certifies that the above referenced*

*project is complete and additional funding provided by the Department of Natural Resources for unreimbursed eligible project expenses has been accompanied by a local required match.*

*BE IT FURTHER RESOLVED that upon approval of its request by the state, the Grantee will enter into an agreement with the State of Minnesota related to the above- referenced project or phase, and that the Grantee certifies that it will comply with all applicable laws and regulations as stated in the said agreement.*

*NOW, THEREFORE BE IT RESOLVED that the Watershed District Administrator, Daniel Wilkens is hereby authorized to execute such agreements as are necessary to implement the project or phase on behalf of the Grantee.*

**Ditch #80:** Herrmann is working on ROW signs for Ditch #80.

The bid opening was held last month and Davidson Construction, Inc. was the apparent low bidder at \$501,266.00. The engineer's estimate was \$673,000.

A **Motion** was made by Manager Bartz to enter into an agreement with Davidson Construction for the construction of Ditch #80, **Seconded** by Manager Hamre, **Carried**. Herrmann has been in contact with the contractors and doubts that any construction will begin this fall.

Swenby and Wilkens met with Polk County relating to bonds for Ditch #80. A **Motion** was made by Manager Vesledahl to adopt the following resolution, **Seconded** by Manager Hanson, **Carried**.

**RESOLUTION RELATING TO FINANCING OF CERTAIN PROPOSED PROJECTS TO BE UNDERTAKEN BY THE SANDHILL WATERSJED DISTRICT; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE**

*BE IT RESOLVED by the Board of Managers of Sandhill Watershed District (the "District"), as follows:*

*1 Recitals.*

*(a) The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the "Regulations") dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse the District for project expenditures made by the District prior to the date of issuance.*

*(b) The Regulations generally require that the District make a declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued series of bonds within 60 days after payment of the expenditures, that the bonds be issued and the reimbursement allocation be made from the proceeds of such bonds within the reimbursement period (as defined in the Regulations), and that the expenditures reimbursed be capital expenditures or costs of issuance of the bonds.*

*(c) The District desires to comply with requirements of the Regulations with respect to certain projects hereinafter identified.*

*2. Official Intent Declaration.*

(a) *The District proposes to undertake the following project or projects and to make original expenditures with respect thereto prior to the issuance of reimbursement bonds, and reasonably expects that Polk County (the “County”) will issue reimbursement bonds for such project or projects in the maximum principal amounts shown below:*

<u>Project</u>	<u>Maximum Amount of Bonds Expected to be Issued for Project</u>
Drainage Improvements	\$806,000

(b) *Other than (i) de minimis amounts permitted to be reimbursed pursuant to Section 1.150-2(f)(1) of the Regulations or (ii) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, the District will not seek reimbursement for any original expenditures with respect to the foregoing projects paid more than 60 days prior to the date of adoption of this resolution. All original expenditures for which reimbursement is sought will be capital expenditures or costs of issuance of the reimbursement bonds.*

3. Budgetary Matters. *As of the date hereof, there are no District funds reserved, pledged, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, pledged, allocated on a long term basis or otherwise set aside) to provide permanent financing for the original expenditures related to the projects, other than pursuant to the issuance of the reimbursement bonds. Consequently, it is not expected that the issuance of the reimbursement bonds will result in the creation of any replacement proceeds.*

4. Reimbursement Allocations. *The Administrator of the County shall be responsible for making the “reimbursement allocations” described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the reimbursement bonds to reimburse the source of temporary financing used by the District to make payment of the original expenditures relating to the projects. Each reimbursement allocation shall be made within 30 days of the date of issuance of the reimbursement bonds, shall be evidenced by an entry on the official books and records of the County maintained for the reimbursement bonds and shall specifically identify the original expenditures being reimbursed.*

Fish Passage and Grade Stabilization: Herrmann is waiting for the 404 and 408 Corp permit approval and receipt before formally awarding the bid. Spruce Valley was the apparent low bidder at \$285,206. The engineer’s estimate was \$318,000.

Herrmann is still working with the Polk County Highway Department to access bridge funds regarding the Kittleson Creek Outlet.

Herrmann will coordinate with the MN DNR and the Polk County Ditch Authority on the Sand Hill Lake Dam structure to reroute the channel (Ditch #83). Wilkens suggested conversing with the landowner nearby regarding the new ditch alignment.

Project Team: Herrmann suggested a project team meeting in December or January.

Union Lake Sarah Pump: Herrmann is investigating options to get the outlet lowered down to the original grade line. After costs estimates are gathered, he suggests meeting with the LID. Herrmann will follow up with the surveying progress on the Ness property for preparation of an easement.

**Olson Dam:** Herrmann presented a large map of elevations for the existing project. The ditch is being planned at being dug to depth. The pipe cannot be reset until the permit is received. Wilkens confirmed that the crossing is fixed, and it has been cleaned downstream.

6. **Dan's Monthly Report:** Wilkens reviewed his written report for the month of October.

**Calendar:** Wilkens written calendar for October and the proposed upcoming events for November was reviewed.

**Rock Riffles:** A tour of the riffles was given with Mark Johnson (LSOHC), Wendell Jamison, Brad Dokken, Wayne Goeken, Nicole Berndt, Daniel Wilkens and April Swenby. Johnson would like to have a tour of the project next summer. Dokken put an article about the project in the Sunday Edition of the *Grand Forks Herald*.

Mark Johnson suggested that signs be placed near the Rock Riffles project. Swenby has contacted premier signs and depending on the sign needed, cost is under \$200 per sign, uninstalled. Swenby is currently contacting the partnering agencies for their logos in a format that can be placed on the sign. Swenby and Nicole Berndt are working on the language for the sign. Signage is a requirement of the grant.

Because the signage is affordable, Swenby suggested signage near all the district projects and presented examples of signs that the cost estimates were based from. Manager Vesledahl suggested adding a QR code.

**Abentroth Permit/MnDOT:** MnDOT put a lathe in the bottom of the ditch just north of the sign south of the south crossing of the seed plant. Wilkens will contact the landowner to let them know. Abentroth still needs to put a plug in the field ditch to comply with the permit.

**PTMAP:** The PTMAP software needs upgrading. Chuck Fritz is coordinating with the watersheds in the valley to cost share the \$7,500 for the upgrading of the software. Our share would be \$2,500.

**Bear Park:** Wilkens talked with Wendell Paulson about beaver trapping on Bear park. Paulson suggested that the managers seek trapping with another trapper. Wilkens contacted Jason Benbo who agreed to be the district beaver trapper.

A **Motion** was made by Manager Hamre to increase the beaver bounty to \$75 for district projects (retroactive for October 1, 2018), **Seconded** by Manager Bartz. **Carried.**

A **Motion** was made by Manager Bartz to designate Jason Benbo as the designated beaver trapper for the district for the Bear Park project, **Seconded** by Manager Vesledahl, **Carried.**

Wilkens and Herrmann will visit the structure after the meeting today to determine the cause of the defaulting areas near the structure.

**Vesledahl Wetland Banking:** MnDOT cleaned Basargin's property and his neighbors to Highway # 1. There has been no action by BWSR on ¼ south west of Winger.

**Beaver Bounty:** Wilkens suggested revising the beaver bounty program this winter to reflect the \$75 vs. a \$50 bounty relating to township reimbursement.

**Drainage Workgroup:** Wilkens will attend the Drainage Workgroup meeting on November 8 in St. Paul. The DWG has adopted the 5<sup>th</sup> version of their consensus agreement.

**Vesledahl Project:** Wilkens reported that the district is waiting for bids regarding LeRoy Johnson's property, however the tiling firm working on the bid, has recently closed. There was no new activity report on the Vesledahl project drainage.

**Olson Dam:** Joe Miller moved in on Monday, November 5. He has installed pipe in the township road and will clean the ditch to the dam site this fall. The district will need to obtain a dam safety permit this winter for the structure itself.

**MAWD Resolution:** A **Motion** was made by Manager Vesledahl to support the resolution presented by Rice Creek Watershed District, **Seconded** by Manager Bartz, **Carried**.

**Erosion/Union Lake Erosion Control Project:** Wilkens conversed with Jim Hest who suggested holding a meeting to find a solution to the problem.

**Ditch Inspections:** Wilkens has reminded Rich Sanders, Polk County Highway Engineer, on August 27 about cornstalk residue blowing into the highway ditch east of Nielsville. Wilkens has forwarded Sanders the Soil Loss Ordinance from WPSWCD. Sanders has asked the Polk County attorney and Kurt Deter to review the ordinance to determine if cornstalks fall under the category of soil loss. Wilkens has not heard a response.

Wilkens has conversed with Kurt Deter and Greg Knopf at the Drainage Work Group. They advised to proceed with using the 103E.075 statute regarding obstructions and putting it in our rules and regulations. The Statute was given to the managers for review.

**Rules and Regulations:** A copy of the proposed revised Rules and Regulations was given to the managers. The managers will review the draft and offer any changes throughout the month. A **Motion** was made by Manager Hanson to authorize staff to proceed forward following MN Statute to begin the process of approving the rules and regulations for the district **Seconded** by Manager Hamre, **Carried**. Swenby will contact BWSR to develop a timeline for adoption of the rules.

Tiling operating plans were discussed.

**RCPP:** A letter was given to the managers from NRCS in response to our request asking the NRCS to disregard the RRRRA's request to void the contract with the Sand Hill River Watershed District for the RCPP program. The letter from NRCS to the district states that NRCS will not consider the RRRRA's request to void our contract and will continue working with the district towards reducing flooding and adding water retentions.

**MAWD:** Swenby has reserved five hotel rooms for MAWD. She would like confirmation for managers attending. Manager Hamre confirmed he would be attending, pending harvest and asked Swenby to contact him next week. Manager Vesledahl was unsure and would like to be contacted in a week. Manager Bartz and Chairman Christian will not be attending.

## 7. **Other Business:**

**Public Relations:** The managers reviewed possible public relations items. No new information was brought before the board.

**Tablets:** A Motion was made by Manager Bartz to purchase tablets for the managers for meetings and asking Minkota Technologies for advice and assistance for setting them up to accommodate the district needs, Seconded by Manager Hamre, Carried. Manager Vesledahl recused himself from the discussion.

**Joyce Downs:** A timeline was distributed (and previously e-mailed to all the managers) regarding Ditch # 122, as per the managers request in October.

**Clothing/Logo:** Swenby distributed information regarding shirts for each manager and each employee to wear when representing the Sand Hill River Watershed District at public events. Catalogs were given to the managers with prices.

Two shirts each was decided on. One short sleeve and one long sleeve was recommended. (Winter/Summer) Swenby will e-mail managers for their sizes.

**Logo:** Swenby distributed examples of the logo and asked the managers to choose one.

**Dan’s Retirement Party:** Dan’s retirement party is set for December 14, 2018 at the Duane Knutson Community Center. Erickson’s Smokehouse will be catering. Houston Engineering will be contributing to the cost.

**Advisory Committee:** An Advisory Committee Meeting is scheduled for November 19 at Erickson’s Smokehouse at 8 AM. Stuart Christian is up for re-appointment and is willing to serve another term.

**Administrator:** The managers asked that it be posted that a meeting will be held November 13 beginning at 6:00 pm to interview candidates for the Administrator position.

**River Clean up Grant:** Swenby informed the managers that the stretch between the West Mill and Polk County # 44 were all cleaned by the Conservation Corp. and they finished ahead of scheduled by sending additional crew members, due to weather. The crew paddled from Allen Erickson’s to Polk County #44 and confirmed that the whole stretch is passible. Before and after photos were given to the managers. Swenby is planning to apply for another grant for next year to clean the stretch just downstream of Rindal, from Polk County #44 west to the start of the Sand Hill Ditch, and the stretch that continues from the end of the Sand Hill Ditch to the Red River and has asked Nicole from West Polk SWCD for assistance. Swenby and Berndt will be meeting in November.

A thank you card was passed around for the managers to sign, thanking the Conservation Corp for their hard work and for selecting the Sand Hill River as a grant recipient for clean water.

**Ditch Levy:** The managers reviewed the ditch levy proposed for 2019. A Motion was made by Manager Hamre to approve the following ditch levies, Seconded by Manager Bartz, Carried.

**Norman County:**

A Drainage System	B County	C Year Benefits Determined	D County Portion of Benefits	E Percent of Benefits %	F Levy Amount (\$) (D x E = F)
#5 – 17-2 (.68764%)	Norman	1981	\$51,396.35	6.69	\$3,438.00
<b>Total</b>					<b>\$3,438.00</b>

**Polk County:**

<b>A Drainage System</b>	<b>B County</b>	<b>C Year Benefits Determined</b>	<b>D County Portion of Benefits</b>	<b>E Percent of Benefits %</b>	<b>F Levy Amount (\$) (D x E = F)</b>
SH Ditch	Polk	1956	\$272,174.05	5.5112	\$15,000.00
#5 – 17-2 (.3123599%)	Polk	1981	\$23,346.75	6.69	\$1,562.00
#12 - 98 & 148	Polk	1995	\$991,867.00	.7561	\$7,500.00
#20 - 46	Polk	2007	\$2,834,536.75	.002646	\$7,500.00
# 24	Polk	2011	\$5,728,017	.0017458	\$10,000.00
# 27 - LID Pump	Polk	2000			\$15,000.00
# 80	Polk	1909	\$9,561.50	52.293	\$5,000.00
#11 Beltrami Diversion	Polk	1996	\$477,149.30	0.8383	\$5,000.00
#13 Reis - Scandia	Polk	1996	\$382,480.50	0.9151	\$5,000.00
County Ditch # 9	Polk	1982	\$274,235.40	9.116256	\$25,000.00
#17 PC # 41	Polk	2005	\$6,348,626.00	.236272	\$15,000.00
Ditch #119	Polk	1982	\$348,872.65	1.44	\$5,000.00
<b>Total</b>					<b>\$116,562.00</b>

8. **Permits:** Four permits were presented to the board. A **Motion** was made by Manager Bartz to approve the following permits, **Seconded** by Manager Vesledahl, **Carried**.

**2018-21:** Wayne Diekrager – Russia Township – Section 26 NW 1/4 – Install 2 culverts in buffer strip

**2018-22-:** Wayne Diekrager- Russia Township- Section 26 NE 1/4– Install culvert in NE corner of section, remove one of two crossing and make one wide crossing with a culvert. Clean township road ditch towards the north.

**2018-23:** Jason Kohl – Onstad Township – Section 34 – Clean existing ditch

**2018-24:** Jason Kohl – Liberty Township – Section 5- Clean Existing ditch

9. **Adjournment:** The next regular meeting will be held **Tuesday, December 4, 2018 at 8 AM**. As there was no further business to come before the board, a **Motion** was made by Manager Vesledahl to adjourn the meeting at 10:48 PM, **Seconded** by Manager Bartz, **Carried**

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April Swenby, Administrative Assistant

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JJ Hamre, Secretary