



TITLE: REGULAR MONTHLY BOARD MEETING MINUTES

DATE: SEPTEMBER 7, 2021

1. ATTENDANCE:

Chairman Stuart Christian called the September 7, 2021, meeting to order at 8:30 AM at the District Office. Other managers attending were Clayton Bartz, Don Andringa (exited meeting at 10 AM), Craig Engelstad, and JJ Hamre. Two staff members were present April Swenby – Administrator and Donna Bjerck – Office Assistant. Others in attendance were Corey Haag - Ellingson Drainage, Darryl Chisholm – Landowner, and Zach Herrmann – Houston Engineering.

2. APPROVAL OF THE AGENDA:

A **Motion** was made by Manager Bartz to approve the agenda moving action items towards the beginning of the meeting as Manager Andringa stated he'd be leaving early before the meeting ended, **Seconded** by Manager Engelstad. **The Motion was carried.**

3. MINUTES:

A **Motion** was made by Manager Hamre to approve the minutes as presented from the August 3, 2021, **Seconded** by Manager Andringa. **The Motion was carried.**

4. BUDGET HEARING:

A **Motion** was made by Manager Bartz to recess the regular meeting at 9:00 AM and open the budget hearing, **Seconded** by Manager Engelstad. **The Motion was carried.** The budget hearing was called to order at 9:00 AM by Chairman Christian. Chairman Christian opened the hearing for discussion. The budget for 2022 was presented as follows:

Income	
REIMBURSED EXPENSE	400.00
HOMESTEAD/AG CREDIT (HACA)	3,000.00
INTEREST INCOME	24,000.00
TAX LEVY INCOME	<u>250,000.00</u>
Total Income	277,400.00
Expense	
MISC	200.00
WEB-SITE	600.00
PUBLICITY	1,000.00
MEETING EXPENSE	2,100.00
DUES-MEMBERSHIP	3,000.00
EMPLOYEE TRAVEL EXPENSES	4,000.00
EDUCATION	4,000.00
PAYROLL TAXES	7,000.00
BUILDING MAINTENCE/OCCUPANCY	13,000.00
COMPUTER EXPENSE	14,000.00

FURNITURE-EQUIP	15,000.00
MANAGER EXPENSE	17,000.00
OFFICE OPERATIONS	18,000.00
PROF SERVICES	20,000.00
CAPITAL IMPROVEMENTS	59,600.00
PAYROLL EXPENSES	<u>98,900.00</u>
Total Expense	277,400.00

Three petitions (from Polk County) 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 and presented.

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

A **Motion** was made by Manager Engelstad to adjourn the budget hearing at 9:02 AM and reconvene the regular meeting at 9:03 AM, **Seconded** by Manager Andringa. **The Motion was carried**

5. FINANCIAL REPORT:

A **Motion** was made by Manager Engelstad to approve the administrative budget as presented during the budget hearing, **Seconded** by Manager Andringa. **The Motion was carried**

A **Motion** was made by Manager Engelstad to approve the following resolution relating to the budget and levy for 2022, **Seconded** by Manager Hamre. A roll call vote was held and resulted in the following proceeding the resolution. **The Motion was 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 2022, said levies shall be for the year 2022 and shall be collectible with the taxes recovered in the year 2022; and said levies are all based on the 2022 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 7, 2021, whereby the 2022 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. 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 (\$102,483.37) 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 2022, 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.
3. 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 (\$102,483.37) 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 2022, these funds will be used for water quality and erosion efforts.
4. 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 (\$102,483.37) 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 2022, these funds will be used for data collection, watershed studies, education and agency support.
5. 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 (\$102,483.37) can be levied as one assessment, prorated per taxable market value between the three counties, and our office can do the breakdown.

	Yea	Nay	Absent	Abstain
Christian	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Andringa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamre	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bartz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engelstad	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Swenby read the Treasurer's Report. A **Motion** was made by Manager Hamre to approve the Treasurer's Report for August, **Seconded** by Manager Engelstad. **The Motion was carried**

Swenby brought to the board's attention that the Bremer money market account has a fair amount of money in it and she suggested moving forward with the purchase of another \$400,000 CD. She doesn't anticipate a large amount of funds needed for project between now and the next time a CD is due and feels that the amount left in the money market would be sufficient for liquid funds for the time being. A **Motion** was made by Manager Engelstad to purchase another CD for \$400,000 **Seconded** by Andringa. **The Motion was carried.**

Swenby also drew to the managers attention that a CDARS cd will come due in September, and she plans on soliciting quotes for reinvestment.

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

April J. Swenby	25.76
Brady & Martz	9,100.00
City of Fertile	51.54
EcoLab	53.57
First Community Credit Union	442.43
Garden Valley Telephone Company	225.87
Houston Engineering	29,096.07
Norman County Index	118.76
Office Supplies Plus	178.58
Olson & Sons	140.00
Otter Tail Power Company	159.68
Red River Watershed Mgmt Board	766.74
Sarah Wise	48.00
Stuhaug Sanitation	46.80
TVOC Transportation	617.00
Wild Rice Electric	269.63
TOTAL	<u>41,045.88</u>

Swenby asked the managers to review the bill for Houston Engineering for \$7,087.50 for assistance in applying for the Project and Practices grant near the outlet of Project # 17. Swenby suggested using the petitioned levy funds under the clean water category to pay for the expenses associated with the grant, and if awarded, project expenses. The work being proposed is a public benefit, and there are only two outlets in the Sand Hill River Watershed District. This one, and the Sand Hill Ditch. The drainage system will still function as designed without the proposed work in the grant, thus making it not necessary for drainage.

A **Motion** was made by Manager Andringa to use the new fund “Water Quality and Erosion” to pay for the expenses of this grant application and if awarded, project expenses as well, not the ditch fund, **Seconded** by Engelstad. **The Motion was carried.**

A **Motion** was made by Manager Engelstad to approve and pay the bills with a total of \$41,045.88 **Seconded** by Hamre. **The Motion was carried.**

6. **SECTION 23 OF HUBBARD TOWNSHIP:**

Darryl Chisholm is exploring the option of assessing his land, Section 23 of Hubbard township into Project #24. A portion that he'd like to tile, is not assessed into Project # 24 and he'd like to use Project # 24 as the outlet. He asked the managers consideration for a reduced outlet fee, as he only plans to outlet sub-surface drainage water, not surface drainage water. Herrmann anticipates it will cost \$2,500 to perform an analysis to determine the volume of water with only sub-surface vs. surface water.

Proposed policy options will be presented to the board during the action items portion of the meeting.

7. **ACTION ITEMS**

Policy Adoption – 103E Outlet fee Guidance: Last month the board asked staff to reach out to the county regarding how they handle new landowners and charges for outlet fees for systems that the landowner isn't currently paying into. Sanders told staff that the county sets the value of their benefits the same as the surrounding land or nearest lands in the benefited area. They are billed a one time \$20 fee plus the advertising after it is approved. Swenby is assuming that all of their systems are very old and not newer like the Sand Hill's, so the value and the actual construction costs are likely not relevant.

The district has been using 103E.401 and estimating an outlet fee to be charged to the landowner. Staff has asked the attorney about acceptable procedures to determine an outlet fee and establish the benefit level appropriate for the acres added to the system.

Last month this question was proposed by a landowner in Liberty, and now recently the landowner in Hubbard from Permit # 2019-04 would like to move forward.

Both landowners are asking for a financial accommodation for draining only sub-surface water.

Two policies were proposed. A **Motion** was made by Manager Engelstad to adopt the following as official policy for landowners wishing to petition into current 103E systems, **Seconded** by Manager Hamre. **The Motion was carried.**

Landowners petitioning to be added to a 103E drainage system will be subject to an outlet fee, provided the land requested to be added will not adversely impact the system. The land petitioned to be added at a benefit rate of adjacent land receiving comparable benefit and will not be reduced for partial drainage proposals from the petitioning landowner. The outlet fee will be determined by estimating the percentage of costs incurred against the system relative to the benefit rate. Costs will be inclusive of costs for the implementation, operation, and maintenance of the system, accounting for inflation since costs were incurred.

The managers asked Swenby to reach out to the landowner in Hubbard 23, to obtain county permissions before he moves forward with the petition to outlet into the system.

Building Project: The district has received four proposals for consulting. Swenby attended "how to" grants meeting on September 1.

Quentin Collette \$12,000
Pigeon Consulting \$8,000
Greg Gaut \$8,000
Steve Martens \$7920 (will do the project but would prefer not to)

A **Motion** was made by Manager Andringa to hire Greg Gaut as the districts Historical Architect for the purpose of the MHS grant for \$8,000, **Seconded** by Manager Engelstad. **The Motion was carried.**

Hubbard Township – Section 13: In July, the board granted the township an extension on the work needed for Permit 2020-050. The work included stabilizing the side slopes in an effort to increase the integrity of the road. The extension deadline given to David Johnstad was the end of August. He has not had time to complete the road and the sloping needed. He has asked for another extension, until the end of September. A **Motion** was made by Manager Andringa to authorize an extension until the end of September for the work need on permit 2020-050, **Seconded** by Manager Hamre. **The Motion was carried.** Manager Engelstad recused himself from voting.

Incremental Implementation of Vegetated Ditch Buffer Strips Polk County Ditch Nos. 9 and 119: The Sand Hill River Watershed District Board of Managers, sitting as the drainage authority for Polk County Ditches No. 9 and 119, on September 7, 2021, and based on the record and proceedings, A **Motion** was made by Manager Engelstad to adopt the following Findings and Order,

Seconded by Manager Bartz.

Findings:

1. Based on reports of inadequate buffers substantiated by inspection, and pursuant to Minn. Stat. 103E.021, Subd. 6, and any other applicable statutes the implementation of permanent buffer strips of perennial vegetation and/or side inlet controls adjacent to Strips Polk County Ditch Nos. 9 and 119 are necessary to control erosion and sedimentation, improve water quality, or maintain the efficiency of the drainage systems.
2. That pursuant to Minn. Stat. §103E.705, subd. 6(b) an Engineer may be appointed to examine the drainage system and prepare an engineer's repair report for the project.
3. That pursuant to Minn. Stat. §103E.021, subd. 6(c), the Board of Managers may determine damages for the right of way values for the project.

Order:

Based on the foregoing Findings and the entire record of proceedings before the Board, the Board, acting as the drainage authority for Polk County Ditches No. 9 and 119, hereby orders as follows:

A. Permanent buffer strips of perennial vegetation and/or side inlet controls adjacent to Polk County Ditch Nos. 9 and 119 are necessary to control erosion and sedimentation, improve water quality, or maintain the efficiency of the drainage systems and shall be acquired pursuant to Minn. Stat. 103E.021, Subd. 6.

B. Zachary Herrmann of Houston Engineering, Inc., is hereby appointed as the engineer for these proceedings to examine Polk County Ditch Nos. 9 and 119 and prepare an engineer's report for the repair of Polk County Ditch Nos. 9 and 119, including the incremental implementation of vegetated ditch buffer strips and/or the installation of side inlet controls.

C. Board of Managers shall determine damages for the right of way values for the project. After discussion, the Board Chair called the question. The question was on the adoption of the foregoing findings and order, and there were 5 yeas, 0 nays, 0 absent, and 0 abstentions as follows:

	Yea	Nay	Absent	Abstain
Christian	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Andringa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamre	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bartz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engelstad	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The order was adopted.

8. PERMITS:

Two permits, tabled from last month were presented to the board, along with one new permit.

Permit 21-034: Steven Hamre, Scandia Township Section 21, Install Culvert

Permit 21-033: Garden Township, Section 2 of Garden Township – Culvert installation

The 72" pipe is failing and HEI recommends replacing with a 72" pipe. Storage is not an option at the current road elevation without impacting adjacent landowners.

Permit 21-026: Mike Grandbois, Section 4 of Sletten Township – Erosion Control Structure

Permit 21-035: CMGB Farms, Hubbard Township, Section 23 (South 80), Install tile

This application drains directly into Project #24. Adopted contingencies for tiling into a legal system will be applied. The district will require written the Road Authority.

A **Motion** was made by Manager Bartz to authorize approved the permits as presented, **Seconded** by Manager Engelstad. **The Motion was carried.**

9. ENGINEER'S REPORT:

Project #17 – 290th Regrade: Herrmann and Swenby met with Robbin Brekken regarding the options for raising the road (290th). After discussions with Brekken, it is preferred to leave the spoil height as is, and haul in material for the road raise. Swenby has reached out to a local contractor and has asked for an estimate on the proposed project with 700 yards of clay compacted (1000 yards). Mark Stortroen submitted a quote. Swenby provided to the managers the specs and requirements for the quote obtained. The quote was for \$23,100. A **Motion** was made by Manager Engelstad to accept the estimate from Mark Stortroen to perform the work at the specifications presented for \$23,100, **Seconded** by Manager Hamre. **The Motion was carried.**

Project # 24: The clean out evaluation is moving forward. The district is working the Public Waters requirements and permits.

SH Ditch Erosion: Last month the managers were given three options and directed HEI to move forward with exploring the repositioning of the road. Herrmann is focusing on the repositioning of the road. He is estimating that the road will need to be moved over 50'.

A **Motion** was made by Manager Hamre to invoke the project team for the investigations on the SH Ditch erosion control issues in Reis and Liberty, **Seconded** by Manager Bartz. **The Motion was carried.**

Kittleson Creek Storage: The hydraulic modeling was available to be presented, but the managers tabled this discussion until Manager Andringa is in attendance.

10. ADMINISTRATOR REPORT:

LiDAR: The contract with the RRWMB has been signed and submitted. Swenby contacted *The Fertile Journal* to do an article on the upcoming LiDAR fly. Swenby provided a copy of the article that was printed in *The Fertile Journal*.

Project and Practices Grant: In lieu of an MDM grant, and after discussions with BWSR, it was determined that the best financial solution for the outlet of Project #17 on Rick Moen's property would be a Project and Practices grant. This grant allows for the option of better solutions and a more permanent fix. The grant was applied for and submitted in August.

Mn Water Festival: Every year the district participates in the MN Water Festival. Bjerk is scheduled to represent the district at the festival held at the Polk County Fair Grounds on September 22.

Beaver Trapping:

Bear Park: During the month of August, the district received landowner permissions to access the dam in the Bear Park region to remove the beaver. Because the water is so low, we will be able to continue our inspection via drone when we fly the district for the Fish Passage projects inspections through the LSOHC Grant. Tim Olson removed the dam west of County Road 7.

Sand Hill Ditch: Trappers were notified and authorized to trap the areas along the SH Ditch where activity was noted last month.

FDRWG Communications Committee: The FDRWG Communications Committee met to talk about upcoming topics for the March Conference in 2022.

FDRWG Forms: Administrators were asked to meet with Andrew Graham on August 10 in Ada to discuss an easier way to submit projects to the FDRWG. Swenby attended virtually.

Union Lake Pumping Project: Swenby attended the LID annual meeting on August 20 in Erskine and presented. Swenby provided to the managers the previous months minutes and the packet from the meeting.

MAWD Program and Project of the Year submittal: Swenby worked with Hermann this month to provide information to nominate the district for Project of the year. Swenby submitted a proposal for the Fish Passage Project starting at the Texas Crossing and highlighted all the efforts clear to the SH Lake Dam. This was submitted August 27. Swenby provided a copy of this submittal.

International Water Institute: Swenby attended the International Water Institutes meeting on August 13.

MAWD Handbook Committee: The MAWD handbook committee met again this month.

Sand Hill Ditch Easements: Swenby has contacted the PC Courthouse twice for any easements that would have been taken up by the Corp of Engineers along the Sand Hill River in Liberty Township 21, 28 and 29. They have stated that they have not had time to complete this request but will do so when they have time. Swenby has also been working with the Corp to obtain documents. The documents received this far, have not been as fruitful, but they continue to work on it. Just this week, the district was sent over 9,000 MB of data files. It will take time to sort through this to see if anything is fruitful.

One Watershed One Plan: The district received notification that the One Watershed One Plan grant was approved and Swenby provided the approval correspondence to the managers.

LOMA: Two LOMA's are being worked on. HEI met with one landowner and is working with LiDAR for the other.

MAWD Region 1: Last month Region 1 MAWD members met on August 3. We had our regular board meeting, and we were in the LiDAR discussions during the time of the meeting and did not dial in. The notes from that meeting were provided to the managers.

Beltrami Ring Dike: In preparing for the City of Beltrami's meeting in September, Swenby has been working with Pat Lynch, MnDNR regarding the City of Beltrami's share. The information available isn't the 2020 census data but it is for 2015-2019. In working with Lynch, it seems that the data shows 63 households in Beltrami and median household income of \$93,125. Based upon this data the local share of a flood mitigation project funded with state help would be $63 \text{ households} \times \$93,125 \times .02 = \$117,338$.

That median household income of \$93,125 seems high, but Swenby stated it's what we have now. Swenby has asked the demographer's office to see if they know when the 2020 data will be available. It was noted that the 2020 census did not collect income info.

For Beltrami, in 2010 the data was $42 \text{ households} \times \$43,281 \text{ median household income} \times .02 = \$36,356$. Swenby questioned that the number of households increased that much along with the median household income doubled plus some, as she had expected it to be less than the last census. Swenby included for the managers a copy of a written explanation from the demographer's office from the state of Mn explaining the margin of error. Their office is not open to revisiting the amounts listed. In Swenby's conversations with Pat Lynch, he is open to negotiating an amount that is fair to the City of Beltrami for the purposes of this grant. Swenby has been working on scheduling a meeting with the Mayor, Pat Lynch and herself to begin the negotiations, but the mayor was not open to that without a council meeting first. Swenby felt it was

best to include the Mayor of the City of Beltrami on the negotiations as she is not an elected representative of the City of Beltrami, and the tax will be a tax initiated by the City. Swenby stated she did speak with the mayor about the idea of negotiating a price and he is questioning the need for a dike, as Beltrami has never historically flooded. The mayor stated that he has talked to many of the people he represents, and they are not for being taxed at all for a dike that they feel is unnecessary. The Mayor would prefer to meet with the council as a whole, and ask for nomination for a representative to negotiate, if the council would still like to move forward.

Vesledahl Wetland Banking: Dave Weirens has drafted a proposed easement for the wetland, should the district move forward with the land transfer and take it over. Swenby e-mailed this to the managers this month along with several of her concerns regarding the financial obligations in the future. Swenby has also asked Weirens for consideration regarding the drainage language, asking for more defined language. He is considering that and will get back to Swenby regarding that language. He has also forwarded the district the Vesledahl Wetland Bank Conservation Plan, which I have forwarded onto Herrmann.

Chairman Christian and Swenby met with Deb Kiel for solutions regarding a flowage easement and/or a legal system in this area. Kiel would like to organize a meeting with herself, Mark Johnson, MnDOT, BWSR, MAWD and the district at the Sand Hill Watershed Office for plans to move forward before MnDOT sells or transfers the land.

Ditch 9 Cleaning: The slope was deemed too steep to clean with a regular backhoe and a long reach hoe is needed, which will take more time. Swenby is awaiting a quote from JC & J Trucking to clean the ditch. Miller has been contacted twice to get the district a quote.

BWSR Article: Swenby has contacted BWSR a while back seeking publicity for the district's fish passage and clean water initiatives on the SH River. She is meeting on September 9 for site tours and interviews.

11. OTHER BUSINESS

Chairman Christian informed the managers that Rob Sip, RRWMB had contacted him about attending more board meetings and requested more contact with the managers.

12. ADJOURNMENT:

The next regular meeting will be held Tuesday, October 5, 2021, at 8 AM. As there was no further business to come before the board, a **Motion** was made by Manager Bartz to adjourn the meeting at 11:41 AM, **Seconded** by Manager Engelstad. **The Motion was carried.**

Donna Bjerck, Office Assistant

JJ Hamre, Secretary