

**TITLE:** PUBLIC HEARING

UNAPPROVED

DATE: AUGUST 22, 2025**1. ATTENDANCE:**

Chairman Stuart Christian called the August 22, 2025 public hearing to order at the Union Lake Sarah Campground Barn, in Erskine, MN. Other managers attending were Don Andringa, Clayton Bartz, and Craig Engelstad. Managers absent included Shawn Brekke. Staff members present included April Swenby – Administrator. Others in attendance included Zach Herrmann - Houston Engineering, John Kolb – Rinke Noonan, Ron Ringquist – Appraiser/SHRWD Consultant. Audience attendance included: Kelly Bailey, Angie Mills, Mike Mahon, Mark Helgeson, Don Helgeson, Wes Oian, Loni Oian, Gerald Olson, Mary Olson, Sandy Peterick, Paul Peterick, Paul Zavoral, Lonnie Paradis, Kenya Paradis, Al Bauer, Jack Nelson, Cheryl Hasbrouck, Paula Danielson, David Hinkley, Shane Johnson, Belinda Johnson, Mike Mahrer, and Ginny McCright.

2. INTRODUCTIONS:

Chairman Christian welcome those in attendance and introduce the SHRWD board staff, and consultants. The hearing was then turned over to the SHRWD attorney, John Kolb from Rinke Noonan.

3. ATTORNEY COMMENTS:

John Kolb gave a brief history of the project and how it came to be transferred into a Sand Hill River Watershed District Project under Mn Statutes 103D. On September 4, 2012, the Sand Hill River Watershed District ("District") accepted the transfer of the Union Lake Outlet Pump Station from the Union/Lake Sarah Improvement District, pursuant to a Petition filed pursuant to Minn. Stat. §103D.705. At the time of the transfer, the District accepted the determination of damages and benefits that had been previously made by the Union/Lake Sarah Improvement District. Recently, the District has been approached by local, interested landowners questioning the allocation of Project benefits. The District Board has inspected the Project benefits roll currently on file with the District and County Auditor's office and has determined that the current benefits roll does not reflect currently benefitted property, does not reflect current benefits provided by the Project and does not reflect current values of real property benefitted by the Project.

The Board pursuant to Minn. Stat. §103D.721 shall reallocate and determine the current benefits to the property affected by the Project. The Board appointed Houston Engineering, Inc., as engineer, and authorized the hiring of a professional appraiser as a consultant, to assist the Board in reallocating and determining the benefits to the property affected by the Project.

Mr. Kolb then turned introduce Ron Ringquist, a consultant hired by the district and turned the hearing over to him to continue

4. APPRAISER'S REPORT:

Since 1987, Ringquist has been an Appraiser / Viewer for determination of benefits and damages derived from the construction, maintenance, and improvement of public projects. His experience is with appraisals of commercial, residential and agricultural property; however for this project he was not appraising properties for evaluations and has used Polk County's current evaluations. Ringquist's appraisal experience includes agricultural lands and structures, single and multi-family residential, retail, light industrial, medical facility, service industry, food and lodging facilities, and specialty properties. Additionally he is experienced in right of way appraisal for road construction, erosion control projects and storm water retention ponds.

Ron Ringquist presented indication that his analysis was performed on data for parcels that have lakeshore frontage. The benefit method used for lakeshore parcels relies on the county market values for land and buildings. A benefit percentage is applied to each land value, and a separate percentage is applied to each building value. Multiple use properties land value was percentage was increased by a factor of 5 to account for additional benefit from many users on one parcel. Future project costs are then apportioned out to each parcel relative to the amount of benefit received. To illustrate a hypothetical assessment, the information provided the estimated per-parcel assessment for a \$15,000 annual expenditure for maintenance. This tabular data can be found on the district web-site and this information was mailed to every property owner affected.

Ringquist stated that he used site visits and LiDAR to develop his recommendations.

Ringquist highlighted the total benefit percentage between land dwellings. A percentage of 3% for land and 1% for dwellings was used and was based on Ringquist's extensive experience and research. A recommendation of a 5-factor increase on

multi use properties to recognize the increased lake usage benefit. Back lots were not to be considered in the assessment roles.

It was explained that landowners brought to the district's attention in 2024 that there were inconsistencies to the assessment. Back lot parcels that had been subdivided over the years were included in the assessment, and many property owners were double paying. Likewise random shoreline owners were pulled and were not paying the special assessments. Due to the inconsistencies noted the district began to explore an process that would be sustainable and equitable and would account for parcel splits and improvements made in an ever changing environment.

3. AUDIENCE QUESTIONS AND ANSWERS:

The floor was opened up to the audience who were asked to state their name and their property locations.

Q: Al Bauer – East side of Lake Sarah (parcels 45.00214.00 and 45.00212.01)

Bauer stated he did not think the EMV listed on his property owners report were a true reflection and a match to what the county has listed. He also did not agree that his parcels were classified as lakeshore. He agrees his property contributes to the lake, but disagreed that these parcels are lakeshore.

- A. The EMV values came directly from Polk County. Staff will double check to ensure that EMV market values used are present day values and research any contradictions noted. The district will also verify that his parcel is classified as lakeshore.

Q: Kelly Bailey – Campground owner

Bailey stated that Polk county looks and the EMV with comparable sales and incorporates a business value in their EMV. He stated this implies that the value is reflected as a business and would reflect campsites in their value.

- A. Mr. Ringquist explained that the county doesn't place value on users. In development of assessments for other lake management projects, factors as high as 25 have been used on campgrounds. To give a comparison, an total assessment of comparable dollars to prior years would result in a lower tax would be placed on the campground in the updated benefit role. A comparison was evaluated between the USLID Association's assessment of \$15,000 and a pump maintenance fee of \$15,000 and upon that evaluation, it was shown that the assessment for the pump for the same dollar amount was less per year.

Q: Kelly Bailey – Campground owner

Bailey stated his question was for the attorney indicating that the state of Minnesota prohibits extra licenses on campgrounds and asked at what point is this assessment contradicting this state law.

- A. Mr. Kolb explained this is a tax, and not a license as defined in Minnesota statute.

Q: Paula Danielson – Across from campground

What happens to the money collected?

- A. The Sand Hill River Watershed District has a designated account for levies collected and expenses the pertain to this project. Any funds that were prior collected by the SHRWD would remain in the project fund. Moving forward, all future levies would use the new benefit role, and would add to the existing project fund balance. Future assessments will show up as a line item on each parcel's tax statement that shows how much is levied against their property for this project.

Q: Paula Danielson

It is unclear which line item is for the pump and which is for the association levy.

- A. That has been noted to Polk County and they have indicated that they will make the line item for the pump more clear on future tax statements so that tax payers can decipher each tax.

Q: Cheryl Hasbrouck - Sawmill Bay landowner

All those who benefit shall be equally assessed according to statute. Her property is unique because she doesn't benefit from low water. Her bay is shallow and her property, and the other is in the bay are not at risk for flooding should Union Lake exceed the OHW. The bay is separated by a road with only a culvert connecting the two areas. She stated that when the original assessment was created, the LID excluded property owners from the assessment role due to this

reason. She stated that she appreciates the need for the pump for those on the lake, but disagrees that her property has any benefit to controlling the levels on Union Lake and Lake Sarah. She does not feel the value of her property is based on the levels of Union Lake. She disagreed and stated that the pump actually hurts the value of her property. She provided written statements that align with this position from neighboring landowners in Sawmill Bay. Written comments will be attached to the minutes for permanent record.

A: This will be evaluated by the district engineer and the appraiser. Swenby stated that she had received an additional written statement via email mirroring the position of Hasbrouck.

Q: Cheryl Hasbrouck -

Who pays for any capital improvements? It's her understanding that there may be capital improvements needed in the future and that this is being evaluated.

A: Mr. Kolb explained that the new benefit role would be responsible for paying for any capital improvements deemed necessary. Swenby explained that the District is seeking outside funding to the extent possible to minimize local expense. Should major capital improvements be needed, the SHRWD is committed to obtaining public input and will continue to work closely with the LID as they evaluate and do their due diligence for developing alternatives.

Q: Cheryl Hasbrouck -

What is the status for the outlet and are the easements temporary or permanent?

A: Most of the easements for the outlet are permanent. However, two easements are evaluated every ten years and one is evaluated every five years.

Q: Paul Zavoral - Union Lake

What is the cost for potential capital improvements?

A: The District is still evaluating alternatives. The costs will depend on the final chosen alternative and available funding assistance, neither of which has been finalized. The District is actively searching for grant opportunities and has contacted legislators to help with assistance for any needed capital improvements. When the District has costs for a package a public landowner informational meeting will be held to gather input.

Q: Paul Zavoral -

Is the current screen in place?

A: The current screen was installed to address Eurasian milfoil concerns, and is not sufficient to meet requirements for compliance with zebra mussels. The District is currently evaluating alternatives to meet filtration requirements of 35 microns.

Q: Paul Zavoral -

What is the meeting on September 4, 2025 for?

A: The Sand Hill River Watershed District board of managers will evaluate all the comments and input from tonight's hearing and decide on whether to proceed with a new assessment role and will make any revisions necessary based on the feedback from the hearing.

Q: Kelly Bailey – Campground owner

Does Farmer's Union Campground, a non-profit organization pay special assessments?

B. Swenby will check with Polk County, but she understood that they do pay special assessments.

4. ADJOURNMENT:

A **Motion** was made by Manager Andringa to recess the hearing and reconvene on September 4, 2025, **Seconded** by Manager Bartz. **The Motion was carried.** The hearing was recessed and will reconvene on September 4, 2025 at 10 AM at the Sand Hill River Watershed District office at 219 North Mill Street in Fertile, MN.

Comments received from landowners after the meeting:

Angie Mills: Asked to look up her property and learn how the tabular data relates to her property.

Belinda Johnson: She did not think that the land values were correct for her parcel, and thought that they were backwards. The total EMV looked correct but she felt that the number allocated for dwellings was reversed from the land value, according to her tax statement. Staff will verify her values.

Belinda Johnson: She would like any capital improvements to come to a vote of the landowners. The district attorney stated in watershed law the vote is the responsibility of the board managers of the Sand Hill River Watershed District. A watershed is different set of rules and laws in comparison to a Lake Improvement District. Input will be sought, but the decision to move forward will not come to a landowner/majority rules vote.

Belinda Johnson: She would like to see all public meetings of importance (for capital improvement decisions) be held in the evening hours to accommodate the working class.

Regarding the Union Lake Pumping Project

We own property on Sawmill Bay. We object to be included in any Maintenance Assessment. The Watershed Project does not benefit the property owners in Sawmill Bay. Actually, the project negatively impacts the property in Sawmill Bay. Because of this, the Lake Improvement District board voted to exclude the Sawmill Bay. Sand Hill River Watershed District should honor that decision!

Don and Debi Ley

August 22, 2025

I have lived on Sawmill Bay since April 29, 1989. When I first moved here I considered building a new home. People said 'build closer to the water!'. I spent some time walking the lake shore and came to understand why this house sits where it does – water cycles. Water naturally fluctuates.

When this project was first considered I attended the meeting to discuss assessments for the cost of the project. I was struck by how many individuals had filled in wet/low areas and built homes/cabins right on the water and were now screaming for solutions.

1. How does one get a building permit to fill in a wetland?
2. Why are some individuals allowed to simply "pay the fines" instead of undo what they did?
3. Why are floodplain maps not a part of granting building permits?

In the public comment portion of that (1999?) meeting, a little old lady stood up and said – "do you people not understand water cycles?" "Water levels go up and they go down, it's not complicated!"

I then addressed the meeting and read from the proposal for assessment which stated: All those who benefit by the reduction of high water shall be equally assessed in the cost of the project. I stated that I do not benefit from reducing the water level, in fact – it hurts me. Lowering the water takes away intrinsic value from this property. In a vote at that meeting, Sawmill Bay was excluded from assessment for the pumping project.

I am frustrated at having to be faced with this again. The pump project turned out to be a sucking black hole for money that was shut down more than it ran. It is currently shut down and will need extensive modifications because of the infestation of zebra mussels in Union Lake to ever run again. Who will be paying the possible million dollars for that?

The idea that I am being told this project brings any benefit to my property is insulting. I have lived on it for 36 years. Value doesn't exist solely in monetary terms. Even at its highest level, the water has never posed a threat to my buildings, sewer or use of property – BECAUSE I KEPT ALL OF THOSE THINGS ABOVE THE HIGH WATER CUT LINE years before the water hit its peak.

Sawmill Bay was excluded from this pumping debacle from its inception because the project ADDS NO VALUE and in fact HARMS my property. I am requesting that Sawmill Bay CONTINUE TO BE EXCLUDED FROM ASSESSMENT for this project. I shouldn't have to pay to devalue my property.

Cheryl P Hasbrouck

April Swenby

Sent: Monday, August 11, 2025 10:33 PM
To: April Swenby
Subject: Watershed project 27 union lake

My property 27.00265.00 is not positively impacted by the lake being a lower level. The lake level is so low that the bottom of my boat drags on the ground and weeds in my bay area out of control because of the low water level. There is also a very narrow, shallow entry into my bay that is barely accessible and really needs to be at least 3 feet deeper. If the lake was 6-8 feet higher naturally as stated in the letter my property would be 10 times more desirable. I even had my place for sale this year and everyone said the same that the bay was too shallow. My neighbors closer to Anderson lake need to paddle out before they can start their motors. My bay and the bay to the west of me have negative impacts. Please take this into consideration during your meeting that not all properties have a positive impact by low lake levels.

Dustin Rude