



**TITLE:** REGULAR MONTHLY BOARD MEETING MINUTES

**DATE:** DECEMBER 12, 2024

**1. ATTENDANCE:**

Chairman Stuart Christian called the December 12, 2024, meeting to order at 8:00 AM at the District Office. Other managers attending were Don Andringa, Craig Engelstad and Shawn Brekke. Managers absent included Clayton Bartz. Staff members present included April Swenby – Administrator and Donna Bjerk – Administrative Assistant. Others in attendance included Zach Herrmann - Houston Engineering, Bryan Murphey – H2Over Viewers and Ron Ringquist - Appraiser, all via remote technology.

**2. APPROVAL OF THE AGENDA:**

A **Motion** was made by Manager Engelstad to approve the agenda as presented, **Seconded** by Manager Brekke. **The Motion was carried.**

**3. MINUTES:**

A **Motion** was made by Manager Brekke to approve regular board of managers meetings on November 7, 2024, **Seconded** by Manager Andringa. **The Motion was carried.**

**4. FINANCIAL REPORT:**

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

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

<b>Anders Valley Publishing</b>	59.79
<b>Anderson, Bottrell, Sanden &amp; Thompson</b>	2,015.00
<b>April J. Swenby</b>	53.60
<b>City of Fertile</b>	55.41
<b>EcoLab</b>	115.96
<b>Garden Valley Telephone Company</b>	561.87
<b>Houston Engineering</b>	54,790.11
<b>Joe Cyr</b>	500.00
<b>Lacey Berhow</b>	225.00
<b>Office Supplies Plus</b>	206.83
<b>Otter Tail Power Company</b>	480.99
<b>Red River Watershed Mgmt Board</b>	134.34
<b>Rinke-Noonan</b>	383.00
<b>Rosebud Township</b>	360.00
<b>Wild Rice Electric</b>	112.43
<b>TOTAL</b>	<b><u>60,054.33</u></b>

Swenby noted that the Agassiz Federal Credit Union billing was paid on 11/25/24 to avoid late fees in the amount of \$435.44 and included an itemized listing of charges for the managers.

A **Motion** was made by Manager Andringa to approve and pay the bills to be paid with a total of \$60,054.33 and approve the Agassiz Federal Credit Union billing of \$435.44, **Seconded** by Manager Brekke. **The Motion was carried.**

As in prior years, Swenby suggested the following funds be “zeroed out” to prepare for the new year, because they are accumulative funds and are better represented as an annual total on the Treasurer’s Report, for manager review benefit:

- Web-site, Permits DB and Mapping
- Beaver Bounty Program
- Technical Engineering and Legal
- Agency Support
- Education
- LiDAR
- Monitoring

As a reminder, because the auditor suggests that these entries be made with a current year date, the December Treasurer’s report that will be prepared for the January 2025 meeting will have two fund balance reports to show the year end totals, and another one that shows them with a zero balance so that managers can see the final year end totals for those categories.

A **Motion** was made by Manager Brekke to approve the suggested journal entries for 2024, **Seconded** by Manager Engelstad. **The Motion was carried.**

## 5. **RON RINGQUIST – 8:30 AM**

Ron Ringquist introduced himself to the board giving a brief history of his experience as an appraiser and a viewer. After explaining that he had received initial documents from staff highlight the current assessed area, documents that displayed the methodology for assessing construction costs, and detailed explanations of why the district believes that the assessed area is inaccurate to land use changes and subdivisions. He walked through with the managers his ideas of how to move forward as a consultant, if hired, to develop a mass appraiser using the county evacuations. A proposed assessment methodology would include working closely with staff, the Polk County Assessor and the district engineer to evaluate the area and the impacts.

The managers discussed with Ringquist the route of hiring an appraiser in an advisory role vs. appointing viewers to determine benefits and damages. Ringquist discussed that viewers would likely include all contributing lands/acres of the Union Lake Watershed in the benefit role. When using an appraiser, the district staff will work with the appraiser to determine the proper method for determining benefits and damages for the Project, and whether it is appropriate for contributing land/acres to be included. Ringquist discussed some examples for consideration such as elevation of structures, property and structure value as determined by Polk County, frontage, and value to all properties from a stable lake level. The MN DNR may be included in the benefits, but not for the lake itself. Any benefits applied to state land would be to lake shore property owned by the state such as public access sites.

As far as reimbursement, Ringquist would work for the District on an hourly basis. When compared to the costs for appointing viewers, an accurate comparison between the two methods is not feasible given the difference in approach. In the District’s recent experience, a reputable viewing company would bill for services on a per-acre basis.

Swenby suggested that should the board move forward with hiring an appraiser in an advisory role, a committee that includes the USLID along with SHRWD staff could work with the appraiser as he develops recommendations to the board for a sustainable and equitable assessment. Ringquist would welcome a committee to assist him in his recommendations.

## 6. **BRYAN MURPHEY – H2OVER VIEWERS – 9:30 AM**

Bryan Murphey was available for last minute questions on the Sand Hill Ditch redetermination. Murphey was also available to discuss how a redetermination of the westerly systems can complement a Sand Hill Ditch Redetermination.

Murphey has reviewed the potential additional work for Projects 20, 17, 32, 12, Ditch 9 and Ditch 119 and Polk County Ditches, 45, 46, 50, 73, 86, 90, and 93, if fully initiated as redetermination of benefits—along with the Sandhill Ditch system and its contributing systems—they could lower the rate from \$3.87 to \$3.79. This adjustment would also reduce costs, as most of these systems fall within the Sandhill Ditch protection area and are currently subject to the \$3.87/acre rate used to determine protection benefits. If these systems were undergoing a full redetermination, they would avoid charging for those acres twice. The estimated protection area, currently 25,000 acres at \$3.87/acre, represents \$96,750 in potential long-term savings.

The initial cost estimate provided was an estimate that included potential acres. After a closer review, it is looking like the protection area of the Sand Hill Ditch may in fact be further north and include the all or some of District Projects 20, 17, 32, 12, Ditch 9 and Ditch 119. It is estimated that it could be an additional 15,000 acres; but until the process begins there is no way to know definitively exactly how many acres are affected (contributing/protection) in relation to the Sand Hill Ditch drainage.

If a redetermination of the Sand Hill Ditch moves forward, Projects 20, 17, 32, 12, Ditch 9 and Ditch 119, will be paying \$3.87/\$3.79 if they are deemed in the protection area. That being said, to redetermine those systems, it will cost the same and it was determined that because the parcels would be paying that rate per acre, it would be cost-effective to do a redetermination on each system, for no additional cost which will ultimately give each system a “product” in the end. Murphey stated that the district has six months to decide if they’d like to move forward with the additional acres and he will honor the lower price per acre.

When discussing overall costs for the redetermination and the variables for costs, Manager Engelstad asked who endures the expense of the engineering needed to see the process through. Murphey stated that all engineering costs are routed to H2OViewers and are included in the cost per acre rate quoted.

## 7. ADMINISTRATOR REPORT:

**Sand Hill Advisory Committee:** The Sand Hill Advisory Committee met November 18 at 8 AM at Erickson’s Smokehouse. Christian was recommended and reappointed by the Polk County Commissioners. Swenby provided draft minutes that will be approved when the Advisory Committee meets next. A suggestion by an Advisory Committee member was made to add a Norman and Mahan County Commissioner to the SHAC. Swenby also provided the Administrator report that she prepared and presented to the Advisory Committee.

**Calendar:** Swenby asked if there was interest in making a calendar with images of flooding, for disbursement at the Polk County Fair next year, in lieu of pens. Some watersheds have asked for submittals from landowners and have offered a contest for the “best photo”. The board would like cost estimates before deciding if they’d like to pursue this.

**Other Materials:** The managers were given written information on November meetings, conferences and committees Swenby serves on.

**Data Practices Request:** There was a recent data practice request that was e-mailed to managers asking for specific information about Swenby such as employment contract, benefits, reimbursements, job descriptions, continuing education, complaints, job history, discipline, work location, veteran status, and work availability. The requestor has also asked for information regarding the building project. Swenby will answer questions regarding the building project this week now that she is back from the week long conference hosted by MN Watersheds, and will direct the requestor directions on how to navigate the web-site for public data found in the district minutes. Swenby noted that there were a couple of lines in her employment contract that were not public data; therefore, she will be asking the attorney to perform redactions as necessary to be completely transparent. Because the data was directed towards her, she felt most comfortable having the legal team perform the redactions to ensure that there is complete transparency.

Swenby reported that in her 23 years of employment, she can remember one data practice request submitted 10-15 years ago looking for mailing list information. In 2024, there were two other data practice requests, both related to similar subject matter.

## 8. ENGINEER'S REPORT

**Project 17:** HEI is pleased with the work and the progress made on the repair. Construction has ceased due to the winter weather and will commence next year during construction season. Pay request #1 will be presented in the action items for the 6.5 miles of completed repair.

**Project 27:** HEI is waiting on a quote for hydraulics. HEI is working on evaluating pump capacity and is hoping to have something to present by the February board meeting.

Manager Brekke asked Swenby to e-mail out the pumping report for the past two times that the pump was operated.

**Project 3:** Herrmann presented a map that Swenby asked him to prepare that shows the current assessed area compared to LiDAR to help the board determine this contributing system to the Sand Hill Ditch would be of benefit for a redetermination. It was noted that it likely there are parcels west of PC #44 that no longer benefit from Project 3 since the construction of Project # 17. The board will discuss this again and continue to consider this, when they consider if the westerly systems are warranting a redetermination of benefits. Swenby suggested that this decision may benefit from landowner feedback after we obtain more information about the pros and cons.

**Moen/Project 17 Outlet Stabilization:** The final pay request is included in the action items. Warranty is for one year after substantial completion is declared.

**Project Team:** Herrmann stated the he will continue to work towards scheduling a date for the project team.

**Project 12 and 13 Repair:** Herrmann stated that this project is closed out. Manager Engelstad stated that he had conversations with the contractor regarding communications about close out expectations and spoil leveling. Herrmann was confident that on site construction observation services provided by Houston Engineering met, and likely exceeded, expectations during the repairs. The project specifications allowed for reasonable time for proper inspection, and it's the contractors risk if they choose to demobilize before a punch list of remaining work items is provided. Herrmann indicated that this is typical and generally understood by Contractors based on his experience. In the future, Herrmann suggested tightening the specifications for close outs, possibly communicating that close outs will be completed in writing to avoid any future misunderstandings. It is possible to include withholding a 5% retainage for projects of this nature and in the future the Swenby and Herrmann plan to include all seeding in the contract.

Herrmann will provide cost expenses that were related to the inspection process for these projects.

## 9. ACTION ITEMS.

### **SH Ditch Redetermination:**

The Sand Hill River Watershed District Board of Managers, sitting as the drainage authority for Sand Hill Ditch, pursuant to Minn. Stat. § 103E.351, considered the conditions for a redetermination of benefits for Sand Hill Ditch. Based on the record and proceedings, Manager Andringa moved, seconded by Manager Engelstad to adopt the following Findings and Order:

### **Findings:**

1. The Sand Hill River Watershed District Board of Managers is the drainage authority for Sand Hill Ditch. The Sand Hill Ditch, originally established as a federal flood damage reduction project, was later transferred to the Watershed District as a public drainage system.
2. Both the original establishment and current benefits roll of Sand Hill Ditch predate amendments to the drainage code related to the basis of drainage benefits, regulations related to wetland and waterbody drainage and the initiation of modern, intensive farming and drainage practices.
3. The current benefits roll reflects the benefitted properties, benefitted areas, and benefit values as determined by viewers based on assumptions regarding the future use and drainage of said properties.

4. Since the original establishment of Sand Hill Ditch and the original determination of benefits and damages, land uses and drainage practices have changed to accelerate and increase the flow of water to the drainage system changing the nature and value of benefits accruing to lands from construction of Sand Hill Ditch.
5. Since the determination of benefits and damages, land values have changed within the benefitted area of Sand Hill Ditch.
6. The drainage authority considered a proposed redetermination of benefits for Sand Hill Ditch on December 12, 2024.
7. The drainage authority finds that the conditions required for the initiation of a redetermination of benefits exist, that the benefits and damages of record do not reflect reasonable present-day land values, and the benefitted areas have changed.

**Order:**

Based on the foregoing Findings and the entire record of proceedings before the Board, the Board, acting as the drainage authority for Sand Hill Ditch, hereby orders as follows:

- A. The Board shall follow the procedures of Minn. Stat. § 103E.351 to conduct a redetermination of benefits for Sand Hill Ditch.
- B. The following viewers are appointed to redetermine and report the benefits and damages for Sand Hill Ditch: Scott Henderson; Ken DeGier; Larry Murphy; and Robert Conely.
- C. The Watershed District Secretary is directed to issue an order requiring the viewers to qualify and execute viewers' oaths in the proceedings.
- D. The Board Chair or other authorized staff, is authorized to enter into a professional services contract with the viewers or their management company, H2Over Viewers, Inc., for viewing services.
- E. Costs incurred for Sand Hill Ditch, on or after December 12, 2024, shall be carried by the District, as an inter-fund loan to the drainage system account, and be collected by assessment against the redetermined benefits enrolled for Sand Hill Ditch upon completion of the proceedings initiated herein.

After discussion, the Board President called the question. The question was on the adoption of the foregoing Findings and Order, and there were 4 yeas and 0 nays as follows: Yea

	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"/>
BREKKE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BARTZ	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ENGELSTAD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Upon vote, the President declared the motion passed and the Findings and Order adopted.**

**Office Furniture:** Swenby presented a proposal for board room furniture and preliminary cost estimate. The furniture would set the space to be inclusive for large collaborative meetings and also versatile to rearrange for regular board meetings. A new arrangement would avoid having decision makers backs to the audience and allows for an inclusive space for project team collaborations. She stated she not looking for a motion and second to move forward and purchase, she was looking for a motion of interest in exploring options for the board room. She stated she has been working with Brandner Printing, who can have the designers actually do a 3-D drawing that is accurate and to scale for about \$100, and if purchased that \$100 is subtracted from the cost of the furniture. The managers were open to exploring, but agreed that it might be better to also ask for drawings for the new space. If furniture is ever purchased, it might be best to plan ahead to save costs and

order all at one time vs. intervals. Swenby wasn't sure furniture was needed for the new space, and had assumed that that the current desks would move to the new space. She agreed that drawings that may include existing furniture in the new space vs. different furniture may be of benefit when decisions are being evaluated. Swenby agreed there is plenty of time to make these decisions and was presenting ideas with the project team collaborations that are upcoming. A **Motion** was by Manager Engelstad to move forward with acquiring 3-D drawings to include furniture for the board room and the new space, recognizing that the cost estimate for drawings may be increase from the originally quoted \$100, **Seconded** by Manager Andringa. **The Motion was carried.**

**Sand Hill Advisory Committee (SHAC):** Swenby said that a member of the Sand Hill Advisory Committee asked if the board would consider adding county commissioner from Norman and Mahnomon County to the SHAC. A **Motion** was made by Manager Brekke to extend an invitation to both counties to select a commissioner to serve if they see fit, **Seconded** by Manager Engelstad. **The Motion was carried.**

Swenby suggested that the district could also look at adding youth from each of the schools in our district. She suggested a process where students apply to serve and they submit a letter of interest. Serving would increase their involvement, increase their portfolio, and increase their watershed awareness education. She hopes to invoke interest in the watershed district to solicit the interest in future watershed managers or leaders. She will contact the schools this winter to learn about how a program could be developed and if there is any interest.

**Appraiser Proposal (Project # 27):** The managers were presented a proposal from Ron Ringquist that included an hourly rate. Also provided by Ringquist was an example of a benefits and damages statement he had developed for another watershed, along with his resume.

At the last meeting Manager Christian asked Swenby to present what the original levy was and how it was divided up during the construction portion of the project, and that information was given to the managers.

A **Motion** was made by Manager Brekke to authorizes hiring as an independent contractor, Ron Ringquist, a professional appraiser as a consultant, to assist the Board in reallocating and determining the benefits to the property affected by the Project, **Seconded** by Manager Engelstad. **The Motion was carried.**

**Building Project:** Pay request # 1 was presented for building addition to Schmitz Builders in the amount of \$112,622.50 A **Motion** was made by Manager Brekke to approve and disperse funds for Pay Request #1 in the amount of \$112,622.50, **Seconded** by Manager Engelstad. **The Motion was carried.**

**Data Retention Schedule:** The personnel committee met and reviewed a proposed data retention schedule. Government entities have obligations under Minnesota law to create and preserve certain records. Creation and management of official records are outlined in the Official Records Act. The Records Management Statute requires that each entity keep an inventory of records and a retention schedule approved by both the head of the entity and the records disposition panel. (Minn. Stat. 138.17, subd. 7.) Swenby has spoken to a member of the panel and she has received assistance on the proposed draft retention schedule that was presented to the board.

A **Motion** was made by Manager Engelstad to approve the data retention schedule as presented, **Seconded** by Manager Brekke. **The Motion was carried.**

**Gladen Construction Pay Requests:** Pay request # 2 was presented for the Moen Outlet Grade Stabilization in the amount of \$10,723.72. This amount is the final request. A **Motion** was made by Manager Brekke to approve and disperse funds for Pay Request #1 in the amount of \$10,723.72. **Seconded** by Manager Andringa. **The Motion was carried.**

Pay request # 1 was presented for the repair on project # 17, contracted by Gladen Constructed. A **Motion** was made by Manager Brekke to approve and disperse funds for Pay Request #1 in the amount of \$226,290.00. **Seconded** by Manager Engelstad. **The Motion was carried.**

**Personnel Policy Revisions:** The personnel committee met and reviewed the personnel manual along with MN Statutes that govern public entities. Several minor changes were presented to the board such as holidays, Wi-Fi and district device expectations, data practice language for employee records. A **Motion** was made by Manager Andringa to approve the revisions as vetted by the personnel committee. **Seconded** by Engelstad. Manager Brekke abstained. **The Motion was carried.**



**Employee Evaluations:** Manager Andringa reported that the personnel committee met and reviewed all evaluations. The committee recommends a 2.5% cost of living increase for both district positions effective January 1, 2025. A **Motion** was made by Manager Andringa to approve the personnel committee recommendations of a 2.5% cost of living wage increase, **Seconded** by Manager Engelstad. **The Motion was carried.**

## 6. OTHER BUSINESS

The managers received information from the Drainage Work Group, MN Association of Watershed Administrators, Red River Watershed Management Board, Flood Damage Reduction Work Group and MN Watershed's.

Manager Engelstad asked Swenby to e-mail out the buffer rules for obstructions.

## 7. PERMITS:

There were no permits presented to the board.

## 8. ADJOURNMENT:

The next regular meeting will be held January 2, 2025, at 4 PM with a Christmas party following at Erickson's Smokehouse in Fertile, MN. As there was no further business to come before the board, a **Motion** was made by Manager Engelstad to adjourn the meeting at 1:36 PM, **Seconded** by Manager Brekke. **The Motion was carried.**

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Donna Bjerck, Administrative Assistant

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Shawn Brekke, Secretary