

PROCEEDINGS OF THE
MARTIN COUNTY BOARD OF COMMISSIONERS
JUNE 2, 2015
@ 9:00 A.M.

The regular meeting of the Martin County Board of Commissioners was called to order at 9:00 a.m. by Chairman Steve Flohrs.

Commissioners present were Dan Schmidtke, Elliot Belgard, Tom Mahoney, and Steve Flohrs. Commissioner District Three – vacant. Also present were Scott Higgins, Martin County Coordinator, Rod Halvorsen, KSUM-KFMC Radio, Judy Bryan, Sentinel Newspaper, Julie Walters, Administrative Assistant, and members of staff and public.

Motion by Commissioner Belgard, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve the agenda for the June 2, 2015, regular Board of Commissioners meeting. Carried unanimously.

Motion by Commissioner Mahoney, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, hereby approve the minutes of the May 5, 2015, and May 19, 2015, regular Board of Commissioners meetings. Carried unanimously.

Lenny Tvedten and Loren Dunham, Martin County Historical Society, were present to formally request the 2016 budget allocation for the Martin County Historical Society, stating some of the Historical Society's expenses which include: \$6,014.00 for heating expense, \$6,001.00 for public utilities expense, and \$7,839.00 for insurance expense. Tvedten stated with these types of expenses, we would request one dollar per capita for the 2016 budget allocation from the county.

Motion by Commissioner Belgard, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, hereby receive and file the CY2016 Martin County Historical Society Budget Allocation request in the amount of one dollar per capita. Carried unanimously.

Pam Flitter, Martin County Zoning Official, presented a Conditional Use Permit (CUP) request from Douglas Smith within Section 18 of Manyaska Township. Smith is proposing to operate a motocross/ATV business on an existing site located in an "A" Agricultural District. The Planning Commission approved the CUP request during their May 26, 2015, meeting and is recommending approval of the Conditional Use Permit.

After discussion,

Motion by Commissioner Schmidtke, seconded by Commissioner Mahoney,

R-#23/'15

CONDITIONAL USE PERMIT
DOUGLAS SMITH
OPERATING A NON-AGRICULTURAL BUSINESS

LOCATED IN AN "A" AGRICULTURAL DISTRICT
WITHIN SECTION 18 OF MANYASKA TOWNSHIP

Motion by Commissioner Schmidtke, seconded by Commissioner Mahoney,

WHEREAS, a Conditional Use Permit was requested by Douglas Smith, applicant, and I-90 Expo LLC, owners of property located within Section 18 of Manyaska Township in Martin County, Minnesota legally described in application as:

The SW1/4 of the SW1/4 Section 18-102-32, excepting therefrom the following tract:

That part of the Southwest Quarter of the Southwest Quarter of Section Eighteen (18), in Township One Hundred Two (102) North, and Range Thirty Two (32) West of the Fifth Principal Meridian, described as follows:

Beginning at a point on the West line of said Section 18, 1588.40 feet South of the West Quarter corner thereof, thence continuing South 560.40 feet on the West line of said Section 18; thence North 89 59'40" East 475 feet; thence North 0 10' West 560.40 feet; thence South 89 59'50" West 475.00 feet to the point of beginning.

AND ALSO

A tract of land in the Southwest Quarter of the Southwest Quarter of Section 18, Township 102 North, Range 32 West in Martin County, Minnesota as described as follows: Commencing at the Northwest corner of the Southwest Quarter of Section 18, Township 102 North, Range 32 West in Martin County, Minnesota; thence South 0 degrees 00 minutes 00 seconds West (assumed bearing) along the West line of the Southwest Quarter a distance of 2148.80 feet to the point of beginning; thence North 89 degrees 59 minutes 40 seconds East a distance of 475.00 feet; thence South 0 degrees 10 minutes 00 seconds East a distance of 500.20 feet to the South line of the Southwest Quarter; thence North 89 degrees 56 minutes 51 seconds West along the South line of the Southwest Quarter a distance of 476.45 feet to the Southwest corner of the Southwest Quarter; thence North 0 degrees 00 minutes 00 seconds East along the West line of the Southwest Quarter a distance of 499.72 feet to the point of beginning. Subject to an easement for public roadway right-of-way along the West line of the Southwest Quarter of Section 18. Said tract contains 5.460 acres including the aforementioned easement.

for the purpose of operating a motocross/ATV business on an existing site located in a in an "A" Agricultural District; and

WHEREAS, the Martin County Planning and Zoning staff has completed a review of the application and made a report pertaining to the request, a copy of said report has been presented to the County Board of Commissioners; and

WHEREAS, the Planning Commission of the County on the 26th day of May, 2015, following proper notice, held a public hearing regarding the request and, following the hearing, adopted a recommendation that the request for a Conditional Use Permit be granted; and

WHEREAS, the Martin County Board of Commissioners finds that Conditional Use Permit is to be issued for the following purpose:

Operate a motocross/ATV business on an existing site located in an “A” Agricultural District.

WHEREAS, the following conditions have been applied:

- Ω The applicant/owner is to meet all Federal, State and County rules and regulations.
- Ω Provide ample parking and no parking on the road
- Ω Porta potties (6 at an event) along with restrooms in the I90 Expo must be available.
- Ω Hours of the events shall be 7 a.m. – 5:30 p.m. and practice riding or training the hours shall be 10 a.m. – one half hour before sunset.
- Ω Ambulance/Certified EMT’s must be in attendance during the events.
- Ω Must provide insurance coverage.
- Ω No camping.
- Ω Kitchens/Food stands must meet Department of Health regulations.
- Ω Lighting shall be shielded and directed away from the public road right of way and adjacent properties.
- Ω Dust control measures (water track to reduce dust)
- Ω Noise control measures (trees)
- Ω No tracking of mud on county road.
- Ω Failure to comply with conditions may result in revocation of the Conditional Use Permit.

NOW THEREFORE BE IT RESOLVED, that the Martin County Board of Commissioners, and upon the recommendation of the Martin County Planning Commission, hereby approves the Conditional Use Permit for the above described property and is hereby issued pursuant to MS 394.301 and Martin County Ordinance #1, Chapter 6.01 and that this permit shall remain in full force and effect provided in the conditions as described above are met and maintained by the applicant and his/or her successors in interest. This permit is binding upon the applicant, the record titleholder to the property, and his/her successors in interest. Notice is hereby given that this permit may be revoked if the conditions set forth above are not maintained as described above. This resolution shall become effective immediately upon its passage and without publication.

Dated this 2nd day of June, 2015.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Steve Flohrs, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator

Roll Call AYES: Commissioners Belgard, Mahoney, Schmidtke, and Flohrs. NAYS: None.
Resolution duly passed and adopted this 2nd day of June, 2015.

Scott Higgins, Martin County Coordinator, presented a resolution for an exempt gambling permit from Martin County Beyond the Yellow Ribbon to conduct gambling/raffle activity at Rose Lake Golf Club on July 12, 2015.

Motion by Commissioner Belgard, seconded by Commissioner Mahoney,

R-#20/'15

GAMBLING PERMIT APPLICATION APPROVAL (EXEMPT PERMIT)
MARTIN COUNTY BEYOND THE YELLOW RIBBON

BE IT RESOLVED, the Martin County Board of Commissioners, hereby approve the Minnesota Lawful Gambling Exempt Permit Application – Form LG220 Application to Conduct Gambling/Raffle Activity for the Martin County Beyond the Yellow Ribbon per the requirements of Minnesota Statutes; and concurrent with the rest of their exempt permits, to include the following location at: Rose Lake Golf Club, Inc., 2456 104th Street, Fairmont, MN, on July 12, 2015.

Motion by Commissioner Belgard, seconded by Commissioner Mahoney, and was duly passed and adopted this 2nd day of June, 2015.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Steve Flohrs, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator

Roll Call AYES: Commissioners Schmidtke, Mahoney, Belgard, and Flohrs. NAYS: None. Resolution duly passed and adopted this 2nd day of June, 2015.

Higgins presented a resolution for an exempt gambling permit from Southern MN Ducks Unlimited to conduct gambling/raffle activity at Fox Lake Golf Club on August 15, 2015.

Motion by Commissioner Mahoney, seconded by Commissioner Schmidtke,

R-#22/'15

GAMBLING PERMIT APPLICATION APPROVAL (EXEMPT PERMIT)
SOUTHERN MN DUCKS UNLIMITED

BE IT RESOLVED, the Martin County Board of Commissioners, hereby approve the Minnesota Lawful Gambling Exempt Permit Application – Form LG220 Application to Conduct Gambling/Raffle Activity for the Southern MN Ducks Unlimited per the requirements of

Minnesota Statutes; and concurrent with the rest of their exempt permits, to include the following location at: Fox Lake Golf Club, Inc., 15 East Park Drive, Sherburn, MN 56171, on August 15, 2015.

Motion by Commissioner Mahoney, seconded by Commissioner Schmidtke, and was duly passed and adopted this 2nd day of June, 2015.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Steve Flohrs, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator

Roll Call AYES: Commissioners Belgard, Schmidtke, Mahoney, and Flohrs. NAYS: None. Resolution duly passed and adopted this 2nd day of June, 2015.

Higgins noted the Auditor/Treasurer's Office has received application and payment in consideration of approval for a 3.2% On Sale and Off Sale, and Consumption & Display Permit (Set-up License) for new owners Joshua Thate and Russell Olson, Ghost Town Tavern LLC, d/b/a Ghost Town Tavern in Granada, MN. Higgins went on to note the new owners are required to provide the County with a certificate of workers compensation insurance; and recommends approval contingent upon receipt of the requested insurance certificate.

Motion by Commissioner Schmidtke, seconded by Commissioner Belgard, Be It Resolved that the Martin County Board of Commissioners, hereby approve 3.2% On Sale and Off Sale, and Consumption & Display Permit (Set-up License) for new owners Joshua Thate and Russell Olson, Ghost Town Tavern LLC, d/b/a Ghost Town Tavern in Granada, MN. Roll Call AYES: Commissioners Schmidtke, Belgard, Mahoney, and Flohrs. NAYS: None. Resolution duly passed and adopted this 2nd day of June, 2015.

Flitter briefly presented and reviewed the proposed Renewable Energy Ordinance noting the purpose of the proposed changes is to allow and set forth processes for permitting/defining development within Martin County of not only wind, but other renewable technology such as solar energy. Flitter noted the Planning Commission has set a Public Hearing on June 23, 2015, at 5:30 p.m., to review and take public comment in consideration of the proposed Renewable Energy Ordinance and amend the Martin County Zoning Ordinance.

Kevin Peyman, County Engineer, presented and reviewed a resolution authorizing Martin County enter into a Detour Agreement – Contract No. 1000751 – with the Minnesota Department of Transportation, to provide payment by the State to Martin County for the use of Martin County Road No. 26 as a detour route during the contract construction to be performed upon, along and adjacent to Trunk Highway 90 from 0.74 miles east of Trunk Highway 86 to 0.5 miles east of Trunk Highway 4.

Motion by Commissioner Schmidtke, seconded by Commissioner Belgard,

Martin County Highway Department
Resolution No. 1 - 2015

**RESOLUTION FOR DETOUR AGREEMENT No. 1000751
WITH THE MINNESOTA DEPARTMENT OF TRANSPORTATION**

BE IT RESOLVED, that Martin County enter into Mn/DOT Agreement No. 1000751 with the State of Minnesota, Department of Transportation for the following purposes:

To provide payment by the State to the County for the use of Martin County road No. 26 as a detour route during the contract construction to be performed upon, along and adjacent to Trunk Highway 90 from 0.74 miles east of Trunk Highway 86 to 0.5 miles east of Trunk Highway 4 under State Project No. 3280-126 (T.H. 90=009).

IT IS FURTHER RESOLVED that the County Engineer and the County Auditor are authorized to execute the Agreement and any amendments to the Agreement.

Upon motion by Commissioner Schmidtke, seconded by Commissioner Belgard, and carried said resolution was duly passed and adopted this 2nd day of June, 2015

BOARD OF COMMISSIONERS
MARTIN COUNTY, MINNESOTA

By: _____
Chairman, Martin County
Board of Commissioners

Attest: _____
Scott Higgins
County Coordinator

CERTIFICATION

I hereby certify that the foregoing resolution is a true and correct copy of a resolution presented to and adopted by the County of Martin at a duly authorized meeting thereof held on the 2nd day of June, 2015.

Scott Higgins
County Coordinator

Roll Call AYES: Commissioners Mahoney, Belgard, Schmidtke, and Flohrs. NAYS: None.
Resolution duly passed and adopted this 2nd day of June, 2015.

Peyman presented a brief Highway Department Update including progress on Highway 41 Overlay Project, plant site at Petersburg, Iowa, and prepping for sealcoating project.

Jeff Markquart, Martin County Sheriff, presented his request to advertise and hire for the position of Seasonal Water Patrol. Markquart noted this new position will patrol city and county lakes; and that the wages for this position will be expended from the County's Annual Boat and Water Safety Grant.

After further discussion,

Motion by Commissioner Belgard, seconded by Commissioner Mahoney, Be it Resolved that the Martin County Board of Commissioners, hereby approve and authorize the recruitment of a seasonal Water Patrol Deputy for purposes of patrolling the lakes throughout Martin County. Carried unanimously.

Markquart presented the request for the reclassification of Michael Schultz from part time corrections officer to transport officer.

Motion by Commissioner Mahoney, seconded by Commissioner Belgard, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize the reclassification of Michael Schultz from part time corrections officer at \$15.96/hour to transport officer at \$15.45/hour, effective June 2, 2015. Carried unanimously.

Markquart presented a Martin County Jail Population Update including eighteen (18) in-house and nine (9) out of county.

Ronald Schramel, attorney for the Red Rock Rural Water System (RRRWS), was present to request the Board approve the Joint Powers Agreement between the RRRWS, Jackson County and Martin County for the construction project that Red Rock Rural Water System is going to undertake starting fall of 2015. Schramel noted it is projected that this upcoming construction project will connect approximately 135 new farms and homes to the Red Rock Rural Water System. Schramel went on to note he so far there have been 15 confirmed sign-ups from Martin County and 8 more pending. It looks like there will be about 23 to 25 people from Martin County who will be added onto the project. Schramel also noted the total project of this project is \$9,125,000 and of that amount \$6,641,000 is being paid through the issuance of GO Bonds and \$2,484,000 is being paid through grants that Red Rock is going to receive from the USDA Rural Development Department. Jackson County is the lead county on this project and Jackson County will actually be issuing the bonds because most of the people connecting to Red Rock are from Jackson County. Schramel noted in order for the bonds to be issued by Jackson County the bond company and USDA who is giving the grant and the loan requires that a Joint Powers Agreement (JPA) be signed by Jackson County, Martin County, and Red Rock Rural Water System. Essentially this JPA is a guarantee where Martin County is guaranteeing the payments on the bond for Martin County's share of the project. Schramel also noted you're not guaranteeing the entire \$6,641,000 of the bond. The way this joint powers agreement is drafted is Martin County's obligation is limited to \$16,000 for every person in Martin County who signs up.

Commissioner Belgard inquired don't they pay that \$16,000 up front.

Schramel noted no...they have a choice...they can pay it (the \$16,000) up-front if they want or they can have it assessed on their taxes. With the recent farming economy a lot pay cash; but a good number will probably have it assessed. Schramel further noted that the engineer calculated the cost and the number of hook ups based on the grant and everything else. That's the amount needed to cash flow this project is \$16,000 per owner.

Commissioner Belgard inquired and there's more adding on to this, right?

Schramel stated in the affirmative. As long as there's water available people of Martin County can continue to hook up...but it has to be feasible. Someone four miles from the main isn't going to be able to hook up because it would just cost too much. To make a long story short at 23 or 25 people that's not the end of it, going down the line there will be several more. Schramel also noted my understanding is that Mr. Viesselman, Martin County Attorney, has reviewed the joint powers agreement and has approved it as to form. Higgins affirmed that the County Attorney has reviewed the Joint Powers Agreement.

After further discussion,

Motion by Commissioner Schmidtke, seconded by Commissioner Belgard,

R-#24/'15

RESOLUTION
PERTAINING TO JOINT POWERS AGREEMENT
RED ROCK RURAL WATER SYSTEM
2015-2016 EXPANSION BONDING

BE IT RESOLVED, that the Martin County Board of Commissioners, State of Minnesota, at its duly convened meeting and pursuant to discussions had, duly resolved as follows:

Hereby approved Joint Powers Agreement between the Red Rock Rural Water System and the counties of Jackson and Martin and directing the Chairman and/or Clerk/Auditor to execute the Joint Powers Agreement relative to the Red Rock Rural Water System expansion, and authorizing Jackson County to issue the necessary interim financing bonds and long-term financing bonds to fund said system expansion and to have said Joint Powers Agreement govern the repayment of said bonds; said Joint Powers Agreement being executed with the understanding that the Red Rock Rural Water System and the counties of Jackson and Martin would all be parties to this Agreement.

Motion by Commissioner Schmidtke, seconded by Commissioner Belgard, resolution duly passed and adopted this 2nd day of June, 2015.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Steve Flohrs, Chair

ATTEST: _____
Scott Higgins, County Coordinator

Roll Call AYES: Commissioners Mahoney, Belgard, Schmidtke, and Flohrs. NAYS: None.
Resolution duly passed and adopted this 2nd day of June, 2015.

Higgins presented a resolution recommending the re-appointment of Mike Curley and Jay Takle to the Red Rock Rural Water System Board of Commissioners for an additional 4-year term effective January 1, 2016, through December 31, 2019.

Motion by Commissioner Belgard, seconded by Commissioner Mahoney,

R-#21/'15

RESOLUTION NO.

RESOLUTION RECOMMENDING THAT

MIKE CURLEY AND JAY TAKLE, BE APPOINTED

TO THE

RED ROCK RURAL WATER SYSTEM

BOARD OF COMMISSIONERS.

Background Information

WHEREAS, Mike Curley's 4-year term as a Commissioner on the Red Rock Rural Water System (RRRWS) Board of Commissioners is scheduled to expire at midnight on December 31, 2015; and

WHEREAS, Jay Takle's 4-year term as a Commissioner on the Red Rock Rural Water System (RRRWS) Board of Commissioners is scheduled to expire at midnight on December 31, 2015; and

WHEREAS, Mike Curley and Jay Takle would both like to serve another 4-year term on the RRRWS Board of Commissioners, which will commence at 12:00 a.m. on January 1, 2016, and will expire at midnight on December 31, 2019; and

WHEREAS, On May 14, 2015 the RRRWS Board of Commissioners unanimously passed a Motion which recommends that Mike Curley and Jay Takle be appointed for another 4-year term on the RRRWS Board of Commissioners; and

WHEREAS the Martin County Board of Commissioners believes that Mike Curley and Jay Takle are qualified to act as Commissioners on the RRRWS Board of Commissioners and are worthy of appointment.

RESOLUTION

BE IT NOW RESOLVED, that the Martin County Board of Commissioners hereby recommends that Mike Curley and Jay Takle be appointed to the RRRWS Board of Commissioners pursuant to and provided for by Minnesota Statutes §116A et seq, to a four-year term, which shall commence at 12:00 A.M. on January 1, 2016, and shall expire at midnight on December 31, 2019.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Steve Flohrs, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator

I hereby certify that the foregoing Resolution was approved by the Martin County Board of Commissioners on June 2, 2015, by a vote of four for, zero against, zero absent, and zero abstaining.

Scott Higgins, Martin County
Coordinator

Roll Call AYES: Commissioners Schmidtke, Mahoney, Belgard, and Flohrs. NAYS: None. Resolution duly passed and adopted this 2nd day of January, 2015.

Jeremy Monahan, Faribault-Martin County Transit Board Director, noted Martin County is due to purchase one (1) replacement vehicle in 2015 to be used in our transit system. Monahan went on to note that vehicle cost is allocated 20% local share and 80% State/Federal share of the contract amount; and that the approved MnDOT contract amount is up to \$72,000. Monahan also noted after review of vehicles and options offered by approved State of Minnesota contracting vendors, staff recommends purchasing a 16 passenger Ford E450 (Elkhart Body) gas engine transit bus in the amount of \$68,039.00 from North Central Bus & Equipment Sales of

Minnesota, MN, (\$13,607.80 – 20% local share, \$54,431.20 – 80% State/Federal share); contingent upon MnDOT Office of Transit Approval.

After further discussion,

Motion by Commissioner Mahoney, seconded by Commissioner Belgard,

R-#19/'15

RESOLUTION

Authorizing the Procurement of One Replacement Transit Bus for CY2015 and
Selecting North Central Bus & Equipment Sales as Specified Vendor

WHEREAS, the County of Martin, MN, operates a transit system; and

WHEREAS, the County of Martin, MN, desires to purchase, through the State of Minnesota Cooperative Procurement Process, a vehicle to be used in the transit system; and

WHEREAS, the vehicle cost is allocated 20% local share and 80% State/Federal share of the “contract amount”; and

WHEREAS, the County of Martin, MN, staff has reviewed the vehicle options offered by approved multiple contracting vendors; and

WHEREAS, the staff recommends purchasing one vehicle from North Central Bus & Equipment Sales, for the reason of the low cost, fleet consistency, and past vendor performance; and

NOW THEREFORE BE IT RESOLVED, that the Martin County Board of Commissioners of the County of Martin, MN, hereby authorize the purchase of one new transit bus from North Central Bus & Equipment Sales of Minneapolis, MN, in the approximate amount of \$68,039.00 or not to exceed \$72,000.

Motion by Commissioner Mahoney, seconded by Commissioner Belgard, Resolution was duly passed and adopted this 2nd day of June, 2015.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Steve Flohrs, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator

Roll Call AYES: Commissioners Schmidtke, Belgard, Mahoney, and Flohrs. NAYS: None. Resolution duly passed and adopted this 2nd day of June, 2015.

Higgins noted the Assessor's Office is requesting approval for Mike Sheplee and Norma Padgett to attend the Schneider/Beacon User Conference to be held August 25-26, 2015, in Ames, Iowa. Higgins went on to note expenses not covered by the conference are estimated at \$200 per person. Higgins also noted the purpose of the conference is to acquire new knowledge of how the Beacon system enhancements can be implemented on our own County Beacon site.

Motion by Commissioner Mahoney, seconded by Commissioner Belgard, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize the out-of-state travel request for Mike Sheplee and Norma Padgett to attend the Schneider/Beacon User Conference to be held August 25-26, 2015, in Ames, Iowa; at an estimated cost of \$200 per person including two nights lodging and meals. Carried unanimously.

The Board recessed at 9:45 a.m.

The Board reconvened at 10:00 a.m.

Chairman Flohrs opened the public hearing for consideration of the Engineer's Final Report for the improvement on JD #367; and the Viewer's Final Redetermination of Benefits Report for the improvement on JD #367. All county board members representing as the Martin County Drainage Authority, staff included Deb Mosloski, Drainage Specialist, Mike Forstner, Drainage Inspector, James Forshee, Auditor/Treasurer, Scott Higgins, Martin County Coordinator, Kurt Deter, Attorney for the Board, Chuck Brandel, Engineer for the Project (I&S Group), Ron Ringquist, Viewer, Chuck Bowers, Viewer, Chris Christensen, Viewer, landowners, and other members of the public were present. All in attendance were asked to sign in on the attendance sheet.

Deter, legal counsel for the Board concerning 103E ditch matters, noted as you can see from the agendas we have two different ditch matters today although they are related. A few years ago you received petitions for improvement for portions of JD #367 and CD #29. At that time you appointed Mr. Brandel to be the engineer. Mr. Brandel did an engineer's preliminary report, we had preliminary hearings on August 20, 2013, and it was continued to October 1, 2013. At that time you ordered Mr. Brandel to do a final engineer's report and you also appointed three viewers to go out and determine not only the benefits and damages from the project; but, you also ordered the redetermination of benefits on both JD #367 and CD #29.

Deter went on to note as you look at the agenda, and to make sure that we follow the items in the statute, you'll see that Deb (Mosloski) will make sure to make a record that notices were sent out; Mr. Brandel will give the engineer's report on JD #367 and CD #29; then if there is a Department of Natural Resources (DNR) Advisory Report, we'll make record of that; then there will be public comment and questions about the engineer's report; then Mr. Ringquist will give the report on the redetermination of benefits of JD #367 and CD #29. Deter also noted in order to approve the redetermination of benefits, the Board will need to find:

- a. The Viewers' Report has been made and other proceedings have been completed under Minnesota Statutes 103E.

- b. The Viewers' Report made or amended is complete and correct.
- c. The damages and benefits have been properly determined; and

In order to approve the Improvement of Separable Portion of JD #367, the Board will need to find:

1. The engineer's Final Report and Viewers' Report have been made and other proceedings have been completed under Minnesota Statutes 103E.
2. The reports made or amended are complete and correct.
3. The damages and benefits have been properly determined.
4. The estimated benefits are greater than the total estimated costs, including damages.
5. The proposed project will be of public utility and benefit and will promote the public health.
6. The proposed drainage project is practicable.

Deb Mosloski, Drainage Specialist for Martin County, noted the public hearing notices in consideration of the Engineer's Final Report and Viewers' Determination of Benefits for a proposed improvement of a separable portion of JD #367 and the redetermination of benefits of JD #367, were mailed May 14, 2015; and were published in the Truman Tribune (Martin County's 2015 Legal Newspaper) and Fairmont Photo Press on May 13, 20, & 27, 2015.

Brandel noted JD #367 is an 8,100 acre watershed and CD #29 is approximately 2,500 acres on the west side of the system in Rolling Green and Manyaska Townships. Brandel went on to note a bit of history on the system including CD #29 was actually constructed first and outletted; and then an outlet was bought for \$1 in 1914 and then JD #367 was constructed after that. CD #29 is an all tile system and JD #367 has a tile system that came up and is connected to CD #29. So we have two projects and they work together...but I will try to keep it separate as I can.

Brandel went on to note JD #367 is an open ditch that was partially rerouted and cleaned back in the winter of 2011-2012...drains into Bright Lake. This part of the open ditch (on map) is very flat...there was an improvement that was done right through here (on map) back in 2001 on JD #367 and then currently this portion of JD #367 is a private ditch and the public portion is a 24" and 22" main which is called Branch M. The proposed improvement is to improve Branch M by eliminating the tile and making the open ditch part of the public system from the Sheek property through the Rosenberg property. Included with that would be the construction of berm along the open ditch. There is a pond that is included in JD #367 and that pond is primarily for CD #29; but it is part of the system. It would allow for a portion of the ditch to be rerouted...so Branch M joins JD #367 in Section 29 of Rolling Green, comes up to be rerouted through the proposed pond with the ditch on the south side of the Rosenberg property and it would be cleaned through the Sheek property and then the petition asked to close the open ditch and make this area (on map) tile. To accommodate the CD #29 watershed and the entire watershed upstream...we looked at the drainage coefficients of the system. The existing outlet at this point was .01 drainage coefficient which means .01 inches per day per acre can go through this tile system which is very undersized. The proposed system is to get to a half inch drainage coefficient which would require this portion of JD #367 to be constructed as a 60" pipe. That 60" pipe would be put at very similar elevations to the existing 22" and 24" pipe which is as deep really as we can get it, based on the elevation of the system. The open ditch would be closed and land would be gained back...farm tillable land would be gained back in that location.

Brandel also noted as you continue on, this point here even though it is in the JD #367 watershed a new outlet for CD #29 would be constructed through here...here's the existing outlet...this would be a 48" pipe; and CD #29 is sized to go from very low drainage coefficients to a half inch drainage coefficient also. The proposed pond is a two-stage pond with the southern half being on Rosenberg property. That would be a deep storage basin set approximately five to six feet deep through here and then that material would be used to build a berm around it. It would be designed to back up a backwater onto the Sheek property which is currently in a Board of Water and Soil Resources (BWSR) easement; so you'd have what we call a surge pond that backs up into a shallow water wetland. There is one spot that was requested if this is done to deepen a couple holes in that wetland to provide some permanent water...so there are three areas that would have about five feet of water. So water would be held here a foot to six inches deep and that would be allowed to drain back down into the pond. Part of the reason this permanent water area is set back from the ditch is that we don't have a lateral effect so that maintains itself as a wetland. The pond is proposed to be 75% assessed to CD #29 and 25% assessed to JD #367 approximately based on the Viewers' Report. There would be some cleaning of this portion of the ditch and there would be cleaning of this portion of the ditch and then the material from the pond would be used to build an approximate two and one-half foot berm along this area of the ditch, to construct some of this berm through here, and then cover a portion of the pipe in Section 30 of Rolling Green Township on the Ziemann property. That area is shallow enough that the 60" pipe wouldn't have adequate cover if an area wasn't covered with a couple feet of material.

Brandel noted the entire system is designed for a half inch drainage coefficient; but the pond is overdesigned to protect the downstream from flooding. So, the 36 acres of pond during the 100 year event, so about seven inches of rain in 24 hours, would hold 220 acre feet of water. You have a 60" pipe coming in and a 36" pipe coming out. So during normal flows or low flows water runs through the pond; but it acts as if were a (inaudible) ditch and a treatment area. During flood events the flow is restricted and when you look at the existing peak flows versus the proposed peak flows we actually get a reduction. The proposed peak flows would be one-third of what the existing peak flows would be, approximately. Statute requires us to look at the 5,10,25,50,100 well not the 100 year event but I like to look at the 100 year event, and it is approximately that for each of those is just a little different. The pond is designed with one and one-half foot of freeboard...what I mean by that is if we get a 100 year flood there is a foot and a half extra storage in the pond and there would be an emergency overflow at the bottom end of the pond. Part of the reason we looked at that is as we talked through this we had an informational meeting on Friday (May 29, 2015) and there was some questions about Bright Lake and the elevations out of the ditch system. There is only two feet of fall from this area down to the outlet of JD #367 so it is very, very flat. There are also wetland and storage areas along the way. So I looked at how this pond would work if Bright Lake was at one of its historic high elevations. So I went to the DNR website and found some information on that and put in a condition that this ditch is backed up to about four feet higher than what the current outlet is in JD #367. That would raise the elevation of the pond by a little over a foot...about 13 to 14 inches. Now remember we had a foot and a half of freeboard so the pond would hold the 100 year event in that case. So we tried to design this to protect downstream on JD #367; but also take the increase in flow off of CD #29 and JD #367.

Brandel went on to note the costs for the JD #367 portion of the project are if you don't include the pond it is \$840,833.60; 25% of the pond would be another \$181,518.03; so the total proposed improvement would be \$1,022,351.63. We did look at what the repair costs would be for this area and if we were to repair the public portion of Branch M there would be a cost of approximately \$518,000; so we do know that from observation that this portion of Branch M is bubbling out into the ditch so it is broken at that point, there are other portions of it that I have been told really aren't in use or have been broken...so it is our opinion that we can use separable maintenance on this project because the existing Branch M currently isn't working in a few areas and is in disrepair. What that allows is that when you take the improvement cost and you subtract what the repair costs would be that is the amount of benefit that would be found for the project. The viewers will talk about proposed benefits; but based on my calculations the benefits are higher than the costs when separable maintenance is used. With the construction of the pond the outlet would be adequate. With the elevations this portion of JD #367 doesn't have anything that is significantly deep...CD #29 does have some deeper pipe but the project is feasible, it is cost effective, and based on the petition it would be of public benefit and the viewers will give testimony on the amount of benefits, but it in my opinion it is cost effective, the outlet is adequate, especially when we construct a pond to reduce peak flows. There was no DNR report. I did meet with the DNR a couple of weeks ago about this project. They asked why we were constructing such a large pond because they don't see that in a lot of improvement projects. I told them about the you know you've got very a very flat system downstream...some of the petitioners on this project own land on both sides of that and there is some history of flooding here so we try to protect both systems as much as possible. Some of their other comments to me were can we reduce the amount of open inlets or not have open inlets on the pipe systems and that includes JD #367 and CD #29. We're proposing on all of the road crossings which JD #367 doesn't have any, but CD #29 does, to do a water quality inlet which is a Hicken bottom inlet with rock around it and tile below it...that allows the sediment to drop out in the road ditch and then the proposal on CD #29 for most of the tile areas, JD #367 has a couple, is to take a standard open tile inlet, raise it approximately eight inches, cut some slits in that dual wall pipe, and that way you have eight inches of area that when you get a larger event sediment can drop out through there and still drain down to the elevation but it can overflow into the inlet. So those were the requests that I got from my meeting with the DNR. That's not official, but I wanted to pass that along. So that's the summary of JD #367.

Commissioner Belgard inquired when the DNR questioned why you're putting a pond in bigger...that's something they like to see isn't it.

Brandel noted yes.

Commissioner Schmidtke inquired what is the advantage of closing the ditch and putting that tile in there instead.

Brandel noted the landowner petitioned for that. He wants to gain that land back...he's got a small piece here that is not necessarily easy to farm especially this angled area; but that was requested by the landowner to do that. It still is cost effective. And I misspoke on Friday...the actual cost of the pipe is \$600,000; but when you look at that if this project were to go through as an open ditch the land purchased...right now this is a private ditch so you have to buy the land,

you have to buy a buffer and do excavation on the ditch. I believe it is in the range of approximately \$140,000 more to do the pipe versus an open ditch. What I quoted on Friday at our meeting was just the construction costs...I didn't include the land cost to buy the ditch, buy the 16 ½ foot buffers...that wasn't included in the cost.

Chairman Flohrs noted it is my understanding that the landowner is going to pick up the cost of closing the ditch and putting tile in. Is that right?

Brandel noted yes, that is my understanding, that difference.

Deter noted we should make record for the minutes that we did not receive a DNR Final Advisory Report.

Chairman Flohrs noted we did not receive a DNR Final Advisory Report.

Flohrs opened the meeting for public comment.

There were a number of comments and questions regarding the proposed improvement projects.

Flohrs asked for the Viewers' Report.

Ron Ringquist, along with Chuck Bowers and Chris Christensen, noted they were the three viewers appointed to do the viewing on this particular project. Ditch #367 a little extra history was originally constructed as Ditch #36. It was then improved with a shallow open ditch over portions of that and made into two separate ditch systems the tile always being 36 and the shallow open ditch being county ditch #57 then in 1999 approximately a redetermination and petition for improvement were filed that as a part of that improvement they removed part of ditch 36 tile and replaced it with an open ditch going north from Branch M and up a ways. The two ditch systems were then consolidated in 2002, if my dates are right, and that's when this ditch system became #367. So 367 is a relatively new number but it is from a historically old ditch and is now consolidated as a single ditch system which includes the original open ditch outlet, all of the tile of ditch 36, the open ditch portions of 57, and the improvement that was completed in 2002.

Ringquist went on to note so because the benefits and the consolidation took place in 2002 we as viewers didn't have to do a lot of additional field investigation. We went out and looked at and verified any changes in land use or ownership that may affect the benefiting acres that were determined in 2002. With that there were a couple of properties that had a significant change that we had to deal with. One was that a portion of the property had been purchased by the U.S. Fish and Wildlife and the U.S. Fish and Wildlife will not pay special assessments and therefore we have removed those benefits to that federally owned property. The other was the Sheek property and that is under a permanent easement under RIM. Under a RIM contract... that by itself does not remove potential benefits but does affect those acres that would be considered benefits. With a RIM contract we look at typically those acres that would have been enrollable within the program and thus been able to, that farming right, be sold to the state without the ditch system are considered to be referred back to a native condition and would receive no benefit.

Those acres that would not have qualified for payment from the state under RIM because it would have been remaining wetland or existing wetlands with no compensation those we feel did receive a drainage right and that drainage right allowed those acres to be converted to agricultural use but then qualified those to be sold back to the state and therefore those landowners sold that drainage right to the state and that was a management decision. So those acres could still benefit. The only other part within the redetermination that has changed is the acres within the pond itself have been removed from the benefits with the assumption that that pond is constructed. If the pond is not constructed then those acres should be added back into the benefiting acres of the report that was submitted. So what we did then on the redetermination was mostly just an update of the values applied to the acres that were valued in 2002. Everybody knows that there has been a significant change in the property values since 2002 and so that is what this redetermination really addressed.

Ringquist also noted to come up with the values for current market value we looked at the sale values of properties within the you know like an appraisal we looked at values of lands within the market and did a comparison as if there was no ditch system at all with what we feel the values of those properties are with the ditch system that is out there in a reasonable state of repair. And that is as Mr. Brandel said Branch M is not functioning properly...well we looked at Branch M as if it was repaired and functioning the best it could. When we get into the improvement we did not consider the value at that point of the private ditch because that is a private ditch so that is part of something we consider within the improvement portion...not in the redetermination. So land values without a ditch range from having no agricultural values for what was classified as "A" acres or those acres that would have been standing water, cattails, sloughs; class "B" land which would have been seasonally flooded, marginal hay or pasture lands; "C" lands are lands that had a wet subsoil and benefit from both the surface and/or subsurface drainage; and the "D" acres was done the same in 2002 are the upland acres that on an acre by acre basis did not need artificial drainage; but they do benefit in value and productivity because the wet acres around them are drained. Because nobody goes out like they did in 1914 and farms the five acres on the top of the hill only and then come back and do the next range if you chase it down...you wait until the field itself is generally farmable and then you go farm the field. So there is value even to some of those upland acres.

Ringquist noted going back then and looking at what potential values could be...potential value means that it needs NRCS design standards because this is both an open ditch and tile system we assume then that NRCS design standards accommodated one inch of runoff within 24 hours. If the ditch system provided that capacity to every acre out there the "A" acres would be worth between \$6,500 and \$7,500; and up to where the best acres within this watershed would be between \$8,000 and \$9,000. We also look at in order to determine those values we look at the agricultural increase and agricultural potential and that's the income approach to value. In an appraisal you always look at three approaches to value...the sales, the income, and the cost. Because we do not use cost as a factor in allocating costs of these projects the viewer's job is to determine a benefit value through the other two approaches which must then exceed the cost factor to make a project feasible. So to breakdown the overall market values because there are no pure sales of the various benefit classes we look at a hundred years farm cycle and what happens to the agricultural production. With a 1 inch outlet the "A" acres would produce about 92% of the optimum estimated yield because during larger storms it is still going to flood. The

“B” acres at about 96% because those are the flood plain acres and during very large storms they’re still going to flood for a period of time. The “C” and “D” acres typically did not have significant surface water impacts and therefore once properly drained we assumed they will produce the average annual yield. We’ve estimated the optimum production yields in this watershed at about 190 bushel average corn, 50 bushel beans...we’ve used sales values at an average of \$4.00 for the corn and \$11 for the beans...and assumed a 50/50 crop rotation. Production costs were put on the same 50/50 crop rotation and we’ve estimated that the input costs not including land costs or full equipment depreciation that input costs for corn is about \$466 an acre and soybeans about \$227 an acre or for an average input cost of \$347. So to determine a breakdown in the benefit value of the various classes if we use a “B” as an example it says that you would get 96% of the potential \$655 income or an average annual income of \$628 and then subtracted the production costs of \$347 which then would give you a net average income of \$281. We’ve allowed that the hay and pasture value is \$100 because with “B” acres we said without artificial drainage it was still useable for hay and pasture we’ve allowed \$100 previous income or change of income of \$181.69. We do realize that in order to get this kind of production it requires private tiling which is not part of the value of the outlet so we’ve taken the life of the project and reduced the income to reflect the 25 year (inaudible) depreciation request for tiling or in the B case \$34 per acre showing that comparing this with no ditch versus having a ditch with a 1 inch runoff capacity that the annual benefit is \$147.69. You capitalize that out current capitalization because of prices is only at a half a percent. We understand that the income today does not reflect well against the market values against the land but if you take and capitalize that at the half a percent for 25 years and that \$147 equates to \$462...kind of like an annuity. If I wanted to get \$147 and my passbook was giving a half a percent interest how much money would I have to invest today present value of that future cash flow of \$147 at a half percent interest means that the present value is \$3,462. Same calculations were used in breaking down the overall market value increase for all of the various land values.

Ringquist noted because this system is a combination of marginal open ditch tile, we looked at this particular ditch system at best only provides about 63% of that value to the “A” acres that we found within the watershed. We found 68% of the benefit, the “B” acres, 96% for the “C” acres, and 99% for the outland or the “D” acres from the system that is already out there. To reflect then whether a property is on one of the open ditches or on the tile lines or has only access to the outlet through a neighbor or through another 40 we took the combination of all of the analysis of the 36, 367 improvement and 56 and made an efficiency for an existing rate adjustment to show what percent of value each of these 40’s is currently getting out of that potential that that ditch may provide. So to get a person’s individual benefits we’ve taken the adjusted values times the hydrologic number to give us a gross benefit and we then adjusted that for the impacts of the locations within the various parts of the system...you multiply those across and get your net benefit. Net benefits within this system are our opinion of the value added to the property because the current system exists...assuming it is in a reasonable state of repair. So, with those considerations we had benefits to all properties, roads other than those that were non-benefited and those that I discussed, and come up with the total net benefit of the existing system of \$4,956,860.45. So that is what we did with the redetermination...at this point had just matched the numbers from the previous projects and determinations and adjusted them for current economic conditions. So that is the redetermination, Mr. Chairman.

Flohers opened the meeting for public comment.

There were a number of comments and questions regarding the redetermination.

Deter noted there are two different statutes we're looking at. We're looking at the redetermination of benefits statute which allows redeterminations to be done to bring land values up to current day prices or if the benefited area has changed. So under that section I think it is possible for the Board since now you're looking at it as of today not 1914 that the Board could say we're going to look at outlet fees. Deter went on to note let's say we're going to force CD #29 to petition under 401 then I think we'd have some problems because 401 says that after the construction of a ditch system...if JD #367 had been first and then we were putting CD #29 in, I think we'd have an argument under the forcing an outlet. But CD #29 was in there prior to JD #367. What I'm getting at is I think the Board has the authority under the redetermination to do an outlet fee if you felt that was appropriate or output benefit. I don't think you could do it by forcing saying that CD #29 was built afterwards. It's kind of a semantics game in two different sections of statute. But I think it is possible...that would be a Board decision...and I think you have to rely somewhat on the viewers in how much of JD #367 is actually being used by CD #29 otherwise, it's my opinion, you couldn't have the people on CD #29 pay as if they were using all of JD #367 and getting a direct benefit of that. They're getting an outlet benefit for a short portion of the ditch. The point I'm getting at I think is that we've got a lot of issues here, we need to address them, and we won't be able to do a final order today in my opinion because I think Mr. Kramer is asking about the berm and I think we're going to need some more...I'm not trying to cut things off...but we're going to need a clean engineering report that addresses some of these issues and we're going to need a clean viewers report otherwise a hundred years from now they're going to say what the heck were those people doing back then...we can't figure out what their intent was. I don't want to keep putting things off but right now I couldn't do an order that says that this is the engineer's report that's been approved unless the Board wants to approve the one that's been submitted at this point but it sounds like the Rosenberg's don't really want the berm which saves some costs so it would be pretty hard not to look at that seriously when you're savings costs. I guess what I'm getting at is we can continue and do much more hearing and then a CD #29 hearing; but I think we're going to spin our wheels for the next two hours and I think what you're going to get to is continuing it to direct the engineer to look at these alternatives with the no berm and whatever else and if you wanted to, to direct the viewers to at least include an alternate redetermination that includes an outlet benefit. You may or may not approve that ultimately...but you'll have clean reports to look at. If that makes any sense to you...I know you're going to get to the end of the meeting today and say there's too many unanswered questions.

After much discussion and based on the comments and questions received by the landowners regarding the proposed improvements,

Motion by Commissioner Belgard, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, acting as the Drainage Authority for Martin County, after having been presented the final Engineer Report for the proposed improvement of JD #367 and the final Viewers Report for the Redetermination of JD #367; and after receiving public input and questions regarding the proposed project, and the need for additional

information including: how the costs are being attributed for a tiled ditch versus an open ditch, and construction of berm or no berm, and to direct the engineer to respond to questions we've heard today, and the viewers to look at outlet benefits to CD #29, hereby continue the public hearing to June 16, 2015, at 3:00 p.m. in the Commissioners Meeting Room – Martin County Courthouse. Carried unanimously.

Chairman Flohrs opened the public hearing for the consideration of the Engineer's Final Report for the improvement on CD #29; and the Viewer's Final Redetermination of Benefits Report for the improvement on CD #29.

Deter noted my recommendation would be based on the discussion on JD #367 and some input on CD #29 would be to ask for a motion to continue the redetermination hearing and improvement hearing to June 16, 2015, at 3:15 p.m. for issues on the improvement project and the possible outlet benefits for CD #29.

Motion by Commissioner Mahoney, seconded by Commissioner Belgard, Be It Resolved that the Martin County Board of Commissioners, acting as the Drainage Authority for Martin County, after having been presented the final Engineer's Report for the improvement of a separable portion of CD #29 and the final Viewer's Report for the Redetermination of CD #29; and after receiving public input and questions regarding the proposed project, and the need for additional information, hereby continue the CD #29 public hearing date to June 16, 2015, hereby continue the public hearing to June 16, 2015, at 3:15 p.m. in the Commissioners Meeting Room – Martin County Courthouse. Carried unanimously.

Commissioners reviewed information including the temporary new Commissioner Committee Assignments adding Commissioner Tom Mahoney will be attending the Water Plan Committee meetings; and to delete the MN River Basin Joint Powers Board Committee as the group has disbanded; and CY2016 Appropriation Request from the Small Business Development Center (SBDC).

Motion by Commissioner Belgard, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, hereby receive and file the CY2016 Appropriation Request received from the Southern Minnesota Initiative Foundation. Carried unanimously.

Higgins recommends starting the Board of Commissioners meeting at 2:00 p.m. on Tuesday – June 16, 2015, due to JD #367 and CD #29 continuation hearings, and Board of Equalization beginning at 6:30 p.m.

Motion by Commissioner Mahoney, seconded by Commissioner Belgard, Be It Resolved that the Martin County Board of Commissioners, hereby set the time at 2:00 p.m. for the June 16, 2015, regular Board of Commissioners meeting. Carried unanimously.

With no further business to wit, Board Chair adjourned the meeting at 12:06 p.m.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Steve Flohrs, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator