

BENTON COUNTY DITCH AUTHORITY  
Tuesday, May 21, 2019  
Benton County Board Room

The Benton County Ditch Authority met in special session on May 21, 2019 in the Benton County Board Room in Foley, MN with Board members Steve Heinen, Ed Popp, Jake Bauerly, Warren Peschl and Spencer Buerkle present. Also present was Chris Byrd, County Engineer; Monty Headley, County Administrator; and Vicki Feuling, Administrative Assistant.

Call to order by Chair Jake Bauerly was at 11:45 AM.

Peschl/Heinen unanimous to approve the agenda as written.

Popp/Heinen unanimous to approve the minutes of February 5, 2019 as written.

Chris Byrd, County Engineer, reported that the repair projects on County Ditch 13 and County Ditch 15 have been completed; final costs are known and it is time to assess the benefitted landowners. He stated that the Ditch Authority must establish the interest rate and the term at which the assessments are paid back (some landowners prefer to pay in one lump sum and some landowners prefer to pay in installments). Byrd presented a proposed "Findings and Order of the Board Regarding Drainage System Assessments, Installment Schedules, Interest Rates and Maintenance Funds" for County Ditch 13 and County Ditch 15; statutes state the maximum number of annual installments is seven and minimum interest rate on installments is 1.0%. Administrator Headley stated his belief that the only limitation on the interest rate is the maximum rate that can be charged. Byrd noted that, typically, other counties have set the interest rate as the state court administration rate for civil judgements (currently 4%). Headley clarified that the county has no set policy on how the interest rate is set. Upon questioning the Auditor-Treasurer on the average rate of return on county investments, Auditor-Treasurer Nadean Inman reported a 1.66% return on investments in 2018 (the County fronted these ditch costs and, therefore, forfeited interest earnings). Following brief discussion, there was consensus of the Board to set an interest rate of 2.0%.

Motion by Peschl to accept the proposed order, setting the maximum number of annual installments at seven and an interest rate on installments of 2%. Second by Popp. Motion carried unanimously. Byrd pointed out that, in addition to the total cost of the projects, the proposed order establishes a maintenance fund for both ditches. He explained how the maintenance fund dollar amount was established "...I took what the construction costs were...divided it by ten...in ten years, theoretically, we would build up a fund to do that same repair project again..." Peschl rescinded his previous motion and Popp rescinded his second. Motion by Peschl to adopt the following drainage system assessment, installment schedule, interest rate, and maintenance fund, for County Ditch 13. Second by Popp. Motion carried unanimously.

<b>County Ditch 13</b>	
<b>Total to be assessed:</b>	<b>\$172,752.84</b>
<b>Portion of assessment to pay drainage system costs:</b>	<b>\$156,577.74</b>
<b>Portion of assessment to establish maintenance fund:</b>	<b>\$ 16,175.10</b>
<b>Annual installments:</b>	<b>7</b>
<b>Interest rate on installments:</b>	<b>2.0%</b>

Motion by Peschl to adopt the following drainage system assessment, installment schedule, interest rate, and maintenance fund, for County Ditch 15. Second by Heinen. Motion carried unanimously.

<b>County Ditch 15</b>	
<b>Total to be assessed:</b>	<b>\$230,044.40</b>
<b>Portion of assessment to pay drainage system costs:</b>	<b>\$210,891.06</b>
<b>Portion of assessment to establish maintenance fund:</b>	<b>\$ 19,153.34</b>
<b>Annual installments:</b>	<b>7</b>
<b>Interest rate on installments:</b>	<b>2.0%</b>

Byrd stated that he will work with the Auditor-Treasurer's Office to send out notices to the benefitted landowners regarding their annual assessment (payable in 2020).

Byrd reported that he is seeking guidance from a consultant with regard to County Ditch 6 "...to guide us through what we should do appropriately...whether we clean up to that part where it deviates from the original alignment...if that's the right thing to do, maybe we go through the process of making that an improvement and stick with how it is today...the problem with an improvement...the counter-argument is going to be that we increased drainage from where it was originally intended...are all the downstream culverts appropriately sized...that's where the consultant can also help us is determining the appropriate size of all the culverts on that roadway...that's my next goal to get a consultant hired to do that type of work for us...if we had a repair project, we could have the contractor clean out culverts...that's an additional cost to that particular landowner...in the short term, if the landowner wants to get in there and do that, they could do that themselves...it's going to be their cost either way...there is no maintenance fund for Ditch 6..."

Popp/Buerkle unanimous to adjourn at 11:57 AM.

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A. Jake Bauerly, Chair  
Benton County Ditch Authority

ATTEST:

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Montgomery Headley  
Benton County Administrator