

REGULAR DRAINAGE MEETING
Wednesday, February 17, 2021 930 AM
This meeting was held electronically and in-person due to Covid-19 concerns.

2/17/2021 - Minutes

1. Open Meeting

Hardin County Drainage Chairperson BJ Hoffman opened the meeting. Also present were Trustee Renee McClellan, Trustee Lance Granzow; Lee Gallentine of Clapsaddle-Garber Associates; Michael Pearce, Network Specialist; and Denise Smith, Drainage Clerk.

2. Approve Agenda

Motion by McClellan to approve the agenda. Second by Granzow. All ayes. Motion carried.

3. Approve Minutes

Motion by Granzow to approve the minutes of Drainage Meetings dated 02-03-2021, 02-10-2021 and DD 55-3 Lat 9 Landowner Meeting dated 01-27-2021. Second by McClellan. All ayes. Motion carried.

4. DD 56 WO 3 - Discuss W Possible Action - Available Dates For Bid Letting

Gallentine inquired of the Trustees availability for a March 10, 2021 for a Bid Letting for DD 56. Smith stated the Trustees' schedule was open after the 9:30 AM Drainage Meeting on March 10th.

Motion by Granzow to hold the DD 56 Upper Tile Diversion Project Bid Letting March 10, 2021 at 10:00 AM. Second by McClellan. All Ayes. Motion carried.

Gallentine stated they would get those plans wrapped up with the March 10, 21 Bid Letting date and get plans and specs to you next week for your official copies, and March 10th we will receive bids and open them.

5. DD 128 Lats 1 & 3 WO 2020-12 - Discuss W Possible Action - Tile Condition Update

Smith had hoped to have Bernie Oleksa of Alliant available today to speak with the Trustees about searching out Lateral 1, Oleksa's meeting schedule did not jive with ours this week, and he will be with us next week and Smith will put this at the top of the agenda.

6. Discuss W Possible Action - Drainage Assessment Project

Smith stated she provided the Trustees with a spreadsheet she has been working on for the potential assessment. The Trustees had tasked Smith with adding a \$5 per parcel assessment option, a \$10 per parcel assessment option or what it would look like at a \$1,500 per district assessment. Smith directed the Trustees to the back page of the handout that gives the totals of what that would look like. Smith stated the bright yellow bar of the last page, to the right of the total number of districts, it looks like you \$5 per parcel assessment would generate for all districts \$37,975, for a \$10 per parcel assessment for all districts it would generate \$75,950, and for a \$1,500 potential assessment on all districts would generate \$231,582. Smith stated basically that is if you were to assess all districts in one year, if we do what we had talked about, which is splitting the districts into thirds, into groups of possibly 51 districts, and assess that first group of 51 the first year, the second group of 51 the second year and the 3rd group of 51 the third year, we would look at a 1/3 split of those numbers below, that would be your annual amount you would generate.

Smith stated she put these numbers together for the Trustees to view and has also added some information, Smith worked with the Auditor to gather the Drainage Clerk's annual salary costs which would now include the FICA costs and family insurance costs, you have a more accurate number of what that would look like, Smith also included costs for IDDA Membership with the Optional Protection Fund dues, and for drainage legal fees, Smith has only included fees since she started as Clerk. Smith went back to her start date and looked at all of the drainage legal fees we have acquired through Davis Brown Law that

were not one district specific, these would be general things we talked about like where we talked about the IRUA issue or we talked about wind turbines and wind mills. Smith stated for the total figure for those costs, for the Clerk's salary with FICA, IPERS, insurance, IDDA Membership and legal fees comes to about \$68,661. Smith stated if the Trustees look at how they would like to see this work, the Trustees will have to examine the numbers generated by the assessment options and see where they would like to be.

McClellan asked if the \$68,661 would be annual costs. Smith stated that would be an annual cost. Hoffman stated that would not include any wage or cost increases. McClellan asked if the assessments were figured on all the districts. Smith stated the bright yellow bar shows the total for all districts assessed in one year. Hoffman stated the tan bar, or next one down, would be the three-year rolling totals, Hoffman stated the last three columns in the tan bar are the \$500, \$1,000, and \$2,000 options, with a three-year rolling total. Hoffman stated we have to first of all rule out the assess all districts at once and go with a rolling assessment of every three years., Hoffman would like to take the yellow columns (\$500, \$1,000 & \$1,500 assessments out of the equation, and the next thing would be the \$1,500 assessment. Hoffman stated \$1,500 sounds like a lot, and it will be for some districts, it won't be for others. McClellan stated it would provide a little extra if something unforeseen came up. Granzow stated you could go \$30 per parcel on the assessment to get to about the same number. Smith stated you certainly could. Hoffman stated that may send Smith back to the drawing board, Smith stated that is okay, that is not that bad. Hoffman does not want the Clerk to be chasing her tail, Hoffman would like to have it come in somewhere closer to \$100,000 per year, this wind turbine litigation has Hoffman concerned. Granzow asked for clarification on Hoffman's number. Hoffman stated he would like the sum to be somewhere near \$100,000. Granzow stated we could look at either \$40 per parcel or the \$2,000 potential assessment per district, Granzow stated with him you are looking at the same dollar amount, but \$40 per parcel keeps it even to everybody. Hoffman stated that is true, the next thing Hoffman would like to rule out the district flat fee, for some of those districts that have small numbers. Smith stated we have a district that has 3 landowners in it, Hoffman stated he does not think there is equity in that, Granzow stated they may be 400 acres instead of 4,000 acres. Hoffman stated he would like to rule out the per district options and go to the per parcel options. Granzow agreed. Smith stated she thought the Trustees would get less pushback at the per parcel rate.

Granzow stated for example if you take the city of Radcliffe and you charge \$40 per parcel, how many houses are in one parcel, McClellan stated one house per parcel. Granzow stated so it is not a 40-acre parcel. Smith stated there are 454 parcels in DD 143 in Radcliffe. Hoffman asked would it be fair to ask the Drainage Clerk for next week to bring us a number for a \$40 per parcel number. Granzow stated \$101,274 roughly, just multiply the \$10 per parcel assessment times four. Smith stated you could take the \$10 per parcel total times 4 and that would be pretty accurate. Hoffman stated he thought next week the Trustees can take action on that and apologized for skipping ahead but is ready to comment on the letter as well, if you could add that for next week, we could be ready to move forward next week. Smith asked if the Trustees would like her to include the Auditor and Treasurer in next week's meeting as well. Hoffman stated yes, absolutely. Granzow stated in the letter, now that we have it narrowed down to which one option we want, we can explain it in the letter. Hoffman stated that can be included in the letter, include that in the mailing. Granzow stated it would be \$40 per parcel every 3 years. Granzow asked what we call this, a special assessment. McClellan stated it is for the costs incurred by the County, previously paid by taxpayers. Hoffman stated or mass assessment. Smith stated Iowa Code calls it Additional Help for the Auditor. Hoffman stated he would use verbiage from Iowa Code and call it what it is so if someone wants to challenge it, it is per Iowa Code. Granzow stated as far as he could tell, this is the fairest way you could do any of it, he has looked at this for 10 years, and we think we have found about the fairest way you could possibly do it, because a percent of a job is ridiculous.

Hoffman asked from Gallentine's standpoint, you work with many Drainage Trustees, do you think this is an equitable solution. Gallentine stated he thinks it is probably the most equitable he has seen. Hoffman stated not that he wants to be a trendsetter, or influencer is this probably where some other counties will take our lead and go with it. Gallentine stated he thinks so, potentially, you just don't know where some of those other counties try to generate some of those revenues, some have historically done an extra \$5 assessment when we got a project going, some charge different interest rates, and keep that interest, so you just don't know where that money is hidden in layers, but this is pretty open and transparent and makes sense to Gallentine. Granzow asked if Gallentine sees any flaws in it. Gallentine stated he does not know if it is a flaw, but he does see the argument that you are charging so much per parcel, someone might say DD 143 is paying how many thousands of dollars, that isn't fair, it should be so much per district.

Hoffman stated he can make an educated argument that DD 143 is going to take a whole lot more of the Clerk's time than the district Hoffman lives in that hasn't had anything done in years. Gallentine stated that is what he is saying, that is the argument against it but the alternative is less equitable, where you charge so much per district when you only have a district with 3 landowners that hasn't had anything done. Gallentine stated the other thing he thinks is maybe some of those districts that only have 3 landowners, talk to them, and see if they want to dissolve the district. Granzow stated he thinks that is a good step.

Gallentine stated as you get one new landowner in there, right now everybody agrees and does their own thing, you get one new landowner in there it could cause a very expensive project for everybody, for something that they can probably maintain on their own for three landowners. Granzow stated or they can take the district back away from us, Granzow asked how we are doing this with all the other districts on top of this. Smith stated this does not include any of the Private Trustee Districts, if that is something that they would like to approve, that is something that Smith would have to have in minutes from each of those districts, is the way Smith understands this. Granzow stated and if they don't then we are just going to have to charge them a per hour fee. Smith stated that would be up to the Trustees and is something that can be done. McClellan stated she does not agree with that, just like when some counties charge a \$5 minimum when they assess, those active districts that have more problems are paying the legal fees for something that is just as useful to a district that has very little going on in it. McClellan stated to her it is not fair. Gallentine stated the whole problem is if the Trustees are getting a legal opinion for a district that you are in charge of, and a Private Trustee district has the same issue it isn't like the Clerk will shut off her brain and go I don't know anything about that. Smith stated we do have Private Trustee districts that she is much more active for than other Private Trustee districts, right now DD 67 has some litigation that is going on and has done quite a bit for the DD 3 has quite a bit going on and Smith has done quite a bit of work for them, Smith stated having those Private Trustees come in for a meeting would probably be the most ideal way for the Trustees to have this conversation with them, and for the Private Trustees to understand the (Supervisor) Trustees perspective on this, and I think that is what the letter mentioned, a possible meeting in the spring depending on Covid-19 and how things turn out with that, that is a good opportunity for the Trustees to educate then and say despite the fact that you may have a district that is not active, other Private Trustee districts are and do utilize the Clerk for a lot of things. Gallentine stated that the legal precedence set in one district has implications for all the districts. McClellan stated she thinks it is a benefit to all districts. Gallentine stated whether that issue is wind towers, railroads, DOT or whatever, it is precedence setting.

Smith stated if the Trustees want to say that we can assess for the Clerk's time at an hourly rate, Smith does not think code would not allow that, it would allow that, and could definitely be something that happens, and would just need to create a log to log her time spent on each of those districts, in the past this may have been mentioned before, Smith had found one in the system that Schlemme had created and had a little bit of time logged in for a Private Trustee district, so Smith thinks that is something that could be an option for the Trustees. McClellan does not want to make any more additional work for the Clerk, Granzow stated they would be the controlling one, so maybe it would cost them twice as much as doing this. Smith stated that is something that can be hammered out as you discuss in the meeting with the Private Trustees that they are not open to the idea, and you still feel there needs to be a cost assessed for the Clerk's services or for legal, then that might be the time to set up a meeting with the Private Trustees to address that. Granzow stated he thought it could be addressed at that time, it could be one or the other, Granzow thinks the biggest complaint you will get is why do we have to pay for this, we never had to pay for it before, Granzow stated you have been paying for it, it has just been coming through on a different levy, it has been assessed to the entire community that doesn't have drainage and this is something separate that Code allows for, so if you have ground that is out of Drainage, you are paying the bill on both sides, this just narrows it down to you are paying a bill for something you are getting services for. Gallentine stated this really refines it to the point that the people who are getting the service are the ones paying for it, whereas now they are paying for it along with other people and it is just rolled into something they don't realize. Granzow stated yes, you could use the other examples that he would call bad examples, charging 5% to a project, that is not fair to anybody, that is what other counties do, and we haven't been doing anything, just absorbing it the budget and we can't continue to keep absorbing this through the budget.

Hoffman asked when the initial assessment for the first-year folks go out. Smith stated 2022 would be what we had talked about. Hoffman stated when we put our hats on at 10:00 and talk about budget for the County, this is something we can project and forecast for the future, here we will find about \$55,000 or

maybe a little bit more in our budget now, and Hoffman thinks that is strong. Granzow stated it is more like \$65,000. Smith stated it comes out to about \$61,000 for just the Drainage Clerk salary and benefits. Hoffman stated that is something we can pat ourselves on the back for later, that is something as we are seeing where our budget shortfalls and longs are. Granzow stated he thinks it is fair, right, wrong or indifferent, Granzow thinks once it begins, it is easy to maintain and there can be changes in there, Granzow truly thinks it is fair to the residents of Hardin County, whether you are in or out of a drainage district, at that point they can decide whether or not they want to become their own Trustees, if they become their own Trustees, and you can take that dollar amount off there. McClellan stated then they may want to disband districts, some of those with only 3 owners. Granzow stated that would save them tremendous amounts of money, the easy button does not work when it is everybody's money, this isn't easy, Granzow thanked Smith for all the work on this. Hoffman stated we hate to send you back to the drawing board, but it is better to walk before we run with this. Granzow stated he has changed courses probably 3 or 4 times over the years as we have discussed this, but as we keep getting narrowed down, the new questions pop up and Granzow does not have any more questions. Gallentine stated you may have gone back to the drawing board a little bit but this is so much farther than when you talked about it 10 years ago, 10 years ago, it was no, we are not doing it, and pretty much everyone in the room thought so but Granzow at the time, the Clerk at the time stated she was not doing a time sheet, I am quitting. Granzow stated those were her words, they can do this after I leave. Gallentine stated she was not doing it and not even thinking about it, Gallentine stated he thought this was great progress.

Granzow stated putting the ideas together, Schlemme gave us a lot of info on what other counties are doing and does not think any of those are correct in his mind, he sees a lot of legality problems. McClellan does think this is the fairest. Granzow stated this is the most fair not just one district paying for the Clerk this year or that year or though a project, he sees problems with what those other Counties are doing. McClellan stated she thinks this will have some good repercussions, some of those district that haven't been assessed for how many years, the people that own it probably they don't even know that they are in a drainage district.

Gallentine stated the whole problem, as we have discussed before, is if you assess for a project, sometimes an actual construction project will take less of the Clerk's time than projects that don't happen, if you go through a remonstrance it takes more of the Clerk's time than if you go through a bid letting, for a lesser dollar amount, that doesn't make sense, that is why Gallentine likes this. McClellan asked if you can't really do away with a drainage district, Gallentine stated you can dissolve an entire district you just can't get out of district; it is either totally gone or it is still there. McClellan stated once you are in you are in. Gallentine stated yes, but if everyone gets out then the whole thing goes away. Smith stated there is a petition process to dissolve a district. Granzow stated this might start some of that, but it takes it off our books and takes the labor off the Clerk's side. Gallentine stated this modernizes the system, a hundred years ago you might have had 10 landowners in that district and an 8" tile was a big deal, now three landowners and an 8" tile is nothing. Granzow stated he would like to thank everyone for all they have contributed.

7. Other Business

Smith stated she will have an update for the Trustees on 2021 Drainage Assessments for the Trustees next week and give the Trustees an idea of what she is looking at assessing on those. Smith stated Gallentine has been very helpful going over Smith's notes and making sure she is on the right track for those.

8. Adjourn Meeting

Motion by Granzow to adjourn. Second by McClellan. All ayes. Motion carried.