

REGULAR DRAINAGE MEETING

Wednesday, April 14, 2021 9:30 AM

This meeting was held electronically and in-person due to Covid-19 concerns.

4/14/2021 - Minutes

1. Open Meeting

Hardin County Drainage Chairperson BJ Hoffman opened the meeting. Also present were Trustee Renee McClellan; Trustee Lance Granzow; Machel Eichmeier, Treasurer; Lee Gallentine, 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 the Drainage District 56 Landowner Meeting dated 03-31-2021. Second by McClellan. All ayes. Motion carried.

4. Discuss W Possible Action - Stamped Warrant Interest Rate Resolution No. 2012 - 08

Smith stated back at the end of February we had some discussions about our Drainage Assessment Process and the Treasurer was involved in those discussions, at that time you had asked me to bring this back on the agenda when we had more time to discuss it, to discuss the stamped warrant interest rate. Smith did provide a copy of the most recent change in the stamped warrant interest rate, back in 2012 we went from 6.5% down to 5% interest, Smith brought this back on the agenda today to see if the Trustees had any interest in updating any of that. Granzow asked for Eichmeier's comments. Eichmeier stated she was going to reach out to other counties to see where they were at and has not gotten that done. Granzow stated they were probably mad that we dropped ours down to 5% and they may not have changed from 6% until just recently Hoffman stated he would have no problem if Eichmeier wanted to do some more research on this and fill in the blanks and let Smith know, we can bring it back on the agenda in the coming weeks. Eichmeier stated she has mixed feelings because interest rates are really low, and already 5% is more than what current rates are locally so raising it right now Eichmeier does not see any benefit. Granzow stated and that is why we pushed it down lower.

Hoffman stated the other part of him wonders, he does not want to this next week and then things are going to change, Hoffman thinks his guts says things are going to change, why keep bouncing it around, let's give it maybe 30 days or 60 days and see where we are at. Eichmeier stated or even a half a year, she does not see the need to raise it at this going in time because if they can't get financing at their local bank, that is what they are going to do if they get this huge bill, and if they can't why would we want to put it so it would put more strain on our taxpayer when Eichmeier can't get 5% anywhere, and granted it is so sporadic how we get this interest, it is not like this nice chunk of money getting 5% interest along the way, it is these little chunks of money getting 5% interest along the way, we have almost \$2,000,000 dollars invested, it kind of scares Eichmeier, especially when we are going to get our fund balance lower and we are holding onto \$2,000,000 dollars that we can't just call in. Eichmeier stated her stomach kind of goes into a knot, we are going to get it, but it is not something that if we needed, she can't pull it. Granzow asked if Eichmeier needed to, could she sell a warrant at 5% interest to anybody right now. Eichmeier stated yes. Granzow asked if Eichmeier thought she could sell a warrant at 3% interest to anybody right now. Gallentine stated yes. Eichmeier stated Gallentine said yes because he used to buy them. Gallentine stated we still get phone calls asking if we have any to sell, Gallentine stated he thinks he could sell them at 3% because it is an income tax free income, that is why at 3% you could sell them. Granzow stated that is what his threshold is to raise them. Hoffman stated what is the supply and demand, what is the fair market value, what can the market take, but if we want to have Smith print a note on her calendar to bring this back in September or October to bring this back on her calendar. Granzow asked what if we bring this back monthly, Hoffman stated it could be monthly between the Drainage Clerk and the Treasurer, if Eichmeier believes there is a trigger then we can bring it back on the agenda.

Eichmeier stated she would think if interest rates started to rise, then she feels we should revisit this and look at it a little bit closer, but at this point in time, Eichmeier thinks it would be a dis-service to our taxpayers to raise it, Granzow stated that was correct. Gallentine stated if he could interject, he thinks Eichmeier is right, there is a huge administrative burden on them because they are in such small increments. Eichmeier stated the work, time and effort that goes into managing all of this drainage is probably worth more than 5%, and Eichmeier feels the taxpayer should have that. Gallentine stated imagine having a \$2,000,000 dollar loan that is \$1,000 increments, essentially you have a loan for each \$1,000 increment, when you have \$2,000,000 worth, Gallentine cannot imagine what a burden that is. Eichmeier stated they are \$5,000 increments now, but still has many that are \$1,000, it is kind of cumbersome, it is almost the same kind work if we sell them than if we hold them, to her, it is our benefit to keep them if we can. Eichmeier stated we are going to be getting monies coming in with assessments going out his year, last year we had very few assessments that went out, so this year with the completion of projects, we will have some money rolling in so we will get back to maybe being a little bit more square, granted every week or every other week we have bills going out to purchase more. Eichmeier stated when next September comes, we are going to have more money coming in so hopefully we will get some of those big ones recalled to hopefully dwindle them. Gallentine stated he can tell you based on once they get into private hands, it is kind of a pain to track the ownership as far as if somebody sells them and who is the new owner, Eichmeier stated it is basically an assignment.

Hoffman stated he does not know if we need a motion or just allow Eichmeier and Smith to just do their jobs. McClellan stated she thinks we just need to leave it with them until there needs to be a change made. Granzow stated please let us know when you feel you get to that trigger point, when you can't sell them anymore or you don't want to hold on to them for that low of interest. Hoffman stated if it becomes burdensome, cumbersome. Eichmeier stated we may get to the point that she feels uneasy about having them, Granzow stated we are doing 10-year loans at this interest, 10, 15 and even 20 years. Eichmeier stated yes, we have some out there for 20 years, she is hoping that most of the new ones will be 10. Hoffman stated maybe they could just go to their own bank. Eichmeier stated maybe, we didn't have any waivers last year. Smith stated she suspected we would have some waivers this year. Granzow stated maybe we should focus on some of those 20 years ones and start selling them off. Eichmeier stated she does not want to start selling them now because she does not need any extra work. Hoffman thanked Eichmeier for working with the Trustees on this. Eichmeier thanked the Trustees for being included in the conversation on this.

5. DD 56 Upper Main Tile Diversion - Discuss W Possible Action On Bids / Easements

Gallentine stated Jeff, our Right of Way agent from Marshalltown has reached out to all three landowners and talked to them, these would be the landowners we need easements from, all three are tentative maybes as far as details and costs and anything else they may want, none of them have said no flat out, so Gallentine's question is if the Trustees are ready to go into contract with Gehrke and if the easements don't pan out, you would be spending the \$8,000 for bonding is all the district would be out, or how the Trustees want to proceed. Gallentine stated we are proceeding with talking with them and what they have got right now is the comp study that Jeff has come up with, the recent sales have helped a lot, so we would like you to review this and approve it and give us a tentative approval to move forward. Gallentine stated there are two issues: we need to talk about what you want to offer moving forward and also do we want to enter into a contract right now. Granzow asked how many days are left on that contract to pay the \$8,000, Gallentine stated the bid date was March 10, and you have 60 days, so we are just shy of a month since it is the 14th now. Granzow stated he thinks we should do a landowner meeting again; we need a dollar amount, they didn't say no but they didn't say yes to that dollar amount either correct. Gallentine stated he really didn't think they said one way or another, you don't want to landowner meeting people out either, if you have to have one to figure out if they are getting the contract and one to figure out if the easement price is ok or not, Gallentine will do whatever the Trustees want.

Granzow stated easements are ready to be taken but before we move forward with Gehrke's, Granzow thinks we need an easement being locked ins tone, these are what they think dollar amounts might be, they might double them in us. Gallentine stated no this is not what they think, this is what Jeff has done as a comparable, because if Gallentine recalls correctly they did not want to do the Gehrke contract in case if one person said no right off the bat, and what Gallentine is telling you is that none of them said no, so Gallentine does not know if now is the time to talk about Gehrke contract or if you want us to keep moving

and see where we are at as we get closer to May 10th. Granzow stated he thinks we can lock in that \$8,000 for the contract but we have a month to do it in, and why pay \$8,000 a month early, and now that we have not a yes, but not a no, we need to find a dollar amount. Gallentine state ok, this is what Jeff has come up with, there is a recent sale, there is a number 7 for \$13,900 an acre and if you get down to the bottom of the paragraph, what he has done for comparables is the permanent easement would be paid for 25% of the sale price, now any crop damage payments for years one through whatever would be above and beyond that. For the easement and then temp easement would be paid at 5% of that sale price, that is his suggestion, you guys can change that, edit that, tweak that however you want, but then he needs that price to be able to go back to the landowners.

Granzow stated offer it to him, is he going to be a negotiating tool for us, Gallentine stated yes. Granzow stated so in all honesty, we are in a public meeting, and anything beyond what you just showed us Granzow would not do outside of closed doors. Gallentine stated yes, essentially this is just authorizing him to off this amount to them and see what their reaction is so you just need a motion to approve it and then get it signed and get it back to him and he will go ahead and say this is what the district is offering, from there it becomes a negotiation, and it will probably become a closed session. Hoffman stated so from there, he would entertain a motion to accept this offer as a starting point.

Granzow motioned to approve the DD 56 Acquisition Valuation as a starting pint for easement negotiation. Second by McClellan.

Roll Call Vote:

Granzow: Aye

McClellan: Aye

Hoffman: Aye.

All Ayes. Motion carried.

Gallentine stated if the Clerk could get that signed and returned to Gallentine right away he will get that on to their Easements department. Smith stated she would.

Gallentine stated he has talked to a couple of landowners who own land within the districts and where this new tile will be and they are wanting to hook to this tile, with their private tile system, Gallentine told them he didn't think it would be an issue but he would check, and they were intrigued with our televising access points and they wanted those put in just so they could serv as an intake for surface water, so that tweaks the cost a little bit, but just to give you a heads up that is what some of the landowners have been requesting. Granzow asked as part of an easement. Gallentine stated yes so that will be one of those things that is above and beyond this cost. Gallentine was just happy to hear that nobody said no. McClellan stated that was true, Granzow stated that would sure kill the project pretty quick. Hoffman asked if there were any other comments, no additional comments or questions were presented.

6. Discuss W Possible Action - IDDA Membership

Smith stated that John Torbert of the IDDA has reached out to us and would like to do an annual visit with the Trustees next Wednesday at our Regular drainage Meeting at 9:30 am, and Smith has tentatively scheduled his visit for that time frame for Torbert to discuss membership benefits and current events with the IDDA. McClellan asked if we had already joined the IDDA, Smith stated yes, we have joined, this is part of our Membership benefits, he will come in once a year and visit with the Trustees to give the Trustees an update on everything they have been working on through the legislative process and everything else. McClellan stated that was okay, Hoffman stated that sounds good. Smith stated she would confirm attendance with John Torbert.

7. Other Business

Big 4 Lat 4 Work Order 309 – Smith stated she received a report of an active beaver dam in DD 51 and got the report this morning after the agenda had already been posted and did not have a chance to add it to the agenda. Smith stated this is on the very western edge of Hardin County and it is right north above a railroad track on the Lat 4 open ditch. Smith stated Tim Burton is the tenant on that parcel, Smith did confirm that, and James Crisp Trust is the owner. Smith stated Tim reports that the beaver dam is 5' high and covering up the outlet, easiest entry would be from Young Ave road and through the RR right of way. Tim is

wondering is we can get someone out there to trap the beavers and remove the dam debris. Gallentine stated that for clarity that is Lateral 4 of Big 4, not DD 51, Smith stated she will correct her work order to reflect that correct district. Hoffman asked if we could recess while Smith corrects the work order or can we tentatively approve the work order. Smith stated you could tentatively approve the work order and she will receive a signature next week.

Motion by Granzow to tentatively approve DD Big 4 Lat 4 Work Order 309, with formal approval upon signature at the next Drainage Meeting on 4/21/2021. Second by McClellan. All ayes. Motion carried.

Smith asked if the Trustees would like her to reach out to Brad Mohr, licensed nuisance wildlife operator, as beaver season ends tomorrow, she can't use the other trappers if they are not in season. McClellan asked if you could trap them live and move them. Smith asked if the Trustees would like to do anything with investigation on the dam or would you like the beavers trapped out first. Granzow stated trap the beavers. Gallentine stated as of two to five years ago we had two dams in the exact same location. Hoffman stated be sure to let Mohr know that so we can get after the dam and beavers.

Hoffman stated he copied Smith in on an email from Angela Silvey that copied an email from Judy Funk on a renewal presentation on June 9th, Judy would like to present to the Board our renewal stuff, and Funk would like it at 10:30 or later and Hoffman wanted to make sure we coordinate that with Smith today. Smith stated you can move Drainage to any time that day, Hoffman stated let's plan on having the regular 9:30 time and having a brief meeting and if we had to, we could recess, but if there is way, we could make sure the agenda isn't huge that day. McClellan asked how long Funk might need. Granzow stated it is usually an hour or so. Smith asked for the date, Hoffman stated June 9th, Smith stated we can do drainage at 9:30 and she can keep the agenda brief.

Hoffman stated he copied Smith in on an email from Angela Silvey that copied an email from Judy Funk on a renewal presentation on June 9th, Judy would like to present to the Board our renewal stuff, and Funk would like it at 10:30 or later and Hoffman wanted to make sure we coordinate that with Smith

8. Adjourn Meeting

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