

BUFFALO-RED RIVER WATERSHED DISTRICT

BARNESVILLE, MINNESOTA 56514

1303 4th AVE NE
Email: general@brrwd.org

PO BOX 341

PHONE 218-354-7710
Website: www.brrwd.org

DATE: Wednesday, October 9, 2019
TO: Wilkin County Board of Commissioners
FROM: Bruce E. Albright, Administrator
RE: 2020 Taxing Petitions

Enclosed, please find a packet of information we sent to the Clay County Board of Commissioners last week regarding our use of Minnesota Statutes Annotated (M.S.A.) 103D.905, Subd. 3. Since 2010, the Buffalo-Red River Watershed (BRRWD) has been using this taxation in accordance with Watershed Law to replace funding that we would have raised had we been a member of the Red River Watershed Management Board (RRWMB). Because of differences we've had in the past with the RRWMB, we still are not a member. We feel that taxing less than fifty percent (50%) of the RRWMB taxation locally is a better way for us to complete projects within the BRRWD. Using the petitioned taxation, the funds are raised locally, spent locally, and accounted for locally.

We attended the October 10, 2019 meeting of the Clay County Board of Commissioners and were on their meeting agenda for them to petition for the taxation again in 2020. Because of differences currently going on regarding the Fargo-Moorhead (FM) Diversion Project, Clay County did not feel that they could support our taxation in this regard. I truly feel that the issues are separate, but they weren't ready to support us until matters regarding the FM Diversion are settled.

Therefore, we truly thank you for your time on October 15, 2019 to discuss these petitions with you, and hopefully get your support in signing of the petitions so that we can raise the necessary funding to partner with the Soil and Water Conservation District (SWCD), etc. in 2020 to address water problems/issues throughout the BRRWD.

If you should have questions or comments concerning the above or enclosed, please feel free to contact this office. We look forward to seeing you on October 15, 2019.

BEA/rb

BUFFALO-RED RIVER WATERSHED DISTRICT

BARNESVILLE, MINNESOTA 56514

1303 4th AVE NE
Email: general@brrwd.org

PO BOX 341

PHONE 218-354-7710
Website: www.brrwd.org

DATE: Wednesday, October 2, 2019
TO: Clay County Board of Commissioners
FROM: Bruce E. Albright, BRRWD Administrator
RE: 2020 Petitions for Taxing Authority Per M.S.A. 103D.905, Subd. 3

Attached, please find two (2) separate petitions for use of the above referenced taxing authority by the Buffalo-Red River Watershed District (BRRWD) in 2020. The funding was discussed at our 2020 Budget Hearing held in Barnesville on 08/26/19. In accordance with said Statute, use of the funds must be petitioned for by a political subdivision.

Watershed Funding History.

The BRRWD was created in 1960, enlarged in 1976, and enlarged again in 2012. In 1981, the BRRWD joined the Red River Watershed Management Board (RRWMB) which was formed in 1976. Under this joint powers legislation, the BRRWD was able to tax up to a 2 mil levy (now determined as a percentage of the taxable market value). The BRRWD retained half the funds to be used for local projects/programs. The other half was sent to the RRWMB. In 1981, the total taxation for the RRWMB funding was approximately \$190,000. By 2002, the total RRWMB taxation had grown to approximately \$1.4 million. In 2002, the BRRWD made a decision (for a variety of reasons) to no longer belong to the RRWMB. During the years we were a member of the RRWMB, the funding half retained by the BRRWD was used to support a variety of projects/programs, including the development of four detention sites: Stony Creek, Hay Creek, Spring Creek, and Stinking Lake. For 2020, the RRWMB set their levy at 75% (0.0003627) based on their proposed budget and the status of projects they are funding. The taxable market value for the BRRWD in 2020 is \$8,958,175,200. If we were a RRWMB member in 2020, their total taxation would amount to \$3,249,130. Of this amount, one half of the proceeds (\$1,624,565) would be kept by the BRRWD for projects/programs, and the other half remitted to the RRWMB for them to redistribute back to member MN Watershed Districts with flood control projects that meet their criteria.

RRWMB Policies.

The funding that member districts send to the RRWMB is eligible to be returned to them for projects/programs that benefit the Red River of the North. During our tenure with the RRWMB, the BRRWD remitted \$6,102,024, and received \$2,185,455, or about a 36% return on our investment.

There were several factors that led to the BRRWD's resignation. One issue involved a local flooding problem on Turtle Lake and a request made to the RRWMB to help the people on Turtle Lake develop a project. Other concerns include the return on our investment and some of the expenditures made by the RRWMB. Meetings continue with the RRWMB to discuss the possibility of rejoining that organization. In fact, last year we took time to complete their Strategic Planning Input questionnaire, to hopefully guide and improve their organization. The BRRWD realizes that we are part of the Red River Basin, and therefore need to be involved if we are ever going to address the overall problems on a comprehensive basis for the Red River of the North.

October 2, 2019
Clay County Commissioners
Page 2

The BRRWD is aware of your interest regarding our membership with the RRWMB. We also need support from the other three (3) Counties in that regard.

Back on 6/12/12, Clay County sent a letter to the BRRWD, suggesting that we hold a meeting with the other Counties to discuss possible RRMWB membership. In 2015, we did meet with all four County Boards to discuss this issue. Several suggested that we hold informational meetings to inform and evaluate landowners' positions regarding this issue. In March of 2016, the BRRWD held meetings near Rothsay, in Barnesville, and in Lake Park to discuss flood damage reduction (fdr) projects/funding. Close to 100 landowners attended. In general, they thought the BRRWD was doing a good job, and that if future fdr funding is needed, perhaps one source of funding might be the continued use of the petition tax process (local).

Things are changing with the BRRWD with the addition of new Managers. Board members continue to educate themselves regarding Basin issues by attending Basin meetings. We participated in the Red River Basin Commission's meeting on the Halstad Upstream fdr goals. Locally, we also continue to work on our Revised Watershed Management Plan (RWMP) fdr goals through the Mediation Project Team (PT) process. Plus, we are currently implementing a One Watershed, One Plan (1W1P) effort with our partners to strengthen water management activities in the BRRWD. Goals are to have the 1W1P completed in early 2020.

As most of you probably know, the RRWMB has been undergoing some reorganization. Ron Harnack retired, and Rob Sip was hired as the Executive Director. They've also eliminated the administrator position and hired Nikki Swenson as the Executive Assistant. They also now have a permanent office in Ada, MN. As they continue to go through reorganization, we look forward to hearing from them on what has changed with their organization and what they have to offer the BRRWD.

For the past 10-15 years, we have been extremely busy with flood issues, large projects (Oakport, Manston, Georgetown, for example) and emergency projects. Now that some of this work is nearing conclusion, the recent focus has been on new fdr projects, which we continue to discuss with our Mediation Project Team (PT). In fact, informational meetings were held in 2018 with affected landowners to discuss three potential new projects (Barnesville Township, Stony Creek, and the South Branch of the Buffalo River). Large scale fdr projects cost money (est. \$1,000-\$1,500/acre-foot). In our opinion, if any one of these projects were to move forward, the Board will need to identify a secure funding source. Just a point of fact, in the past five years, the BRRWD has secured or worked with our partners to get close to \$25 million in state and federal grants for local conservation (see attached).

M.S.A. 103D.905, Subd. 3 Funding.

Watershed Law allows the Managers to make an annual levy for the general fund in an amount not to exceed 0.00798 percent of the taxable market value for a period not to exceed 15 consecutive years to pay the cost attributable to the basic water management features of projects initiated by petition of a political subdivision within the Watershed District, or by petition of at least 50 resident owners whose property is within the Watershed District. After resigning from the RRWMB, the BRRWD was faced with a funding problem to continue the needed flood damage reduction (fdr) and natural resource enhancement (nre) work, along with a variety of other programs. In 2006, the BRRWD worked with the Legislature to increase the taxing authority under M.S.A. 103D.905, Subd. 3 to three times the amount listed in Statute, or equivalent to an approximate 1 mil levy, equaling the local share had we belonged to the RRWMB. That increased taxing authority was in effect for a three-year period (2007/2008/2009). Work with our local Legislators since 2009 has not resulted in the continued use of that increased general taxing authority. However, the Minnesota Board of Water and Soil Resources (BWSR) has an opinion that the use of the annual levy taxing authority (0.00798%) can be used for a multitude of concurrent projects.

2020 Taxing Authority.

At our 08/26/19 annual budget hearing, we discussed two (2) separate petitions for use of the M.S.A. 103D.905, Subd. 3, taxing authority in 2020. The first petition (\$714,862), which is the maximum allowable by law (0.00798%), will be used for a variety of projects/programs, as listed on the attached budget. The second petition (\$500,000) will provide funding to help finance local costs associated with the construction of Project No. 79, Wolverton Creek Restoration. Phase I is currently under construction with startup of Phases II and III in 2020. In 2019, the total BRRWD general taxation was \$1,439,066. For 2020, the total proposed BRRWD general fund taxation is \$1,486,862, or a 0.033% increase from 2019. This total will be spread over an increased TMV and because of the newly added areas in Wilkin and Otter Tail Counties since 2016. For 2020, a \$100,000 market value would pay \$16.60 for the BRRWD's "General" tax. This compared with \$17.19 for the same analysis in 2019. The difference is because of the increased market value.

Summary.

We truly want to thank the Clay County Board of Commissioners for your past (and hopeful future) support regarding our use of the M.S.A. 103D.905, Subd. 3, taxing authority. We again request your support for the use of these funds in 2020. As noted, discussions **will continue** with representatives from the RRWMB regarding the possibility of rejoining that organization. Until then, we need to use these types of levies on an annual basis to continue the valuable project/program work in the BRRWD. Because we can use these funds as leverage, you can see through our list of grants, we're getting a pretty good return of our investments.

If you should have questions or comments concerning the above or attached, please feel free to contact this office.

BEA/kf

ATCH: 2020 Draft General Levy Petitions (2); 2020 103D General Budget; Annual Levy Comparison; Revenue-Expenditure Summary; Certification of Apportioned Levees-Payable 2020; and 09/17/19 Listing of Project Grants

Buffalo-Red River Watershed District
 2020 M.S.A. 103D.905, Subd. 3, Tax Levy Summary #1-General
 August 26, 2019
Proposed Budget

Payable 2019 Taxable Market Value		\$ 8,958,175,200
Current Balance (08/26/19)		\$ 225,047
2019 Receivables		\$ 331,874
2020 Levy Not to Exceed 0.00798 percent		\$ 714,862
		\$ 1,271,783

2020 Possible Programs

West Otertail SWCD-Conservation Marketing		\$ 12,000
Clay SWCD-Conservation Marketing		\$ 12,000
Wilkin SWCD-Conservation Marketing		\$ 12,000
Wilkin SWCD-Technical Assistance		\$ 10,000
Becker SWCD-Landowner Incentive Programs		\$ 20,000
River Keepers (annual levy)		\$ 55,000
Red River Basin Commission (annual levy)		\$ 25,000
Survey & Data Acquisition		\$ 24,000
Soil Health		\$ 25,000
Water Quality Monitoring/Analysis (IWI, River Watch, RMB)		\$ 30,000
Mediation PT		\$ 15,000
1W1P		\$ 50,000
CWF Match		\$ 75,000
TMDL/WRAPS Studies		\$ 25,000
Estimated 2020 Payments		\$ 390,000

Balance for Projects

\$ 887,783

2020 Possible project levies

RIM/WRP/CREP		\$ 100,000
S. Branch Buffalo River		\$ 100,000
Barnesville Township		\$ 100,000
Whiskey Creek		\$ 100,000
Lower Otter Tail River		\$ 100,000
Buffalo River Restoration		\$ 6,000
Log Jam Removal		\$ 50,000
Ring Dikes		\$ 6,000
Projects w/o benefit areas		\$ 25,000
Manston Slough (bond sale payment)		\$ 170,000
Other		\$ 100,000
Estimated 2020 Payments		\$ 857,000

2021 Carryover \$ 30,783

Buffalo-Red River Watershed District
Annual Levy Comparison
August 26, 2019

2014

Administrative	\$ 250,000
Insurance	\$ 23,000
Survey & Data Acquisition	\$ -
M.S.A. 103D.905, Subd. 3 #1	\$ 460,665
M.S.A. 103D.905, Subd. 3 #2	\$ 375,000
TOTAL 2014 Levy	\$ 1,108,665
2014 Projects/Ditch Systems	\$ 980,500

2015

Administrative	\$ 250,000	
Insurance	\$ 20,000	
Survey & Data Acquisition	\$ -	
M.S.A. 103D.905, Subd. 3 #1	\$ 522,822	
M.S.A. 103D.905, Subd. 3 #2	\$ 450,000	
TOTAL 2015 Levy	\$ 1,242,822	(+0.0122)
2015 Projects/Ditch Systems	\$ 1,843,500	

2016

Administrative	\$ 250,000	
Insurance	\$ 20,000	
Survey & Data Acquisition	\$ 75,000	
M.S.A. 103D.905, Subd. 3 #1	\$ 626,927	
M.S.A. 103D.905, Subd. 3 #2	\$ 450,000	
TOTAL 2016 Levy	\$ 1,421,927	(+0.011)
2016 Projects/Ditch Systems	\$ 2,040,500	

2017

Administrative	\$ 250,000	
Insurance	\$ 14,000	
Survey & Data Acquisition	\$ -	
M.S.A. 103D.905, Subd. 3 #1	\$ 661,162	
M.S.A. 103D.905, Subd. 3 #2	\$ 500,000	
TOTAL 2017 Levy	\$ 1,425,162	(+0.010)
2017 Projects/Ditch Systems	\$ 1,593,000	

2018

Administrative	\$	250,000	
Insurance	\$	22,000	
Survey & Data Acquisition	\$	-	
M.S.A. 103D.905, Subd. 3 #1	\$	650,797	
M.S.A. 103D.905, Subd. 3 #2	\$	500,000	
TOTAL 2018 Levy	\$	<u>1,422,797</u>	(-0.0099)
2018 Projects/Ditch Systems	\$	1,975,000	

2019

Administrative	\$	250,000	
Insurance	\$	21,000	
Survey & Data Acquisition	\$	-	
M.S.A. 103D.905 Subd. 3 #1	\$	668,066	
M.S.A. 103D.905 Subd. 3 #2	\$	500,000	
TOTAL 2019 Levy	\$	<u>1,439,066</u>	(+0.114)
2019 Projects/Ditch Systems	\$	1,292,407	

2020

Administrative	\$	250,000	
Insurance	\$	22,000	
Survey & Data Acquisition	\$	-	
M.S.A. 103D.905 Subd. 3 #1	\$	714,862	
M.S.A. 103D.905 Subd. 3 #2	\$	500,000	
TOTAL 2020 Levy	\$	<u>1,486,862</u>	(+0.033)
2020 Projects/Ditch Systems	\$	1,074,407	

Buffalo-Red River Watershed District

BWSR Performance Standards

Total Revenue/Expenditures

January 2, 2019

YEAR	General Levy		ADMIN		%
	Revenue	Expenditures	Revenue	Expenditures	
2001	\$ 2,022,222	\$ 2,678,034	\$ 115,000	\$ 224,214	1.95
2002	\$ 2,168,898	\$ 1,899,915	\$ 125,000	\$ 226,575	1.81
2003	\$ 893,704	\$ 2,247,577	\$ 250,000	\$ 207,426	0.83
2004	\$ 1,456,783	\$ 1,638,717	\$ 250,000	\$ 233,478	0.93
2005	\$ 1,318,174	\$ 1,918,703	\$ 250,000	\$ 237,044	0.95
2006	\$ 3,503,636	\$ 3,517,947	\$ 250,000	\$ 255,410	1.02
2007	\$ 5,354,263	\$ 5,007,278	\$ 250,000	\$ 262,537	1.05
2008	\$ 4,325,757	\$ 3,544,445	\$ 250,000	\$ 299,889	1.20
2009	\$ 10,325,469	\$ 8,732,269	\$ 250,000	\$ 303,642	1.21
2010	\$ 14,092,374	\$ 14,871,541	\$ 250,000	\$ 311,009	1.24
2011	\$ 7,246,474	\$ 8,829,942	\$ 250,000	\$ 303,067	1.21
2012	\$ 8,303,302	\$ 6,022,850	\$ 250,000	\$ 337,305	1.35
2013	\$ 9,089,914	\$ 7,924,996	\$ 250,000	\$ 366,188	1.46
2014	\$ 6,348,589	\$ 6,724,785	\$ 250,000	\$ 317,095	1.27
2015	\$ 5,273,097	\$ 4,649,596	\$ 250,000	\$ 359,647	1.44
2016	\$ 11,114,715	\$ 9,946,898	\$ 250,000	\$ 394,712	1.58
2017	\$ 3,959,089	\$ 4,116,840	\$ 250,000	\$ 486,349	1.95
2018	\$ 4,372,382	\$ 3,577,373	\$ 250,000	\$ 361,988	1.45

District 007 - Buffalo-Red River Watershed District
CERTIFICATION OF APPORTIONED LEVIES
PAYABLE 2020

1,486,862

(1) Payable 2020 Property Tax Levy: \$ _____

County	(2) Payable 2019 Taxable Net Tax Capacity	(3) Net Tax Capacity Percent Distribution	(4) Apportioned Payable 2020 Levy (1X3)
Becker	7,001,812	8.1657%	121,413
Clay	62,103,785	72.4272%	1,076,893
Otter Tail	3,082,684	3.5951%	53,454
Wilkin	13,558,226	15.8120%	235,102
Watershed Total	85,746,507	100.0000%	-- N/A --

121,413

Bruce E. Albright
 Signature of Budget Officer

Administrator
 Title

09/28/19
 Date

BRRWD Project Grants 2013-present

Year	Grant	Project	Grant Amount
2013	Clean Water Fund Conservation Drainage	Clay CD 9, 32, and 33	\$ 333,590
2013	Clean Water Fund	Upper South Branch BMP Implementation	\$ 336,860
2014	Clay SWCD - Flood Repair Grant	Hough Erosion, Multi-bloc, Clay CD 5 Outlet, Glyndon Township Road Erosion	\$ 216,716
2014	DNR - Outdoor Heritage Fund	Buffalo River Restoration - Phase 1	\$ 536,000
2016	Clean Water Fund Project and Practices	Red River Sediment Reduction Project	\$ 165,000
2014	DNR Flood Hazard Mitigation Program	Moorhead 50th Avenue Flood Control	\$ 2,500,000
2014-2016	MN Ag Water Certification Program	Whiskey Creek/Wilkin CD 31	\$ 260,000
2015	MN Ag Water Certification Program - Implementation Funds	Whiskey Creek/Wilkin CD 31	\$ 80,000
2015	Enbridge Ecofootprint	Wolverton Creek	\$ 100,000
2015	FM Diversion Authority	Stony Creek	\$ 86,800
2015	RRBFDRWG - Project Acceleration	Stony Creek	\$ 15,000
2015	FM Diversion Authority	Barnesville Township	\$ 60,746
2015	RRBFDRWG - Project Acceleration	Barnesville Township	\$ 15,000
2015	FM Diversion Authority	Upper South Branch	\$ 74,022
2015	DNR - Outdoor Heritage Fund	Buffalo River Restoration - Phase 2	\$ 310,000
2016	Clean Water Fund Accelerated Implementation	Whiskey Creek	\$ 103,100
2016	Section 319 - MPCA	Lower Otter Tail River	\$ 242,000
2016	Clean Water Fund Project and Practices	Lower Otter Tail River Riverbank Stabilization	\$ 135,000
2017	Clean Water Fund Project and Practices	Judicial Ditch No. 1 and Clay CD 53 Outlet Stabilizations	\$ 36,425
2017	Clean Water Fund Target Watershed	Wolverton Creek	\$ 2,800,000
2017	Lessard-Sams Outdoor Heritage Fund	Wolverton Creek	\$ 1,877,000
2017	Clean Water Fund Accelerated Implementation	Lower Otter Tail River	\$ 203,000
2017	Section 1135 USACOE	Lower Otter Tail River	\$ 100,000
2018	Lessard-Sams Outdoor Heritage Fund	Upper South Branch	\$ 1,195,000
2018	Drainage Records Modernization	DRM	\$ 50,000
2018	Buffer funds (Wilkin)	Wilkin County Ditch 40	\$ 26,854
2018	One Watershed One Plan	1W1P	\$ 232,470
2018	Section 1135 USACOE	Lower Otter Tail River	\$ 100,000
2018	Buffer funds	Buffers	\$ 300,000
2015-2018	DNR Flood Hazard Mitigation Program	Oakport Flood Mitigation	\$ 5,530,000
2018	Clean Water Fund Project and Practices (Wilkin SWCD)	Wilkin County Ditch 7 Retrofit	\$ 168,814
2019	Section 319 - MPCA	Upper Buffalo River	\$ 498,000
2019	Clean Water Fund Project and Practices	Judicial Ditch No. 2 Outlet Stabilization	\$ 298,000
2019	Clean Water Fund Project and Practices	Whiskey Creek Grade Stabilizations	\$ 320,000
2019	Clean Water Fund Project and Practices	Otter Tail River Grade Stabilizations	\$ 185,000
2019-2020	Conservation Reserve Enhancement Project	Wolverton Creek	\$ 2,600,000
2020	Clean Water Fund Project and Practices/Buffer Funds (WOTSWCD)	Wilkin County Ditch 27 Retrofit?	\$ 150,000
2020	Section 319 - MPCA	Whiskey Creek (\$150,000-250,0000/year for 4 years)	\$ 750,000
2020	DNR - Outdoor Heritage Fund	Stony Creek Restoration	\$ 1,600,000
Total:			\$ 24,590,397

RESOLUTION 2019-

**APPROVING 2020 GENERAL TAX LEVY PETITION #1-?
BUFFALO-RED RIVER WATERSHED DISTRICT**

WHEREAS, pursuant to Minnesota Statutes Annotated (M.S.A.) 103D.905, Subd. 3, and any other applicable statutes, the Clay County Board of Commissioners hereby petitions for a one-year (2020) annual tax levy in an amount not to exceed 0.00798 percent of the taxable market value (\$714,862) to pay the costs attributable to the basic water management features of project/programs within the Buffalo-Red River Watershed District (BRRWD); and

WHEREAS, the BRRWD per M.S.A. 103D.905, Subd. 3, will use these funds for a variety of projects/programs, including: financial support for the Red River Basin Commission (\$25,000) and River Keepers (\$55,000), development and implementation of total maximum daily load (TMDL) and Watershed Restoration and Protection Strategies (WRAPS) for improved water quality, waterway log jam removal, channel restoration projects, flood damage reduction (fdr) projects, farmstead ringdikes, retention studies, development of the One Watershed, One Plan (1W1P), and a variety of other fdr and natural resource (nre) enhancement projects.

NOW, THEREFORE, BE IT RESOLVED by the Wilkin County Board of Commissioners that the Board does hereby petition for the use of said levy by the Board of Managers, BRRWD, in 2020, as discussed at the BRRWD's August 26, 2019, annual budget hearing.

Passed by the Wilkin County Board of Commissioners this 15th day of October, 2019.

APPROVED BY:

Eric Klindt, Chair
Wilkin County Board of Commissioners

ATTEST:

Janelle Krump
County Auditor

RESOLUTION 2019-?

**APPROVING 2020 GENERAL TAX LEVY PETITION #2-
BUFFALO-RED RIVER WATERSHED DISTRICT**

WHEREAS, pursuant to Minnesota Statutes Annotated (M.S.A.) 103D.905, Subd. 3, and any other applicable statutes, the Clay County Board of Commissioners hereby petitions for a one-year (2020) annual tax levy in an amount not to exceed 0.00798 percent of the taxable market value (\$500,000) to pay the costs attributable to the basic water management features of project/programs within the Buffalo-Red River Watershed District (BRRWD); and

WHEREAS, the BRRWD per M.S.A. 103D.905, Subd. 3, will use these funds for the costs associated with the restoration and construction of Project No. 79, Wolverton Creek Restoration (third year of a four year commitment (2018, 2019, 2020, 2021)).

NOW, THEREFORE, BE IT RESOLVED by the Wilkin County Board of Commissioners that the Board does hereby petition for the use of said levy by the Board of Managers, BRRWD, in 2020, as discussed at the BRRWD's August 26, 2019, annual budget hearing.

Passed by the Wilkin County Board of Commissioners this 15th day of October, 2019.

APPROVED BY:

Eric Klindt, Chair
Wilkin County Board of Commissioners

ATTEST:

Janelle Krump
County Auditor