

Heron Lake Watershed District (HLWD)  
Budget Workshop  
July 17, 2018

**1. Call to Order**

Bruce Leinen called the meeting to order at 8:30 a.m.

Managers present: Bruce Leinen, Harvey Kruger, Jim Buschena, Wayne Rasche, and Gary Ewert

Staff: Nick Larson, Catherine Wegehaupt, and Jan Voit

Others present: none

**2. Budget Workshop**

Jan Voit described the budgeting process. She began by showing the Excel worksheets that are used for time tracking. Staff time was compiled and allocated by percentage into the following categories: Best Management Practices (BMP) Implementation, Surface Water Monitoring, Impaired Waters and TMDL, Regulatory and Permits, Public Drainage System Management, General Operations, and Education. The percentages for 2017 and 2018 for each category were provided.

The next step in the process was to review the draft 2017 audit report. The expenditures shown in the audit were entered into the budget worksheet. The proposed 2018 budget and 2018 expenditures through June of 2018 were also included. This information was provided for comparison purposes.

Once the 2017 and 2018 figures were compiled, she met with the HLWD Treasurer to determine the proposed general operating levy for 2019. She explained how they determined figures for each line item in the proposed budget.

Throughout the line item explanations, other budget-related discussion was held. Topics included the low-interest loan program application fee; benefits of working with partners in the West Fork Des Moines River (WFDNR) watershed; concerns about staff time being expended for WFDNR efforts without compensation from partner agencies; and the importance of the Watershed Restoration and Protection Strategies (WRAPS) report to future efforts, specifically One Watershed, One Plan.

Catherine Wegehaupt explained the usefulness of the monitoring program data and the need for the flow monitoring contract with the Department of Natural Resources. Discussion was also held regarding the value of site-specific and long-term water quality monitoring.

No funds were allocated to BMP Implementation for 2019. There were funds in an escrow account that was held at First State Bank Southwest in Worthington. Those funds were held as deferred revenue to be used for loan payments. When the low-interest loan program first began, the State of Minnesota required that the funds be handled by a banking institution. That requirement was later changed by statute. When the HLWD began making the loan payments, the funds remained in the escrow account at the bank. In working with Wayne Drealan in 2017, it was determined that those funds should be released from the bank and paid to the HLWD. These funds amount to approximately \$76,000. They are available to use for projects or general operations. Jan requested that these funds be transferred to the HLWD savings account until needed.

During the WRAPS discussion, the managers were reminded that the \$100 prize drawing for completing the WFDNR Citizen Assessment and Values Survey would be done as soon as the data was entered in Survey Monkey. Nick Larson is in the process of completing the data entry. His last day of work will be August 9. Catherine and Jan will work with Nick to set a date for his summer activities presentation.

During the drainage system discussion, managers were given an update on Jackson County Judicial Ditch (JD) 19. Jan participated in a conference call on July 16 which involved Svoboda Excavating, Inc., I+S Group (ISG), and the wind farm owners. There are still issues that need to be resolved before the stop work order will be lifted. The wind farm owners raised concerns about the potential for lost revenue during project construction and how that revenue would be replaced. Chuck Brandel, Louis Smith, and Jan will be meeting via conference call to discuss this.

Part of the drainage system discussion also included bonding for the Jackson County JD 19 project. The Jackson County Auditor-Treasurer does not believe that bonding for the project will be done for another year. This is because during the last project he was unaware of ISG's one-year warranty period before the final hearing. He bonded too quickly and the county had to make principle and interest payments before assessments were made to landowners. He does not want to face that situation again. Jan will contact Security State Bank so they are aware of this.

**3. Adjournment**

The meeting adjourned at 10:09 a.m.

Harvey Kruger  
Secretary