

STATE OF MINNESOTA
RENVILLE COUNTY BOARD OF COMMISSIONERS
SITTING AS THE DRAINAGE AUTHORITY FOR
RENVILLE COUNTY DITCH 59

In the Matter of the
Petition for Improvement to Renville CD 59
(Main Open Ditch, Branch 309, & Branch C)
(Roger Heller, et al.)

BONDING DEFICIENCY RESOLUTION

At a duly noticed and public meeting, the Renville County Board of Commissioners, sitting as the public drainage authority for Renville County Ditch 59, having received a Petition for Improvement of County Ditch 59 (Main Open Ditch, Branch 309, and Branch C) pursuant to Minnesota Statutes, section 103E.215, having noticed and conducted a public hearing on the detailed survey report on March 5, 2024, and based on the entire record of proceedings, Commissioner Frickson moved, seconded by Commissioner Robinson to adopt the following Findings and Order:

Findings:

1. The Renville County Board of Commissioners ("Board") is the public drainage authority under Minnesota Statutes, chapter 103E for Renville County Ditch 59 ("CD 59").
2. A petition was received by the Renville County Auditor-Treasurer by letter dated December 14, 2016, requesting to improve the Main Open Ditch, Branch 309, and Branch C of CD 59 pursuant to Minnesota Statutes, section 103E.215.
3. Following the procedures in Minnesota Statutes, chapter 103E, the Board appointed engineer Bill Helget of Bolton & Menk, who was later succeeded by engineer Shaun Luker of Bolton & Menk, as the project engineer.
4. A preliminary engineer's report was filed with the Drainage Authority. The Drainage Authority noticed and held a preliminary hearing. Following the preliminary hearing, the Drainage Authority ordered the engineer to prepare a detailed survey report and appointed viewers to determine the improvement benefits & damages.
5. The detailed survey report and an amendment to the report was filed with the Drainage Authority. A viewers' report with benefits & damages statement was filed with the

Drainage Authority. The Drainage Authority noticed and held a final hearing on the proposed improvement on March 5, 2024.

6. Until establishment of the proposed project, the petitioners' bond will cover costs incurred in the proceedings. However, if the Drainage Authority establishes the project, all costs, including the costs of the proceedings prior to establishment, must be paid from the proceeds of assessments to benefitted properties. The Drainage Authority may incur costs on behalf of the drainage system prior to bonding for the project.
7. Minnesota Statutes, section 103E.655 requires the costs for drainage cost proceedings and construction to be paid from the drainage system account by drawing on the account. Statutes, section 103E.645 requires the payment of all fees and expenses.
8. Minnesota Statutes, section 103E.635 authorizes the Drainage Authority to issue bonds after the contract for the construction of a drainage project is awarded, in the amount necessary to pay the cost of establishing and constructing the drainage project, such bonds to be in an amount not in excess of the total cost, including expenses to be assessed to pay for the drainage system project.
9. If established, the Board will levy assessments against the property benefitted by the drainage project payable to the Renville County Auditor-Treasurer in up to 20 equal annual installments, in accordance with Minnesota Statutes, section 103E.611, which provides that the interest rate on such assessments cannot exceed the rate determined by the state court administrator for judgments under Statutes, section 549.09, and Renville County may issue bonds pursuant to Statutes, section 103E.635 to pay the costs of the drainage project proceedings and construction.
10. Because of the interest rate limitation, prepayment of assessments and delinquencies, it is possible that the collection of drainage assessments to pay principal and interest on the drainage bonds will be less than that required to meet the repayment obligations.
11. Despite possible deficiencies in the drainage assessments collected to pay the principal and interest on the drainage bonds, the obligation to repay the bonds remains a cost and obligation of the drainage system. (See Minnesota Statutes, sections 103E.645 & 103E.655).

Order:

Based on the foregoing Findings and the entire record of proceedings before the Renville County Board of Commissioners, the Board, acting as the public drainage authority for Renville County Ditch 59, hereby orders as follows:

- A. Should the proposed project be established and the Drainage Authority issue bonds to cover the costs of the project, the Drainage Authority obligates itself to pay to Renville County the amount in each year by which the drainage assessments collected by the County in such year are insufficient to pay the principal and interest on the drainage bonds. Such deficiency payments shall be paid from the reserve account and debited against the drainage system account from which the deficiency originates.
- B. Funds transferred from the reserve account shall be repaid by additional annual assessments certified against property in the debited drainage system.

After discussion, the Board Chair called the question. The question was on the adoption of the foregoing Findings & Order, and there were 4 yeas, 0 nays, 1 absent, and 0 abstentions as follows:

	Yea	Nay	Absent	Abstain
ERICKSON	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HAMRE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
KRAMER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ROBINSON	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SNOW	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

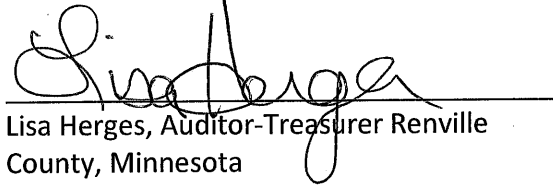

 Randy Kramer, Chairperson
 Renville County Board of Commissioners

Dated: March 5, 2024

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I, Lisa Herges, Renville County Auditor-Treasurer, do hereby certify that I have compared the above motion and findings and order with the original thereof as the same appears of record and on file with the Renville County Drainage Authority and find the same to be a true and correct transcript thereof. The above order was filed with me, Renville County Auditor-Treasurer, on March 5, 2024.

IN TESTIMONY WHEREOF, I hereunto set my hand this 5th day of March, 2024.



Lisa Herges, Auditor-Treasurer Renville
County, Minnesota