

MINUTES

STUTSMAN COUNTY WATER RESOURCE BOARD

September 29, 2021

The regular meeting of the Stutsman County Water Resource Board was called to order by Chairman Joel Lees on September 29, 2021 at approximately 9:00 a.m. in the Commissioner's Room of the Stutsman County Courthouse. Members present were Joel Lees, Anthony Roorda, John Schock, Arlyn Schmidt, Dennis Clark, and Greg Spenningsby. Abbagail Geroux, Secretary of the Board, was also present. Members of the public present were Braden Cummins of Applied Blockchain, Lance Cummins of Applied Blockchain, Edward McCland of Applied Blockchain, Thomas Reisdorf of Ulteig Engineering, Chad Kleinknecht, Donna Schwartz, Terry Schwartz of Fried Township, BJ Kratz of North Dakota Game and Fish, Julie Gengler, Jerry Gengler, Clifford Kropp, and Jon Schlenker. Additionally, Shirley Krapp, Auditor of the City of Spiritwood Lake, and Nick Phillips of Ultieg Engineering representing Applied Blockchain, appeared by phone.

MINUTES

The first order of business was to review and approve the minutes of the August 25, 2021 regular meeting. Upon review, a motion was made by Anthony Roorda and seconded by Arlyn Schmidt to approve the minutes as read. Motion passed.

W-637 - APPLIED BLOCKCHAIN INC. (ULTEIG ENGINEERING) - REQUEST FOR SURFACE DRAINAGE IN THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 141N, RANGE 63W, STUTSMAN COUNTY, NORTH DAKOTA

The next order of business was to review the request from Applied Blockchain. Ms. Geroux made initial statements. She indicated that Applied Blockchain had requested to obtain permission from our local Water Resource Board. Initially, Applied Blockchain indicated it did not feel that the proposed modifications to the land would require approval from the State. Therefore, the application was presented to the Board. Ms. Geroux sent the information she received from Applied Blockchain to Matt Lindsay as part of the Director of Water Resources. Mr. Lindsay indicated that he felt this would require a surface drainage permit, however, due to the timing, Ms. Geroux, nor Mr. Phillips, was able to have further discussions or clarifications with Mr. Lindsay regarding the determination that a permit was likely required. Based on this information, the Board decided it would go ahead with its discussion on the request today, and

make a determination at the end of the discussion.

Mr. Phillips, along with Thomas Reisdorf presented to the Board its proposed modifications to the land. They explained that they will be placing buildings on the property and because the property would need to account for storm water runoff, they are proposing to create two detention ponds. These would be dry ponds in the area, with the purpose of those ponds being to slow down the amount of drainage. The water is already flowing South and the ponds would contain the water, but any water flowing would be flowing South. Mr. Phillips indicated that the proposed project does not change the direction, flow, or quantity of the water. They did acknowledge there would be a pipe located at the bottom of the pond. The water would flow towards the Southwest corner of the property, which is owned by Applied Blockchain. There was some discussion that there may be some possible expansion to the South, on the West side of the property, but Applied Blockchain acknowledged that there would be some additional hurdles that they would need to overcome with some wetland areas.

Terry Schwartz, representing Fried Township, indicated that the township generally does not get involved in drainage issues, but the township has no objection to the proposal as presented by Applied Blockchain. Mr. Schwartz indicated that he also visited with somebody from the Department of Water Resources, who indicated that Applied Blockchains proposal would not be an issue for the State. However, he did not know who it was that he spoke with. There were questions raised regarding the size of the culvert. It was noted there was a twenty-four-inch culvert underneath the road between Terry Schwartz and Donna Schwartz's land. Clifford Kropp explained that the way the water runs, it goes through the thirty-six-inch culvert that goes onto Clifford's property, then picks up another quarter section, where it goes through a thirty-six-inch culvert and then goes into an eighteen-inch culvert. Clifford indicated his concerns that the eighteen-inch culvert was insufficient. He also expressed concerns that the proposal by Applied Blockchain could create additional salting on the land. Clifford Kropp indicated he was not opposed to the project but was concerned about the water and he would request that there be some tiling done underneath the ponds to help slow down the flow of the water. Joel Lees asked Mr. Kropp if he felt it would increase the amount of water with the proposed changes of Applied Blockchain. Mr. Lees indicated he used to farm that the land and is aware that this property is located on top of a hill, and that when he farmed the land, the soil was like concrete and any precipitation was flowing down into the drainage system anyways.

Thomas from Ulteig Engineering explained that with the proposed project, sixty percent of the area would be impervious, and forty percent of the project would be manicured lawn, and could address some of the concerns about the amount of water runoff going through the system. Joel Lees indicated he was not sure if the drain tile would help with salting. Mr. Phillips indicated that he visited with two engineers that Clifford Kropp mentioned, and they specialize in issues surrounding salts in farmland, and they would be coming out next week to review the area. Mr. Phillips indicated that at this time he did not feel that tiling would create any benefit to the downstream landowners, but was open to discussing and having a better picture of the concerns. Mr. Phillips indicated that nothing would be impacted or changed and it is Applied Blockchain's desire not to harm any of their neighbors.

Chad Kleinknecht and Donna Schwartz, whose properties are South of Applied Blockchain, indicated they had no concern with the drainage or the ponds. They felt they would not see any increase in water. Mr. Kleinknecht indicated that if there was any increase in water, it would be coming from the East and not from Applied Blockchain. Arlyn Schmidt indicated he felt this was an insignificant amount of drainage being presented to the Board and that this was nothing that necessarily would require extensive approval. There was some discussion regarding the process of if and when an approval would be needed for a drainage permit. Ms. Geroux described the process and the possible avenues required and some of the timing requirements of them. The Board inquired with Ms. Geroux regarding the Board's ability to do a conditional approval. She explained that the Board certainly can provide conditional approval in the event that the State determined that no surface drainage permit was required, however, it was a little less clear in the event that permit was required and the State determined it was not of statewide significance. Based on this, Anthony Roorda moved and Arlyn Schmidt seconded a motion to approve the request from Applied Blockchain, Inc., pending that the State determines no permit is required or that if a surface drainage permit is required, it is not of statewide significance. After further discussion, a roll call vote was taken, all voted in favor.

W-638 - SCHLENKER, JON - REQUEST TO RELEASE THE EASEMENT AND REMOVAL OF THE BUILDING ON GOVERNMENT LOT #5 WITHIN THE NE QUARTER OF SECTION 36, TOWNSHIP 142, RANGE 63, STUTSMAN COUNTY, NORTH DAKOTA

The next order of business was to discuss the request by Jon Schlenker. Mr. Schlenker indicated that currently the Water

Resource Board has an Easement on his property, which contains a pump house. The pipeline has not been used since 1996. The building has been on the property since 1982. Jon Schlenker indicated that he does not have a problem with the pipe, but he wanted the Easement released and the removal of the pump house. Mr. Schlenker indicated that the pump house is unsightly. He is developing his property and would like to have that removed, as it might be a deterrent for potential buyers.

BJ Kratz from the North Dakota Game and Fish Department explained that currently they use the pump house as a measure for lake elevation. The State Water Commission has installed a remote reader; however, these do not work in the winter. Therefore, this property is still necessary to conduct readings of Spiritwood Lake. BJ Kratz indicated he did not feel comfortable for the Easement to be released or for the infrastructure to be removed, but did further inquire with Mr. Schlenker about what would alleviate some of his concerns. Mr. Schlenker indicated the building was never painted, it is an eyesore, and he would prefer the building be removed and a cover be placed over the structure in the ground. He also noted that the building is currently unlocked. There was some discussion about when and how the building's lock was removed. BJ Kratz indicated that a lock would be placed on the property this evening. It was also noted that there is a gate with a road leading up to this pump house, and it is not locked. BJ Kratz indicated that there was no need to have public access to this area, and so they would further look into that matter.

There was some discussion by the Board about who owns the pump house. It was noted that the Easement does not make explicit mention to the ownership of the pump house, and there were multiple parties involved. Shirley Krapp explained that she felt the entire project owns the pump house and believes that the City of Spiritwood Lake has funds for maintaining the pump house. Ms. Krapp indicated that this was the first time she had heard of this particular issue, but that they would be willing to work on improving the aesthetics of the pump house. BJ Kratz from Game and Fish indicated he did not feel that it would be prudent to release the Easement at this time because there is still ongoing work on the desire to drain into Spiritwood Lake. It is not exactly clear where the drainage would occur at this point, and that the structure holding the pump house is still useful for obtaining meter readings and potentially other activities, but he felt that the concerns of Mr. Schlenker regarding the safety of the structure and the aesthetics of it were valid. Based on this, Mr. Schlenker indicated he no longer desired to have the Easement removed but that there be some

attention given to the building for safety and aesthetic purposes. Beings as both BJ Kratz from Game and Fish and Shirley Krapp would work on the building safety and aesthetics, there appeared to be no further matters for the Board to discuss.

BILLS, FINANCIALS, AND OTHER BUSINESS

Dennis Clark provided an update as to the Upper Sheyenne River Joint Water Resource Board. He indicated that the Board dues will be \$6,023.97 over a four-year period. Questions were raised as to whether Griggs County was still a part of the joint Board. Dennis Clark indicated that no one knows. Griggs stopped providing funding and they have stopped attending the meetings, but they have not received any official communication from Griggs County. Barr Engineering is working on the erosion project. They anticipate it will be 3.5 million dollars for the project. They are seeking out 604B funding and other federal and state funding. It was noted that the engineering costs will be approximately \$750,000. The erosion project covers seven different sites, but none of those sites involve Stutsman County. It was also noted that the water supply project to provide water from the Missouri River to the Red River Valley has started. Currently, they are laying pipe just a mile South of Carrington, North Dakota.

There was some discussion regarding the 2020 audit. Ms. Geroux noted that the amount of the audit increased from last year to this year by \$500. Discussion was had that the Board felt that this amount was high. They request that Ms. Geroux's office contact other entities and determine the cost of having them complete the Water Resource Board's portion of the audit. Arlyn Schmidt moved and John Schock seconded a motion to approve the bills and financials. Motion passed. There was also discussion regarding the amount of money in the Water Resource Board's account. Currently, they have approximately \$6,000.00 in the account. The Water Resource Board has received most of its funding from the County from its portion of the mill levy already, and therefore did not anticipate receiving significantly more funds this year. Concern about having sufficient funds for the rest of the year. Based on this John Schock moved and Anthony Roorda seconded for Abby Geroux, Joel Lees or Anthony Roorda to remove one of the Water Resource Board's C.D.'s as necessary to maintain sufficient funding in the Board's checking account. Motion passed.

CHECK NUMBERS

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| 1. Forum Communications Company - \$232.00 | #2826 |
| 2. Stutsman County Auditor - \$3,000.00 | #2827 |
| 3. Dalsted & Ryan, P.C. - \$2,668.45 | #2828 |

Seeing no further business before the Board, John Schock moved and Arlyn Schmidt seconded a motion to adjourn the meeting. Motion passed. Meeting adjourned at 10:33 a.m.

RESPECTFULLY SUBMITTED:

ABBAGAIL GEROUX
Secretary

BOARD APPROVAL OF MINUTES

The board approved the minutes this ____ day of _____, 2021.

JOEL LEES, Chairman, or
ANTHONY ROORDA, Vice-Chairman