



December 2021

DNREC's Annual

# Tax Ditch Update

Check out the latest information regarding Delaware's tax ditches.



*Happy Holidays*  
**And New Year!**



## Tax Ditch Modernization Workgroup

### To the Future and Beyond...

Over the past year the DNREC Tax Ditch Program staff have been meeting with stakeholders at the state, county and local levels to discuss key issues facing tax ditches and potential modernization initiatives. During these eight workgroup sessions four key areas for tax ditch improvements were identified: education and outreach, increased funding, tax ditch design changes, and updates to Delaware Codes.

The full report is set to come out early 2022, so more information is to come. We'd like to thank those of you who volunteered your time and knowledge to learn something new, highlight related issues and identify potential solutions.

Find More Resources and a  
Link to Tax Ditch Law At:

[de.gov/taxditch](http://de.gov/taxditch)

## Notification of Land Development Projects

Starting in 2022 our office will notify the Chairman officer position when we become aware of a land development project in a tax ditch watershed.

We are made aware of these projects at various stages in the land development process. It could be years between our initial notification of the project and final review, and project scopes may also change over the course of the review. As such, we will notify you at the following intervals:

1. When our office is initially contacted for review.
2. When the Court Order Change (COC) documents have been drafted.
3. When the issuance of a Letter of No Objection (LONO) has occurred.

Be on the lookout for a notification letter about projects in your area which will provide more information.

## It's Time to Schedule Your Annual Meeting!

### In-Person, Virtual or Both, Your Choice

It's that time of year to schedule your Tax Ditch Organization's annual meeting. If you plan on making any changes to warrant rates or applying for cost share, we recommend setting your meeting date no later than mid-March. You aren't going to want to miss any deadlines for submitting appropriate records (see page 3).

Reminder, according to Tax Ditch Law you need to advertise the meeting a minimum of 10 days in advance (§4159).

We also recommend mailing out invites to all landowners within your watershed (taxables). Contact Heather Hitchens at least 2 weeks prior to your mailing date if you would like to obtain:

- Mailing labels or postcards for your watershed.
- Assistance with setting up a virtual meeting.
- A DNREC staffer to attend your meeting.

Sign-up for the Tax Ditch  
Officer E-newsletter

It comes out 3 times a year.  
[eepurl.com/ht\\_aqD](http://eepurl.com/ht_aqD)



### Say Hello to the New...

DNREC's Tax Ditch Program has done a bit of internal reorganization to better serve the tax ditch community.



**Heather Hitchens**  
Tax Ditch Officer Coordinator  
and Audits

[Heather.Hitchens@delaware.gov](mailto:Heather.Hitchens@delaware.gov)

Heather is a long time veteran of the Tax Ditch Program and has moved into a position that will target the recruitment and retention of Tax Ditch Officers. If you haven't heard from her recently, she'll be checking in on you as the new year goes on to see if there is anything we can assist you with.



**Robin Weinkam**  
Court Order Change (COC)  
Coordinator

[Robin.Weinkam@delaware.gov](mailto:Robin.Weinkam@delaware.gov)

Due to rising requests from the general public for legal changes to tax ditches, a need was seen to designate a single staff member with the primary role of processing COCs. Robin is no stranger to the tax ditch world and you will be hearing from her about any tax ditch change requests occurring in your system.

### Outreach & Communications Coordinator Coming Soon!

To address priority outcomes from the Tax Ditch Modernization Workgroup, a staff member will be designated to assist with tax ditch outreach and communications initiatives. We are currently interviewing candidates for this position and hope to have it filled at the beginning of the new year!

For a complete list of DNREC Tax Ditch Program staff members, see the back page.



### Tax Ditch As BUILT

#### What Are They Used for Today?

As built are paper documents that were created at the formation of the Tax Ditch Organization. They were hand-drawn maps (lower image) and profiles (upper image) that symbolize information such as the location, rights-of-way, elevations, and pipes at the time the ditch was dug. The black-blue lines denote the design plan to create the ditch and the red lines are the created in-field conditions after the ditch was dug.

Today, these documents are used by our staff engineers and planners as a reference point for:

- Determining when tax ditches need major maintenance.
- Staking out tax ditches who have dip-out work planned.
- Ascertaining proper elevations for the installation of in-channel features, such as pipes or bank stabilization efforts.

Any changes to the designs in these documents requires a Court Order Change (COC).

### Need a Contractor to Perform Tax Ditch Maintenance Work?

We are continually updating a list of tax ditch maintenance contractors and the list is available anytime on our main website. The direct link to the document is: <https://bit.ly/3rqkBBW>.

## Getting to Know the Audit Process

DNREC in cooperation with the state of Delaware Office of Auditor of Accounts (AOA) prepared guidance to assist Tax Ditch Organizations in ensuring they remain fiduciarily responsible. Delaware Code (§4163 (2)) requires that an annual financial statement be prepared by the Secretary-Treasurer and that this statement be audited by two qualified persons. Audits are required to be eligible for state and county cost share funds for maintenance activities such as mowing, cleanout, etc.

A copy of the audited financial statement, including the Audit Check List, reconciled December bank statements, and meeting minutes must be submitted to DNREC or your preferred auditor, annually. See the Dates to Remember section for DNREC submittal deadlines.

When auditors review documents, they:

- Review financial statements and records.
- Verify authorized signers on accounts.
- Verify that all fixed assets are accounted for.
- Reach out to officers to review any noted discrepancies.
- Rate the audit:
  - *Pass*—All required documents are accounted for and the math is correct.
  - *Pass with immaterial deficiencies*—Not all documentation is accounted for or there are accounting discrepancies due to rounding. The sum of the missing documentation or discrepancies must total less than \$100.
  - *Fail*—Missing documentation or discrepancies in accounting is/are greater than \$100.
- Notify officers when complete and return all documents.

A blank copy of the Financial Statement Template and Audit Checklist are available at [de.gov/taxditch](http://de.gov/taxditch) in the light blue Tax Ditch Officer Resources box at the bottom of the webpage. See the list to the right for a run down of the items to bring to your auditor. Please ensure all of those items are included when you drop off your records as items not submitted will affect your organization's audit rating.

If you would like DNREC to audit your Tax Ditch Organizations financials or have questions, please contact Heather Hitchens at 302-855-1930 or [Heather.Hitchens@delaware.gov](mailto:Heather.Hitchens@delaware.gov). This audit service is free of charge for Tax Ditch Organizations and may take up to a month to process.

### Items Needed to Perform Audit Checking It Twice...

- Front and back of all checks from the bank
- Current year signers on bank account
- Reconciled December bank statement(s)
- Copy of check book register/ledger
- Signed financial statement
- 12 months of bank statements from all accounts
- All invoices/receipts
- Expected vs. Actual Received Revenue Report
- Documentation for cost share payments
- Copy of Bonding Certificate
- Meeting minutes for current year

### DNREC Dates to Remember

- ⇒ **March 1, 2022** - If requesting a Warrant Change, [Audit Requests Due to DNREC](#)
- ⇒ **March 31, 2022** - 2022 [Warrant Change Requests Due to DNREC](#)
- ⇒ **April, 2022** - E-newsletter emailed
- ⇒ **June 30, 2022** - If requesting Sussex Conservation District Matching/ Cost-Share funds, [Audit Requests Due to DNREC](#) (can use alternate agency for audits)
- ⇒ **August, 2022** - E-newsletter emailed
- ⇒ **December, 2022** - [Expected versus Actual Reports](#) and printed newsletter are mailed out

### Is Your Tax Ditch Organization Bonded?

#### Did you know that Delaware Code requires at a minimum the Secretary-Treasurer of each Tax Ditch Organization be bonded (§4163)?

Bonding may also be required to be eligible for additional funding. A bond is essentially an insurance policy that is renewed annually.

DNREC and AOA recommend that all tax ditch officers be bonded. The tax ditch can choose the insurance agent or bonding company they prefer. DNREC maintains a list of various companies that offer bonding. Costs vary between companies and the type of bond purchased. There are two types of bonds:

- *Banket Position Bond* (Government Crime Policy) - bonds each officer position
- *Fidelity Bond* - bonds each specific officer in their name

A copy of the Bond Certificate should be kept by each officer and an additional copy sent to DNREC. For questions please reach out to Michele Garner at 302-855-1930 or [Michele.Garner@delaware.gov](mailto:Michele.Garner@delaware.gov).



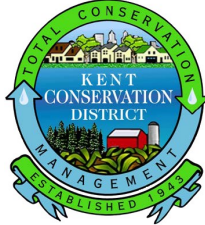
# Working Together DNREC & Conservation Districts

# CONSERVATION DISTRICT UPDATES

DNREC's Tax Ditch Program works closely with the Conservation Districts to assist Tax Ditch Organizations in each county. Here are a few updates and/or points of contact from each Conservation District.

## Kent Conservation District

**Point of Contact:** Gene Vanderwende  
**Title:** Field Coordinator  
**Direct Contact:** 302-608-5372  
**Mobile:** 302-363-4420  
**Email:** gene.vanderwende@delaware.gov



## Sussex Conservation District

SCD has a new Tax Ditch Project Manager. If you need to reach out to the District for a tax ditch related item, contact Wes!



**Point of Contact:** Wes Allen  
**Title:** Tax Ditch Project Manager  
**Direct Contact:** 302-856-2105 ext. 119  
**Mobile:** 302-535-5471 (cell)  
**Email:** wes.allen@sussexconservation.org

## New Castle Conservation District



**Point of Contact:** Rick Mickowski  
**Title:** Conservation Planner  
**Direct Contact:** 302-365-8979  
**Email:** rick.mickowski@delaware.gov

The District provided financial and technical assistance to several tax ditches in the final quarter of 2021. Mowing, debris removal, and selected dip-out was completed on David's Corner Tax Ditch (photo pictured to the left) and Woods Road Tax Ditch. Work is planned for Massey's Church Tax Ditch and several other tax ditches are in the process of scheduling maintenance work. The District is providing financial assistance so tax ditch groups can get back to a planned maintenance schedule once work is completed. The Deats Tax Ditch officers and Herring Branch Tax Ditch officers held their 2021 annual meetings.

Looking ahead, DNREC will be taking the lead to assist the District with re-starting several tax ditch organizations that no longer have officers and/or have had bank accounts closed. These include Alban Park III Tax Ditch, Drawyer's Branch Tax Ditch, Wiggins Mill Tax Ditch, New Discovery East and West Tax Ditches, and Salem Village Tax Ditch. These meetings are expected to be scheduled starting in February 2022.

Each tax ditch group should contact the District about scheduling their annual meeting, whether in-person or via Zoom, having a financial audit completed for 2020 and 2021, and having the officer positions bonded. The District will assist with the cost of bonding.

Find the 2020 newsletter online at [de.gov/taxditch](https://de.gov/taxditch) in the Tax Ditch Officer Resources blue box.

## DNREC Tax Ditch Program

Melissa Hubert, Program Manager II  
Brittany Haywood, Program Manager I

Michele Garner, Environmental Planner II—Warrants, Bonding & Tax Ditch Administration

Aaron Gorka, Environmental Planner II—Permitting, Pipe Crossings & ROW Obstructions

Heather Hitchens, Environmental Planner II—Tax Ditch Officer Coordinator & Audits

John Inkster, Sr. Application Support Specialist—Tax Ditch Assessments & GIS

Jordan Watson, Environmental Planning Survey Technician—Inspections, Land Development Review & Drainage Concerns

Robin Weinkam, Environmental Planner I—Court Order Changes (COC)

Coming Soon, Environmental Planner II—Tax Ditch Outreach & Communications Specialist