In accordance with Minnesota Statutes Annotated (M. S. A.) 103D.725, and any other applicable statutes, the Board of Managers, Buffalo-Red River Watershed District (BRRWD), continued the Hearing for Project No. 65, County Line Outlet, Wednesday, April 18, 2012, at 7:30 PM in the Veterans of Foreign Wars (VFW) Club, Barnesville MN. BRRWD Managers present were: Gerald L. Van Amburg, Roger G. Ellefson, Curtis M. Nelson, Breanna Paradeis Kobiela, and John E. Hanson. Other attending included: Bruce E. Albright, BRRWD Administrator and Houston Engineering, Inc. (H.E.); Erik S. Jones, H.E.; Mona Barker, BRRWD Administrative Assistant; Arvid Thompson, Lauren Peterson, and Eddie Bernhardson Appraisers; Lyle Hovland, Commissioner, Wilkin County; Robert Hovland, Supervisor, Prairie View Township, Larry Martin and Charles R. Melvin III, United States Fish and Wildlife Service (USFWS); Merlyn Bekkerus, Supervisor, Humboldt Township; and landowners: Tom Olson, Ivy Olson, Jim Braton, Jr., Chris and Deb Stepp, Melanie Maneval, Adrian Haugrud, Cindy Haugrud, Ardean Haugrud, Jay Hochhalter, Florence Froslie, Steve Froslie, and Cliff Froslie.

BRRWD Chairman Gerald L. Van Amburg called the hearing back to order at 7:00 PM. He introduced the BRRWD Board, Staff, and Appraisers. He indicated that tonight's hearing was for Project No. 65, County Line Outlet. This is a continuation of the hearing held on March 15, 2012 in Hildebrand Hall, Assumption Catholic Church, Barnesville, MN. Albright distributed a sign-up sheet and advised the audience that the meeting is being recorded to assist in the preparation of the minutes, which will be on file in the BRRWD office. He noted that members of the audience having questions should state their name for the record.

Albright gave a brief history of the project and stated this was an actual hearing and a continuation from March 15, 2012. At that hearing, there were questions about the project benefits which had been determined by the Appraisers. The area was re-visited by the Appraisers and some changes made. Albright stated the project was in operation at the last hearing on March 15, 2012. The water was drawn last winter down to elevation 1105, which is the Ordinary Highway Department Water (OHW) set by the Department of Natural Resources (DNR). The project was done in cooperation with the USFWS who has indicated an interested in a further draw down of the wetlands. Albright commented there have been no downstream problems to date, and we can continue operating the project when the USFWS completes the DNR process to lower the water below the OHW. The contractor is ready to finish the project when road restrictions are lifted on Monday, April 23, 2012. Installation of a culvert on County Line Road will be a priority so the road can be re-opened and serviceable.

Appraiser Eddie Bernhardson presented the revised Appraisers report and the changes made for Project No. 65, County Line Outlet:
In accordance with Minnesota Statutes Annotated (M.S.A.) 103D.725, and any other applicable statutes, we herewith submit the following amended Appraisers' Report:

Benefits Statement

Following the 3/15/12 hearing, we were asked to review comments made at the hearing pertaining to our work and the Appraisers’ Report. On March 21, 2012 we met again to review the hearing comments. We also conducted another field review of the project. At this time, we would propose the following changes to our 2/13/12 report.

Concerns were expressed by Melanie Maneval and their property in the SW¼, Section 35, Humboldt Township. They own 5.5 acres, with a county land value of $7,909 per acre. Comparing this value with adjoining agricultural land values ($1,545/acre), we feel the land value on this tract should be lowered to match agricultural values. Clearly, this land sheds/drains no more water than the neighboring agricultural lands. Based on our 2/13/12 report, this tract had total benefits of $1,088. With our change, the benefits would be reduced to $213.00. This changes their estimated costs from $158.77 to $32.00 or a net reduction of $127.00.

Questions were also raised about our drainage area boundary in Section 35, Humboldt Township, and Section 3, Prairie View Township. Upon closer inspection, we agree, and have modified our drainage boundary lines. These changes affect property owned by Raymond Froelie in the W½, Section 3, where we’ve reduced the benefit acres from 57.09 acres to 53.21 acres or a net reduction of benefits from $7,997 to $7,814 for an actual cost savings of $183. For the G. Thomas/I. Olson tract in the NE¼ NW¼, benefit acres were reduced from 37.51 acres to 17.17, or a cost savings of $140.00. Benefits on the Eric Olson property in the NW corner of the NE¼, Section 3 were removed, as this water drains east, and not west to the project. This change reduces the total benefits by $1,260. Minor adjustments were also made in the SW¼, Section 35, Humboldt Township, on properties owned by Carl Pederson and Nevis Shulstad.

MNDOT had two benefits along I-94, one along the blue seepage area, and one along the pink drainage area. The seepage benefits of $1.00/ft. were removed along a 3,200 ft. section. Upon visual inspection, we noted no major cattails in this road section.

Benefits on the pink direct drainage path were reduced from 100% of the market value to 75% of the market value. Also, a 2.5 acre designated wetland basin owned by Jim Braton, Jr. was removed from this benefit area, as it is a Farm Service Agency (FSA) designated wetland that can’t be drained.

We also lowered the value of the downstream blue seepage area benefits from 10% of the market value to 5%.

Our total benefits in our 2/12/12 report were $409,775. With the proposed changes noted, our new total benefits are $402,491. The reductions were added to County Line Road, where Humboldt and Prairie View Townships benefits each increased from $21,000 to $39,000. We feel these benefits are still reasonable given the costs each township would have had if they would have had to raise their road.

We also did an analysis/breakdown of benefits based on the two projects that were completed (north/south wetlands). The approximate total benefits around north wetland are $52,000 with estimated project costs of $10,000. The remainder of the benefits, or $350,000 is for the larger south project, with estimated costs of $229,400.
A breakdown of the benefits is as follows:

- Drainage Area (green) $18,903 or 5%
- Shoreline benefits (cross hatched around wetlands) $84,706 or 21%
- Natural Outlet (pink) $44,784 or 11%
- 5% downstream seepage (blue) $15,973 or 4%
- 25% Direct downstream (dark green) $101,125 or 25%
- Roads $137,000 or 34%

We would be happy to answer any questions you may have regarding our work or findings, and we are pleased to be of service to the Board in this regard.

Chairman Van Amburg asked for questions. A question from Lauren Peterson, Appraiser, allowed Albright to explain that the only increases with all of the notable changes were for the two Townships. Albright also again identified this hearing being for Project No. 65 after a question on Lake Jacobs from Mary Marty.

Jim Braton stated he has visited with Albright, Nelson, Ellefson and Thompson. He acknowledged his assessment on 96 acres has been reduced however still feels the assessment is in excess. Braton spoke of seepage and the Upper Basin drainage adding to his problems. He questioned the “fairness” of the assessment when other areas are affected more and landowners are paying less. Ellefson commented on the drainage from one wetland into the other and how those areas around the “upper” basin are helping to pay for the entire project. Had the water continued to rise, allowing natural run off from this upstream area would have been devastating for downstream areas.

Adrian Haugrud stated it has been more than 5 years that the area in the north end of the wetland has been used as a holding tank and his tillable area has been reduced. Braton agreed there is an overall benefit for the project; however, he quoted per acre assessments and still finds his to be higher. Albright discussed the project parameters and explained the value of the land, cross-hatched in red on the map, has zero value when under water and increase to 100% of market value when it is not. He continued by stating areas identified in pink on the map were valued at 75% of the market value since water used to flow across this property, and it used the Interstate 94 (I-94) ditch before draining into Wilkin County Ditch (C.D.) No. 41. For those landowners, identified in green, 25% of market value was assessed. The area in blue, Braton’s area, the landowners were assessed 5% of the market value. Finally, the light green area is assessed 2.5% of its market value. This looks at the various rates giving a bigger perspective of the assessments. Jones, H.E. addressed the operation plan and explained that had the project been smaller; the project cost would have been greater for those landowners just involved with the County Line Outlet.

Chris Stepp commented the Township benefits seemed light on roads. Albright explained the value given to roads is based on per linear foot. He added that the road benefits were increased with the changes made by the Appraisers. Albright also stated it was necessary for the Board to make a decision which would then begin the appeal period.

Lyle Hovland commented on definition of township services. The citizens will be taxed to pay for those services. If the road benefits were raised even higher, many people in attendance would still end up paying through the Township. Braton added that by benefiting the Township, more citizens would pay a fair share for using the road. Jay Hochhalter asked whether the USFWS would be asking for a draw down and whether they would be paying anything to do it. Albright explained the OHW elevation which is set by the DNR. The land is owned by the USFWS and they have an easement in the North
Basin. Permits were required and the project was done cooperatively with them. The USFWS, as a federal agency, does not assume or pay assessments. There was further discussion on the cost of the project. Jones, H.E., explained that the alternatives were evaluated and that the deeper option was the less expensive. Albright reviewed the funding: 25% from the BRRWD and 50% DNR which was obtained through a grant.

Haugrud stated taxes have been paid for years on acreage that has not been tillable and that the project is of benefit to everyone. Braton agreed and added he was disappointed. He also commented on the engineering costs being too high.

Albright said the Haugrud easement will be corrected. He also explained the assessment on this project would not be seen until the 2013 tax statements. There is a possibility of a bond combining several smaller projects.

At the April 23, 2012 BRRWD Board meeting, a decision will be made regarding an order on the project. Van Amburg asked if there were any further questions or comments, being none, he adjourned the hearing at 8:30 PM.

Respectfully prepared and submitted by

Bruce E. Albright, BRRWD Administrator