

BUFFALO-RED RIVER WATERSHED DISTRICT

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PROJECT NO. 56, MANSTON SLOUGH RESTORATION MINUTES FOR FINAL HEARING May 22, 2012

In accordance with Minnesota Statutes Annotated (M.S.A.) 103E.335, and other applicable statutes, the Board of Managers, Buffalo-Red River Watershed District (BRRWD), held the Final Hearing for Project No. 56, Manston Slough Restoration, on Tuesday, May 22, 2012, at 7:30 PM in the Hildebrand Hall, Assumption Catholic Church, 307 Front ST N, Barnesville, MN. BRRWD Managers present were: Gerald L. VanAmburg, Roger G. Ellefson, Curtis M. Nelson, and John E. Hanson. Other attending included: Bruce E. Albright, BRRWD Administrator, and Houston Engineering, Inc. (H.E.); Rick St. Germain, Engineer, H.E.; Wade Opsahl, Technician, H.E., Appraisers Lauren Peterson, Eddie Bernhardson, and Arvid Thompson; Lyle Hovland, Wilkin County Commissioner; Dan Swedlund, Engineer, Wilkin County Highway Department, Bruce Poppel, Environmental Officer, Wilkin County, Pete Waller, Board Conservationist, Minnesota Board of Water and Soil Resources (BWSR), Don Schultz, Area Wildlife Manager, Minnesota Department of Natural Resources (DNR); Doug Wells, United States Fish and Wildlife Service (USFWS) and Fergus Falls Wetland Management District (WMD); Scott A. Smith, Natural Resources Conservation Service (NRCS); and landowners: Lyle Picotte, Dennis VanWechel, Joel Simmer, Robert Faulkner, Thomas L. Thomas, Lyle Barringer, Emily Norman, Avis Wiese, Beth Dupree, Margaret Barringer, Andy Beyer, Rick Maier, Steven F. Thompson, Loren Woolson, Rita Woolson, Bradley Nelson, Lloyd Ouse, Phil Schritz, James Briks, Jerome Briks, John Thompson, Aaron Weinandt, Tony Nordick, Louis Krueger, Kurt Krueger, Charlie Westfall, Jay Nord, Pete Thompson, Don Bohner, Jeff Nord, Duane Stuehrenberg, Jesse Stuehrenberg, Shawn Norman, Terry Czichotzki, and Fred Hansen.

BRRWD Chairman Van Amburg called the hearing to order at 7:35 PM. He introduced the BRRWD Managers, H.E. Staff, and Appraisers. Albright passed an attendance sheet and noted that the hearing was being recorded to facilitate the preparation of minutes.

Using an overhead projector, Albright discussed the project history/timeline and outlined the legal process required to develop a project of this nature. In 2003, the Manston Slough Restoration project was added to the Governor's Clean Water Initiative Project List. The BRRWD held a landowner informational meeting in 2004, and in 2004/2005, the Preliminary Project Design and Geotechnical Evaluation was completed. The Preliminary Resolution Hearing was held 12/06/05 in accordance with M.S.A. 103D.601, (Establishment of Project by Majority of Managers). A road authority meeting was held 12/21/06 with county and township officials. The Manston Slough Restoration is a cooperative undertaking between the BRRWD, NRCS, USFWS, DNR, and BWSR. All parties signed the Operation and Maintenance (O&M) Plan and Memorandum of Understanding (MOU) in 2009. An Environmental Assessment Worksheet (EAW) was prepared in 2002 to investigate the potential environmental impacts of the project. No issues were identified. Rick St. Germain, H.E., filed the Engineer's Report on August 10, 2009. On 3/22/12, the Mediation Project Team (PT) reached a consensus for the project concept and recommended the BRRWD move forward with the project. In 2006, the State of Minnesota approved a \$350,000 grant from the Lessard-Sams Outdoor Heritage Council (LOHC) Conservation Partners Legacy Grants (CPLG) Program, which was recently extended until 6/30/13. Recently, BWSR also approved a grant for \$682,365 from Reinvest In Minnesota (RIM) funding, and the DNR Flood Damage Reduction grant was extended to 6/30/14. The combined state funding makes up 75% of the project

costs. The balance of the local project costs (25%) will be split 50/50 between the area landowners and the BRRWD (approximately \$500,000 each). In June, Wilkin County will hold the Conditional Use Permit (CUP) hearing.

Rick St. Germain, Engineer, H.E., presented the Engineer's Report, which is on file for public review in the BRRWD office. Using an overhead projector, he displayed a number of project area maps and explained that the project will restore a wetland complex affecting land in Mitchell, Manston, and Meadows Townships, Wilkin County, located about 5 miles west and 11 miles south of the City of Barnesville, MN. The project covers an area of about 6.5 square miles with a contributing drainage area of approximately 27.5 square miles. The outlet for the Manston Slough is the Lateral of Wilkin County Ditch No. 13. Manston Slough contributes flow to the South Branch of the Buffalo River via the Lateral and County Ditch No. 13. St. Germain explained that the original project proposed by the DNR and Ducks Unlimited (DU) involved diking in the E½, Section 19, Manston Township. He displayed a slide showing the proposed wetland restoration area where approximately 1090 acres would be at or below elevation 972.0. St. Germain explained how the outlet structure will be constructed and how it will operate. The principal spillway will consist of two lines of 65" x 40" reinforced concrete arch pipe (RCP-A) with a concrete drop inlet riser with stop log bays for wetland level management. The adjustable riser crest elevation is between 970.0 and 972.0, and the length of the riser is 82.5'. The emergency spillway will consist of 300' of depressed overflow section on the north embankment of the dam on the township road. The crest elevation will be 974.0 with the upstream slope at 4:1 and the downstream slope at 25:1. The dam embankment will have a top elevation of 977.0 with a top width of 14' to 24' and sideslopes of 4:1. He also discussed the emergency spillway configuration and purpose. He displayed a table showing peak flow reductions for various storm events. The goals of the project are to provide high quality natural resource habitat, flood control, and ground water recharge, as the Manston Slough is a potential recharge area for the south lobe of the Buffalo Aquifer. St. Germain discussed the hydraulic design calculations. He explained that the flood impoundment/wildlife pool is proposed to reduce peak flow on the downstream ditch system by 50-80% at the project outlet and to provide flood control for the South Branch of the Buffalo River.

Someone asked what side of the project the spillway structure would be located. St. Germain said it would be on the south side of the north embankment.

Phil Schritz asked how much cropland would be taken out of production to construct the project. He felt that farmland was more important than providing habitat for ducks. He complained about the potential cost of the project to the landowners. He thought that the DNR should pay for the entire project because the landowners won't benefit at all. Albright replied that approximately 1,200 acres of cropland will be impacted by the project. Van Amburg pointed out that the project will store approximately 5,000 acre-feet of run-off. Schritz thought the embankment (dam) could be hazardous to public safety, and questioned the truth of the BRRWD's statement that the Manston Slough is part of the Buffalo Aquifer recharge system.

Shawn Norman also pointed out that the claim regarding the Aquifer has been disputed. St. Germain read statements from Kenneth Harris, Minnesota Geologic Survey, and Cliff McLain, Moorhead Public Service, asserting that the Manston Slough project, specifically the north wetland area, would have infiltration potential and could help to recharge the aquifer. Schritz thought that holding water in the slough area would impact neighborhood basements. Van Amburg noted that Erik Mohring, BWSR, did a seepage analysis that concluded the project wouldn't impact area properties. Van Amburg explained that by slowing/retaining upstream flows, the aquifer recharge, which also takes place in the Buffalo River, could be enhanced.

Andy Byer, who lives in Nordick Township, questioned their benefit assessment (\$2,200) to fix a "dirt" road. He also questioned the reasoning for sending more water to Wilkin County Ditch No. 6A, which he feels is already too full. Albright explained that the project will actually reduce flows to County Ditch No. 6A. He said that no new land will be added to the ditch system, and the project will prevent water from escaping south from Manston Slough to County Ditch No. 6A during highwater events. The culverts in the Township road will be removed and the south dike will prevent Manston Slough water from entering County Ditch No. 6A.

Rick Maier asked how the wetland features of the project will provide flood control benefits. St. Germain explained that the historic water elevation of 972.0 will be maintained by the project using the control structure. Albright explained that the wetland areas are temporary pools with outlet structures that can be managed for different functions. Albright explained that in order to cooperate with the environmental agencies, some flood protection features were sacrificed from the original retention plans. This project represents our best efforts to compromise and coordinate the diverse goals of the participating agencies, including the BRRWD's desire to provide flood control benefits. Also, the USFWS and DNR are allowing us to use their lands for water retention at no charge.

Jay Nord wanted to know how many acres the temporary pool would cover. St. Germain explained that at elevation 974.0, the pool will cover approximately 4,000 acres and at 973.0, approximately 3,000 acres.

Kurt Krueger questioned if the order that the project goals were listed on the overhead slide reflected the actual project priorities. Doug Wells, USFWS, pointed out that each agency had a different priority for the area. The project had to meet the objectives of all the participating agencies. He didn't feel that the order of the goals on the slide was all that significant. Van Amburg felt that the project provides opportunities for a variety of goals, including both wetland restoration and flood control.

Jeff Nord asked if the wetland pool elevation would be managed primarily for ducks. Albright said that the project would be managed by taking into consideration benefits for all wildlife habitats, not just waterfowl.

There was another concern expressed regarding possible seepage problems. Albright explained that the seepage analysis found that because the temporary wetland pool will have a low elevation, it exerts less pressure on the embankment reducing the threat of possible seepage. The embankment sideslopes will be lined with clay. Albright noted that the O&M and MOU will be used by the participating agencies to manage the project. Doug Wells noted that the O&M provides a lot of flexibility in maintaining the project.

Terry Czichotzki questioned the operation of the primary and emergency spillways in relationship to his downstream building site, which is located right next to Wilkin County Ditch No. 13 Lateral. He was concerned about the maximum flow leaving the control structures during a highwater event. Albright said that the emergency spillway is designed to reduce the volume of water leaving the project site by approximately 50% for a 1997-type spring flood.

Jay Nord asked if the benefited landowners would be responsible for future project maintenance costs. St. Germain said that according to the O&M plan the BRRWD is responsible for most of the maintenance costs, including the north water control structure, the emergency spillway, the dike, and the fish barrier. The DNR will control the north water control structure operation, and the USFWS will be responsible for County Road (C.R.) No. 26 water control structure operation and maintenance. The DNR and the USFWS will help share the responsibility of monitoring the fish barrier. The BRRWD will make an annual project inspection and additional inspections following severe flooding. They will

prepare/submit an annual report of all inspections for the agencies. Albright said that the BRRWD doesn't expect high maintenance costs.

Tom Thomas asked if the City of Moorhead would be assessed for protection benefits, since the project is supposed to provide upstream retention/protection benefits to the City. Albright explained that the BRRWD would assume approximately 50% of the \$1 million local benefits, and the landowners would be assessed for the balance. The BRRWD will pay its share from general watershed tax proceeds. The City of Moorhead represents about 50% of the BRRWD's general tax base. He explained that the assessments were a set amount placed on per acre basis, not on market value.

Robert Faulkner, Supervisor, Manston Township, asked if the Township would be responsible for future maintenance of the roads used by the project. Albright said the plans call for raising the roads (Township Road 203). Once the project is completed and the roads are back in operation, the Township would be expected to continue to do the normal maintenance. If the roads are impacted by project operation, the BRRWD would be obligated to make repairs as a project expense. Once completed, maintenance of area road involved with the project will be much easier than it is today.

Schritz felt that the project shouldn't be called a "restoration" because at one time, the area was all farmed. He feels that the BRRWD is altering the status of the slough, not restoring it to its original condition. Van Amburg disagreed and said that we plan to restore the historic natural habitats, including vegetation and water levels.

Kurt Krueger asked about one of the stated benefits to reduce downstream channel turbidity. Van Amburg explained that providing upstream retention will allow suspended solids to settle out and will also reduce the occurrence of runoff/erosion that can impact downstream channel turbidity. Albright said that the Barnesville River Watch Team has been monitoring water quality at the north end of Manston Slough for several years, and the water doesn't meet State water quality standards for turbidity. By slowing down the water velocity, the particles will settle out and help reduce turbidity. Van Amburg noted that altering farming practices in the upstream drainage area would also address channel water turbidity. Krueger asked if eventually the slough would fill up with sediment and need to be cleaned. Van Amburg thought that wasn't very likely in the foreseeable future.

Lyle Barringer talked about the taxes he's paying on the NW¹/₄, Section 3, Meadows Township (153 acres). He said he is being taxed twice for the same property. Albright explained that Wilkin County did some work on his ditch system and that work is not related to the Manston Slough Restoration project.

At 9:00 PM, Eddie Bernhardson presented the Appraisers' Report:

In accordance with Minnesota Statutes Annotated (M.S.A.) 103D.725, and any other applicable statutes, we herewith submit the following Appraisers' Report:

Benefits Statement

This report covers the determination of benefits for the Project No. 56, Manston Slough Restoration, which is being developed by the BRRWD in accordance with Minnesota Watershed Law. We did not determine any damages for the project right-of-way (r-o-w), as we were informed that the BRRWD will acquire r-o-w needed for the project through negotiation with the affected landowners. The basis for determining our benefits is a comparison of the conditions expected with the project with those that existed pre-project.

Over the past several years, with the abnormal rainfall/runoff events, this area has had flooding problems. The BRRWD has held numerous meetings with the affected landowners, Townships, and informational meetings on 11/29/04 and 12/06/05 to discuss these problems. On 12/12/05, the Board made a final resolution in accordance with M.S.A. 103D.601 for the Manston Slough Restoration. The appointed engineer, Houston Engineering, Inc., filed their initial study of the project on August 9, 2009, which will be revised to reflect the final design concepts.

We (Lauren Peterson, Arvid Thompson, and I, Eddie Bernhardson) were appointed by the BRRWD to determine the benefits for this project. We took our Oath of Office and held our first meeting on August 12, 2010. On that same date, we toured the project area. We conducted several other reviews of the project, and filed our report on 4/23/12. The proposed project has been described earlier by Rick St. Germain, Engineer, H.E., and this is the project for which we have determined benefits.

We started our benefit analysis by looking at a study completed by Houston Engineering, Inc., dated 10/07/04, which analyzed the various benefits to be expected from a project of this nature. The Board of Managers, BRRWD, asked H.E. to do this work. That analysis looked at wetland benefits, flood control benefits, and groundwater recharge benefits. The conclusion of that study was "based on the preliminary benefits analysis, it appears there are significant benefits which will be realized if the Manston Slough Restoration is developed. From our complete list of benefits, the benefits expected due to the project's flood control and wetland restoration aspects would be expected to be well in excess of \$15 million. Comparing this to the expected project costs, the project would have a very favorable benefit-cost ratio." In our opinion, these benefits could be described as "soft benefits" and would be of value to the entire BRRWD and the Red River Valley.

Our task was to look at "local" benefits for assessing the "local" share of the project costs. The outlet for Manston Slough is Wilkin County Ditch 13-Lateral and Wilkin County Ditch No. 13. The proposed benefit area downstream of the project for protection benefits mirrors the assessment areas for these two ditch systems. For lands draining directly into either system, we placed a benefit of \$100 per acre. For protection benefits on the west side of 210th AVE or Wilkin County Ditch No. 13, we used a benefit rate of \$50 per acre. The total of the downstream benefits is \$1,159,164 or 61.48% of the total projected local benefits.

The next area that we looked at benefits for is around the south end of the project. Two things will happen in this area. One, Tower Road or 230th ST is going to be raised and the north side of this road faced with clay embankment. This will stop all water from exiting out of the south end of the Manston Slough. In order to accommodate drainage in this area, a new ditch will be constructed on the south side of 230th ST and the east side of 220th AVE. This water, which is already assessed to drain into Wilkin County Ditch 6A, will be diverted into that system. We used benefit rates of \$100 per acre (green), \$150 per acre (blue), and \$200 per acre (red) for the new drainage benefits in this area. All culverts in Tower Road will be removed and historically, a fair amount of water has drained out the south end of Manston Slough to County Ditch No. 6A with high water events. The total new drainage benefits for this area are \$227,578 or 12.07% of the total projected local benefits.

As previously noted, water has been draining out of the south end of Manston Slough into Wilkin County Ditch No. 6A. This has caused an erosion channel across Section 7, Meadows Township. We've asked the engineer to provide us calculations regarding the amount and volume of flow that could be going into County Ditch No. 6A from Manston Slough. With the projected improvements, this will no longer occur, and we placed a lump sum benefit of 50% of the total ditch system benefits for County Ditch No. 6A or \$33,687. This represents 1.79% of the total projected local benefits.

We also placed benefits on the project's drainage area. This area also matches the benefit areas for Wilkin County Ditch No. 13-Lateral, and Wilkin County Ditch No. 13. For this area, shown as gold on the benefits maps, we placed benefits of \$25 per acre. This area has 11,738.98 acres, with total benefits of \$293,474. This represents 15.57% of the total proposed "local" benefits. Reasoning for these proposed benefits, include the fact that over the years, drainage off these upstream lands has been enhanced, accelerating movement of water to the west (downstream). The proposed project will buffer these flows, accounting for less future maintenance and repair costs to the referenced legal ditch systems.

The last area we looked at for benefits was the various roads that would be created, enhanced, or protected by the proposed project. The roads include 220th AVE between Section 6, Meadows Township, and Section 1, Nordick Township; 230th ST between Sections 5, 6, 7, and 8, Meadows Township. These roads will be raised, re-graveled, culverts removed and improved as a part of the project for the "South Dike" improvements. We used a benefit rate of \$12,500 per mile for this area. The second area we looked at was 230th AVE between Sections 19, 20, 29, and 30, Manston Township. This road will be raised where needed, culverts installed to allow for the passage of water from east to west, and re-graveled so that it will be above the proposed temporary pool elevation of 974.0. For these "minor" road improvements, we used an estimated benefit of \$10,000 per mile. We then looked at the roads associated with the "North Dike" improvements: 190th ST will be completely rebuilt in Section 13, Mitchell Township, improved between Section 13, Mitchell Township, and Section 18, Manston Township, and rebuilt between Sections 18, 19, 17, and 20, Manston Township. The east 0.75 mile of the "North Dike" improvements is County Road No. 176. "Minor" road improvements have estimated benefits of \$10,000 per mile. "Major" road improvements have estimated benefits of \$25,000 per mile. The last road we looked at was between Sections 14 and 15, Deerhorn Township, or 200th AVE. The road has a history of overlapping in this location from the upstream drainage. Once this happens, the water escapes to the "protected" area on the west side. We placed benefits of \$10,000 per mile on this road section. Total road benefits are \$171,500 or 9.10% of the total projected benefits. Total proposed "local" benefits for all roads and private lands are \$1,885,404.

We understand that the estimated project costs are \$4,084,667. Of this amount, 75% will be funded through the State of Minnesota either through their Flood Damage Reduction Program and the DNR, BWSR and their RIM Program, or the LSOHC (\$350,000). The local share of the project or 25% (\$1,021,166.70) will be split between the BRRWD and their M.S.A. 103D.905 Subd.3 account, at the rate of 66% or \$680,771 and the local share of the assessments or 33% at \$340,396. The multiplier for all "local" benefits is 0.180. This multiplier can be used to estimate an individual's costs based on their benefits. We understand that the BRRWD would spread the local costs over a number of years.

Supporting documentation for our analysis and conclusions of the Report are contained in the BRRWD's files and are available for inspection. In general, we feel that the proposed project to be installed by the BRRWD will help correct the area's flooding problems.

The figures stated within our Report are based on a full and fair consideration of all pertinent facts and information that we were aware of at the time of our work. The following aids were used during our review process:

1. Wilkin County soil survey manuals and maps
2. FSA aerial photographs
3. USGS topographical maps

4. Sales data from the Wilkin County Assessor's Offices
5. Visual inspections of the project properties
6. Market values as determined by the Wilkin County Assessor's Office

The benefit values are based upon an increase in the property's value as a result of constructing the restoration project and reconciled with sales value increases. All present land use was evaluated under estimated best land management practices. Special consideration was given to areas that were considered to be in a native/non-converted condition or identified as wetlands under wetlands inventories and restricted from drainage by state or federal regulations. Bernhardson referred to the benefit map and explained that the benefit rates/categories correspond to the colored areas on the map. The benefit categories include contributing drainage area benefits at \$25/acre (gold), downstream benefits at \$50/acre (lavender) and \$100/acre (yellow), drainage improvement benefits at \$100/acre (green), \$150/acre (light blue) and \$200/acre (red). He commented that they would be happy to answer any questions the audience might have regarding their work or findings, and they were pleased to be of service to the Board in the development of this project.

Louie Krueger asked how the Appraisers determined the benefits for building sites. Wade Opsahl, Technician, H.E., explained that in order to calculate a fair value for smaller tracts of land with buildings, a few years ago, the BRRWD started the practice of taking into consideration the market value of the buildings in addition to the land value. The calculation took the County's market value of the site multiplied by the benefit rate and then multiplied by a factor of 0.05%.

Albright pointed out that at this point, the Appraisers' determinations are subject to review, and they can meet with any landowner who questions their benefit analysis. Krueger pointed out that he has lived in his house for 50 years, and no water has ever gotten close to his home.

Shawn Norman questioned his assessments in Section 29, Manston Township. Albright said that Section 29 is within the project retention area, and should not be assessed for the project. He explained that benefits were placed on property where severe erosion problems/washouts were affecting roads, ditch systems, and farmland. Norman said that the map shows that Section 29 is in a benefitting area. Albright noted that the Appraisers' intentions were to exclude any land located in the project area that may be under a BRRWD easement. He added that if any of the landowners find a problem with the benefit map affecting their property, they should make note of it and let him, the Appraisers, or one of the Managers know. Opsahl explained that the property east of Trunk Highway (T.H.) No. 9 in Sections 5 and 20, Meadows Township, will be assessed, but lands lying west of T.H. No. 9 are not.

Tom Thomas asked if land in the Wetlands Reserve Program (WRP) was being assessed. Albright explained that Thomas' property in Section 36, Mitchell Township, should not be in a benefit area.

Shawn Norman pointed out that the land in Section 15, Manston Township, drains north to the South Branch of the Buffalo River, not into the project area. Albright made a note of his comment.

A Nordick Township Supervisor noted that the Township wasn't interested in having their road in Section 1 improved. They would prefer to just abandon the road.

Robert Faulkner, Manston Township Supervisor, didn't think he had been invited to the meeting the BRRWD held with the Township officials on 12/21/06.

Bradley Nelson asked why the small piece of farmland he rents/farms adjacent to a gravel pit in Section 22, Deerhorn Township, would have benefits. Opsahl made a note of his question.

Jeff Nord suggested that Chairman Van Amburg should present a bill for the Manston Slough Restoration to the next meeting of the COE Diversion taskforce. Nord thinks the City of Fargo would benefit from this project. Van Amburg thought that modeling might show that Fargo would benefit from the Manston project. He mentioned that the COE might have funding for upstream storage projects if they can be shown to reduce flows at Fargo. Tom Thomas said that all the water ends up in the Red River.

Terry Czichotzki asked who makes the final decision regarding the development of the Manston Slough Restoration project. Van Amburg said that the Board of Managers, BRRWD, makes the final decision.

Duane Stuehrenberg said that at the 12/06/05 Preliminary Hearing, none of the attendees were in favor of the project. Shawn Norman agreed, and said that it appears that it doesn't matter to the BRRWD if the landowners are opposed. He added that not only are they opposed, but now they have to help pay for the project.

Bruce Poppel, Wilkin County Environmental Officer, asked how the BRRWD plans to handle the Kent Rod & Gun Club easement. Albright explained that the BRRWD plans to proceed with a "friendly" condemnation because of the number of owners. The ownership issue is just too complex to deal with. The BRRWD will publish a notice of easement acquisition in the local newspapers regarding the property.

Stuehrenberg reiterated his concerns about support for the project. Van Amburg pointed out that those who were opposed to the project have been the most vocal at the meetings. The Board feels that there is support for the project, but supporters are unwilling to speak up in public. Van Amburg pointed out there is a basin-wide need for water retention, but no one wants to hold water on their property. Albright pointed out that all the landowners in the watershed district will help pay for the local share of the project through the BRRWD general watershed district levy. Albright also said that of the 22 individual landowners who have land in and around the project area, 18 have already signed their easement options to allow the project to be built on their property. He noted that the opponents of the project are welcome to bring up their concerns tonight. Albright explained that the BRRWD is willing to work with them to address their concerns, if possible.

Bradley Nelson asked Van Amburg to repeat the cost estimate and cost sharing splits that were reported in the Appraisers' Report. The total project costs are estimated at \$4,084,667. Of this amount, 75% will be funded through the State of Minnesota either through their Flood Damage Reduction Program and the DNR, BWSR and their RIM Program, or the LSOHC (\$350,000). The local share of the project or 25% (\$1,021,166.70) will be split between the BRRWD and their M.S.A. 103D.905 Subd.3 account, at the rate of 66% or \$680,771. The remainder of the local share of the assessments or 33% at \$340,396 will be assessed to the benefiting areas. Albright explained that Clay County pays approximately 85% of the general levy, Wilkin County pays 7%, Becker County 5%, and Otter Tail County 3%.

Terry Czichotzki asked what the term of repayment the BRRWD will place on the landowners. Albright commented that typically the payments could be spread out over at least three years. Czichotzki thought that would make the assessments less of a problem. Bruce Nelson agreed that payments should be spread out of a number of years.

Kurt Krueger asked if the existence of the project would restrict ditch cleaning in the project area. Albright said that the project would have no bearing on future ditch maintenance.

Louis Krueger pointed out that the DNR won't allow them to clean their ditches, so water "piles up" on their property, and it takes three weeks for the water to recede, which destroys their crop.

Ellefson commented that he felt the hearing should be continued as there appears to be several unanswered questions that the Board needs to work with the landowners to resolve. The project would provide a number of positive features and the Board/Appraisers need to contact the landowners to review their concerns.

Albright discussed the process of continuing the hearing at a future date after the concerns brought forward at tonight's hearing can be addressed by the Board and the Appraisers. Ellefson explained that the Board is expected to make a decision regarding project development after the Final Hearing, but at this point there are too many unanswered questions for him to be comfortable moving the project forward. He briefly discussed the project's flood control features.

There being no further testimony from the audience, **motion** by Ellefson to recess the Final Hearing and continue it at a future date. **Seconded** by Nelson. **Approved.** Chairman Van Amburg recessed the hearing at 9:55 PM.

Respectfully submitted,

John E. Hanson, Secretary