

PROCEEDINGS OF THE
MARTIN COUNTY BOARD OF COMMISSIONERS
JUNE 16, 2015
@ 2:00 P.M.

The regular meeting of the Martin County Board of Commissioners was called to order at 2:00 p.m. by Chairman Steve Flohrs.

Commissioners present were Elliot Belgard, Steve Flohrs, Tom Mahoney, and Dan Schmidtke. Commissioner District Three is vacant. Also present were Scott Higgins, Martin County Coordinator, James Forshee, Martin County Auditor/Treasurer, Terry Viesselman, Martin County Attorney, Jason Sorensen, Sentinel Newspaper, Rod Halvorsen, KSUM-KFMC Radio, Julie Walters, Administrative Assistant, and members of staff and public.

Motion by Commissioner Belgard, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve the agenda for the June 16, 2015, regular Board of Commissioners meeting with the following: Delete 4.2 STS Quarterly Report and Program Update – S. Eischens, DOC; and Add 12.2 Consider Prairieland Bills for the month ending May 31, 2015. Carried unanimously.

Motion by Commissioner Mahoney, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, hereby approve the minutes of the June 2, 2015, regular Board of Commissioners meeting. Carried unanimously.

Gary Stephenson of Fort Dodge, Iowa, was present informing the Board he is attempting to finish something his father had started in 1990 which was getting a 1934 lithograph of the United States Constitution donated to each of Iowa's 99 counties. Stephenson noted with 4 remaining on his list, he has decided to expand to the six states bordering Iowa. Stephenson went on to note he is seeking approval of the County Board to proceed with his quest and if the County would accept and display a Constitution lithograph. Stephenson also noted I'm not asking the Board for any money; but is asking the Board's approval to seek donation sponsors in Martin County, talk to the Veterans Service Office, seek 10 local businesses, have the print re-donated to the County Commissioners by local veterans, and have an article published in the local newspaper.

Belgard asked the county attorney if there were any legal reasons why the County could not accept the print, if obtained.

Terry Viesselman, County Attorney, noted there are no legal reasons why the County could not accept the print.

Motion by Commissioner Belgard, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve the display of a 1934 lithograph of the Constitution of the United States in the Martin County Courthouse, once obtained, as presented by Gary Stephenson. Carried unanimously.

Vicki Paskey, Minnesota Valley Action Council (MVAC), presented an update on the Martin County/MVAC Summer Youth Experience Program noting there have been 15 worksite placements so far with youth from every town in Martin County with the exception of Trimont.

Commissioners inquired how many placements do we normally have; length of internship; how many of these young people have actually come back to Martin County when they finish school; and status of area businesses helping to sponsor this program.

Paskey noted last year we had 18 participants at \$8.00 per hour and this year we have 15 participants at \$9.00 per hour. Perhaps moving forward the County may want to consider fewer interns at a higher rate of pay. Paskey went on to note the majority of the students are 8 week internships at 30 hours per week; statistics have not been kept with regard to how many interns have come back to Martin County when they finish school; and moving forward, Paskey requests working with commissioners to solicit funds from local businesses using the internship program.

Kevin Peyman, County Engineer, noted current Highway Technician, Shaun Bulfer, interned with the Highway Department during the summer of 2013, and was hired full time in January, 2014.

Billeye Rabbe, Director Prairieland Solid Waste Management Facility, presented Prairieland's Bill Summary as of May 31, 2015.

Motion by Commissioner Schmidtke, seconded by Commissioner Belgard, Be It Resolved that the Martin County Board of Commissioners, hereby approve the bills for Prairieland Solid Waste Management Facility as presented by Billeye Rabbe, Director Prairieland Solid Waste Management Facility. Carried unanimously.

Prairieland Solid Waste Mgmt.
Bill Summary
As of May 31, 2015

| | <u>May 31, 2015</u> |
|--|---------------------|
| AmeriPride Services, Inc. | \$ 346.44 |
| BoeKett Building Supply, Inc. | \$ 93.42 |
| Cardmember Service | \$ 721.51 |
| Donnelly, Steven | \$ 32.20 |
| Frontier | \$ 270.87 |
| LJP Enterprises Trucking, LLC | \$ 13,035.75 |
| LJP Enterprises, Inc. | \$ 1,835.00 |
| Mankato Bearing Company | \$ 3,585.25 |
| Matheson Tri-Gas, Inc. | \$ 31.81 |
| Midwest IT Systems, Inc. | \$ 258.30 |
| Minnesota Energy Resources Corporation | \$ 2,196.00 |
| MVTL Laboratories, Inc. | \$ 40.80 |
| Northern States Power Company | \$ 22,154.00 |
| Nuss Truck & Equipment | \$ 177.19 |

| | |
|------------------------------|---------------------|
| Rick DeBoer Signs | \$ 75.00 |
| River Bend Business Products | \$ 71.77 |
| Sentinel, The-V | \$ 189.80 |
| Southern Minnesota Forklift | \$ 309.57 |
| STAR Group LLC | \$ 37.98 |
| T Town Tinker & Towing | \$ 58.47 |
| Texas Refinery Corporation | \$ 162.40 |
| Truman Public Utilities | \$ 8,457.09 |
| Waste Management of WI-MN | \$ 13,952.50 |
| Watonwan Farm Service-V | \$ 1,467.67 |
| Total | \$ <u>69,560.79</u> |

6/15 Truman Public Utilities \$ 8,457.09

Terry Viesselman, Martin County Attorney, was present and had nothing new to report.

Kevin Peyman, County Engineer, noted bid letting for C.P. 15:08 Maintenance Gravel Production (Winchester Pit) was held on Friday, June 12, 2015, at 10:00 a.m. at the Martin County Highway Department – Fairmont, MN, and that two bids were received. Peyman went on to note Martin County has worked with Reding’s Gravel before and recommends low bid award to Reding’s Gravel & Excavating Co., Inc. in the amount of \$202,500.00.

Bid Results
Martin County, Minnesota

Letting on June 12, 2015 – 10:00 a.m.
Martin County Highway Department
Fairmont, MN 56031
507-235-3347

C.P. 15:08 Maintenance Gravel Production

75,000 estimated tons

| | |
|---|--------------|
| Knopik Crushing, Inc., Inver Grove Hts, MN \$2.93 per ton | \$219,750.00 |
| Reding’s Gravel & Excavating Co. Inc., Algona, IA \$2.70 per ton | \$202,500.00 |

Motion by Commissioner Mahoney, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, after the appropriate advertisement for bids, and upon receiving bids for C.P. 15:08, and upon the recommendation of the County Engineer, hereby approve and award the low bid for Maintenance Gravel Production to Reding’s Gravel & Excavating Co., Inc. of Algona, Iowa, in the amount of \$202,500.00; and to authorize the Board Chair and other appropriate staff (County Engineer, County Auditor/Treasurer, County Attorney) to sign and execute the necessary documents for the listed project. Carried unanimously.

Peyman presented a Highway Department update noting the paving is complete on the overlay projects and will finish up with some miscellaneous clean-up work, edge rumbles, and striping. Peyman went on to note overall the projects worked out well.

Jeff Markquart, Martin County Sheriff, was present and noted the Martin County Sheriff's Office received and accepted the resignation of Joshua Nelson, part time Deputy Sheriff, effective June 19, 2015, and asks the Board to do the same.

Motion by Commissioner Belgard, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby accept the resignation of Joshua Nelson as part time Deputy Sheriff for the Martin County Sheriff's Office, effective June 19, 2015. Carried unanimously.

Markquart presented a Martin County Jail Population Update including fifteen (15) in-house and five (5) out of county.

Jenny Trushenski, Martin County Library Director, was present and noted the Martin County Library Board has hired Deb Baldus as Circulation Technician II and Lori Haugen as Branch Floater (both at Grade 10 Step 1 at \$16.60/hour) and asks the Board to ratify the hires. Trushenski also noted both new hires will begin their duties in June (2015).

Motion by Commissioner Mahoney, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, hereby ratify the hire of Deb Baldus, Circulation Technician II, and Lori Haugen, Branch Floater, with the Martin County Library System. Carried unanimously.

James Forshee, Martin County Auditor/Treasurer, noted Margaret Gochanour and Representative Bob Gunther were present to discuss the County's tax forfeited property, Parcel No. 23.230.0240, located at 334 Lake Aires Road in Fairmont, MN, which is bordering public water. Forshee noted the Board has been asked to set a price for the sale of the tax forfeited land to the Gochanour's.

Margaret Gochanour presented an overview including she and her husband, Todd, are interested in purchasing state land (Parcel No. 23.230.0240) across the street from their home on the south shore of Amber Lake. Gochanour's currently own shared land with two other property owners on the south shore of Amber Lake and land directly across Lake Aires Road from their present home; however, the state owned property they wish to purchase would allow them lake access for recreation activities. Gochanour noted there is currently a City of Fairmont maintained public access area adjacent to the parcel they wish to purchase that would be accessible only by crossing the Gochanour property with the majority of the current parking for the use of the public dock on property the Gochanour's already own. Gochanour went on to note she contacted Representative Bob Gunther to aid in purchasing this tract of tax-forfeited land. Gunther drafted a bill that was passed by legislative action on May 6, 2015, for the private sale of this tax-forfeited land.

Gochanour reviewed a color coded map showing state land in “yellow”, land the Gochanour’s currently own in “pink”, and land owned by Mancell’s, DeWar’s, and the Gochanour’s in “green”. Gochanour noted if she and her husband would get to purchase the state land, they would deed back to the City that part of the property that is maintained by the City of Fairmont for continued public access. Gochanour noted she and her husband would have some expenses deeding the public access area back to the City...transferring that. We also feel that it probably would be worth having the property surveyed again and marked which would be an expense on our behalf.

Commissioner Belgard inquired is that a City of Fairmont dock?

Terry Anderson, representing the Fairmont Lakes Foundation, noted the dock that is down there now is the City’s and the City maintains it; but there is going to be a new Lakes Foundation dock installed there if we can keep that property. The new dock will be maintained by the City of Fairmont and the Lakes Foundation.

Scott Higgins, Martin County Coordinator, noted there is a bill for the sale of this property that was passed by legislature which is similar to what you did for Serenades by the Lake. The next thing would be for the Board to set a value to the property.

Dan Whitman, Martin County Assessor, noted he was asked to provide some value research and pulled together the closest information with no benevolence entered into his thinking. There were basically 7 other sales in the last 15 years or so; however, none of them are the same as this parcel. This is a special situation and the closest thing is the property across the street and adjacent to Serenade’s by the Lake; and then there were a couple of lots on Albion Avenue that sold maybe 11 or 12 years ago. One of those non-buildable/steep lake bank properties sold for \$5,900 and one for \$12,000. Whitman went on to note from a business standpoint my best rough guess is a \$10,000 to \$15,000 price tag, based on if the Gochanour’s end up with this piece of property and deeding part of it back to the City. Whitman also noted we looked at what the remaining piece of property was going to add to their current house which is basically turning their property into a lakefront piece of property which adds a little value and my estimate is that it will add about \$25,000 to \$30,000 of value onto their property.

Representative Bob Gunther noted there’s one other instance right across the lake from here...on Lake Park Boulevard. Half the people that live across the road from the lake own the lakeshore and half of them didn’t. They didn’t because the City of Fairmont was taking care of them before the DNR took over the lakeshore. They finally wanted to be able to maintain those lakeshores so they could see the lake...so they asked me to do the same thing for them as I did for the Gochanour’s and what happened is they valued each lakeshore lot at \$1,500. So that’s what the price was and that shoreline was accessible. You can’t access this lakeshore without going through the Gochanour’s property...the only way you could use it is if you come from the lakeside so I think maybe the assessment might be a little stiff...but certainly an assessor can do whatever he wants.

James Forshee, Martin County Auditor/Treasurer noted this property is landlocked.

Further discussion ensued as to the value of the property.

Commissioner Belgard asked Gochanour what she thinks a fair price is for the property.

Gochanour noted that's a tough question; but, if my husband was here he would say we'll swap it.

Commissioner Belgard noted of course you're not giving it back to us...you're giving it to the City of Fairmont. You understand the difference there because we're the County...you're not swapping anything with us. I think what you propose is a great deal...we've just got to get a number and I'm asking you if I made a motion now for \$10,000 would you say that was a good thing?

Gochanour noted no, I would not think that was a good thing.

After further discussion,

Motion by Commissioner Schmidtke to set the sale price for Parcel No. 23.230.0240 at \$1,000.

Commissioner Mahoney noted I think it (the property) is worth more than that. I'd like to see the Gochanour's get the property; but, I think we'd be getting some criticism if we sold it at that kind of price.

Commissioner Belgard noted I hate to have to make a decision so quickly...I would rather see this item tabled.

Commissioner Schmidtke's motion died for lack of a second.

Motion by Commissioner Belgard, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby table setting a sale price for tax forfeited property, Parcel No. 23.230.0240, located at 334 Lake Aires Road in Fairmont, MN, until the next regular Board of Commissioners meeting on July 7, 2015. Carried unanimously.

The Board recessed at 3:05 p.m.

The Board reconvened at 3:21 p.m.

Chairman Flohrs opened the continued public hearing for consideration of the amended Engineer's Final Report for the improvement on JD #367; and the amended Viewer's Final Redetermination of Benefits Report for the improvement on JD #367. All county board members representing as the Martin County Drainage Authority were present. Staff included Deb Mosloski, Drainage Specialist, Mike Forstner, Drainage Inspector, James Forshee, Auditor/Treasurer, Scott Higgins, County Coordinator, Kurt Deter, Legal Counsel for the Board, Chuck Brandel, Engineer for the Project (I&S Group), Ron Ringquist, Viewer, Chris Christensen, Viewer, Angie DeBoer, Martin County Drainage Administration, landowners, and other members of the public were present. All in attendance were asked to sign in on the attendance sheet.

Kurt Deter, legal counsel for the Board concerning 103E ditch matters, noted the hearing we are having now is on JD #367. These projects are related but they are two separate systems so we need to do them separately...at least parts of the hearing. As the Board will recall we met two weeks ago on what is called a final hearing and a final hearing is an opportunity for the engineer to give their final engineer's report, the viewers to give their report, and in this case, there was also a redetermination of benefits report. So we've got the improvement and the redetermination of benefits. At that time there were some questions that the Board and I felt needed to be answered and so the Board continued this matter until today to get some amended reports. If you look at the agenda on JD #367 because there have been a couple of changes since I drafted this, you will see that under Roman Numeral III, Mr. Brandel will give the amended final report, the DNR Advisory Report...we actually do have one that I'll read into the record. It says "if any" but we do have one; and then in between Roman Numerals IV and V, I would ask that we put in petitioners attorney comments; and then public comment and questions and I also have been handed a packet of letters that we'll need to read into the record. I haven't even read them yet but when it gets to that point with the Board Chair's okay I'll just read it into the record to make sure that they are part of the record. And then going on to the viewer's amended report, if there is any amendments, public can comment and question concerning that as to the redetermination of benefits of the improvement, viewers report, public comment and questions on that; and again each step of the way I may be interposing where we are in the process. In other words I don't know if we have all the information today...we may...but if not we're not going to spend hours if there is some issue that still hasn't been addressed in the last two weeks. Then under Roman Numeral X, you'll see that there are two things eventually whether it is today or at some point the Board has to address. One is the redetermination of benefits. If you're going to approve that you need to find the following three things that the statute requires the Board to find in order to approve the redetermination of benefits:

- a. The Viewers' Reports have been made and other proceedings have been completed under Minnesota Statutes 103E.
- b. The Viewers' Report made or amended is complete and correct.
- c. The damages and benefits have been properly determined.

Then under number two for the improvement there are six things in the statute and then there is a seventh (g) because separable maintenance is part of the proposal you'll see discussion about the separable maintenance numbers that the engineer has recommended as follows:

- a. The Engineer's Final Report and Viewers' Report have been made and other proceedings have been completed under Minnesota Statutes 10e#.
- b. The Reports made or amended are complete and correct.
- c. The damages and benefits have been properly determined.
- d. The estimated benefits are greater than the total estimated costs, including damages.
- e. The proposed project will be of public utility and benefit and will promote the public health.
- f. The proposed drainage project is practicable.
- g. Approval of separable maintenance.

So, it is a fairly extensive agenda so we'll take it one at a time and see where we are at each stage so that again we're trying to make sure everybody has an opportunity to comment; but then also make sure that if there is a stage where we realize...and I have no idea...but if we get to a

point...there's no need to go on for hours if we're going to be coming back anyway. I have no idea if we are or not. So with that I don't have anything unless the Board has issues on this.

Chuck Brandel, I&S Group, started with a quick overview of the project. We've got a map of the whole watershed – JD #367 is 8,140 plus acres. We are looking at...on the maps you have the red lines are the watershed lines, the light blue lines are open ditches, and the dark black lines are tile. The blue labels are existing sizes and the purple labels are proposed sizes. So, JD #367 the portion that we're looking at is approximately 1,500 acres. The petition was to close a private open ditch with a public tile, replace the 24" tile that is currently a portion of Branch M, construct a pond which benefits both JD #367 and CD #29, and then add berms to the outlet and make this portion of the open ditch public. So, right now JD #367 has a private tile that is public and a private open ditch. The petition is to close a portion of the open ditch with the tile and then make the rest of it public.

Brandel addressed questions that came up as part of the amended report.

1. What are the actual costs of the 60" pipe versus an open ditch?

Brandel noted this project, the petition and what was directed at the preliminary hearing, was to look at a pipe option. So what is in front of you is the pipe option. But, it was asked to see what the difference was. In the letter report I put together costs and the open ditch was approximately \$514,000 versus \$840,000 for the proposed improvement. Since I sent the amendment I've had some correspondence with one of the landowner's attorneys, Mr. Bruce Krahmer, and he pointed out that I was not including the land costs in the improvement part so the actual difference between the 60" pipe versus an open ditch if compare projects now...we weren't asked to do the open ditch project but that's what you directed us to come up with the costs, is approximately \$525,000. That was what was asked. But when you look at separable maintenance of the 24" and 22" pipe...that cost is \$518,000. The cost of the open ditch is not factored into the benefits because we're asked to look at a pipe option right now. So that's what we were directed to do...but just to give you an idea, the cost is approximately \$525,000. That assumes the 16 ½ foot buffers would be installed on the open ditch. I wrote this before the legislation passed, just put together...if 50 foot buffers would have been included it would have added \$125,000 making the difference about \$400,000.

2. What is the capacity of the open ditch downstream of the pond?

Brandel noted currently, publicly, there's a 24" tile there. That 24" tile if you take the area has an area of 3.14 square feet and has a capacity of 3.93 cubic feet per second (cfs). So the existing public capacity here is just less than 4 cfs. The current capacity of the existing private open ditch is about 311 cfs...huge difference. When you add 1 ½, and I took the minimum, to the berming along the open ditch, that adds approximately 111 cfs to the outlet. It is proposed to clean this ditch to the maximum depth based on the existing legal elevation of JD #367. This is a private ditch so I don't have any records of what the original elevation was...so we would maximize the elevation at the same slope as proposed for the rest of the system which is .03% slope. Brandel also noted it was asked what happens when if the lakes were to back up. The DNR has been keeping records on Lake Okamanpeedan and Bright Lake since 1966 until now

and the highest recorded level they had was approximately 1,231 and what would happen if that had backed up to that elevation assuming that the lakes back up into the open ditch. The capacity of this area of the open ditch would be reduced to 74 cfs before it would go over the top. So when you add the 1.5 feet of berm it would go up to about 190 cfs. The proposed 100 year outlet of the pond is 175 cfs. So if the system were backed up there still is some holding capacity in the ditch for the 100 year event. Brandel went on to note then there was a question about JD #367 and the slope...the existing slope is very flat it's .01%. Another part of the amendment when we were looking at this area there is a public tile that is right through the center of the pond. I did not include that in the previous separable maintenance...so if this project were approved and the pond were constructed...Branch M-9 would be abandoned, the cost for that is just under \$30,000 so the separable maintenance would go up from \$518,000 to \$546,000. That's a summary of what I had in my notes for the amendment. We did also have a series of questions that were asked and this may or may not be the time to go through those. But I just wanted to bring that up that I did include that in the packet that there were some questions that were asked. Brandel noted one other thing that I'd like to point out and there is a map in everybody's handout...the berm along this area of the pond is constructed to an elevation of or close to 1,237. We've set that up and I didn't bring this up last time and I apologize that this pond would actually overflow at this portion of JD #367 where there are some public lands and some additional storage. So the benefit downstream there's some added benefit from that standpoint too. But there is an emergency overflow that would go through another portion of JD #367 but it would...it could potentially utilize some other storage that is not part of the system but that is public lands and not in production. That's a summary of the amendment.

Deter read the Department of Natural Resources (DNR) Report into the record.

Deter noted this is an advisory letter...it is not a DNR permit requirement but it is advisory and the statute says the Board should have that.

Deter next noted the other letter...as long as we're reading letters...the June 11, 2015 letter from the Board of Water and Soil Resources addressed to Ashley Brenke, District Manager at Martin SWCD is regarding the RIM easement 4604003 Sheek Incorporated – a comment on the RIM land and how it is going to be used. Deter read the Board of Water and Soil Resources letter into the record.

Deter noted, Mr. Chair, before we open up for questions we'll ask for the petitioner's attorneys comments.

Bruce Sellers, attorney for the petitioners, noted I would encourage the Board to use the information that they have received not only this hearing with the amended report but what was presented at the last hearing to approve this project. I believe that Mr. Brandel has presented a project that meets the statutory requirements. Mr. Deter has advised the Board as to what is required in order to proceed. I believe the project does meet those requirements and the longer that we push this off the more expensive it is going to be which is not in anyone's benefit. If we're strictly here discussing the cost to the individual owners there is a procedure for them to use if they choose to do so. But the statute is fairly clear that if a project meets the statutory requirements the Board shall proceed with the approval of the project. As petitioners I think it is

time that we...I think all the questions have been answered, we have the specific information, and it is time to move forward.

Deter read landowner letters into the record received from: Mildred Miller, Randy and Connie Miller; Kristy Kittleson, Trustee of Carl H. Meyer Irrevocable Trust; Gary Hillman, Manager Hillman-Hillman Enterprise, LLC; Bryon Kittleson, Section 26 Manyaska Township; Kristy Kittleson, Trustee of the Patricia Ann Meyer Irrevocable Trust; Mildred Miller; Shirley Kittleson for the TG and ME Kittleson Trust; and Dennis Larson, NW Quarter Section 25 Manyaska Township.

Chairman Flohrs opened the meeting for public comment on the engineer's amended report.

Bruce Krahmer, attorney for Floyd and Vernon Rosenberg, presented a number of comments and questions regarding the amended engineers report. Krahmer noted we did a lot of talking the last time and will try and keep it as short as possible. I do want to explain that the Rosenberg's are not trying to kill the project. They're recognizing that people need drainage and it's going to be harder and harder. They want these costs to be distributed properly and fairly and not otherwise. If there are intentions to have final determinations and (inaudible) today I would want an opportunity to express several specific objections to the project. I don't think that you're going to be ready today, in particular, the question was asked about the cost of the Ziemann project at the last Board meeting two weeks ago. It took eight days before the engineer got an answer to that and then I had further questions and it took until an hour ago to get it corrected from the \$329,000 number he had in the written report to be turned in to be more like \$525,000. We've tried to confer with him during this interim time...the engineer is busy, the viewers are busy. We get statements from the engineer that that is the viewer's prerogative and the viewer says we've got to check with the engineer. We can't get them together at the same time and so we're getting bounced around. I got answers from the viewer yesterday morning at 5:30 a.m. and answers from the engineer at 12:30 p.m. that still had \$329,000 as the cost of the Ziemann project. So we're not prepared to have every last thing of what we're opposed to or in favor of or what the damages are. With what we know right now we can't get an appraiser to come and say whether we're agreeing or not with some of their things because we don't know exactly what they're using to even determine our benefits and our damages. Summarizing the Rosenberg situation and as I stated last week \$525,000 more cost per tile than a reasonable alternative which includes paying damages to Ziemann for the surface area taken through the ditch and other six factors and pay him for digging out the ditch that he's already got is still \$525,000 cheaper. The viewer's report for the 540 some acres that the Ziemann's have in Section 30 I think it is...show total benefits not just extra benefits for the tile but total benefits at about \$167,000. I have provided to the Board about thirty pages of overview of our position on items and some exhibits from the official report to make it easier for the commissioners to see some of our positions and including a truncated version of the Ziemann benefits. Ziemann's costs end up more like a \$140,000 extra for having 60" tile compared to having an open ditch according to the engineer as he now corrects this at the meeting orally today. He was not in agreement an hour ago. Those costs are passed on to other people if it is adopted this way with this viewers report. This \$500,000 passed on to everybody on JD #367 including everybody back all the way down to Bright Lake. The other \$500,000 is assessed on the people on the project. The Rosenberg portion of this project is the downstream end. We have the open ditch starting from the private

open ditch starting from the main of JD #367 going upstream to the pond. We also have the 24" tile that is being abandoned. The project is getting approximately \$192,000 for the abandonment of the system tile through Rosenberg's that hasn't worked for decades. The question of whether raising the berm was raised last time and I don't think we're on the same wavelength between the engineer and what the Rosenberg's were requesting as we're understanding it he's saying it was fine the way it was even for the 100 year flood he's raising it by two feet now because he thinks that is what we're requesting. That's not exactly what we're requesting. We talked about it with the engineer last year that there are portions that are lower and it needs to be equalized. In any event, we're not getting any more discharge of water...we're just not going to get water faster because they're going to hold it in the pond. But instead of .01 inches of water coming from CD #29 it will now carry a half inch a day capacity from 2,500 acres and it is going to be held back so we don't get it faster.

Krahmer went on to note as we understand the project and seeing it we're not going to be getting better drainage for our property that's downstream from the pond. Really no intent to increase the size of the ditch whatsoever. When I say not better drainage I'm talking about what's out there right now including the ditch that we own. There is such a thing as \$148,000 of benefits because they're paying \$32,000 to buy 16 acres of our farm then they've got to put the dirt on our farm on the remaining property...we're not sure how much...or what type of soil or whatever it will be...so we're getting \$148,000 of benefits after they've paid \$2,000 an acre to buy our land. They're paying us \$83,000 some dollars of damages for taking the open ditch, according to the viewers. The engineer's numbers utilizing the same concept he was using and figuring the Rosenberg property is damaged includes huge numbers for paying for the value of the ditch in place. Viewers are paying \$8,200 for the surface area of the ditch including digging it out. If they moved over 50 feet it would cost them a tremendously larger amount. We're not getting benefits to our land because they're taking over the ditch. Okay...we're getting benefits because it is becoming a public system...but to the extent it's becoming a public system it's because they're taking what we already had working. If those benefits are so great a buyer would have gone out there and been willing to pay an amount equivalent to what they think the ditch is worth increasing the value of the farm because we already have that drainage. Summarizing it we end up with...we've got \$83,000 coming back because they're taking 16 acres and the ditch. We get \$148,000 of benefits and the system is getting a bonus of \$192,000 from the separable maintenance to use on Ziemann's tile upstream. As he stated last time reasonable alternatives putting an open ditch through Ziemann's unless the appropriate people that are benefitting from the tile pay for it, is something that we think really needs to be considered to make this drainage work. You have in this packet of materials I gave you information about several of these factors. If you have to have specific objections today, we're seeing zero benefits to the Rosenberg's, we're seeing...I'll pass at the moment if I can have an opportunity at the end to more specifically express this if we're going to vote today. We would like to see this having a chance to work things out and get resolved...we have not had an opportunity in your two week delay to get this accomplished.

Chairman Flohrs asked if there were any more public comments.

Richard Koons, Manyaska Township, and Weldon Ziemann also had public comment.

Koons inquired what is from the outlet of JD #367 to there (on map) south. What is the drop? What is the drainage? Is there an engineer report on that?

Brandel noted yes. There was a repair that was done back in fall of 2012 and I believe (I can look that up) but there is approximately 2 feet of fall from here to the outlet. It is very flat.

Koons inquired do you have any idea where that ditch there coming back to the west that you're going to clean it out...how much deeper are you going to make that.

Brandel noted it varies. Right now there are portions...the ditch doesn't have positive slope in every location. I would say approximately half a foot to a foot and the proposal is to fix and raise the berms along it so it would gain...

Koons inquired how much lower are you going to get cleaning it out.

Brandel noted you can't get much lower because it's constructed very close to the elevation at the outlet of JD #367.

Koons noted and part of the reason that all of this upstream from there has over the years (inaudible) downhill is because of the forced or angle of the drainage. It's not getting out fast enough it sets longer, right or wrong.

Brandel noted the outlet for CD #29 originally was an open outlet. That has been restricted when Branch M came in and essentially the same size here as it is there. So that's been acting as a restricted outlet. The goal of the pond is to store water in the lowest possible area and to restrict the flow to protect everything downstream from flooding. But you are correct. The whole system is relatively flat.

Koons noted so you're not gaining that much other than the pond.

Brandel noted you are gaining depth throughout the entire system upstream of the pond by utilizing the private open ditch and making it public you can deepen it to the depth of the tile and you can get extra capacity out of the system because you've got a 24" pipe there now and you're creating this wide open ditch at the same elevation so you're getting a lot of capacity at the bottom. It is flat...but you're gaining a lot of capacity.

Koons inquired you gain more capacity with the ditch on the other side of that road still open.

Brandel noted well it's a 60" pipe...that's what we were asked to put in.

Koons noted what I'm asking is would you gain more capacity by cleaning that and leaving that open than putting the 60" pipe in.

Brandel noted yes you would gain more capacity.

Koons noted so upstream would drain faster. Okay. That's what I wanted to know.

Brandel noted but we were asked...the petition is for a pipe.

Ziemann noted we talked earlier about this and we said the only way we'll accept that water intake is to put tile in there instead of the ditch. And when the appraisers got done with us we felt we were paying for a big percent of the tile. And I'm wondering if that extra amount that our governor is asking for now if that was figured in the expenses. He's asking for more on each side of the ditch all the way up as far as we're concerned. Has that been figured in there or not?

Brandel noted on your property since the proposed project is to close the open ditch there is no buffer. But when we did look at the costs for if we were going to convert it to a public open ditch we included a 16 ½ foot buffer in those costs.

Deter noted for a comment to the Board – the 16 ½ feet is the law now so the buffer bill that was just signed has some consequences on other things. But on public systems, this would have been...whether that bill had passed or not...the open part of this system would have had to have the 1 rod on each side.

Krahmer noted in the packet of materials that I turned in, Page 30 is a truncated version of the viewer's report showing the benefits and damages for Ziemann and Page 31 of the report is a truncated version for the benefits and damages to the Rosenberg's property downstream from the pond only. So if you're trying to compare the Ziemann's benefits versus his costs you've got it in the truncated version. The way I count it his costs will be \$163,950 total for 540 acres benefited.

Chairman Flohrs asked for the amended Viewers' Report.

Deter noted there are two different viewers' reports. The first one is the redetermination of benefits as the system existed or reasonably current system. There's also a viewers' report on the benefits for the improvement. I don't want to speak for Mr. Ringquist, but now he'll be giving the redetermination report first.

Ron Ringquist, Viewer, noted the viewing perspective of this project starts back with the redetermination that was completed previously. This project was re-determined JD #367 was originally ditch #57, was originally ditch #36, the first improvement project was called ditch #57, and I think if I'm right was back in the 1950's and that included the construction of an open ditch on top of the existing tile. In 1999 there was a petition for an improvement of the lower reaches of or I guess it would be the middle reaches of those two from the original ditch #36 open ditch which is down to Bright Lake and into Okamanpeedan...to remove the tile and extend the open ditch portion about two miles upstream doing basically what they're looking at with Branch M now to eliminate the tile and replace it with a deeper open ditch. At that time we did a redetermination of benefits on both ditch #36 and on ditch #57. We did an improvement determination for the proposed improvement of the combined systems. Those systems were combined into a single report then that was then identified as JD #367. The current redetermination of benefits for JD #367 because nothing within that particular system had changed from the 2002 report is just the updating of the values of the system from 2002 through 2015. Market values have changed significantly since that time; but the system in itself has not.

Because it was a combined system we kept the same combined project efficiencies that we used in the combined reports back in 2002. To look at current land value and there's question and yes I can't disagree commodity prices are not necessarily favorable at this particular point to do an expenditure for farming. But, land values remain relatively high and I think some of the letters looked at that. They have come down our report has not used the highest land values...we've used what we feel are the most current reflective sales to determine the values of drainage reflected into these properties. So what we did first was a sales comparison analysis of the properties trying to look at what the value would be if there was no ditch system and what this ditch system could provide if the full system met NRCS design standard recommendations. We then in order to break that down because what you get in farm sales is you get a quarter that sells for \$6,500 per acre but within that \$6,500 per acre there may be low lands that are non-drained, there may be uplands that don't need drainage, there may be roads, there may be ditches, there may be all kinds of other things that factor into that \$6,500 per acre value that aren't readily supportable solely by the sales comparison approach. So we have then looked at that...we've tried to find pure sales of similar properties. You can't find wetlands that can be converted into farmland because wetland regulations restrict that so there are no "A" acres that you're going to find that were sold today to be converted into farmland tomorrow so you have a zero value on wetlands because that's the productive value of those acres. You can find hay and pasture acres or seasonally flooded hay and pasture acres along some of the rivers and creeks and that would give you the "B" values or the hay and pasture value that we use in an un-drained or unaltered condition for the "B" acres; and "C" acres are very difficult to find a value of an outlet because almost everything has some tile in it and so the sales go back and say if there was no outlet available and you went back to the native conditions, what would you find those lands to sell. That's why we look at using the income approach to try to help break down that average sale value in a four class system of benefit value.

Ringquist noted the commodity prices that we use to support that are a weighted average of current prices and within this report we used \$4.00 for corn and \$11.00 for beans. If we use \$3.25 for corn and \$9.00 for beans it shows that just what was said is farmers without increasing production are going to lose \$100 per acre this year because the commodity price is lower than the cost of production. But over time if you look at just the weighted averaged over the last 5 years or a straight average over the last 5 years it should be higher than a \$4.00 average and we cannot anticipate...the University may be better at it than we are...saying that this cycle of low prices is going to be 3 to 5 to 7 years...we don't know that. We look at history and we guess at future which is no different than the University. If it keeps flooding in the Midwest it may change this year and go back to \$5.00 corn next year. We don't know...it's a worldwide market...we cannot anticipate worldwide conditions and what's going to happen but we listen to those same types of forecasts. So what we did then to come up with the potential values was we looked at our typical 100% what can these produce. We know that "A" acres even with the NRCS design standard for an open ditch being 1 inch in 24 hours, there are going to be storm frequencies that are greater than that and they're still going to have flooding. Over that 100 year rainfall cycle we look at 92% average annual production if you have the one inch ditch system. The "B" acres because they are less subject to seasonal flooding would be the 96% and the "C's" and "D's" because they don't have that large rainfall event flooding typically any impacts to those are in the production averages and so those will produce 100% of that optimum.

Ringquist went on to note for the redetermination we had figured originally that the current system at its optimum positions will provide about 63% of that optimum production is all because of the outlet, the flat grades, and the limited capacities of that system. We take those on the "A" acres and the "A-" acres are those acres that without other improvement our original determination was that highest and best use was for hay and pasture we allowed only 30% of that we came up with a benefit value of \$1,545 from the existing ditch system. "B" acres provide a little bit better we said those are at about 68% of the potential..."C" acres at 96% and the "D" acres at about 99% because it is all pretty much tillable ground within this watershed. We then combine all of those original three reports and made an existing rate adjustment to that. That existing rate reflects the condition and capacities of the existing open ditch or the restrictive capacities and locations on those substandard tile lines. So those capacities we take the acres times the hydrologic adjuster rate times our existing rate adjustment for whether it is on the open ditch or whatever and that is where we developed our net benefit in the current market. Whether this benefit will be the same next year depends on the markets. As of today we think that the net benefits that we reflect are what the market will support. The only adjustment that we have on that redetermination that would be necessary to correct if the improvement project were not to go forward is on the Sheek property and on the Rosenberg property we have removed those pond acres because those will no longer be usable. And so we've removed those benefited acres from the redetermination as it was submitted. The redetermination then shows that the existing net benefits of ditch #367 at \$4,956,860.45.

Kim Schaffer, representing the Rosenberg's as well, inquired the determination of the cap rate and sale prices used.

Chairman Flohrs asked if there were any more public comments.

Deter noted now this report is the difference between the redetermination and what the improvement will be. I just want people to know the redetermination is the existing system as it sits in a reasonably repaired condition. So this report is from what the determination benefits are in its existing condition...of who is going to benefit from this improvement.

Ringquist noted the determination of benefits is limited only to those properties affected by Branch M which is the area of the proposed improvement. When you do an improvement because we already talked about the efficiency that the overall system was only providing 63% of that optimum production number or value for the "A" acres and subsequent to that. Then it had an adjustment rate for its locations within the system to do the improvement of a part of a system we have to start from there. So we still have the same potential values that we used in the other evaluation. What we are doing now is adjusting those "A" acres within the Branch M watershed because of the increased capacity of this public system improvement...with some consideration of what's there; but the public system value we had said then that by increasing the capacity of the public system and installing the pond for protection of the Rosenberg's and downstream properties, that the "A" acres are going to gain an additional 16% in their efficiencies. We had those back at 50% or less of their potential benefit in their proximity adjustment or the original adjusted rates and we're saying that this system because it is now going to be a half inch design rather than the 24 which allowed conversion of those lands but still had a lot of flooding issues is only going to increase by 16% the "A" acres. Or, that the benefit

from the increased capacity of this system is \$824 per acre for the “A” acres. The “B” acres are going to improve about the same 16%; but the benefit value to those because they started with less is only \$582.40. The “C” and “D” acres of course those were almost up to 100% of their potential to begin with...the “C” acres we said increased by 2% and the “D” acres only by a half. This system is still only designed for a half inch capacity...the optimum amount is based on the NRCS’s one inch design so it can’t go up from 63 up to 100 because it is still a different design criteria than our optimum production numbers.

Ringquist went on to note we took...that improvement occurs to those properties on Branch M so our other adjustment factor which was for the existing system we did not use...that was the combined other one...this is the increase and for those properties immediately impacted by this or right on the ditch or the tile those are a proximity adjustment to that of 100. We used the same identification of acres other than for acres of the pond as we used in the original re-determined benefits. We looked at the increase in value and capacity to that because of the improvement which combines those same acres adjusted for proximity so if you’re back away from the proposed improvement or in this case going up into the Abel property and the properties north of that in Section 10 because of the diversion of all of Ditch #29’s water down now to that new outlet...those tile even though those tile aren’t changing, hydrologically they’d become adequate in size to handle that much, much smaller watershed. So there’s 100% benefit to those properties as well even though they are not physically changing the tile there...they’re changing the watershed to where those tile will function better.

Ringquist also noted so everything on the tile then is considered in proximity 100%...you take the acres times the increased values and adjust by the proximity. There are a couple of other things that happen within this project that we think add value to those properties. One of them is that the private ditch on the Ziemann property will be removed. That property right now is severed by an existing private ditch...that ditch will be removed. We felt that because that becomes a large tract that that will allow for a continuous farming of that piece of ground and added \$1,000 per acre for recapture of that severance to those acres that will have that ditch system removed from being an obstruction on their straight farming. We also then recapture the area of the ditch and what may have been buffer because the governor you know we knew the buffer strip was coming and eventually that that would be there...so we also added a recapture value to them gaining back the acres that are now non-usable into that ditch system. Like I said that was \$1,000 an acre for the acres plus I think it was \$6,000 an acre for the recapture of those acres which now will be protected and drained. So within the report although the A,B,C, added back equates to a benefit on the northwest of the southeast for Lavonne Ziemann’s parcel the direct drainage benefits are \$13,671; but then that recapture of value is \$65,871. So there is a significant additional benefit from this project other than just the hydraulic capacity. Within the Rosenberg property a similar thing occurs for those acres adjacent to the ditch that are not taken by the pond. There’s approximately ten acres where the recapture of the severance was included and a recapture of the bottom acres was included. The bottom acres because they’re not currently “A”...they are “A-“ or highest and best use because of the inflow of water is currently hay and pasture and they hay them regular...I don’t think they’d pasture them ever...because there’s more value in hay ground than pasture ground. But they’re currently used for hay ground not commodity production and so we paid \$2,000 an acre for that area of the ditch remaining and

that was just over one total acre and then recapture of severance so that it is now a nice and square field.

Ringquist noted as part of Mr. Krahrmer's questions...I did recalculate those because as we looked at the original plan when we were doing this there was a large area of fill and so we had looked at the fact that a whole bunch of that ground would be elevated and have extra cover over the tile and may not need to be pumped as much. But in the final plans that area was reduced some and so what we look at then is that the benefits to the about half of the southwest quarter of Section 29 where the ponds are, is slightly different. It is now down to \$87,291.21. It is our feeling then that that changed those acres to where they will now be tillable because of the protection provided by the pond and that you will not receive all of the water flow from the upper watershed and that my understanding of the engineering is that with the construction of berms that the water will not back in from the lake and so even those properties along the lower edge will be benefited because of the protection provided even though there isn't more water coming or leaving...the timing and where that water is stored is significantly different than what occurs out there today.

Ringquist also noted as a part of this improvement then we also looked at a benefit to ditch #29 from this new outlet or the improvement of the outlet. Based on the fact that all of that water in #29 now does drain through #367 as its outlet...we've looked at the increased discharges and accounting for that extra amount of water that would be coming down through #367. The engineer's report now indicates that during a two year design which is about the one inch runoff that the peak flow with the current system is about 117 cubic feet per second (cfs) where the ditch #29 will join with the 60" or the improved tile on #367. With the improvement on ditch #29 the flow will increase to 150 cfs or a little over 22% increased flow at that point for a peak flow. And you round that up because they need the outlet we looked at that as 25% of the flow and the increase into this system as for the capacity of #367 about 25% of that will account for the increase from the #29 watershed and if you work that back as to that part of the improvement benefit it means that the outlet is \$141,000 plus because this isn't an exact science...it is an art...we rounded that up to a benefit to ditch #29 from this #367 improvement which allows them to do their improvement of \$150,000 into the #367 Branch M improvement benefits.

Ringquist noted damages were paid based on existing conditions and values. Because like I said we recaptured and once recaptured on the Ziemann property the benefits of not having the ditch were assessed as benefits. Within the Rosenberg property we looked at the area of the proposed pond. Our value for that currently is estimated at \$2,000 an acre as hay ground. That's what is being purchased today because that's the current value. So we took that as damages for the hay ground. For the area of the existing ditch system as Mr. Krahrmer I think said, we allowed \$8,200 per acre for the area of the ditch system and proposed spoils for the buffer strip and we did that based on a depreciation schedule or a cost schedule which says that Mr. Brandel estimated the cost to do this under a public proceeding, it currently exists as a private ditch...that ditch does provide benefit to all of the rest of the properties above it...it is private so we don't have anything to do with it providing benefits. The private ditch of the Ziemann's does provide additional benefit to all of those other lands that the 24 inch tile would not. So we looked at buying that value back at really private construction costs today which is we estimated at about 50% of the public proceedings cost to do it if there was no ditch and you were going to build it

today. So that includes the buffer strip. The only other area was there were some temporary construction easement values that were either for the hay ground or for the tillable acres at the reduced rent because it currently doesn't drain very well. Without making the minor adjustment which was between \$3,000 and \$4,000 change...benefits of the improvement are \$575,363.09. So, as proposed the project has not much extra value over the cost. About \$99,000 compared to the amended engineer's report. We did not amend the viewers' report...we will submit a copy with that minor adjustment with the recalculation of the benefits on the Rosenberg property for that little bit of redesigning of the pond.

Deter inquired of the number for the redetermination again. I want to have some numbers here.

Ringquist noted the benefits are \$4,956,860.45 for the existing system in a reasonable state of repair. And the improvement to Branch M to those properties that are improved, improves their property \$575,363. We did discuss...or it came into this discussion that we did not include an outlet benefit to ditch #29 on the redetermination. I think Mr. Deter read into the record after a ditch is constructed and changes and we had recommended \$25,000 if only the immediate direct watershed increase was considered or \$95,000 if the outlet from the entire ditch #29 watershed was considered as an increase into ditch #367. And that would be an addition to these values.

Deter inquired and Mr. Brandel as to #367...what is the cost of the improvement on #367?

Brandel noted the proposed improvement when you include and assessment for the pond is \$1,022,351.00. The separable maintenance is \$546,400. When you take the difference you get \$475,951.00.

Deter inquired on the separable maintenance again Mr. Chair, if you'll allow me I just want to make sure we have the numbers because when we get finally to make a decision if and when we get to that...on the \$546,000 in separable maintenance...what part of the system is currently out of repair and would need to be repaired regardless of this project? What part of the system is out of repair?

Brandel noted if you follow where I've got the pointer here...the 22 and 24 inch tile all through from the outlet on #367 to where we're making the proposed connection to #29 and that's Branch M...there's Branch M-9 which I believe is a 10 inch tile which runs from this point here up into the Sheek property...those two tile will be replaced as part of the system.

Deter noted so currently in your opinion those two tile lines you just showed are out of repair and if this project didn't go forward to repair what you just described would cost \$546,400.

Brandel noted correct.

Deter noted again, Mr. Chair, I'll keep talking unless you stop me. So if you add the improvement costs of \$1,022,351.00...let's do it the other way...the improvement benefits are \$575,363.09. If we had to replace that tile anyway it is \$546,400...if you add those two together we're at a little over a million so that's where you get the \$99,000 difference between the...

Ringquist noted the benefit difference was the \$475,000 and the \$575,000 of benefits.

Deter noted that's where you get the difference...you have enough benefits if separable maintenance is approved and if the improvement and you have about \$99,000 gap there. We've been throwing around a lot of numbers and I just want to get...and Chuck...other than age, because the Board needs to make a decision that it is out of repair, what information do you have that that 24 inch tile line is out of repair.

Brandel noted landowner testimony that it is not working and then we also did find a few areas along the private ditch where it had blown out.

Deter noted I just want something for the record that in your opinion as an engineer it is out of repair.

Brandel noted yes.

Chairman Flohrs opened the meeting for public comment and questions.

Bonnie Redenius, landowner, asked for a figure of what everybody total that they're paying or have to pay...what is that amount from everybody...how much money would that be. Are you taking in from all of us? What we have to pay in...all added together. How much are you taking in?

Brandel noted for #367 and #29 it would be about \$4.75 million total project between #367 and the #29 replacement with the larger tile.

Deter noted so Mr. Brandel, we'll get into that on #29, but...what is the cost of the improvement on #29? We've got \$1,022,351 for #367...what's the cost of improvement on #29?

Brandel noted on #29 total landowner costs, there are some road authority costs, but total landowner costs are \$3,696,000; road authority costs are \$106,000; separable maintenance is \$1,756,000 approximately, which gives us a difference of \$1,940,000.

Deter noted again getting back to this lady's question I think I know because most people here are probably saying what is it going to cost me...do we have a column that when you add up if you're on #29 or #367 and what it's going to cost for separable maintenance...

Ringquist noted the property owner reports attempted to break that and combine them all into a cost.

Deter noted so if you pick a landowner on your sheet there and if Chuck (Brandel) is right it's going to come to this exact dollar which it never does because of bids and things...but let's say it came to that number...would you be able to tell that lady what her cost is going to be?

Ringquist noted like I said on the property owners reports which we tried to summarize the inclusion of both separable maintenance and improvement costs to give them their total cost and an estimated 20 year financing at 4 ½% for an annual cost. Those are estimated costs...the

financing is estimated...but based on the estimated cost those two combined numbers should show their individual cost per parcel. So if you have more than one parcel you'd have to add those together.

Deter responded so there is a way if she said Ron show me these numbers what's my total cost going to be you'd be able to give her that.

Ringquist noted yes. And that was, I think, provided with the property owners reports.

Deb Mosloski, Martin County Drainage Administrator, noted not everybody is on both systems. So she's asking what their total cost is for both systems...not everybody is on both systems.

Redenius noted I know my cost. What I wanted to know was how much money actually was taken in from everybody as to what...against what it would cost that's what I wanted to know.

Ringquist noted yes, we have that listed in a spreadsheet that we use to get you yours also includes everyone else's.

Brandel noted one thing to add my cost estimates include a 10% contingency and are based on current bid prices we average the last six months.

Chairman Flohrs asked if there were any more questions.

Bruce Krahrmer noted prior to the public meeting I had an informal meeting on May 29th...did you ever confer with the Rosenberg's about the special circumstances or the existing conditions or whatever on their property?

Ringquist answered personally, no. We typically don't go out and meet with individuals until we know what our opinion of value is because that's what they're going to want to know.

Krahrmer noted once you were forming your opinion and before you wrote up the final reports you didn't confer with either of them.

Ringquist answered no, we did not.

Krahrmer noted you talked to us on May 29th.

Ringquist answered yes, you scheduled to meet with us on that day.

Krahrmer noted and at that point I asked questions about how we got our benefits and you said you didn't have all your notes and were going to get some information back to us about how you came up with our benefits. Correct?

Ringquist answered correct.

Krahmer noted I asked you again on the telephone on Friday a week later, June 6th, and finally got some answers yesterday morning.

Ringquist answered yes. I received an email with specific questions from you at 2:30 p.m. on Friday afternoon when I was in Fargo, ND. I came back and I thought I did very well taking time over my weekend to answer them and get them to you first thing yesterday morning like you said. I emailed them before I left for the office yesterday morning at 5:30 a.m.

Krahmer noted but we had already asked for them on May 29th and orally again on June 6th.

Ringquist answered yes, and you said make sure you talk with the engineer and coordinate with him and in our telephone conversation you said well I have some other questions I want to ask the engineer so I said as soon as I get your questions I will answer them.

Krahmer noted and we were anticipating we'd be able to get a three-way meeting...

Ringquist noted I understand...I just had gotten back from a meeting in Milaca this morning...

Krahmer noted in my questions I also asked you if there were any other changes being made to your report, did I not?

Ringquist answered yes.

Krahmer noted did you try to make me aware of that before it was orally presented at this meeting?

Ringquist noted I did not know there were any changes in his estimates.

Krahmer noted in your benefits. You indicated there were some changes to the Rosenberg's now.

Ringquist noted I indicated what I have provided to you that I had not put into a report yesterday. I calculated them. There was no time to change and redistribute the report from yesterday.

Krahmer noted the 45 acres in Section 30 right next to the pond...what are the conditions that you're giving about \$90,000 of benefits. What are the conditions before and after that is causing this \$90,000 increase.

Ringquist noted they are currently benefited as hay and pasture land by #367 because that is their current use. In highest and best use analysis many times, now always, but many times current use is the highest and best use because most people do take full advantage of those properties to generate the best use they can. Once this system is in place they will be protected from the flows from within this watershed during the smaller storms and my understanding in the engineering is that they will be protected from back flows from the lake during some of the larger storm events. Therefore, they will be able to be tillable acres as viable use as the next highest and best use. So conversion of that to that use because of the protection and the typical benefit because of the

increased capacity of the outlet which is converting it to public...is our opinion of value added to the Rosenberg property.

Krahmer noted you indicated that the engineer indicated to you that we'd be able to grow corn and beans on that land.

Ringquist noted that's my understanding of what this project will provide.

Krahmer inquired is that your independent opinion or are you relying on the engineer.

Ringquist noted well my understanding of what he tells me the project is going to do tells me that that will become usable as corn and soybean ground. It is still going to have the small contributing watershed but it will become usable for corn and soybeans...commodity crop production.

Krahmer noted you said for corn and soybeans now we're going to have to put in a pump and pump it over to (inaudible), correct?

Ringquist answered that's correct. And how is this different than what we have today?

Ringquist noted what you don't have today is a restricted watershed. What you have today is a watershed of the 2,500 acres plus the additional 1,000 if that's the correct number it's not that much of it so let's say 700 of it so you've got over 3,000 acres of water draining through that lake basin currently. That would take an extremely large pump and if it was viable it may already have that.

Krahmer noted we have a ditch going through there.

Ringquist answered that's correct. But that ditch does not remove the water to where it is usable as hay and pasture because it spreads out and that's why it is hay and pasture. I understand that you have a private ditch...but you have no controls over what happens from the flows up above that now inundate that bottom during regular times...regular frequencies. That's my observation and my opinion.

Rosenberg noted there is a berm on that ditch going up along there. Did you observe that when you were out there?

Ringquist noted sure. We've looked at that many times throughout many years now. We've seen it under water, we've seen it out of water, we've seen it when you cut hay on it...but the indication of the capacity of the existing ditch says that the highest and best use is hay and pasture because that's your current use. It's not alfalfa...its grass hay and pasture...grass hay lands. Those grasses are more wetland grasses than they are upland grasses and so the impression that was given to us and we haven't farmed it as many years as you have...is that you are utilizing it to the best of its ability currently.

Krahmer noted so we are getting these \$90,000 in benefits because you're taking over our private ditch at \$8,200 an acre and then giving us benefits because we're still using that.

Ringquist noted I'm calculating the benefits of this project. I calculated or we calculated it wasn't just me but I'm the spokesperson...we calculated a value for reimbursement of that. The biggest part of this difference is that pond.

Krahmer noted downstream closer to the outlet we have two 220 volt three-phase pumps. We're about 200 feet from the overland outlet...the main of JD #367. What kind of discount factor have you got figured in here for proximity to that outlet...which is on Rosenberg property?

Ringquist answered proximities were calculated with the redetermination. The fact that we're extending this all the way down to the outlet we did not because it is a protection. It's consideration. It is our feeling that the benefits from that protection equal the values that we determined.

Krahmer noted let me interrupt for a moment...I'd like to get clarified. On the engineer's original report in April I don't believe there was any proposal to increase the berm anywhere along the way, was there, other than maybe a couple hundred feet down straight from the pond?

Brandel answered no, it was proposed to extend the berm the entire length of Branch M to the Main.

Krahmer inquired does that show in your April report?

Brandel answered yes.

Krahmer noted I was never able to find that.

Chairman Flohrs asked Mr. Krahmer if he could wrap up his line of questioning.

Krahmer responded I certainly can unless you're going to make final determinations today. That's fine then...hopefully you'll have some opportunity for some further follow-up outside of the meeting.

Chairman Flohrs asked for one more public question...

Fred Krahmer, #29 & #367, it has been the general discussion there's been a lot of concern with the cost of this and what it is going to entail. If this were repaired, I believe that the numbers would be about half of the cost of what it is with the improvement...roughly half. Here's my concern. If we don't do the improvement there will be a repair. Right now we have the lowest interest rates we've had for a long time. You used 4 ½% I suspect that a bond now would be around 2 ½% and I believe the County passes that on you don't upcharge and take a little profit. So, my concern is, is that if this delays and goes on we're going to have half the cost the repair and the interest rates are going to go up and if they go up to 4 ½% it's going to be the same cost

with the improvement. I'm just doing this to try and get some reality here of what delay and everything is going to cost.

Deter noted there may still be some questions so again we need to hold the public hearing as long as it goes. I know there's some time constraints with some other meetings you have and we haven't even gotten into #29 yet. We've had some oral amendments to the reports and in fairness to Mr. Brandel and Mr. Ringquist they didn't have a lot of time in between these two meetings. I know people probably don't want to delay it but I have to defend whatever you do but it is up to the Board. If we want to keep going, I'll certainly keep going as long as I can stay here I have a meeting at Albert Lea at 7 p.m. but we've got a lot of information today. If the Board thinks they're ready to ask questions and make decisions...fine, but I don't know that we don't need clean copies that I can attach to even whatever your decision is...if you approve it or whatever you decide...I guess I'm leaving it up to the Board but what I'm hearing we haven't even gotten into the #29 hearing today. I don't know with time you...I don't know what your options are; but I don't know that we're going to get to a completion today. Some of this information, again, and in Mr. Brandel and Mr. Ringquist's defense, but Mr. Kraemer got some of it in the last 24 to 48 hours and I just don't know where you are as a Board if you're ready to make a decision today. We have to have a good record that I can defend whatever happens because right now it's a little bit oral amendments here and things there I guess I'll leave it up to the Board with what direction you want to go.

Higgins inquired is it possible to continue the hearing.

Deter responded options are trying to make a decision tonight and I don't know if we even have time to do that; but, or like we did this time, continue it with specific time and date. We're getting more information...it's not like we're wasting time here I don't think; but it is up to the Board. You either have to make a decision and finish it up tonight or continue it to another specific time and date. I don't know what the Board's feelings are.

Commissioner Schmidtke noted I still have a problem with the 60" tile instead of the open ditch. To me there's a lot of money to be saved by leaving that open ditch there.

Deter noted you have the duty of spending people's money efficiently...whatever that means. And so if you have questions on that then you probably aren't ready to make a decision.

Commissioner Belgard noted well I have a question about that too. But I don't know about the legal thing...if somebody petitions to do that instead of just petitioning to improve it some other way do they have the right to say this is the way I want to do it and then everybody else is stuck with it?

Deter noted no they can petition for that but both the engineer and the Board has the ability to make amendments...to make changes...it's what they've requested is as Mr. Brandel said so that's what he was directed to look at. It doesn't mean you're locked into that if you think there is a better way to do it or other options you have the right to...

Commissioner Belgard noted well it adds a lot of cost to it and the DNR doesn't like it...that's probably two reasons you wouldn't do it, right?

Mr. Seller noted as attorney for the petitioner, Mr. Ziemann would have never petitioned for the improvement except for the 60" tile. So the Board changing that is going to add a completely new dynamic to this. The petition as submitted Mr. Deter found that it met all the requirements, it was accepted by the Board, that is what is petitioned and that is what I would encourage the Board to consider. Not the open ditch.

Deter noted so again, that's what was petitioned for. The Board can then go through this petition and the petitioner has every right to say no this is the project I'm requesting and then at some point we will go through those seven items...you're not locked into approving it if you don't believe it is the project that should be approved based on its...whatever your reasons are. I don't have any feelings one way or the other. Sometimes it sounds like I do but it has to be the Board's decision. But back to our original question whether the Board is ready tonight to go through those items and either approve or disapprove what has been requested. And we haven't even gotten into #29 and me personally I think we need clean reports that you have in front of you with these oral amendments so that you can look at it and say...and these two projects are so interrelated I think it is disjointed to approve or disapprove one without the other one being reviewed at the same time.

Ringquist noted, Mr. Chairman, given reasonable time I can prepare clean reports for both #367 and there are some changes because of some wetland issues on #29 that have come up and so I can prepare those and have them available at the hearing rather than mailing them out I'll have copies at the hearing so that people can look at them. I can mail a copy to Mr. Krahmer or have them available at Deb Mosloski's office early enough so that anyone interested can pick one up and have time to review it. The question as to what everybody's cost could be I can also print that sheet out so there is a comparison of what everyone's cost is. It's cleaner and easier to look at the combined costs than going through the viewer's...

Deter noted that's what I'd like to do. I'm not the decision maker but if I were one of you I'd want to see as clean as possible what are my options and what are my decisions I'm supposed to make.

Ringquist noted I request that that be at the end of July or even the middle of August.

Deter also requested Mr. Brandel provide a clean copy of the engineer's report.

Mosloski noted if you decide that you're going to continue this...how many days from today can you continue it to. Do they have 30, 60, 90, 100?

Deter noted there is no time limit under statute but my opinion is to do it in 30 days or 45 days.

Weldon Ziemann noted I've got a question...does eminent domain affect a ditch?

Deter noted a drainage authority has the right to things like access or basically drainage authority is eminent domain without using Chapter 117. It's a way of acquiring easements across property for drainage. A lot of these are great questions and that's why I wouldn't feel comfortable advising you tonight to make a decision.

Mike Small, landowner, noted we talked about it and they were mentioned in the deal that they were talking like an outlet fee that was going to be charged against #29 of \$150,000.

Ringquist noted outlet benefit.

Small noted benefit...okay...ah who is that going to be credited to?

Ringquist noted well that is assessed based on the benefits of ditch #29. In part...that \$150,000 equates to \$131,000...but that is already calculated into the estimated costs that I put into the viewers' report.

Small inquired on #29.

Ringquist answered on #29.

Small inquired but there's no benefit then to #367?

Ringquist answered that's the amount that people on #29 will pay for the improvement of #367.

Small inquired where is that on the cost...I haven't seen anything on #367 that shows the benefits.

Ringquist answered it doesn't show it on the cost it's in the viewer's report. There's an outlet benefit which is their share of the cost of the improvement of #367.

Deter noted so Mr. Chair I would need a motion to continue...we'll have to open the #29 hearing for just a second...but #367 I need a motion to continue the final hearing until August 18, 2015, at 1:00 p.m. at this location, with directions to the engineer and the viewer to have clean written reports to the Martin County Drainage Administration Office at least two weeks before the 18th and anybody that wants to see those reports they will be available at Deb's office by August 4, 2015. That would be my recommended motion.

Further discussion ensued with regard to continuation hearing date,

Motion by Commissioner Mahoney, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, acting as the Drainage Authority for Martin County, after having heard the amended final Engineers Report for the proposed improvement of JD #367 and the amended final Viewers Report for the redetermination of JD #367; and after receiving public input and questions regarding the proposed project, and the need for clean written reports, hereby continue the public hearing to August 25, 2015, at 1:00 p.m. in the Commissioners Meeting Room – Martin County Courthouse; and that the viewer and the

engineer are to have clean copies of any issues or changes on #367 to Deb Mosloski's office by August 4, 2015, and any landowners be aware that a copy will be available in Deb Mosloski's office after August 4, 2015. Carried unanimously.

Chairman Flohrs opened the public hearing for the consideration of the engineer's amended final report for the improvement on CD #29; and the viewers' amended final redetermination of benefits report for the improvement on CD #29.

Deter noted again, Mr. Chair, the motion would be basically the same based on the information we heard on JD #367 that information similar to #29 clean copies that we would continue it until August 25, 2015, at 2:00 p.m. in the Commissioners Meeting Room – Martin County Courthouse with direction to the viewer and engineer to have clean copies of any issues or changes on #29 to Deb Mosloski's office by August 4, 2015, and any landowners be aware that a copy will be available in Deb's office after August 4th.

Motion by Commissioner Belgard, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, acting as the Drainage Authority for Martin County, based on information heard with regard to the amended final Engineers Report for the proposed improvement of JD #367 and the amended final Viewers Report for the redetermination of JD #367; and the need to be presented with the final Engineers Report for the improvement of a separable portion of CD #29 and the final Viewers Report for the Redetermination of CD #29; and the need for a clean written report for the improvement of a separable portion of CD #29; hereby continue the public hearing to August 25, 2015, at 3:00 p.m. in the Commissioners Meeting Room – Martin County Courthouse; and that the viewer and the engineer are to have clean copies of any issues or changes on #29 to Deb Mosloski's office by August 4, 2015, and any landowners be aware that a copy will be available in Deb Mosloski's office after August 4, 2015. . Carried unanimously.

Ronda Allis, Principal Planner MnDOT District 7, along with Gordon Regenscheid, Bobbi Retzloff, and Glen Coudron, were present to provide an update on the District 7's 10 Year Construction Plan and some topics that are important for us to be thinking about as MnDOT starts planning some of these projects including: cost participation, right of way, access management, complete streets, accessibility, bicycle and pedestrian accommodations, lighting, parking, traffic control signals, speed limits, shoulders and rumble strips, and utilities.

Higgins noted we have received the 2015 Adoption Agreement for the Health Savings Account (HSA) Master Service Agreement through South Central Service Cooperative and MII Life Incorporated d/b/a Select Account. Higgins went on to note in order to continue with the HSA Plan we need to adopt the Agreement for the provision of administrative services (uniform pricing, services, terms, and conditions) for the administration of health savings accounts by MII Life, Incorporated d/b/a Select Account.

Motion by Commissioner Schmidtke, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize Board Chair to sign the 2015 Adoption Agreement for the Health Savings Account (HSA) Master Service Agreement through South Central Service Cooperative for HSA administrative services by MII Life,

Incorporated d/b/a Select Account; and is effective January 1, 2015 through December 31, 2015. Carried unanimously.

Higgins noted in the past, the Board has approved that temporary full time employees will receive the Paid Time Off (PTO) benefit and after their temporary full time status the employee typically has an accrued balance of PTO time. Staff recommends creating and approving a policy governing the pay out of any remaining balance of PTO time accrued as follows:

Employees that are not hired as regularly scheduled part time employees (i.e. intermittent), appointed to temporary full time positions that is 30 days or longer, will accrue paid time off per the PTO Policy, in which the accrual will be based off the 0-4 years tier. At such time the temporary full time appointment expires or returns to their original employment status, the employee will receive pay out of the remaining accrued balance the payroll cycle following the expiration or change of the employee's temporary full time appointment. This policy will go into effect upon the adoption of the Board and would apply to all current employees who were appointed to temporary full time status.

Higgins noted this does not affect regularly scheduled employees who are 20 plus hours who receive the regular accrual. If they are regularly scheduled 20 to 30 hours and were assigned temporarily to full time they would continue their accruals and get to keep it.

Commissioner Schmidtke inquired how this policy affects those in a union.

Higgins noted these employees do not work enough hours and therefore are not part of a union.

Motion by Commissioner Schmidtke, seconded by Commissioner Belgard, Be It Resolved that the Martin County Board of Commissioners, hereby approve and adopt the following policy for Paid Time Off for those employees appointed to Temporary Full Time Status:

Temporary Full Time Status

Employees that are not hired as regularly scheduled part time employees (i.e. intermittent), appointed to temporary full time positions that is 30 days or longer, will accrue paid time off per the PTO Policy, in which the accrual will be based off the 0-4 years tier. At such time the temporary fulltime appointment expires or returns to their original employment status, the employee will receive pay out of the remaining accrued balance the payroll cycle following the expiration or change of the employee's temporary fulltime appointment. (Effective 6-16-15). Carried unanimously.

No bids were received for disposal of the county owned property Parcel No. 23.121.0030, located at 320 Dewey Street North in Fairmont, MN. No action taken for disposal of County owned property.

Commissioners reviewed information and reports including the Sherburn Holiday Festival Parade to be held on Sunday – June 21, 2015; South Central Service Cooperative Board of Directors Meeting Minutes of June 3, 2015; Joint meeting with the Martin County Historical

Society to be held on July 7, 2015, at noon at the Martin County Historical Society; and Monthly Financial Statement for May 2015.

The Board reviewed warrants to be paid June 16, 2015.

Motion by Commissioner Belgard, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve bills to be paid on June 16, 2015, as presented; and includes the Martin County Highway Department and Drainage bills as presented. Carried unanimously.

Warrants received and paid June 16, 2015, are registered on file in the Auditor/Treasurer's Office as follows:

| | |
|--|---------------|
| Revenue Fund – Warrants Approved June 16, 2015 | \$ 166,335.21 |
| Enhanced 9-1-1 Fund | \$ 199.00 |
| Recreation and Safety | \$ 413.96 |
| Martin Co. Economic Development Authority | \$ 1,189.58 |
| Solid Waste Management Fund | \$ 29,142.31 |
| Law Library Fund | \$ 1,167.62 |
| Martin County Transit Fund | \$ 6,473.14 |
| Ind. Sewage Treatment Sys. Loans | \$ 12,356.00 |
| Bank Building Fund | \$ 569.20 |
| Total | \$ 217,846.02 |

| | |
|-----------------------------------|----------------|
| Road and Bridge Funds Totaled | \$1,139,775.07 |
| Martin County Ditch Funds Totaled | \$ 73,119.67 |

Commissioners presented their individual board member reports.

Commissioner Schmidtke noted he had nothing to report.

Commissioner Belgard noted he had nothing to report.

Commissioner Flohrs noted he attended a Human Services Executive Board meeting on June 3, 2015; Library Board meeting on June 9, 2015; Soil and Water Conservation District meeting on June 11, 2015; and Martin County Library meeting this morning (June 16, 2015).

Commissioner Mahoney noted in addition to those mentioned he attended a Faribault-Martin County Joint Transit Executive Board meeting on June 10, 2015; and a Fairmont Substance Abuse meeting on June 15, 2015.

Commissioners reviewed their calendars of upcoming meetings and activities: June 17, 2015 – former commissioner Steve Pierce funeral at 10:30 a.m., Human Services Full Board meeting at 2:00 p.m., Faribault-Martin County Joint Transit Board meeting at 3:00 p.m.; June 21, 2015 – Sherburn Holiday Festival Parade (Line up at 2:15 p.m. and parade at 3:00 p.m.); June 22, 2015 – Workforce Council meeting at 4:00 p.m., and MVAC in Mankato, MN; June 23, 2015 – Planning & Zoning at 5:00 p.m.; June 24, 2015 – Convention & Visitors Bureau meeting; June

29, 2015 – Martin County Wellness Golf Outing at Rose Lake Golf Course; June 30, 2015 - County Water Plan Committee meeting; July 2, 2015 – Commissioner meeting agendas will be posted; July 3, 2015 – 4th of July Observance – Courthouse Closed; July 6, 2015 – No Martin County EDA meeting in July; July 7, 2015 – regular Board of Commissioners meeting at 9:00 a.m. in the Commissioners Meeting Room – Martin County Courthouse and joint meeting with the Martin County Historical Society at noon at the Martin County Historical Society.

Commissioner Schmidtke noted he will be gone July 17-26, 2015.

With no further business to wit, Board Chair adjourned the meeting at 6:24 p.m.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Steve Flohrs, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator