

WILD RICE WATERSHED DISTRICT
11 Fifth Avenue East
Ada, MN 56510
Ph. 218-784-5501

Upper Reaches Hearing August 30, 2005

A hearing for the Upper Reaches Project was held on Tuesday, August 30, 2005, at the VFW Meeting Room, located at 415 West Main Street, Ada, MN.

The following members were in attendance: Warren Seykora, Jim Wagner Sr., Joe Spaeth, and Diane Ista. Absent: Steve Dalen, Bob Wright and Jim Skaurud. In addition the following persons were in attendance: Engineer Jerry Bents, Attorney Elroy Hanson, Secretary Loretta Johnson, Publicist Tim Halle and landowners whose names are attached at the end of these minutes.

Chairman Seykora called the meeting to order at 9:00 a.m.

Chairman Seykora stated that the purpose of the meeting is to discuss the financial circumstances of the Upper Reaches Project, explain the funding options and the necessary repairs.

Attorney Hanson explained that the benefits over the entire project are \$117,788.73. Repair costs can equal the total benefits of the project. The law clearly states that the Watershed District must hold a public hearing with notification to all property owners to obtain authorization to assess 100% of the benefits or \$117,788.73. Hanson stated that this is a project that should have a redetermination of benefits to do meaningful repairs, which will exceed the maximum 20% statutory assessment on the project. The purpose of holding this meeting is to discuss the necessary repairs and determine if there is going to be an assessment equal to the amount of the original benefits of the project.

Engineer Bents gave a PowerPoint presentation, a hard copy of which is attached at the end of these minutes.

The Upper Reaches project was completed in 1954. Past assessments from 1998-2005 were provided. Bents stated that after a presidential disaster declaration the entire \$117,000+ may be levied. The account is currently approximately \$80K in the deficit. The final pay request on the J.D. 51 slide repair on the north edge of Ada is outstanding and the District has received additional smaller repair requests including regular maintenance, mowing and spraying, outlet pipes through the dike, an additional request on J.D. #51 for removal of sediment close to the diversion structure would probably leave the project in a deficit of at least \$100k.

A considerable portion of the levees is included in the U.S Corps of Engineers non-federal levee program. The levees must be maintained to COE certification for the District to have repairs completed following a presidential disaster and the major cost share being paid by the COE. Considerable repairs have been done since 1997 under these conditions.

With the existing benefiting area the breakdown of assessment is as follows:

Land 41,653.33 (property owners)
Norman County 47,650
City of Ada 16,000
MN State Roads DOT 12,000
BN Railroad 1,000

Levying the full amount of approximately 117,000 is a one year fix; the following year will bring about the same situation. The long-term option may be to do a redetermination of benefits. If this process is established the next steps would be:

1. appoint viewers
2. prepare viewers report
3. hold hearing
4. board order
5. appeal period
6. benefits area revised

Curt Jacobson asked if there is another option, could you establish a storm water facility which has all contributors to the system pay an assessment.

Attorney Hanson stated that the District could consider a petition by property owners. Under MN Statutes, any district can do this. However if the Upper Reaches Project fits into this category is not clear, but it could be pursued.

Engineer Bents stated that assuming the benefiting area doesn't change, the only time there is a change in what you pay, is if the repair costs increase. The Watershed District would have the authority to assess more, but they also would have the ability under statute to keep more funds in the account. If you can keep assessing every year and have additional funding built into the account, there would not be the need to run in the deficit and pay interest.

The COE in the past has allowed the Watershed District to segment the levee system into eligible and non-eligible, however, last year when they inspected the levee system, they indicated that they felt the entire levee should either be eligible or not eligible.

Ed Miller asked who pays costs for the redetermination of benefits. The landowners on the ditch system would pay the cost. Engineer Bents stated that he did some research and the costs could be up to \$30,000 for a redetermination of benefits on the Upper Reaches Project.

Jim Wagner asked why the contributors of the entire Wild Rice River do not pay benefits. These property owners definitely need the Wild Rice River to drain their land.

Attorney Hanson stated that historically only the people who live along the ditch system pay the benefits.

Wayne Lee asked if it would be feasible to assess everyone on the Wild Rice River back to Rice Lake.

Engineer Bents stated that whether the river was straightened or not, does it affect everyone back to Rice Lake, would they determine by viewing how much benefit there is. It may be hard to say there was economic benefit to someone by Twin Valley.

Curt Jacobson asked if you could abandon the Upper Reaches Project and replace it with an entire new project. Attorney Hanson stated that whether statutes permit you to abandon the project and

have a new redetermination of benefits or not, it is unlikely that viewers would conclude that there is a new benefit to contributing property.

Ed Miller stated that it appears there is a lot of discretion given to the viewers and asked if they get direction from the Board or are three disinterested persons of the state appointed as appraisers. Attorney Hanson stated that the appointees take an oath and do their duties as required by law.

Ed Miller asked if it might be premature to redetermine benefits until after the COE WRRFS is complete.

Jerry Bitker raised concerns over the number of studies the District has done and the costs related to them. He felt his net returns as a farmer are down and the benefit per acre basis is going down. He agreed that there is a need to go farther east and assess benefits to those additional lands that have been brought into productivity.

Ed Miller stated that enlarging the benefiting area gets rather complicated and asked if the general levy may be used to repair projects.

Attorney Hanson stated that if you have a new project, and if everyone is getting benefits based on identifiable benefiting area, they can be assessed. Miller asked if the levy cap might be raised and used for repair projects. Hanson stated that he didn't know, but if this is for a district wide project, it could be.

Diane Ista stated that Managers are also concerned about appointing viewers and viewers looking at the entire area. They also need to be disinterested viewers. As far as assessing everyone in the district and adding taxes in Mahanomen County, they already have a problem with decreased tax roles. She stated that the Managers need to follow the law.

Wayne Lee stated that he felt the repairs on the levees of the Wild Rice River need to be completed and felt the Managers should be given the authority to do so. Engineer Bents stated that the other option is for the board to do nothing and let the 50% of the landowners come in with a request.

Commissioner Warren Olson questioned if the benefiting area on the Upper Reaches Project expands, will it affect other projects?

Warren Seykora asked if the board should take this under advisement.

Curt Jacobson stated that the consensus here at this meeting seems to be if we do a redetermination there is a need to change the benefiting area to include the contributing area. Warren Seykora and Diane Ista said that the Board appoints viewers but cannot tell them how to do their job.

Seykora asked if the Board should take action for the 2006 assessment to the Upper Reaches Project to be 100% of the benefits, is that acceptable. Warren stated that the Board is trying to keep the project funds available for maintenance.

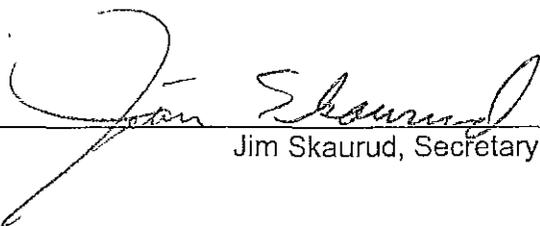
Curt Jacobson recommended levying the full amount of 100% for the year 2006 and allowing the public to digest the re-determination of benefits. Wayne Lee agreed; Bitker disagreed.

A motion was made by Manager Ista and seconded by Manager Wagner authorizing setting the 2006 levy on the Upper Reaches Project at 100% or \$117,788.73. Motion carried.

Jim Wagner stated that he would like the public to get together and give the Board some idea of what they wanted done. Warren Olson asked if the cost of the redetermination is added to the project. Attorney Hanson stated that the project pays for it.

Consensus of Managers was to table any action on the redetermination of benefits at this time.

The meeting was adjourned at 10:30 a.m.



Jim Skaurud, Secretary

Sign In Sheet
Upper Reaches

8/30/05

	Name	Address
1.	Liane Thiel	Hennig Mi
2	KENT KRUGS	
3	Mike Reel	Ada
4	Eve Pappas	Ada
5	Terona Stogstad	Ada
6	Jenita Kelf	Ada
7	Wen Mackay	Perley
8	Marla Fiter	Ada
9	John Brandt	Ada
10	Acoco	Ada
11	Chy Vint	
12	Wayne Lee	Perley
13	Glen Ramsdell	Ada
14	Billy Tomndell	Newberry
15	Fredrick Moring	Ada
16	Del Stephens	Ada
17	John Pitkin	
18	Tom Calnan	Halstad
19		
20		
21		
22		
23		
24		