

VIEWERS' REPORT
SAUK RIVER WATERSHED DISTRICT – STEARNS COUNTY DITCH 26
REDETERMINATION OF BENEFITS

The undersigned viewers, appointed to appraise the benefits and damages to property affected by Stearns County Ditch 26, including all property benefitted or damaged by the drainage system or that may be acquired by the drainage authority for best management practices, including grass buffer strips, necessary to control erosion, sedimentation, improve water quality, or maintain the efficiency of the drainage system, as order by the Sauk River Watershed District (SRWD) Board of Managers. The Redetermination of Benefits is being performed in accordance with Minnesota Statutes Section 103E.351.

The current alignment of County Ditch 26 generally follows the 1905 design alignment with some minor modification. A description of the current alignment can be found in Appendix A of the engineers detailed survey report.

The undersigned viewers, pursuant to the order of the Sauk River Watershed District Board of Managers, did meet prior to commencing duties on the 27th day of February 2009 at the Sauk River Watershed District office at 524 4th Street South, Sauk Centre, Minnesota. Having taken the oath as required by statutes section 103E.305 to faithfully and impartially perform viewing duties, and having received charts, maps, original benefiting area determinations and diagrams, did view all lands and properties within the watershed of County Ditch 26.

Based on our viewing we determined benefits to properties affected by County Ditch 26 and further, we did determine the damages to lands and properties affected by acquisition of property rights for the establishment of best management practices, including grass strips, necessary to control erosion, sedimentation, improve water quality, or maintain the efficiency of the drainage system as part of the Redetermination of Benefits on County Ditch 26.

The land use within the benefiting area of County Ditch 26 is primarily used for agricultural or agriculturally related purposes. The principal crops grown are row crops and hay. Additional property is used as pasture for livestock.

We were able to determine the boundaries of the benefiting area by viewing LIDAR data provided by Stearns County along with visual inspection of the watershed of the ditch. Meetings were also held with property owners to determine drainage practices and patterns. We viewed the County Assessor's records and aerial photo maps to determine the number of acres of tillable, non-tillable land and building sites, in each forty acre parcel, government lot, and all other tracts of land.

We have determined the extent and basis of benefits as prescribed in statutes section 103E.315. For very few parcels special adjustments were made to acknowledge special characteristics such as building sites in close proximity to the ditch channel.

In accordance with statutes section 103E.321 we have prepared a tabulation of all properties determined to be benefitted or damaged. The tabulation is attached hereto as exhibit 1.

We have included a description of each lot or tract, under separate ownership that is benefitted or damaged. (statutes section 103E.321, subd.1(1))

We have included the names of the owners as they appear on the current tax records of the county and their addresses. (statutes section 103E.321, subd. 1(2))

We have shown the number of acres in each tract or lot. (statutes section 103E.321, subd. 1 (3))

We have found no acres added to a tract or lot by the proposed drainage of public waters. (statutes section 103E.321, subd. 1 (4))

We have found no damage to riparian rights. (statutes section 103E.321, subd. 1(5))

We have determined, calculated and shown the damages to be paid for the acquisition of property for the establishment of best management practices, including grass strips, necessary to control erosion, sedimentation, improve water quality, or maintain the efficiency of the drainage system as required under statutes section 103E.021. (statutes section 103E.321, subd. 1 (6))

We have found no acres added to any tract or lot by the drainage of public waters, wetlands or other areas not currently cultivated. (statutes section 103E.321, subd. 1 (7))

We have found no acres or amount of benefits being assessed for drainage of area before the drainage benefits could be realized would require state or federal wetlands or waters permits. We have identified wetlands utilizing the National Wetland Inventory Maps and have assessed drainage benefits to only those former wetland areas in current agricultural production that, in our analysis, would be considered lawfully converted under Title 16, United States Code, Section 3821. (statutes section 103E.321, subd. 1 (8&9))

Because this is a redetermination of benefits on an existing drainage system we have not determined any additional area of right of way for the drainage system beyond that acquired in the original proceedings to establish the drainage system or what might exist according to law. However, additional property interests will be acquired, as required by statutes section 103E.021, for the establishment of best management practices, including grass strips, necessary to control erosion, sedimentation, improve water quality, or maintain the efficiency of the drainage system. (statutes section 103E.321, subd. 1 (10))

We have determined, calculated and shown the amount each tract or lot will be benefitted or damaged. (statutes section 103E.321, subd. 1 (11))

EXHIBIT 1 - BENEFITS STATEMENT (Statutes Section 103E.321, subd. 2)

Direct Benefits (statutes section 103E.315, subd. 5)

Using the direct market value approach we have analyzed direct sales data for competitive properties from the market place. An amortization was performed of the 1905 benefit values to establish present day benefit values. The existing market value was determined for property and compared with present day channel capacities for determining values for lands having direct drainage benefits on County Ditch 26.

We divided the watershed of County Ditch 26 into two areas based on the channel capacities of the ditch. Area 1 is that portion of the drainage area lying north of Interstate Highway 94. The channel of County Ditch 26 draining Area 1 possesses sufficient capacity to efficiently convey the two-year frequency storm event from the drainage area. Area 2 is that portion of the drainage area lying south of Interstate Highway 94. The channel of County Ditch 26 draining Area 2 possesses sufficient capacity to efficiently convey the five-year frequency storm event from the drainage area.

For all properties within the benefitted area of County Ditch 26, we assigned direct benefit classifications based on best use and farming efficiency resulting from construction of the drainage system as an outlet for drainage. Each classification was assigned a letter designation and abbreviated label as follows: A = cropland; B = grassland/pasture; and C = converted wetland.

“A” lands are those acres of property capable of producing row crops before construction of the ditch, but because of the ditch providing an outlet for drainage, are more productive or more efficiently farmed since construction of the ditch. “A” lands might include wetland areas completely converted and capable of un-impeded production of row crops.

“B” lands are those acres of property which, prior to construction of the ditch may have been wet or waste ground, or may have been suitable for marginal hay production or pasture use, but because of the ditch providing an outlet for drainage, are now suitable or more suitable for efficient hay production and pasture use. “B” lands may contain partially converted wetlands where the conversion was not sufficient to allow for the production of row crops.

“C” lands former wetland areas converted and put to use a crop, hay or pasture ground at reduced efficiencies. These lands are indicated in National Wetlands Inventory as wetland prior to construction of the ditch, but since construction of the ditch have been partially drained or manipulated to make them capable of marginal crop or hay production or pasture use.

In Area 1 we determined direct benefits to land classifications as follows: Class A, \$420/acre; Class B, \$315/acre; and Class C, \$200/acre. In Area 2 we determined direct benefits to land classifications as follows: Class A, \$845/acre; Class B, \$625/acre; and Class C, \$400/acre.

Indirect Benefits (statutes section 103E.315, subd. 6(c))

Within the drainage area of County Ditch 26 we considered benefits based on property that is responsible for increased sedimentation in downstream areas of the watershed and property that is responsible for increased drainage system maintenance or increased drainage system capacity because the natural drainage on the property has been altered or modified to accelerated the drainage of water from the property. Indirect benefits are allocated on a watershed bases to all properties within the benefiting area of the ditch that do not otherwise receive direct benefits.

For all properties within the benefitted area of County Ditch 26, we assigned indirect benefit classifications based on current and anticipated future use run-off and sediment delivery coefficients as they related to the burden placed on the ditch by accelerated drainage or the increased costs to maintain the ditch based on sediment delivery. Each classification was assigned a letter designation as follows: D = cropland; E = converted wetland; F = commercial and residential development; and G = pasture and hay-land.

“D” lands are those acres of property not otherwise directly benefited by the drainage system from which drainage has been accelerated or sediment delivery has been increased due to their cultivation and conversion to row cropped ground. “D” lands might contain drainage modifications which more effectively remove drainage waters from the property but which could function regardless of construction of the drainage system. “D” lands might include wetland areas completely converted and capable of un-impeded production of row crops.

“E” lands are those acres of property consisting of converted wetlands which, prior to construction of the ditch could have been converted, but currently, because of their conversion, cause the acceleration of drainage or increased sediment delivery from property within the drainage area of the ditch which increase the hydraulic burden on the ditch or increase the cost to maintain the ditch.

“F” lands are those acres of property which have been developed for commercial, residential or roadway uses. While these properties could have been drained without construction of the ditch, their drainage would have caste burden on lower grounds and, possibly, cause damage. Construction of the ditch relieves the burden of the accelerated drainage. These properties, by the nature of the drainage from them, also increase the rate of sediment delivery to the ditch requiring increased and more frequent maintenance.

“G” lands are those acres of property not otherwise directly benefited by the drainage system from which drainage has been accelerated and sediment delivery increased due to their conversion from native prairie to pasture and hay land. “G” lands might contain drainage

modifications which more effectively remove drainage waters from the property but which could function regardless of construction of the drainage system. "G" lands might include fully or partially converted wetland areas.

For that portion of the drainage area lying north of Interstate Highway 94, we determined that indirect benefits based on accelerated drainage was most appropriate. To perform this analysis of indirect benefits, we further divided Area one by adding Area 3 as indicated on the attached benefited area map. The drainage engineer provided us with an analysis comparing natural run-off conditions (pre-settlement) with the current run-off conditions. The analysis demonstrated a greater volume and duration of run-off in the current condition. The difference was translated into capacity requirements in the drainage system and corresponding cost.

Based on the engineer's analysis, drainage system requires additional capacity to carry accelerated drainage from lands within the drainage area of County Ditch 26. Absent an improvement to the drainage system, which is not contemplated, the ditch will continue to carry this additional drainage burden at a cost of increased maintenance and reduced efficiency for all lands within the drainage area of the ditch.

In Area 1 we determined indirect benefits to land classifications as follows: Class D, \$30/acre; Class E, \$30/acre; Class F, \$35/acre; and Class G, \$26/acre. In Area 3 we determined indirect benefits to land classifications as follows: Class D, \$18/acre; Class E, \$18/acre; Class F, \$21/acre; and Class G, \$15.50/acre.

For that portion of the drainage area lying south of Interstate Highway 94, we determined indirect benefits based on the use of the drainage system as an outlet and lands delivery of sediment to the downstream areas to be the most appropriate. The increase was translated into maintenance requirements in the drainage system and corresponding cost.

In Area 2 we determined indirect benefits to land classifications as follows: Class D, \$19/acre; Class E, \$19/acre; Class F, \$8/acre; and Class G, \$8.

Outlet Benefits (statutes section 103E.315, subd. 6(a))

To determine benefits to County Ditch 15, we evaluated the efficiency of that portion of County Ditch 26 required by County Ditch 15 as its outlet. We identified a ratio of contributing watersheds and channel lengths between the drainage systems to calculate the outlet fees to County Ditch 15 base on its share of the maintenance costs over the expected life of the project. Based on our calculations the economic benefit to County Ditch 15, we determine outlet benefits to County Ditch 15 in the total amount of \$14,700.00.

Municipal Benefits (statutes section 103E.315, subd. 2)

To determine benefits to the City of Freeport, we evaluate both the benefit the ditch provides as an outlet for municipal stormwater within the City and as an outlet for effluent from the City's

wastewater treatment processes. Because the City lies in both Areas 1 and 2, a different formula was applied to various portions of the City. Based on an average land type we calculated accelerated run-off in that portion of the City lying north of the interstate highway. For the area of the City lying south of the interstate highway, we utilized sediment delivery and outlet bases of benefit. We determine these benefits to the City of Freeport in the amount of \$6,531.00.

Road Benefits (statutes section 103E.315, subd. 3)

We determined road benefits based on accelerated drainage from hard surface road surfaces. For secondary roads (township) within the benefited area, we calculated road surface area based on total length of roadway and an average width of 33 feet of road surface (to include adjacent graded areas and road ditches). For primary roads and highways (state/county), we calculated road surface area based on total length of roadway and an average width of 66 feet of road surface (to include adjacent graded areas and road ditches). For Interstate Highway 94, we used GIS data to calculate a total length and width of road surface (to include adjacent graded areas and road ditches). To this total area we applied the "F" land classification benefit used for accelerated runoff conditions. Based on our calculations we determined road benefits as follows:

State of Minnesota: \$3,507.00 in benefits;

Stearns County: \$3,010.00 in benefits;

Township of Millwood: \$966.00 in benefits;

Township of Krain: \$700.00 in benefits;

Township of Oak: \$2,082.50 in benefits;

Township of Albany: \$322.00 in benefits; and

Township of St Martin: \$66.5 in benefits.

EXHIBIT NO. 2 – DAMAGES STATEMENT (statutes section 103E.315, subd. 8)

Property interests will be acquired, as required by statutes section 103E.021, for the establishment of a 1 rod grass strips, necessary to control erosion, sedimentation, improve water quality, or use in maintenance of the drainage system. The 1 rod grass strip shall exist for drainage system purpose encumbering properties for future ditch right-of-way and acquired 1 rod grass strip seeding areas in accordance with Minnesota Statute. The underlying landowner will retain rights to use the property in a manner not inconsistent with the existence, function and maintenance of the drainage system and the required 1 rod grass strip.

We determined damages based on the difference between market value of agricultural land and its value as a grassed area and any diminished value resulting in the installation and preservation best management practices within the area. For land capable of agricultural production we valued the damages at \$2000/acre. For land not capable of agricultural projection we valued damages at \$1000/acre.

Damages were identified for temporary construction right of way and for spreading ditch spoil taken from channel excavation. Those properties affected by the proposed repairs are shown in the engineers preliminary repair report. Temporary construction right of way was valued at \$200/acre based on a loss of annual average cash rent for 2 years. Six (6) separate parcels were identified for temporary access and were valued at \$500/acre per parcel.

We did cause to be kept an accurate account of all our services and time engaged in making said view and examination; the nature and kind of work done by us; the days each one of us was engaged in said works; the amount charged per day by each of us; every item of expense incurred by us in said work; which we have filed with the Sauk River Watershed District Board of Managers.

Total Benefits and Damages

That we further report that at the completion of our examination, as aforesaid, we did sum up the total benefits and damages for the Redetermination of Benefits of said drainage system, and did find, and hereby report, that the total benefits are \$1,251,734.75. The total damages for the required 1 rod grass are 107,730.53. The total damages for temporary construction right of way and access easements are \$28,676.61.

That we further report that we have considered the relative utility and benefits derived by SRWD Ditch No. 26 and hereby report that we have identified benefits to reflect reasonable and present day values.

It is recommended that the Sauk River Watershed District Board of Managers hold a final hearing on the report and confirm the benefits and damages and benefited and damaged areas to be used for the future repair and maintenance of SRWD Ditch No. 26 and all subsequent proceedings related to the drainage system.

Dated this 19 day of January, 2011

Respectfully Submitted,

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Rodney Langaas

|s|

Roger Beiswenger

|s|

Jerry Bennett