

APPRAISERS REPORT
TWO RIVERS WATERSHED DISTRICT KITTSOON COUNTY DITCH #7

The undersigned appraisers, appointed to appraise the benefits and damages to property affected by the Improvement of Two Rivers Watershed District KCD#7, including all property likely to be affected by the drainage system or that may be used or taken for grass buffer strips necessary to control erosion, sedimentation, improve water quality, or maintain the efficiency of the drainage system, as ordered by the Two Rivers Watershed District Board of Managers. The establishment of benefits for the Improvement of Two Rivers Watershed District KCD#7 is being performed in accordance with Minnesota Statute 103E.315.

The Two Rivers Watershed District Kittson County Ditch #7 is located in the southwest corner of Kittson County to the northwest of the City of Donaldson. The ditch runs east-west with the upstream end of the ditch just to the west of US Highway 75. From there it runs to the west for 6.2 miles and outlets to Judicial Ditch 10. JD10 continues to the north and west for 1.8 miles where it outlets to a natural channel that flows another 6 miles and outlets to the Red River of the North.

The undersigned appraisers, pursuant to the order of the Two Rivers Watershed District Board of Managers, did meet preparatory to commencing duties on the 13th day of September 2023 at Two Rivers Watershed District Office located at 410 5th St SE #112, Hallock, MN 56728.

Having taken the oath as required by MSA 103E.305 to faithfully and impartially perform the appraiser duties, and having received charts, maps, and diagrams, did view, all lands and properties affected by said proposed drainage system and further, we did determine the damages to lands and properties affected by establishment of a grass strip necessary to control erosion, sedimentation, improve water quality, or maintain the efficiency of the drainage system as a result of the Improvement of Two Rivers Watershed District Kittson County Ditch 7.

The land use within the benefiting area of the proposed project consists of agricultural or agricultural related purposes. The principal crops grown are row crops, wheat, barley, hay, corn and soybeans.

We were able to determine the boundaries of the benefiting area by viewing Lidar data provided by Two Rivers Watershed District along with visually viewing the project area. Meetings were held with the watershed staff and the project engineer that provided maps of the watershed boundary that identified drainage practices and patterns. We viewed the County Assessor's records and aerial photo maps to determine the number of acres of tillable land and building sites, in each forty, government lot, and all other tracts of land. The Viewers also talked to several property owners obtaining their input on drainage patterns, rental rates and property values.

We have determined the extent and basis of benefits as prescribed under MSA 103E.315.

In accordance with MSA 103E.321, Subd. 1 (1), we have indicated in tabular form each lot, and 40 acre tract, under separate ownership that is benefited or damaged, which is attached herewith.

We have shown the number of acres in each tract or lot (MSA 103E.321 Subd. 1 (3)).

We have found no acres added to a tract or lot by the proposed drainage of public waters (MSA 103E.321, Subd. 2. (4)).

We found no damage to riparian rights (MSA 103E.321, Subd. 1. (5)).

We have found no acres or amount of benefits being assessed for drainage of the area before the drainage benefits could be realized that would require a public work permit to work in public waters under section MSA 103G.245 to excavate or fill a navigable water body under United States Code, Title 33, Section 1344 (Subd.1. (8)).

Wetlands have been identified utilizing the National Wetland Inventory Maps provided by Two Rivers Watershed District and have assessed drainage benefits to only those wetlands that in our analysis would be considered conversion of a wetland under United States Code, Title 16, Section 3821, and are currently in agricultural production (Subd. 1. (9)).

Permanent right of way will be acquired and, therefore damages will be awarded for the establishment of permanent right of way necessary to control erosion, sedimentation, improve water quality, or maintain the efficiency of the drainage system and for the same reason we found damages, (MSA 103E.321, Subd. 1. (6)), for grass strips as required in (MSA 103E.201). Damages will also be awarded for the use of temporary right of way.

We have determined drainage benefits on and related to the Improvement of Two Rivers Watershed District Kittson County Ditch #7.

Direct Sales Analysis – Direct Benefits – Cropland / Pasture

The increase in market value was determined by market extracted sales data for similar properties in the area. Values averaged from \$5,000.00 per acre for cropland and \$800.00 for other land in the drained condition versus values averaged from \$3,500.00 per acre for cropland and \$300.00 per acre for other land in the undrained condition.

Direct Benefits

The increased market value was determined for these properties by comparing the existing values in the unimproved condition with these drainage systems in place operating in their full designed capacity for a 5-year channel capacity. The Viewers have determined based on these values along with allowances for any private improvement costs that the drainage system provides for an increased market value/benefit for the Class A, agricultural/tillable acres and Class C, Residential properties at a benefit rate of \$1,125.00/acre, and a benefit rate of \$125.00/acre, for other land.

Change in land use Class E – Converted Wetlands ALL

Benefits have been determined by using the highest and best use of the property. The Viewers considered the change in land use from wetlands to cropland with the value in the improved condition.

We determined the value of Class B, converted wetlands to farmland and arrived at a benefit rate of \$3650/acre.

Road Benefits

The Viewers have determined Benefits for all State, County, Township roads and railway properties by the same rate per acre which was used for tillable agricultural land. The total benefits to roads = \$485,775.00.

We prepared a Benefit and Damages Statement which describes how the benefits and damages were determined which is attached and included with this report.

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 Two Rivers Watershed District Board of Managers.

That we further report that at the completion of our examination, as aforesaid, we did sum up the total benefits and damages for Two Rivers Watershed Kittson County Ditch #7, and did find, and hereby report, that the grand total of benefits is \$18,196,830.

That we further report the damages to be paid are shown in the attached report determined at a rate of \$5,500.00/acre for permanent ditch right of way and grass strips on agricultural cropland. There is a total of 49.85 acres of permanent ditch right of way easement and grass strip right of way, and hereby report, that the total damages for permanent right of way are \$274,175.00.

Damages were also determined at a rate of \$300.00/acre for temporary construction right of way. There is a total of 22.24 acres related to the Improvement of Two Rivers Watershed District Kittson County Ditch #7, and we hereby report, that the total damages for temporary construction right of way are \$6,672.00.

The Engineer has determined that 50.93 additional acres would be affected by a 5 year event downstream of the west end of CD #7 in the outlet area. The viewers have determined that \$3500.00 per acre is a reasonable amount for a permanent flood easement and report that the total damages for the permanent flood easement are \$178,255.00.

That we further report we have considered the relative utility and benefits derived by Two Rivers Watershed District Kittson County Ditch #7 and hereby report that we have identified benefits to reflect reasonable and present-day values.

It is recommended that the Two Rivers 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 establishment of Two Rivers Watershed District Kittson County Ditch #7 and all subsequent proceedings related to the drainage system.

Dated this __3__ day of __July 2025__.

Respectfully Submitted,

Robert Wagner

Roger Beiswenger

Mike Baumgartner

Correction 8/6/2025