

MEETING MINUTES
SARGENT COUNTY WATER RESOURCE BOARD AGENDA
Special Meeting - Thursday, January 6, 2022

Sargent County Courthouse - Forman, North Dakota

2:00 P.M.

Chairman Siemieniewski called the meeting to order.

The only item on the special meeting agenda was an Executive Session regarding eminent domain litigation on the Drain 11 project.

Sean Fredricks indicated that, by law, he would have to read a script regarding the Board's potential Executive Session and would have to record his reading of the script, as well as the Executive Session. Mr. Fredricks read the requisite script regarding the Executive Session.

Manager Speich moved, and Manager Stein seconded the motion, to close the meeting, and to participate in a separate WebEx meeting, at 2:05 p.m., for an Executive Session for purposes of attorney consultation regarding ongoing litigation related to right of way acquisition to accommodate the Drain 11 Improvement Project, in accordance with N.D. Cent. Code § 44-04-19.1(2), (5), and (9), regarding the following litigation:

Sargent County Water Resource District v. Gregory S. Beck, et al, Civil File
No. 41-2021-CV-00034.

Upon roll call vote, the motion carried unanimously. The Board exited the public portion of the meeting to participate in the Executive Session.

The Executive Session was attended by Chairman Luke Siemieniewski; Board members Roger Zetocha, Todd Stein, Bruce Speich, Michael Wyum; the Board's Secretary-Treasurer Wendy Willprecht; the Board's attorneys, Sean Fredricks, Bob Hoy, and Stephen Hilfer; and the Board's project engineers and right of way negotiators from Moore Engineering, Nathan Trosen, Josh Hassell, and Pat Downs.

The executive session adjourned at 3:08 p.m., and the Board returned to the public WebEx meeting, open to the public.

Kyle Nelson, the Board's appraiser for the Drain 11 project, as required for the ongoing eminent domain lawsuit, submitted a "Letter of Update" dated January 6, 2022, to provide updated right of way values for the upcoming trial. In his letter, Mr. Nelson indicated that values have increased over the last several months and provided his opinion that "an upward adjustment of 35% is warranted" for project channel acres. More specifically, Mr. Nelson indicated that, in his

opinion, valuations for channel acres he previously valued at \$5,000 per acre had increased to \$6,750, and channel acres he previously valued at \$4,500 per acre had increased to \$6,075. Mr. Nelson indicated he studied berm easement valuations and that, in his opinion, his previous valuation of berm acres at \$1,500 was still accurate, especially in light of the fact that impacts to those acres would be temporary and that landowners could still farm and otherwise utilize those acres. Finally, Mr. Nelson initially valued temporary construction easement acres at \$150, but in his letter, he increased those valuations to \$200 in light of rental rate increases in the past several months.

The Board previously declared the necessity to acquire right of way from the defendants in the lawsuit as necessary to accommodate the project, and the Board approved just compensation values for the defendants. The Board agreed improving those original offers to match Kyle Nelson's new valuation opinions would be fair and equitable and would fairly compensate those landowners for the right of way necessary to accommodate the Drain 11 project. Manager Speich moved to increase the offers of just compensation to the defendants with the new valuations offered by Mr. Nelson his "Letter of Update" dated January 6, 2022, and to otherwise submit Mr. Nelson's updated valuations as proof of just compensation in the eminent domain action. Manager Zetocha seconded the motion. Upon roll call vote, the motion carried unanimously.