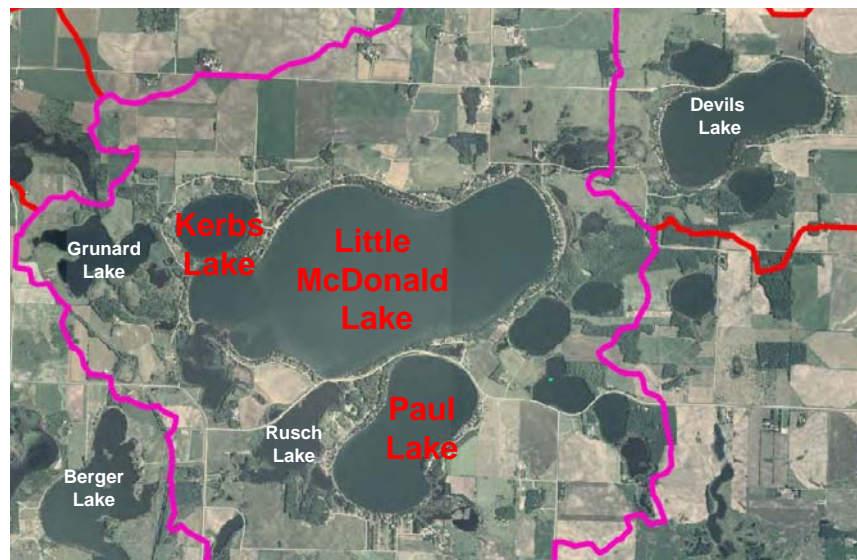
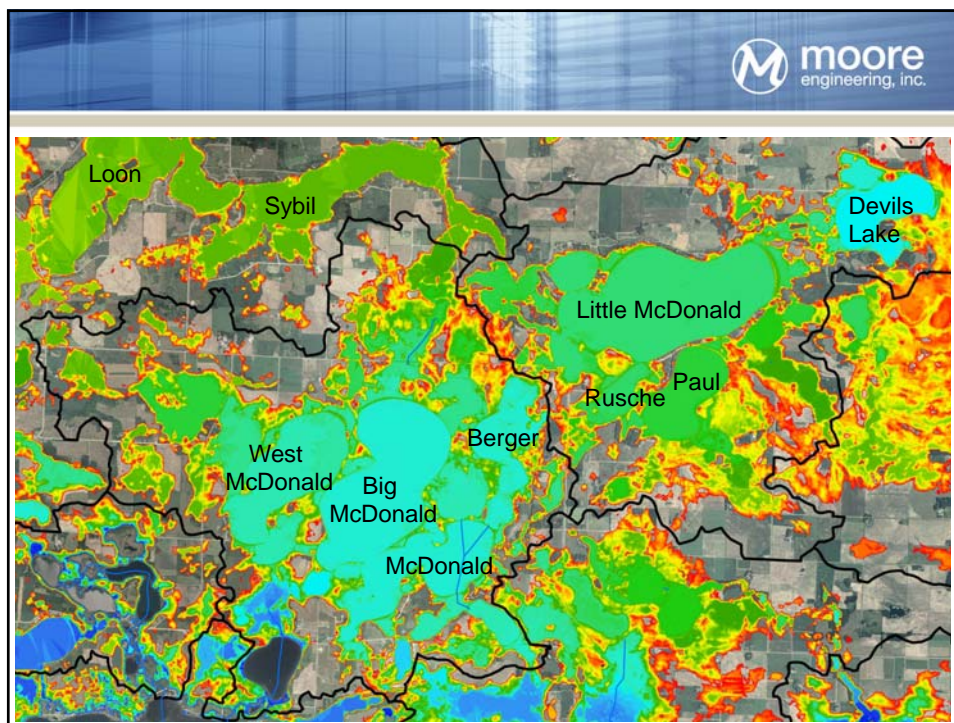
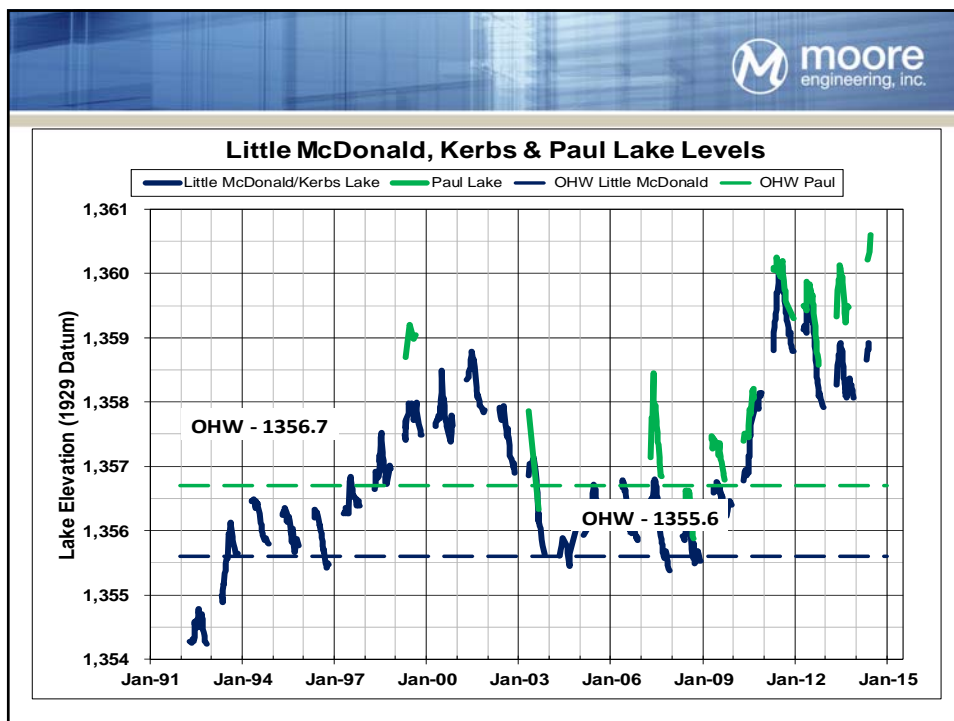




Little McDonald, Kerbs & Paul Lake Improvement District Proposed Venting Plan

LMKP LID Annual Meeting
July 12, 2014







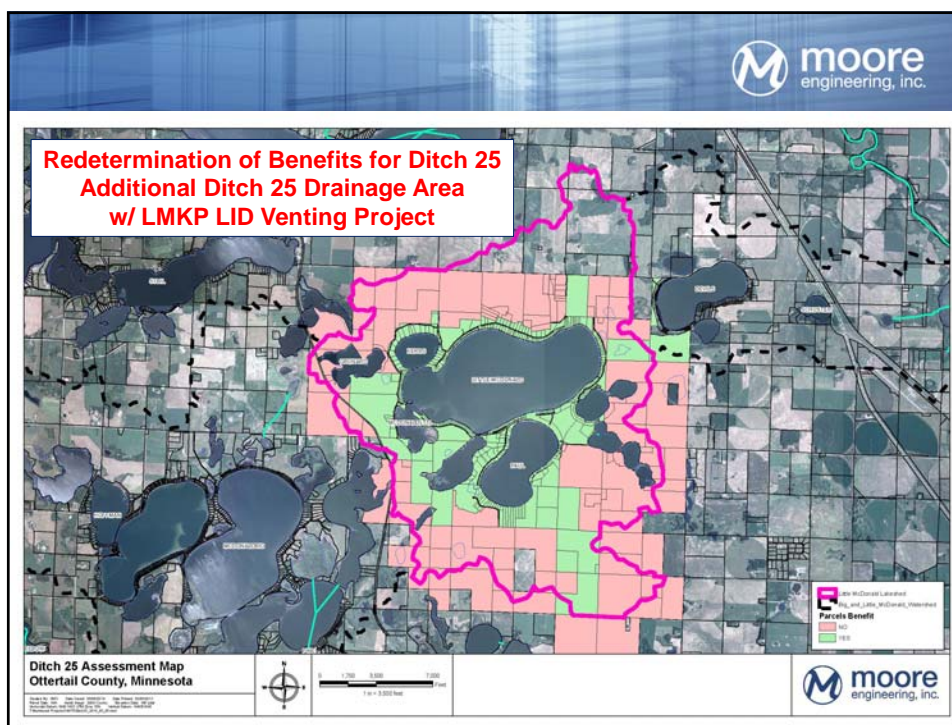
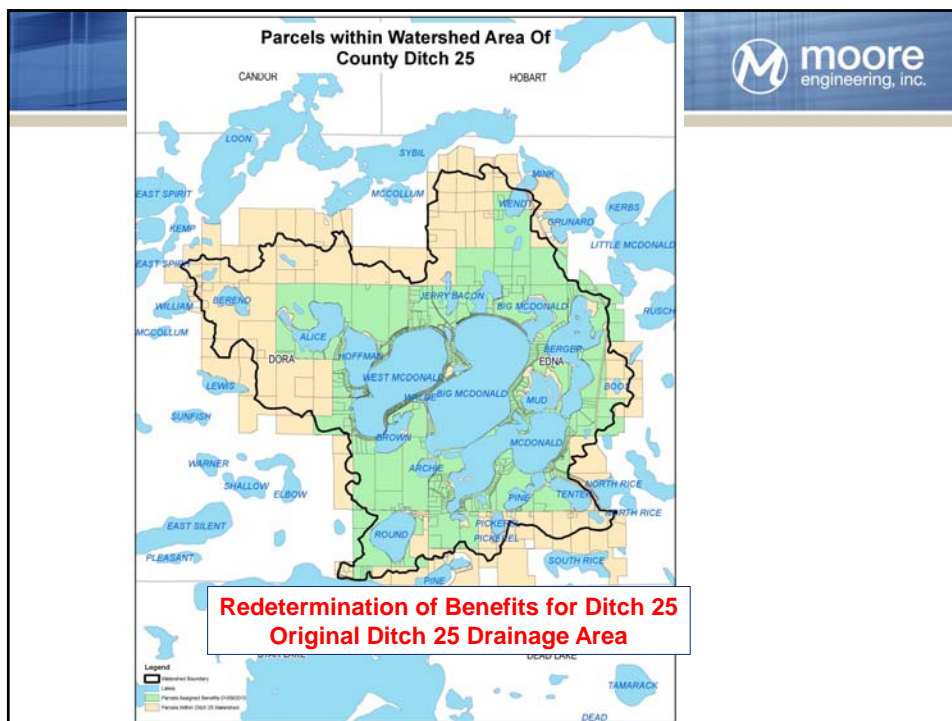
Chronology of Venting Plan

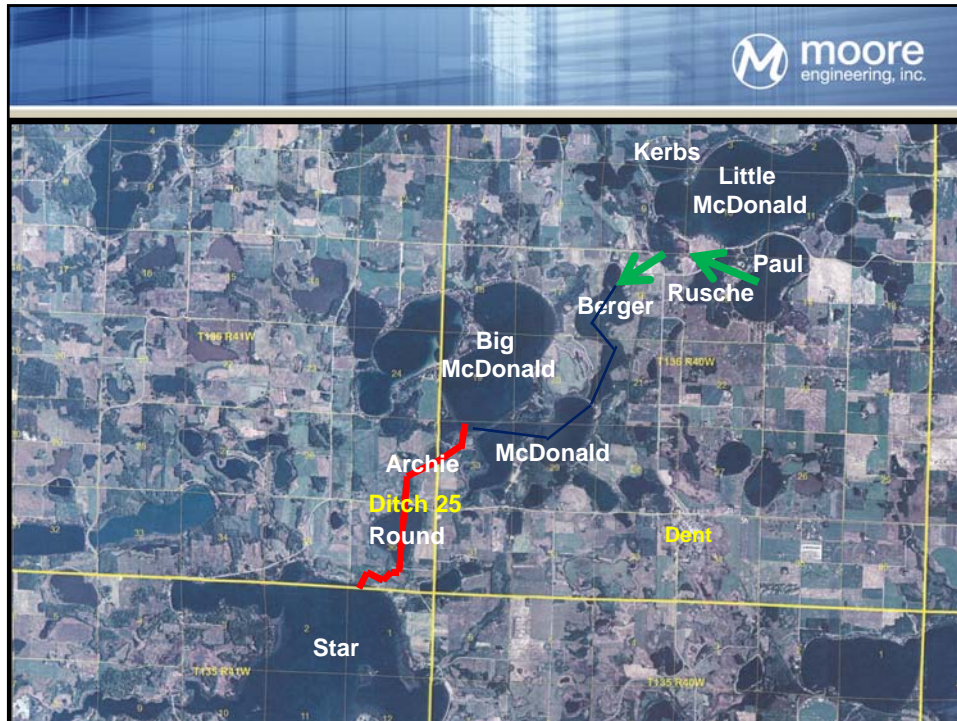
- 1) July 9, 2011 – Petition to use Ditch 25
- 2) Aug 22, 2011 – OTC Public Hearing
- 3) Sept 6, 2011 – OTC orders an EAW
- 4) Dec 20, 2011 – OTC approves EAW
- 5) Dec 27, 2011 – EAW submitted to EQB
- 6) Jan 9, 2012 – EQB publishes notice for EAW
- 7) Feb 8, 2012 – EAW comment period closes
- 8) Feb 14, 2012 – OTC receives EAW comments
- 9) Apr 24, 2012 – OTC signed negative EIS declaration
- 10) July 24, 2012 – OTC approves Ditch 25 Petition with Conditions



Chronology of Venting Plan

- 11) Aug 22, 2012 – McDonald Lake Assoc. Appeals the OTC Ditch 25 Approval in District Court
- 12) March 25, 2013 – District Court hearing on Appeal
- 13) June 21, 2013 – District Court Affirmed OTC Decision to allow LMKP LID to use Ditch 25. Remanded the proposed OTC Ditch 25 Tap-in-Fee.
- 14) October 1, 2013 – OTC Redetermination of Benefits
- DitchViewers Report Filed regarding LMKP LID area benefits from Ditch 25
- 15) May 19, 2014 – OTC Redetermination of Benefits
- Hearing on Ditch Viewers Report





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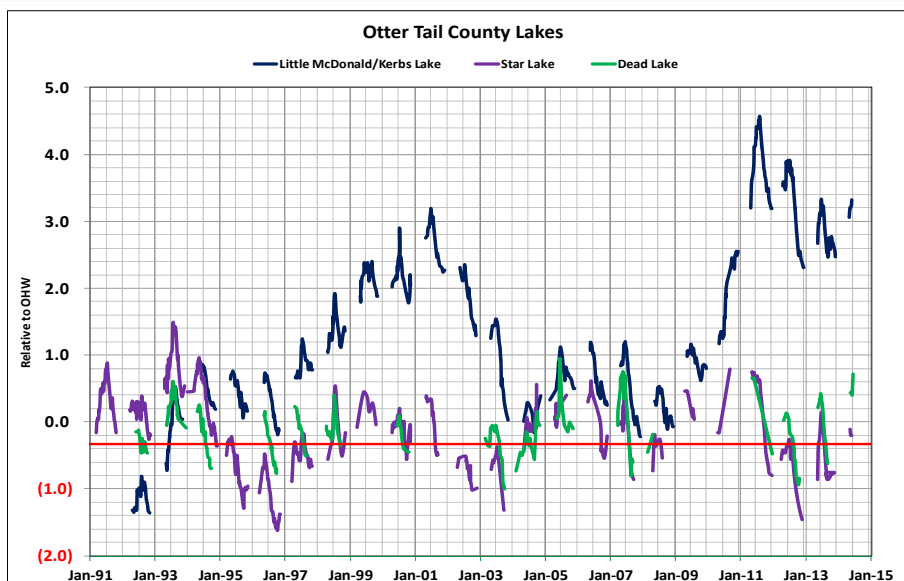
Approved Venting Plan Final Operations Plan

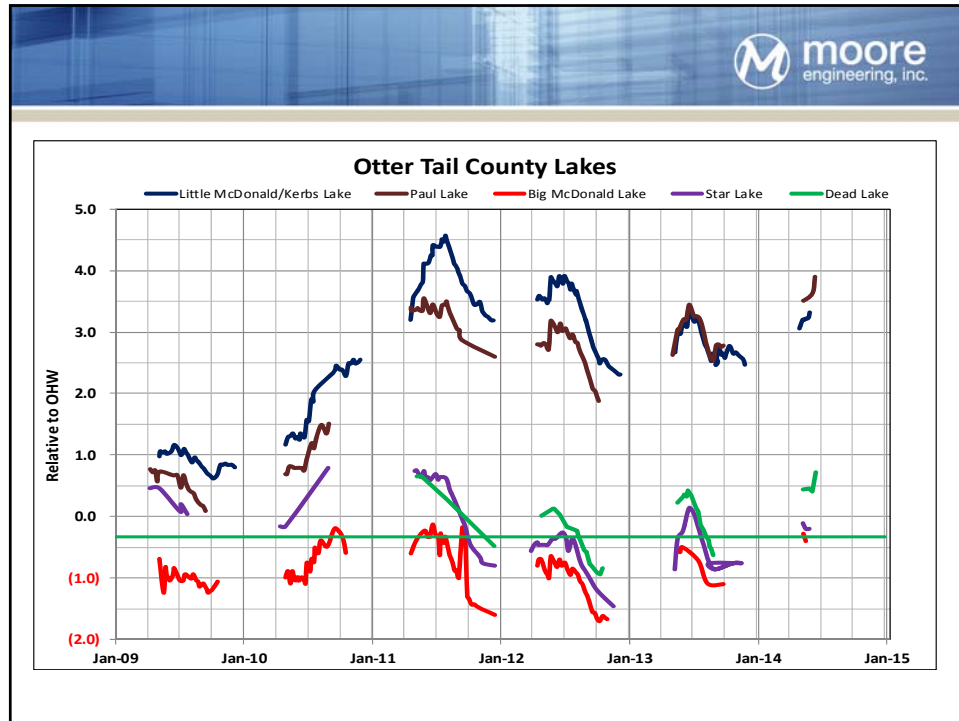
- 1) Control Gates operated by OTC Public Works Division under supervision of the County Engineer
- 2) LMKP LID will perform all required Water Quality and AIS Testing
- 3) LMKP LID will coordinate with OTC to provide all notices
- 4) LMKP LID will reimburse OTC for costs associated with the operations



Approved Venting Plan Final Operations Plan

- 5) Little McDonald, Kerbs & Paul Lakes
 - a) Operate only if above OHW
- 6) Downstream Lakes Water Level Control
 - a) Berger, McDonald, Big McDonald, Star & Dead
- 7) Water Quality & AIS Testing
 - a) LMKP for AIS annually when operating
 - b) McDonald Lake for water quality while operating

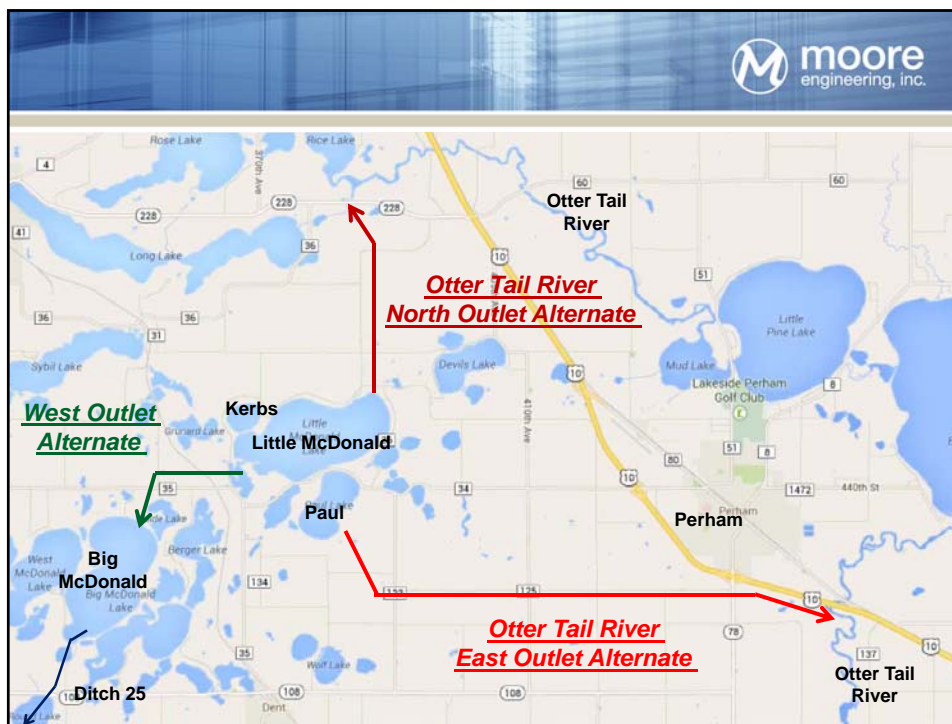




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LMKP LID Additional Studies since 2013 Annual Meeting

- 1) Outlet Filtering System to Remove Invasive Species
- 2) Easterly & Northerly Outlet Routes to the Otter Tail River
 - a) Gravity and Pumped Systems
- 3) Alternate Westerly Outlet Routes to bypass Berger Lake
 - a) Gravity and Pumped Systems
 - b) East and North of Berger Lake



LMKP LID - Venting Alternatives for Discussion		
Alternative	Estimated Cost (Millions)	Est Annual Reduction (Feet)
West to Ditch 25		
1) Original Plan	\$2.50	1.00 to 1.25
2) Direct to Big McDonald Lake	\$3.00	1.00 to 1.25
Direct into Otter Tail River		
1) North Route	\$3.75	1.50 to 2.00
2) North Route	\$4.50	2.00 to 3.00
3) East Route	\$6.00	1.00 to 1.25



**Little McDonald, Kerbs & Paul LID
Venting Improvements**

Alternate West Outlet - Estimated \$3,000,000 Cost

Estimated Total Assessment

EMV	Lake Frontage					
	0	50	75	100	150	200
\$50,000	\$6,238	\$6,738	\$6,988	\$7,238	\$7,738	\$8,238
\$100,000	\$6,475	\$6,975	\$7,225	\$7,475	\$7,975	\$8,475
\$200,000	\$6,950	\$7,450	\$7,700	\$7,950	\$8,450	\$8,950
\$300,000	\$7,425	\$7,925	\$8,175	\$8,425	\$8,925	\$9,425
\$400,000	\$7,900	\$8,400	\$8,650	\$8,900	\$9,400	\$9,900
\$500,000	\$8,375	\$8,875	\$9,125	\$9,375	\$9,875	\$10,375
\$750,000	\$9,563	\$10,063	\$10,313	\$10,563	\$11,063	\$11,563



Little McDonald, Kerbs & Paul LID

Alternate West Outlet - Estimated \$3,000,000 Cost

Estimated Annual Payment

Term Years - 10

Interest Rate - 5.0%

EMV	Lake Frontage					
	0	50	75	100	150	200
\$50,000	\$808	\$873	\$905	\$937	\$1,002	\$1,067
\$100,000	\$839	\$903	\$936	\$968	\$1,033	\$1,098
\$200,000	\$900	\$965	\$997	\$1,030	\$1,094	\$1,159
\$300,000	\$962	\$1,026	\$1,059	\$1,091	\$1,156	\$1,221
\$400,000	\$1,023	\$1,088	\$1,120	\$1,153	\$1,217	\$1,282
\$500,000	\$1,085	\$1,149	\$1,182	\$1,214	\$1,279	\$1,344
\$750,000	\$1,238	\$1,303	\$1,336	\$1,368	\$1,433	\$1,497



Little McDonald, Kerbs & Paul LID

Venting Improvements

Alternate North Outlet - Estimated \$4,000,000 Cost

Estimated Total Assessment

EMV	Lake Frontage					
	0	50	75	100	150	200
\$0	\$8,000	\$8,675	\$9,013	\$9,350	\$10,025	\$10,700
\$50,000	\$8,313	\$8,988	\$9,325	\$9,663	\$10,338	\$11,013
\$100,000	\$8,625	\$9,300	\$9,638	\$9,975	\$10,650	\$11,325
\$200,000	\$9,250	\$9,925	\$10,263	\$10,600	\$11,275	\$11,950
\$300,000	\$9,875	\$10,550	\$10,888	\$11,225	\$11,900	\$12,575
\$400,000	\$10,500	\$11,175	\$11,513	\$11,850	\$12,525	\$13,200
\$500,000	\$11,125	\$11,800	\$12,138	\$12,475	\$13,150	\$13,825
\$750,000	\$12,688	\$13,363	\$13,700	\$14,038	\$14,713	\$15,388



Little McDonald, Kerbs & Paul LID

Alternate North Outlet - Estimated \$4,000,000 Cost

Estimated Annual Payment

Term Years - 10

Interest Rate - 5.0%

EMV	Lake Frontage					
	0	50	75	100	150	200
\$50,000	\$1,077	\$1,164	\$1,208	\$1,251	\$1,339	\$1,426
\$100,000	\$1,117	\$1,204	\$1,248	\$1,292	\$1,379	\$1,467
\$200,000	\$1,198	\$1,285	\$1,329	\$1,373	\$1,460	\$1,548
\$300,000	\$1,279	\$1,366	\$1,410	\$1,454	\$1,541	\$1,629
\$400,000	\$1,360	\$1,447	\$1,491	\$1,535	\$1,622	\$1,709
\$500,000	\$1,441	\$1,528	\$1,572	\$1,616	\$1,703	\$1,790
\$750,000	\$1,643	\$1,731	\$1,774	\$1,818	\$1,905	\$1,993



**Little McDonald, Kerbs & Paul LID
Venting Improvements**

Alternate East Outlet - Estimated \$6,000,000 Cost

Estimated Total Assessment

EMV	Lake Frontage					
	0	50	75	100	150	200
\$0	\$12,000	\$13,000	\$13,500	\$14,000	\$15,000	\$16,000
\$50,000	\$12,475	\$13,475	\$13,975	\$14,475	\$15,475	\$16,475
\$100,000	\$12,950	\$13,950	\$14,450	\$14,950	\$15,950	\$16,950
\$200,000	\$13,900	\$14,900	\$15,400	\$15,900	\$16,900	\$17,900
\$300,000	\$14,850	\$15,850	\$16,350	\$16,850	\$17,850	\$18,850
\$400,000	\$15,800	\$16,800	\$17,300	\$17,800	\$18,800	\$19,800
\$500,000	\$16,750	\$17,750	\$18,250	\$18,750	\$19,750	\$20,750
\$750,000	\$19,125	\$20,125	\$20,625	\$21,125	\$22,125	\$23,125



Little McDonald, Kerbs & Paul LID

Alternate West Outlet - Estimated \$6,000,000 Cost

Estimated Annual Payment

Term Years - 10

Interest Rate - 5.0%

EMV	Lake Frontage					
	0	50	75	100	150	200
\$50,000	\$1,616	\$1,745	\$1,810	\$1,875	\$2,004	\$2,134
\$100,000	\$1,677	\$1,807	\$1,871	\$1,936	\$2,066	\$2,195
\$200,000	\$1,800	\$1,930	\$1,994	\$2,059	\$2,189	\$2,318
\$300,000	\$1,923	\$2,053	\$2,117	\$2,182	\$2,312	\$2,441
\$400,000	\$2,046	\$2,176	\$2,240	\$2,305	\$2,435	\$2,564
\$500,000	\$2,169	\$2,299	\$2,363	\$2,428	\$2,558	\$2,687
\$750,000	\$2,477	\$2,606	\$2,671	\$2,736	\$2,865	\$2,995



Proposed Venting Plan - Remaining Items

- 1) **OTC Establish Ditch 25 Tap-in-Fee**
- 2) **LMKP LID Select Preferred Outlet Plan**
 - a) **Order an Updated Engineer's Report (mid-July '14)**
 - b) **Secure Property Access (July '14)**
 - c) **Hold Project Hearing (Oct-Nov '14)**
 - d) **Prepare Final Construction Plans (Early '15)**
- 3) **Additional Permit Considerations (Early '15)**
OTC Land & Resource, MN DNR, USACE
- 4) **Final Land Acquisition (Early '15)**
- 5) **Project Financing (Early '15)**
- 6) **Complete Special Assessment (Early '15)**
- 7) **Construct Project (Spring-Summer '15)**



Questions / Discussion