BUFFALO-RED RIVER WATERSHED DISTRICT

BARNESVILLE, MINNESOTA 56514

1303 4th AVE NE

PO BOX 341 Website: www.brrwd.org PHONE 218-789-3100

WHISKEY CREEK ENHANCEMENT MINUTES FOR HEARING

APRIL 7, 2021

In accordance with Minnesota Statutes Annotated (M.S.A) 103D.605, 103D.729, and any other applicable statutes, the Board of Managers, Buffalo-Red River Watershed District (BRRWD), held a hearing for the Whiskey Creek Enhancement project on Tuesday, April 7, 2021, at 6:00 PM in the BRRWD office, 1303 4th AVE NE, Barnesville, Minnesota. Due to the Coronavirus protocols for public meetings, the hearing was available online following M.S.A. Section 13D.021. BRRWD Managers present in the office were Peter V. Fjestad, Catherine L. Affield, John E. Hanson, and Mark L. Hanson, and online: Gerald L. VanAmburg and Paul Krabbenhoft. BRRWD Staff in attendance: Kristine Altrichter, Administrator, Zach Anderson, Watershed District Specialist, Erik Jones, Engineer, and Bennett Uhler, Engineer, Houston Engineering, Inc. (HEI). Others attending: Jon Quast, Natural Resources Conservation Service (NRCS); Craig Lingen and Kim Melton, Wilkin Soil and Water Conservation District (SWCD); and landowners: Al Korinek, Kelly Miller, Thomas Thomas, Jason Ehlert, Marilyn and Robert Chambers, Bruce Beaudin, Gary Nordick, Dennis Aksamit, William Fischer, Jesse Stuehrenberg, Duane Stuehrenberg, Larry Terfehr, Rick Terfehr, Kevin Ehlert, Bryan Henderson, Fred Hansen, Chris Watterud, and online: Kevin Brenden, Joann Anderson, Barbara Summerville, Erik Skolness, Pat Freese, Sharon Josephson, and Tom Paulson.

BRRWD President Fjestad called the hearing to order at 6:02 PM. He announced that the hearing was being recorded to aid in the preparation of minutes and asked that the audience use the microphone at the podium to state their names for the record when giving testimony. A signup sheet was available for the audience to record their attendance.

BRRWD Engineer Jones explained that the Whiskey Creek Enhancement project is located in Sections 5, 9, 10, and 15, Connelly Township, Sections 7, 8, 19, 28, 29, 30, and 31, Nordick Township, and Sections 2, 3, 11, 12, 13, and 24, McCauleyville Township, in parts of Otter Tail and Wilkin Counties, starting northeast of Rothsay, MN, and outletting to the Red River just northwest of Kent, MN. The area is 157 square miles with 28.7 total stream miles.

Jones provided background about the project development. The Whiskey Creek enhancement project is a cooperative undertaking between the BRRWD, the Minnesota Department of Natural Resources (DNR), the Minnesota Board of Water and Soil Resources (BWSR), the NRCS, and the Wilkin SWCD to restore the hydrology and habitat, incorporating both natural resource enhancement and flood damage reduction benefits. The project costs will be financed by the BRRWD and their M.S.A. 103D.905, Subd. 3 account; the BSWR Clean Water Fund (CWF) Accelerated Implementation Grant (AIG) (\$300,000), NRCS National Water Quality Initiative (NWQI) (\$2.9 Million), Minnesota Pollution Control Agency section (MPCA) 319 (\$1 Million), and the DNR stream habitat program (\$2 Million).

Bennett Uhler, Engineer, HEI, presented information on the project background, design, and funding. Uhler explained the BRRWD's receipt of the BWSR CWF Grant provided funding to conduct the stream/channel survey in 2016, which was the first step in project development. The survey covered 20.2 miles of the creek channel and 7.6 miles of tributaries (Wilkin County Ditch (C.D.) No. 6A and C.D. No. 1A/1B for 157 sq. mi. of total contributing area in the watershed. The current problems include poor drainage and channel capacity that cause breakout flows across agricultural lands, excessive erosion within the creek, channel slope instability, low water crossings, and beaver activity. MPCA has listed impairments, including aquatic macroinvertibrates, fecal coliform, dissolved oxygen, and turbidity. Uhler discussed the data collection effort

April 7, 2021 Page 10

along the channel, which yielded a profile of the stream with cross sections. Sediment test pits helped to determine the depth of the sediment buildup in the channel, plus stream crossings, beaver dams, and gully locations were identified.

Uhler explained that the project will incorporate stream restoration with a two-stage channel starting upstream in Section 15, Connelly Township, and ending downstream in Section 24, McCauleyville Township (County Road (C.R.) No. 20). Downstream of C.R. No. 20 to the Red River, a targeted channel restoration will be implemented in the heavily wooded stretch of the stream. Along the tributaries, the project will include bank stabilization, as needed. The project will also incorporate the implementation of upland conservation practices, based on landowner participation, funded in part by the NRCS NWQI program. Some of the area landowners have already enrolled in the NWQI, working with the Wilkin SWCD staff and Jon Quast, NRCS. Uhler described a typical channel section of the two-stage channel design. The project will also address stream gullies by installing side inlet pipes, located using the Stream Power Index (SPI) analysis, which can predict potential erosion sites. The SPI data is verified by field survey and aerial photo review.

Uhler explained that the project will be developed with a phased approach. Between 2009 and 2015, the BRRWD partnered with the Wilkin County Highway Department and SWCD to complete ditch retrofits and a pilot channel restoration. Phases 1-4 of the project will focus on the channel restoration and upland practices during the 2021-2024 construction seasons, based on funding availability. Phase 1 is in Sections 9, 10, and 15, Connelly Township; Phase 2 is in Sections 5 and 8, Connelly Township and Section 32, Nordick Township; Phase 3 is in Sections 30 and 31, Nordick Township; Phase 4 is in Section 19, Nordick Township, and Sections 13 and 24, McCauleyville Township. Phase 5 (2022-2025) will continue the channel restoration work, bank stabilization and upland practices, driven by funding availability and landowner participation, specifically from NWQI and Section 319 grants (MPCA). Channel maintenance (log and beaver dam removal) will be ongoing over the life of the project, funded by the watershed management district (wmd) fee. Uhler also discussed the 2014 pilot channel restoration project in Connelly Township.

Uhler discussed the land acquisition component of the project development. One of the funding sources for land acquisition will be the Conservation Reserve Enhancement Program (CREP). The CREP boundary was identified using the 10-year floodplain map, a 50' buffer on the existing channel, and the project design footprint. Craig Lingen, Wilkin SWCD, has been working with landowners to determine the permanent CREP boundaries for their property. There could also be additional temporary right-of-way (R/W) area needed for construction beyond the CREP boundaries for which landowners will be compensated.

Jones discussed the various potential permanent and temporary R/W payment rates, based on existing CREP rates and County Estimated Market Value (EMV) rates for non-CREP land.

Uhler discussed the project permitting process. Currently, the BRRWD has secured the DNR Public Waters Permit for Phase 1, the Wilkin County Wetlands Conservation Act (WCA), and the Army Corps of Engineers (COE) Section 404 permit. Permits yet to be acquired would be from the Wilkin County Environmental Office Conditional Use Permit (CUP), and the MPCA Construction Permit.

Project benefits include improved drainage and conveyance of water, BMPs implementation, expanded buffers, nine miles of Whiskey Creek restored to a stable natural stream, and reduction of nutrient and sediment loading as identified in the MPCA's Total Maximum Daily Load (TMDL) study.

The total estimated cost of the project is \$9.9 million: \$7 million for channel restoration and streambank repair and \$2.9 million for upland agricultural treatments/practices. Estimated funding sources for the initial construction include MPCA Section 319-\$1million, BWSR CWF-\$640,000, NWQI-\$2.9 million, CREP-\$1.16 million and \$100,000, DNR Stream Habitat Program (Lessard-Sams Outdoor Heritage Council (LSOHC)-\$2 million, wmd fees (local share)- \$700,000, and the BRRWD M.S.A. 103D.905, Subd. 3 district-wide watershed tax levy-\$1.4 million. The potential funding will be allocated per project phases over time. Jones

April 7, 2021 Page 10

noted that the local cost of the project is approximately 10% of the channel restoration costs. Federal grants require a match from either state funds or local contributions.

Uhler explained the proposed wmd fee-based funding. The individual rate is determined by parcel runoff and sediment contribution (pre-settlement vs. current conditions). The wmd rates east of the Rothsay slough are higher because of the steeper terrain and more erosive soil types than on the west portion of the wmd where the soils are more compact clays. The BRRWD is proposing to raise \$150,000 annually. The current plan proposes an annual cost per acre ranges from \$0-\$2.50. Once the initial local share has been collected, the wmd assessment will be determined annually by the BRRWD at the budget hearing, based upon specific project maintenance needs.

Uhler displayed aerial slides showing the Wolverton Creek Restoration project during construction, noting that the Whiskey Creek project will be constructed with a similar design.

Following Uhler's presentation, Jones opened up the floor for audience questions.

Dennis Aksamit owns property on Wilkin C.D. No. 6A. He asked where Whiskey Creek was located. Uhler described the stream alignment of the Creek and contributing area. Aksamit also asked about the scope of the project. Jones explained that the channel restoration will take place mainly on the Creek with more limited work on the tributaries to address bank instability. There will also be opportunities for landowners to implement upland conservation practices with NWQI funding.

Barbara Summerville questioned the assessment process for her family's property in Meadows Township. Jones explained that the wmd fee would be levied as a line item on the landowners' property tax statement.

Tom Thomas owns the SE¹/₄, Section 36, Manston Township, which is enrolled in a Wetlands Reserve Program (WRP) perpetual easement. He explained that all the drainage has been "blocked" on the WRP acreage and it won't contribute any runoff to the project.

Robert Chambers owns land in Section 10, Connelly Township. He noted he is in favor of the project and asked about the timeline for the project construction. Jones explained that Phase 1 funding is in place and a group of the area landowners have signed up for the NWQI program. He estimates that construction could potentially start this fall (2021).

Pat Freese owns property in Section 32, Nordick Township. He asked about how his tile outlets on the Creek will be addressed. Jones said that staff will be contacting him to acquire temporary R/W and will discuss his tile outlet locations at that time.

Chris Watterud asked about the initial assessment term to complete the project construction. Jones said the estimate for the wmd assessment would be about a 5-year period, depending on the availability of additional outside funding over the phased construction timeline. Additional annual wmd assessments could be levied for maintenance.

Al Korinek has property on the downstream end of the project in McCauleyville Township. He thought in the event of a heavy rainfall, the downstream areas will be flooded and said the outlet should be cleaned first before the upstream reaches of the Creek. Jones explained in the case of a heavy rainfall, downstream impacts won't be made worse by the project.

Sharon Josephson commented that her family owns land in Section 14, Connelly Township, where the BRRWD constructed the pilot project in 2014. She was impressed with the earlier project's performance and congratulated the BRRWD for considering the completion of the rest of the restoration project.

April 7, 2021 Page 10

Bruce Brenden farms in Section 15, 19, and 20, Trondhjem Township, Otter Tail County. He questioned the accuracy of the assessment area map for his property, compared to the DNR buffer maps. Jones explained the history of the DNR buffer maps along the Otter Tail/Wilkin County boundary where there is discontinuous designated public waters. Jones explained that the channel continues in Wilkin County, it just isn't designated as Public Water for a few miles. Brenden also questioned his wmd rate, as his soil in Section 15 is heavy gumbo, not sandy loam.

Fjestad read written comments from a number of landowners who could not attend tonight's hearing:

Andrew Beyer commented that he was in favor of the project, but he thought the cleanout should start at the outlet and work upstream like the Wolverton Creek project.

Doug Danielson questioned why the eastern area of the wmd was assessed at higher rates than the western area closest to the Creek. He noted that the newly installed ditch system buffer strips should reduce sediment runoff from the upper reaches of the wmd. He also asked about the term of the wmd assessments.

Kevin Brenden also had concerns about the wmd rates for the eastern part of the watershed area.

Uhler restated that the method for determining the wmd assessment rate was based on runoff and sediment contribution to the watershed.

Jones reiterated that Phase 1 could be started this fall in Sections 9, 10, and 15, Connelly Township. Phase 2 in Sections 5 and 8, Connelly Township, and Section 32, Nordick Township, could start early next summer (2022). Funding is in place for those two phases without any significant local contribution.

Robert Chambers and other landowners reiterated concerns that construction should start at the outlet end of the project. Jones explained that construction could start anywhere on the project alignment, but a group of landowners on the upstream end of the project have already enrolled in the NWQI program and are ready to move forward.

Kevin Ehlert owns property in Section 19, Nordick Township, along C.R. No. 20. He was concerned about potential flooding on his property at the downstream end of the channel restoration, and he asked if the project will just stop at C.R. No. 20. Jones explained that the project will go beyond C.R. No. 20 to establish a gradeline that will provide for adequate drainage north to the Red River.

President Fjestad asked if there was anyone else who wished to give testimony or ask a question. There being none, he adjourned the meeting at 7:13 PM.

Respectfully submitted,

John E. Hanson, Secretary