

BUFFALO-RED RIVER WATERSHED DISTRICT

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MEDIATION PROJECT TEAM MINUTES

December 9, 2010

The Buffalo-Red River Watershed District (BRRWD) Mediation Project Team (PT) held a meeting on Thursday, December 9, 2010, at 1:30 PM at the Minnesota State University Moorhead (MSUM) Science Center, Glyndon, MN.

Attending were: Bruce E. Albright, BRRWD Administrator, and Houston Engineering, Inc. (H.E.), Erik S. Jones and Zachary Herrmann, Engineers, H.E.; Roger G. Ellefson, Breanna Paradeis Kobiela, and Curtis M. Nelson, BRRWD Managers; Paul Wannarka, Red River Basin Coordinator, Minnesota Department of Natural Resources (DNR), Lynn Foss, Clay Soil and Water Conservation District (SWCD), Dave Barsness, Fisheries Specialist, DNR; Shawn May, Detroit Lakes Wetlands Management District (WMD) and United States Fish and Wildlife Service (USFWS); Kevin Brennan and Doug Wells, USFWS and Fergus Falls WMD; Pete Waller, Board Conservationist, Minnesota Board of Water and Soil Resources (BWSR); Adam Phillips, Ducks Unlimited (DU); Brian Winter, Program Director, The Nature Conservancy (TNC); and Jack Fredrick, Minnesota Pollution Control Agency (MPCA).

Members absent were: Don Schultz, Area Wildlife Manager, DNR; Henry VanOffelen, Natural Resource Scientist, Minnesota Center for Environmental Advocacy (MCEA); Robert Honeman, Area Resource Conservationist, Natural Resources Conservation Service (NRCS); Audubon Dakota; Brian Dwight, Board Conservationist, BWSR; Craig O. Evans, PM-D, Army Corps of Engineers (COE); Leo Grabowski, Project Manager, COE; Robert G. Merritt, Area Hydrologist, DNR; Scott Kahan, Detroit Lakes WMD and USFWS; Richard Pemble, Citizen Advisory Committee, BRRWD; Wally Sparby, Staff Assistant, Congressman Collin Peterson's Office; Robert A. Zimmerman, Engineer, City of Moorhead; and Brad Grant, Becker SWCD.

Albright called the meeting to order at 1:30 PM. He thanked the group for their attendance and noted that Kevin Brennan, USFWS, Robert Merritt, DNR, and Richard Pemble, Citizen Advisory Committee, are all retiring in the near future, and no longer will be serving on our PT. Doug Wells will replace Kevin Brennan. The DNR is not filling Merritt's position at this time. Pemble has moved to Fargo and no longer serves on the Advisory Committee. The PT members introduced themselves. Albright mentioned that we will need to recruit replacements for the retiring members.

Business brought before the group included:

Meeting Minutes. The 8/19/10 meeting minutes were distributed via e-mail with today's meeting notice. **Motion** by Barsness to approve the minutes. **Seconded** by May. **Approved.**

Albright mentioned that Paul Wannarka, Red River Basin Coordinator, DNR, distributed Handbooks to the PT members at the 8/17/10 meeting. He noted that there are working papers included in the facilitator handbook that are not included in the PT member copies. He discussed how problems/issues/projects are developed in conjunction with the Mediation PT process.

Project No. 54 Whiskey Creek Tributaries. Albright briefly discussed the project's development and design. He noted that the BRRWD needs to follow up with project monitoring. The group discussed the recent DNR aerial photography flight, which documents that the two-stage pilot channel on "east tributary" is working as designed.

Project No. 56, Manston Slough Restoration. Albright reported that 22 easement options were mailed to the project landowners and we have 11 signed agreements. He plans to contact the landowners who have not signed their options in the near future. Albright noted that we also plan to request an extension for the current DNR grant. The BRRWD would like hold the final hearing this winter and be ready to let bids this spring and get started on project construction next summer. Albright noted that the Legislature has approved Manston Slough Restoration for 75% funding. The BRRWD will need to contact the DNR regarding this funding. The DNR has completed the Holubok farmstead purchase. BWSR has funding available for grass seeding on the Holubok tract. Waller reported that Don Bajumpaa, Wilkin SWCD, contacted him regarding winter seeding. Jones noted that the only outstanding permit for the project is the Wilkin County Conditional Use Permit (CUP). Albright doesn't expect any problems obtaining this permit.

Project No. 58 Riverton Township Retention. Albright discussed project operation and design. TNC has completed some seeding and plans to finish the work next summer, as it was just too wet this fall. There are still a few minor clean up items to address. Albright discussed landowner contacts regarding the project assessments. Winter asked about the gate operation. Jones said that the outlet is currently open, but will be closed prior to the spring runoff.

Project No. 49, Oakport Flood Mitigation. Albright gave a brief overview of the project scope/development/construction status. He discussed temporary road closures that will be needed next spring, but most of the project is built and will provide flood protection. The Wall Street road raising wasn't finished last year, and temporary levees will need to be installed this spring to protect against flooding. The township will be able to close the valves to protect the sanitary sewer system.

Phase 4 could be bid later next summer around Labor Day. However, the DNR has indicated that they may not have enough money to do the work until 2012. Ulteig Engineers, Inc. (UEI) has estimated that we will need \$8 million to wrap up the project construction. Albright has discussed financing with Ken Lokkesmoe, DNR.

The group discussed the County Road (C.R.) No. 93 raising. Manager Paradeis Kobiela commented that the road is high, but Albright pointed out that our goal was to protect the property from the flood of record, which would be the 2009 spring flood (40.8' level). The final design includes 3' of freeboard or the 44' level. Albright noted that local project assessments have also been sent to the landowners for the Oakport project. Currently, most homeowners are paying an average of \$1,500/year for flood insurance. After the project is completed, homeowners will qualify for the lowest flood insurance rate, or about \$150/year.

To date, we have purchased 57 properties. The last closing is scheduled for next week.

Project No. 60, Swede Grove Lake. Josh Kavanagh, DU, is interested in working with the BRRWD and the PT to develop this lake as a natural resource enhancement (nre) project. Kavanagh is investigating possible programs/funding that might be available through DU and the DNR and their Shallow Lakes Project proposal for the Lessard-Sams Outdoor Heritage Council (LOHC) Conservation Partners Legacy Grants (CPLG). Funding would be available after July 2011. Adam Phillips, DU, will be attending future PT meetings and looks forward to working with everyone on nre/fdr projects. He felt there were lots of opportunities.

Project No. 50, Cromwell Township Highwater Investigation. A hearing was held on 8/30/10 to discuss an area north of the City of Hawley where five wetland basins are flowing together and rising because of the current wet cycle. Three houses and a township road are impacted by the high water. The road has been underwater for about two years, and FEMA will assist with the repairs once the road is dewatered. Last summer, the BRRWD declared this project an emergency. The BRRWD met with the USFWS regarding their wetland elevations in easement areas associated with the project. Our goal was to lower the water on the township road by about 2'. This fall, the USFWS gave the BRRWD a 30-day temporary permit to drain the water from Phase I, which worked as intended. This fall, the BRRWD hired a contractor to complete Phase 1. The BRRWD will continue to work with the USFWS to determine a final elevation for the wetlands involved with Phase 2 of the project.

Project No. 63, Grove Lake Outlet. The project is operational and working as intended.

Project No. 67, HRBP Lakes Outlet. Landowners on the upstream lakes (Helgeson, Businger, Seim, and Randkler) on the north side of Trunk Highway (T.H.) No. 34 contacted the BRRWD regarding a possible outlet for their lakes through Grove Lake. They were also concerned that Pete Lake would break out and drain downstream to Grove Lake. The BRRWD held an informational meeting on 8/26/10 in Barnesville with the upstream landowners and Grove Lake landowners to discuss a possible outlet project. T.H. No. 34 was also threatened by the high water. This fall, the Minnesota Department of Transportation (MNDOT) only raised the road about 2', instead of the 4' they had proposed earlier, with the understanding that the BRRWD would complete an outlet project, yet this year. Outlets for Pete Lake and the other upstream lakes were installed to drain through Grove Lake and are now operating. Jones noted that the lake outlets will be closed before the spring runoff.

Project No. 68, Lake Jacobs Outlet. Landowners on Lake Jacob attended the 11/08/10 BRRWD meeting to ask for help with their high water concerns. The BRRWD held an informational meeting on 11/22/10, and the Board agreed to authorize H.E. to conduct an area survey to gather information to provide a possible outlet alignment. Jones discussed the results of the survey. The project would be composed of 15" dia. non-perforated tile that would drain water from Lake Jacobs eventually to Deerhorn Creek. Using an area map, Jones explained the preliminary project alignment.

Lake Annie landowners, located east of Lake Jacobs, have also contacted the BRRWD regarding their high water concerns. Lake Annie is not located in the BRRWD. The Board has agreed to authorize H.E. to do some very preliminary work to determine their options for an outlet. According to Farm Service Agency (FSA) aerial maps, Jones estimated that the lake has risen 3' since 2008 and has grown to about 150 acres. At this point, these landowners would have to work with their County Engineer regarding their concerns. Jones observed that when Lake Annie reaches its overflow elevation, it would flow naturally east. If Jones' preliminary study shows that an outlet via Lake Jacobs would be feasible, the landowners might decide to petition BWSR to add their land to the BRRWD. Albright explained that this area petitioned the Water Resources Board to be removed from the BRRWD in 1976. The neighboring landowners who remained in the BRRWD are questioning this current request by the Lake Annie landowners to rejoin the BRRWD after all those years of unrestricted ditching into the area lake systems, while not paying any taxes to the BRRWD. Albright also noted that landowners in the middle portion of Wilkin County have indicated that if their attempt to form a watershed district with adjacent areas of Otter Tail County fails, they may want to reconsider a petition to add approximately 400 square miles to the BRRWD. The group briefly discussed the process to petition into a watershed district. The group also discussed the status of the current Wilkin County petition to form their own watershed district with a part of Otter Tail County, downstream of Orwell Dam. Waller noted that Otter Tail County doesn't seem to be very interested in participating.

Project No. 69, Lake Alfred Outlet. Albright discussed this lake north of Lake Jacobs where several landowners are experiencing high water problems. Homes and septic systems are in jeopardy, and

landowners plan to attend the next BRRWD meeting to ask for help. Jones displayed a map of the area and explained the drainage patterns. An outlet project would drain water from the Lake Alfred eventually to Whisky Creek. There is a Waterfowl Protection Area (WPA) east of the lake that is at the same elevation. According to the LiDAR data, Jones said the lake would only need to rise about 2' more, and it would run out naturally to the north. The BRRWD will have H.E. conduct an assessment of how many more potential outlet projects we could have if the current wet cycle continues.

Project No. 64, LaBelle/Boyer Lakes Outlet. Jones discussed project development, and noted that since the project operation began in July, Boyer Lake is down approximately 4'. Barsness asked what the target elevation was for Boyer Lake. Albright said that a tentative goal was 4'. Jones mentioned that one landowner on Boyer indicated that he thought the lake could be lowered about 4'-5'. Jones said that when the lake gets to the 4' mark, he plans to install the stop logs in the inline structure and maintain the lake at that elevation for the winter. Albright asked if any of the agencies might have funding for shoreland restoration, as Boyer Lake would be a good demonstration project. The BRRWD should probably meet with landowners this winter to determine the final drawdown elevation and discuss shoreland restoration.

Barsness discussed water quality monitoring efforts in the area lakes and area fish populations. Albright noted that LaBelle Lake was only lowered about 1.5'. Jones noted that it is still about 0.4' above the Ordinary High Water (OHW), and Boyer is about 3' above the OHW. Felker Lake is also being lowered slightly in association with LaBelle/Boyer Lakes.

Project No. 66, Tansem/Ranum Lakes Outlet. The BRRWD has been working with Brad and Lanessa Hersch regarding high water problems on their farmstead along T.H. No. 34 east of Barnesville in the NW¼, Section 26, Tansem Township, Clay County. The highwater was also affecting T.H. No. 34, and MNDOT raised their road about 4' this fall. A number of agencies are working together to provide possible funding for a home buyout for the Hersches. Albright met with a representative from Wynn Consulting, who is working with the Department of Employment and Economic Development (DEED), regarding a buyout grant for the Hersches. They plan to meet with the homeowners in January.

Waller asked if there would be restrictions placed on the property so no one could build in that area again. Albright said there would be covenants included in the DEED grant agreement that would prohibit future building on this tract at elevations that could potentially flood if an outlet is not installed.

Project No. 65, County Line Outlet. Albright noted there is another area with high water problems east of Barnesville on the Clay/Wilkin County line. USFWS has a WPA on the Wilkin County side of the area. Brennan explained that USFWS might have funding for an outlet project for their WPA in 2012. Ellefson discussed the concerns of the landowners who are affected by the high water in this area. He noted that water is already running out to the west towards Interstate-94 (I-94), and added that MNDOT refused to allow the BRRWD to outlet this project through their I-94 road ditch to Wilkin County Ditch No. 41. Brennan thought that the USFWS could install a large enough tile outlet to take it south and bypass the I-94 ditch. Albright said that the BRRWD has survey/elevation data that USFWS could use for their project.

Albright mentioned that the DNR has asked how many more potential lake outlet projects we have pending in the BRRWD so they can factor the costs into their budget. Winter pointed out that the BRRWD should establish criteria for implementing lake outlet projects. He thought that once we started, there's no limit to how many lakes will need outlets. Albright agreed, but explained that none of the current projects were built just to drain water off cropland. All our current projects were installed because homes/roads were threatened. Ellefson discussed flooding issues in the BRRWD. He pointed out that we no longer have the natural wetland storage we used to rely on. Ellefson feels that with gated outlet projects, we can provide some spring flood storage by lowering them in the fall so that there is some storage available in the spring when we need it for flood control. Brennan noted that USFWS has had to develop a policy regarding lake

outlets because of the number of requests. Jones thought that H.E. could investigate through the use LiDAR data to determine if there are any more lakes in the BRRWD that are reaching their runout elevations and may need a controlled outlet.

Wolverton Creek/Comstock Coulee. Albright mentioned that landowners from the Wolverton Creek/Comstock Coulee area plan to attend tonight's COE Fargo-Moorhead Diversion Project meeting to discuss the COE's new plan to implement upstream storage south of the Fargo-Moorhead area, which would include parts of the Wolverton Creek/Comstock Coulee watershed.

Albright noted that we resubmitted our application for Phase II funding to BWSR last fall for the restoration project on the Wolverton Creek/Comstock Coulee, and our application was approved. Phase II work will start upstream of where Phase I left off at T.H. No. 75. For the past several years, we've been trying to do work on the Wolverton Creek outlet to the Red River, but high water has hindered that work. The materials are onsite, and the contractor is ready to start. The group discussed specific sites and the types of projects that are planned for this area. The group also discussed the possible implementation of distributive storage and the problem of increasing easement costs due to recent high value land sales.

Jones asked for input from the PT about where on the Wolverton Creek channel they thought we should start the Phase II work. The group suggested that he contact Luther Aadland, DNR, and they discussed features of the project that could be planted to bufferstrips. Albright noted that the project landowners are very willing to participate in the project, and the BRRWD is very grateful to the DNR for the opportunities their grant provides for this important restoration project.

Lawndale Trout Stream Restoration. Albright reported that landowners' issues have been addressed. The DNR has equipment on site, and the staking is completed. Someone said that some work has already been started, and the contractor plans to work all winter, weather permitting.

Project No. 39, Georgetown Levee. Albright said that we have been approved for an additional \$500,000 from the DNR. The BRRWD plans to use the funding for appraisals, design, and buyouts. The total project cost is estimated at approximately \$3.4 million.

Hay Creek/Stinking Lake CWL Project. Albright reported that work funded by the Phase I Clean Water Legacy (CWL) grant is nearing completion. Phase II funding (\$100,000) has been approved by BWSR, and the installation of bufferstrips and sediment control basins will continue. This has been a very successful project. Bruce Paakh, MPCA, has been conducting water quality sampling in this watershed and Stinking Lake. The BRRWD and the Detroit Lakes USFWS are working together on the operation of the Detention project. This fall the stoplogs were placed at the USFWS outlet structure, but it appears that someone removed a number of them.

South Branch of the Buffalo River. The BRRWD and PT have been using the Mediation process to look at potential projects to address fldr and nre concerns along the South Branch of the Buffalo River in Wilkin and Otter Tail Counties. Don Bajumpaa, Wilkin SWCD, has informed Albright that the area landowners are very anxious to move forward on this project and would like the BRRWD to schedule an informational meeting.

Erik Jones and Zach Herrmann, H.E., presented an update of their alternative detention site investigations. He said that one goal was to eliminate some of the previously proposed retention acreage by increasing the setback alignment. They distributed maps showing potential retention areas and setback levee alignments for the South Branch of the Buffalo River. Herrmann explained that by inputting their proposed wider setback alignment along with a number of road raises into their hydraulic model, they can show a zero impact at the Clay County line for the 100-year event. The first alignment yielded approximately 2,350

acres of retention with a wider setback alignment, and the narrower alignment would provide approximately 1,400 acres. Herrmann pointed out that the difference between the acreage of the two proposed setback alignments is significant, but the wider alignment would reduce the need to have more land inundated by permanent pools reservoirs, which would reduce the total amount of easement acreage required for the project. Herrmann explained that there were two options: one would be for three storage sites upstream of T.H. No. 9, and the other option was a series of off-channel storage sites west of T.H. No. 9 with one other storage site east of T.H. No. 9. The total difference between the wider and narrower setback alignments was about 3,500-4,500 less easement acreage with the wider setback. Jones explained that in order to provide the zero impact at the county line, it would be necessary to restrict flows in the middle of the project at a couple of sites with culvert closings and road raises to improve storage within the setback levees. However, there may be DNR issues with this proposal as the waterway is protected waters. Herrmann explained there are a number of potential channel restoration opportunities within the setback levees that would increase the project's overall storage capacity and restore channel sinuosity. Jones thought it might be possible to use temporary distributive storage, or the "waffle" concept, to enhance springtime runoff storage in the system, which should have little or no impact on crop production during the growing season. Jones stressed that under this scenario there would be no gain or loss in stage impact at the county line. Herrmann noted that with one of the storage plans there could be about a 2' reduction at the county line for the 100-year flood event.

Doug Wells, USFWS, felt the project should include nre features, which can also help in terms of fdr. Herrmann said we would work with other state and federal agencies in terms of best management practices (bmps). Albright noted that there are a number of new Wetlands Reserve Program (WRP) sites installed in this area.

Albright asked the PT members if they felt it would be beneficial if the 1/27/11 PT meeting should be held in conjunction with a landowner informational meeting in Barnesville. Albright noted that there are areas upstream in Otter Tail County where a number of wetland restorations could be constructed that could provide both fdr and nre benefits. Albright said that our Clean Water Legacy (CWL) funding has been approved to find erosion prone areas. He added that water quality monitoring would be an important feature of this project. Jack Frederick agreed that it was important to document and monitor water quality during project development.

Doug Wells asked about the need for upstream retention and the goal of flood stage reduction at the county line. He questioned if a meeting would be productive if we didn't have information regarding the upstream retention possibilities. The fdr goal could be met by installing wider setback levees, which would not increase the flood stage at the county line. This project would be ungated. Albright discussed the BWSR Reinvest In Minnesota (RIM) program funding that was used to enroll 21 of the 22 landowners along the South Branch into the bufferstrip program. It's always difficult to decide how much information to present at an early meeting, as some landowners don't appreciate seeing maps with their land shown as retention areas, without being talked to first. He explained that most of the proposed setback acreage is already in the RIM easement program. Herrmann explained that the RIM easement area is shown on the map. The group briefly discussed how to present the setback levee information to the landowners at the meeting. Waller suggested that Albright contact Don Bajumpaa regarding the scheduling of an informational meeting. The group agreed that the next PT meeting should be held in Barnesville and concentrate on this project.

BRRWD Total Maximum Daily Load (TMDL). Albright reported on the Social Indicators Survey progress. In association with the Water Research Center in St. Paul, Alec Albright, project coordinator, mailed approximately 1,150 surveys earlier this summer. The response to the survey was not what we had hoped, so a second draw was completed, and the new surveys will be mailed in the next few days.

The 2-year monitoring work in conjunction with the Phase I TMDL has been completed. Frederick discussed the Phase II workplan, which includes lake water quality monitoring. MPCA would like to develop a method to categorize the lakes to be able to group them according to drainage areas, water quality, etc., to be able to apply targeted bmps. Surface Water Assessment Grant (SWAG) applications for water quality lake testing have been submitted. The group briefly discussed a seminar regarding MPCA's Category 4B, which involves TMDL implementation, and whether the BRRWD's new Revised Watershed Management Plan (RWMP) may have enough detail to move directly into Phase III implementation.

Barnesville Township FDR Study. The BRRWD has been working with landowners in the area southwest of Barnesville in Sections 32, 33, 34, 35, and 36, Barnesville Township, Clay County, which has a drainage area of approximately 21 sq. mi., and has had significant water problems along a DNR protected watercourse. Landowners in this area attended the 11/08/10 BRRWD meeting in response to a ditch repair request, which will have an effect on downstream drainage. Hopefully, after the Oakport Flood Mitigation and Manston Slough Restoration projects are completed, the BRRWD will have the time to devote to this project area.

Fargo-Moorhead Metropolitan Feasibility Study. The COE is holding a meeting tonight, and they are expecting a large crowd in response to the new upstream retention proposals. Albright referred to a new map showing proposed upstream retention areas, which include portions of the BRRWD near Wolverton Creek on the Minnesota side of the Red River. The group had an extended discussion regarding the various proposals the COE has presented over the last few years, including the Minnesota diversion, and the project development process. The group also discussed possible funding Representative Collin Peterson has proposed for flood damage reduction in the Red River Basin.

Buffalo River Stabilization. The BRRWD met with the City of Hawley regarding a long term plan to restore the natural channel alignment for a reach of the Buffalo River. The DNR, who is the project manager, is ready to move forward with the proposal and submitted a LOHC CPLG application for several river restoration projects. Unfortunately, the Hawley project is about Number 5 on their list. The Hawley project cost estimate is approximately \$1.5 million. Albright reported that the funding was not approved for this funding cycle. Another funding opportunity could be a grant from the CWL Program or possibly from LSOHC-CPLG next year. Herrmann displayed a map of the project area, and Jones described the basic project design. Albright noted that one of the LSOHC-CPLG Board members, Les Bensch, is very interested in providing funding for smaller retention PT projects, as long as they incorporate nre features.

Red River Basin Commission (RRBC) Impoundment Study/Long Term Flood Study (LTFS). The RRBC is working on a modeling project for the Red River of the North to determine if it would be possible to meet a 20% long term flow reduction goal from the White Rock Dam in South Dakota to the Canadian border. The report is due to the Legislature next summer. The Energy & Environmental Research Center (EERC) has contacted the BRRWD to request that we sponsor implementation of their "waffle" concept. The RRBC has asked that Watershed Districts in the basin to provide a LTFS model to determine the possibility of 20% reduction on the Red River of the North. Rick St. Germain, H.E., did the BRRWD's study, and determined that it would be possible to reduce impacts by 20%. Jones discussed the method and criteria used in the study. The RRBC contributed \$10,000 to our effort.

RWMP. BWSR ordered in the BRRWD's RWMP on 6/26/10. The City of Hawley filed an appeal of BWSR's decision, which was dismissed because it was improperly filed.

Activities Update. Planning continues on the new BRRWD office building. Albright noted that he and the BRRWD Building Committee plan to visit the Bois de Sioux Watershed District office.

Membership Changes. As mentioned at the beginning of the meeting, Doug Wells, USFWS, will be taking on Kevin Brennan duties on an interim basis, as Brennan will be retiring this month. Robert Merritt and Earl Johnson, DNR, will also be retiring this month. Albright noted that Terry Lejcher, Fergus Falls DNR, retired last summer, and Julie Aadland, DNR, has taken over his duties. Richard Pemble, BRRWD Advisory Committee, has moved out of the BRRWD, and will also need to be replaced. Albright thanked the retiring members for their service.

Next Meeting. Albright said the next PT meeting will tentatively be scheduled for Thursday, January 27, 2010, at 2:00 PM, Hildebrand Hall, Assumption Catholic Church, Barnesville, in conjunction with an informational meeting for the South Branch of the Buffalo River. Notices will be sent. The next regular PT meeting will be held Thursday, February 17, 2010, at 1:30 PM in the MSUM Science Center. It could be subject to change, depending on the weather, work load, etc.

Adjournment. There being no further business to come before the group, Albright adjourned the meeting at 4:20 PM.

Respectfully Prepared and Submitted by

Bruce E. Albright, BRRWD Administrator