

## Main Request for Funding Form

### Lessard-Sams Outdoor Heritage Council Fiscal Year 2014 / ML 2013 Proposal

**Program or Project Title:** McGregor Marsh Wetland Protection

**Funds Requested:** \$2,396,000

**Manager's Name:** Ray Norrgard, Gary Drotts

**Title:** Wetland Program, Area Wildlife Manager

**Organization:** MNDNR Wildlife

**Street Address:** 1601 Minnesota Drive

**City:** Brainerd, MN 56401

**Telephone:** 218-833-8620

**E-Mail:** gary.drotts@state.mn.us

**Organization Web Site:**

**County Locations:** Aitkin,

**Ecological Planning Regions:**

- Northern Forest

**Activity Type:**

- Enhance
- Protect in Fee

**Priority Resources Addressed by Activity:**

- Wetlands

### Abstract

Develop a 10,000+ acre wetland habitat complex containing wild rice, moist soils, wetlands, and a shallow lake through acquisition of a wild rice paddy system that will link the Grayling Marsh and McGregor WMAs and provide interrelated wetland enhancements.

### Activity Detail

#### Design and Scope of Work

Approximately 30 species of waterfowl are regular migrants through Minnesota. More than a dozen breed and nest in Minnesota. While each of these species has its own particular habitat needs the common bond is a dependence on wetland habitat for survival. Meeting the needs of these waterfowl requires a complex of wetland sizes and types ranging from seasonal wetlands to large permanent shallow lakes. These wetland complexes also benefit furbearers, amphibians, turtles, songbirds, raptors, rails and herons.

Minnesota's breeding waterfowl go through five life stages in our state: Breeding, Nesting, Brood Rearing, Molting, and Migration. Each life stage has its own characteristic habitat needs regardless of ecoregion. Adequate nutrition for spring migration, breeding and production is provided by seasonal wetlands and shallow lakes. Nesting habitat in the northern forest is provided by tree cavities, emergent wetland vegetation, and scattered grasslands. Brood rearing and fall migration needs are met by permanent wetlands, shallow lakes, and seasonal wetlands during wet autumns. An additional critical component of wetland habitat in northern forests is the abundant invertebrates and nutritious seeds provided by wild rice.

The McGregor Marsh Wetland Habitat Complex project will meet these habitat needs by developing a premier 10,934 acre wetland habitat complex which will contain wild rice, moist soils, sedge meadows, wetlands, a shallow lake (400 acre Mud Lake) and scattered small islands of alder/willow/aspen. This is proposed to be accomplished in two Phases with primary management and upkeep of this complex accomplished through a cooperative farming agreement (CFA) with a local farmer(s). The following notes highlights to this thought.

- Background:
  - In the 1960's and 70's cultivated wild rice acres had peaked in Minnesota at 18,000 acres, a majority of which existed in Aitkin County. Due to an expansion of these acres in other parts of the U. S. that led to over production and falling demand, these acres have been greatly reduced in the last few years through conversion to other agricultural crops and used as wetland mitigation banking sites for mining impacts in northeastern Minnesota. The currently active wild rice paddy system proposed for acquisition in this proposal is one of a handful left in Aitkin County.
  - The Grayling Marsh WMA was created in 1958 with a goal of improving wetland wildlife habitat in Mud Lake, a 400 acre shallow lake that was drained in the 1890s. Over the years, the WMA has grown to 9,232 acres with 5.2 miles of dikes and ditches with three water control structures added to manage wetland habitats. The east half of this WMA is primarily sedge meadow and alder willow with some aspen. It is primarily managed for openland/brushland habitat (sharp-tailed grouse). The west half contains water management infrastructure and is managed for wetland wildlife habitat.
  - The McGregor WMA was created in 2000 and consists of 651 acres of dikes and cells from a wild rice paddy lease that reverted back to the state. The area has been slowly converting back to alder, willow, and sedge meadow.
- Phase I (FY '14 request for \$2,396,000) will link the Grayling Marsh and McGregor WMAs through the acquisition of 1,051 acres (of which 600 is an active wild rice paddy system) that lies in-between these two existing WMAs. This wild rice paddy system has a gravity fed water system that requires no pumping for either filling or drawing down any of the fourteen pools within this system. The source of water for this system comes through the Grayling Marsh WMA and discharges through the McGregor WMA. Phase I also includes facility development and enhancement needs necessary to bring this acquired land up to WMA standards (i.e. survey and post boundary, informational signs, parking lot and gates, access trails upgrades).
- Phase II (\$1,000,000) will be a FY '15 request that will include increasing the management capability and sustainability of the wetland and shallow lake management infrastructure necessary to enhance wetland habitats within the complex. Based on surveys and assessments ongoing during Phase I, this may include such needs as water control structure(s) rehab work, dike and ditch upgrades, and rehabilitation of Mud Lake as a natural wild rice lake.
- A cooperative farming agreement will be secured with a local farmer(s) for operation and management of the acquired wild rice paddy system. This agreement will allow the farmer to keep a portion of wild rice or other agricultural produce in return for (barter) the management and maintenance of the paddy system. As practical and feasible, Phase II enhancements may also be added to this agreement. This

private/public agricultural partnership will keep private jobs in Aitkin County and continue compatible agricultural production from these lands while enhancing wildlife habitat. It also reduces the need for state personnel and funds to operate this WMA.

- The dike/access roads in the wild rice paddy system are currently used by numerous birders to view spring migrating waterfowl, shorebirds, and other wildlife. This use will continue and will be emphasized through a designated tour route and stops. Fall public use for waterfowl hunting may include designated hunting blinds and part of the paddy system being designated as a waterfowl sanctuary.

This project provides the opportunity to tie together two existing WMAs by acquiring a large tract of land that has infrastructure in place to intensively manage a wetland habitat complex. Phase II wetland infrastructure enhancements will revitalize wetland and shallow lake habitat on Grayling Marsh and McGregor WMAs. Together they will create one of the largest wetland habitat management complexes in central Minnesota.

## Planning

### MN State-wide Conservation Plan Priorities

- H3 Improve connectivity and access to recreation
- H4 Restore and protect shallow lakes
- H5 Restore land, wetlands and wetland-associated watersheds
- H6 Protect and restore critical in-water habitat of lakes and streams
- H7 Keep water on the landscape

### Plans Addressed

- A Vision for Wildlife and Its Use -- Goals and Outcomes 2006-2012
- Ducks Unlimited Living Lakes Initiative
- Long Range Duck Recovery Plan
- Managing Minnesota's Shallow Lakes for Waterfowl and Wildlife
- Minnesota DNR Nongame Wildlife Plans
- Minnesota DNR Strategic Conservation Agenda
- Minnesota Sustainability Framework
- Minnesota's Wildlife Management Area Acquisition - The Next 50 Years
- National Audubon Society Top 20 Common Birds in Decline
- North American Waterbird Conservation Plan
- North American Waterfowl Management Plan
- Outdoor Heritage Fund: A 25 Year Framework
- Tomorrow's Habitat for the Wild and Rare
- U.S. Fish and Wildlife Service Strategic Habitat Conservation Model
- Upper Mississippi River and Great Lakes Region Projects Joint Ventures Plan

### LSOHC Statewide Priorities

- Are ongoing, successful, transparent and accountable programs addressing actions and targets of one or more of the ecological sections
- Produce multiple enduring conservation benefits

- Allow public access. This comes into play when all other things about the request are approximately equal
- Address conservation opportunities that will be lost if not immediately acted on
- Restore or enhance habitat on state-owned WMAs, AMAs, SNAs, and state forests
- Address wildlife species of greatest conservation need, Minnesota County Biological Survey data, and rare, threatened and endangered species inventories in land and water decisions, as well as permanent solutions to aquatic invasive species
- Provide Minnesotans with greater public access to outdoor environments with hunting, fishing and other outdoor recreation opportunities
- Ensures activities for "protecting, restoring and enhancing" are coordinated among agencies, non profits and others while doing this important work

### **LSOHC Northern Forest Section Priorities**

- Protect shoreland and restore or enhance critical habitat on wild rice lakes, shallow lakes, cold water lakes, streams and rivers, and spawning areas
- Restore and enhance habitat on existing protected properties, with preference to habitat for rare, endangered, or threatened species identified by the Minnesota County Biological Survey

### **Relationship to Other Constitutional Funds**

none

### **Accelerates or Supplements Current Efforts**

Phase I accelerates DNR WMA acquisition goals; capabilities to expand public lands for public recreational use; expands efforts to improve and enhance wetland wildlife habitat; ties together the Grayling Marsh (9,232 acres) and McGregor WMAs (651 acres); and greatly increases the overall wetland habitat management capabilities of this complex. While Phase I is an acquisition and facility development stage, Phase II (planned FY15 request) will further accelerate the improvement and enhancement of wetland habitats in this new complex through management of wild rice/moist soils and related enhancements to degraded wetland/waterfowl habitat infrastructure (i.e. dikes, ditches, water control structures, etc.) in the Grayling Marsh and McGregor WMAs.

### **Sustainability and Maintenance**

A key component of sustainability and maintenance for this site will be the use of a cooperative farming agreement that provides primary operational needs (i.e. water level management and dike/ditch/control structure repairs) for this complex. This private/public partnership should greatly reduce public funds, personnel, and equipment needed to operate this complex and at the same time provide private jobs and compatible agricultural production. A six-month seasonal Wildlife Technician is built into Phase I of this project to: 1) assist on initial facility development needs such as boundary survey/posting, access road improvements, parking lots, signage needs and the start up of a cooperative farming agreement, and 2) provide necessary survey and assessments needed to frame and complete wetland habitat enhancements in Phase II. Primary sustainability and maintenance needs for this acquisition and related wetland habitat enhancements to this complex will fall on existing staff and capabilities of the MNDNR, Section of Wildlife, Brainerd Area Wildlife office. This staff is funded through license fee and legislative appropriations. Future management or enhancement needs beyond what is noted in this project may be proposed and accomplished through annual funding requests to a variety of other funding sources.

*Will local government approval be sought prior to acquisition?* - **Yes**

*Is the land you plan to acquire free of any other permanent protection?* - **Yes**

*Is this land open for hunting and fishing?* - **Yes**

A portion (300 acres) of the wild rice paddy system acquired in Phase I may be designated as a waterfowl sanctuary or refuge. While this serves to protect fall migrating waterfowl, it also hold birds in this area longer for hunting in the adjacent and greater parts of this complex.

*Is the activity on permanently protected land and/or public waters per MS 103G.005, Subd. 15?* - **Yes (WMA, Refuge Lands, Public Waters)**

### Accomplishment Timeline

Activity	Approximate Date Completed
Phase I - Acquire 1,051 acres	June 30, 2014
Phase I - Develop/enhance facilities on 1,051 acres of acquired lands (survey/post boundary; upgrade access roads and parking lots; informational signs) and secure/implement a cooperative farming agreement to manage the paddy system.	December 31, 2015
Phase II (FY 15 request) - Restore and enhance management capabilities of newly acquired land and surrounding wetland/waterfowl habitats in the Grayling Marsh and McGregor WMAs.	June 30, 2018

### Outcomes

#### Programs in the northern forest region

- Healthy populations of endangered, threatened, and special concern species as well as more common species
- Improved aquatic habitat indicators
- Increased availability and improved condition of riparian forests and other habitat corridors

## Budget Spreadsheet

Total Amount of Request: \$2,396,000

### Budget and Cash Leverage

Budget Name	LSOHC Request	Anticipated Cash Leverage	Cash Leverage Source	Total
Personnel	\$60,000	\$0		\$60,000
Contracts	\$200,000	\$0		\$200,000
Fee Acquisition w/ PILT	\$2,000,000	\$0		\$2,000,000
Fee Acquisition w/o PILT	\$0	\$0		\$0
Easement Acquisition	\$0	\$0		\$0
Easement Stewardship	\$0	\$0		\$0
Travel (in-state)	\$0	\$0		\$0
Professional Services	\$40,000	\$0		\$40,000
Direct Support Services	\$36,000	\$0		\$36,000
DNR Land Acquisition Costs	\$0	\$0		\$0
Capital Equipment	\$0	\$0		\$0
Other Equipment/Tools	\$10,000	\$0		\$10,000
Supplies/Materials	\$50,000	\$0		\$50,000
DNR IDP	\$0	\$0		\$0
Total	\$2,396,000	\$0	-	\$2,396,000

### Personnel

Position	FTE	Over # of years	LSOHC Request	Anticipated Cash Leverage	Cash Leverage Source	Total
seasonal wildlife technician	0.50	2.00	\$60,000	\$0	-	\$60,000
Total	0.50	2.00	\$60,000	\$0	-	\$60,000

## Output Tables

Table 1. Acres by Resource Type

Type	Wetlands	Prairies	Forest	Habitats	Total
Restore	0	0	0	0	0
Protect in Fee with State PILT Liability	1,051	0	0	0	1,051
Protect in Fee W/O State PILT Liability	0	0	0	0	0
Protect in Easement	0	0	0	0	0
Enhance	600	0	0	0	600
Total	1,651	0	0	0	1,651

Table 2. Total Requested Funding by Resource Type

Type	Wetlands	Prairies	Forest	Habitats	Total
Restore	\$0	\$0	\$0	\$0	\$0
Protect in Fee with State PILT Liability	\$2,000,000	\$0	\$0	\$0	\$2,000,000
Protect in Fee W/O State PILT Liability	\$0	\$0	\$0	\$0	\$0
Protect in Easement	\$0	\$0	\$0	\$0	\$0
Enhance	\$396,000	\$0	\$0	\$0	\$396,000
Total	\$2,396,000	\$0	\$0	\$0	\$2,396,000

Table 3. Acres within each Ecological Section

Type	Metro/Urban	Forest/Prairie	SE Forest	Prairie	Northern Forest	Total
Restore	0	0	0	0	0	0
Protect in Fee with State PILT Liability	0	0	0	0	1,051	1,051
Protect in Fee W/O State PILT Liability	0	0	0	0	0	0
Protect in Easement	0	0	0	0	0	0
Enhance	0	0	0	0	600	600
Total	0	0	0	0	1,651	1,651

Table 4. Total Requested Funding within each Ecological Section

Type	Metro/Urban	Forest/Prairie	SE Forest	Prairie	Northern Forest	Total
Restore	\$0	\$0	\$0	\$0	\$0	\$0
Protect in Fee with State PILT Liability	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000
Protect in Fee W/O State PILT Liability	\$0	\$0	\$0	\$0	\$0	\$0
Protect in Easement	\$0	\$0	\$0	\$0	\$0	\$0
Enhance	\$0	\$0	\$0	\$0	\$396,000	\$396,000
Total	\$0	\$0	\$0	\$0	\$2,396,000	\$2,396,000

Table 5. Target Lake/Stream/River Miles

0 miles



## Parcel List

### Section 1 - Restore / Enhance Parcel List

No parcels with an activity type restore or enhance.

### Section 2 - Protect Parcel List

Aitkin

Name	TRDS	Acres	Est Cost	Existing Protection?	Hunting?	Fishing?
T. A. Towers	04823217	600	\$1,009,000	No	Limited	Not Applicable
T. A. Towers	04823219	411	\$651,000	No	Full	Not Applicable
Thomas Boyd	04823220	40	\$40,000	No	Full	Not Applicable

### Section 2a - Protect Parcel with Bldgs

No parcels with an activity type protect and has buildings.

### Section 3 - Other Parcel Activity

No parcels with an other activity type.







McGregor Marsh Wetland/Moist Soil Complex

Mud Lake

Water Level @ Gauge: 1234.04

Grayling Marsh WMA

Water Level backed  
into north cell: 1225.907

Water Level: 1222.117

Water Level in ditch  
to SW rice paddies: 1223.187

Water Level in  
main ditch: 1223.437

Water Level: 1224.57

Water Level: 1227.68

Wild Rice Farms LLC

Water Level in main ditch  
of SW rice paddies: 1223.187

Water Level: 1221.197

Water Level: 1220.867

Mcgregor WMA

Water Level at  
Sandy River: 1220.847

0 750 1,500 3,000 Feet

Legend

- Wildlife Management Area
- Water Level Gauge
- DOT Benchmark
- Water Level Reading
- Flow Direction





Mr. Gary Drotts  
DNR Area Wildlife Manager  
1601 Minnesota Drive  
Brainerd, MN 56401

September 15, 2011  
23247 480<sup>th</sup> Street  
McGregor, MN 55760

Dear Mr. Drotts:

I understand that the DNR occasionally has some money available to purchase prime pieces of property that would dramatically enhance the public properties currently under the DNR's control. I own such a property. Rather than have this property continue as a wild rice farm or revert to a wetland bank, I would like to suggest this 960 acre piece of property be purchased by the DNR. I believe the 960 acres is one of the best hunting, animal watching, trapping, and bird watching areas in the State of Minnesota. The property is located about one mile north of McGregor, Mn and has easy access from both the west side of Section 17 and the east side of Section 19 of McGregor Township in Aitkin County. The property has approximately 450 acres of wild rice patties which could easily be converted into permanent wild rice ponds just as the DNR has done on the west side of Section 17. It also has approximately 10 miles of ditch bank roads which are perfect for bird watching and hunting. The purchase of the property by the DNR would also stop the farming of wild rice on the property and end the placement of any additional fertilizer on the fields, some of which eventually ends up in Big Sandy Lake helping turn the lake green. Another plus is the property is located adjacent to the Grayling Wildlife Management area.

The amount of wildlife on this property is phenomenal. While driving through the property I have seen timber wolves on the roads, and frequently have seen otter, deer, coyotes, fox, skunks, beavers, muskrat, weasels, mink, grouse, osprey, eagles, kingfishers, great blue herons, American bittern, and hundreds of swans, sand hill cranes, ducks, and geese. There are also a large number of owls and hawks. I frequently see what I believe are falcons or kites (not sure which) with their angular wings flying down the road in front of me after I disturbed their perch in a nearby tree. Some of them resemble a Peregrine or Merlin falcon with gray angular wings and the white and black strips at the end of their tails. While preparing fields for rice this fall and while cutting grass along the ditch banks, I must have seen between 50 and 100 rails (I believe Yellow Rails) fly up and immediately land in the reeds less than 50 ft away. I counted 15 of these birds fly up from one 10 acre field of yellow goldenrod and reeds alone.

Because I am not an expert birdwatcher, I am sure there are many more types of birds on the property I do not recognize. Even with my lack of knowledge on birding and indigenous animals, I firmly believe this piece of property is so unusual and contains so many uncommon and unusual birds and animals that this property should be saved rather than mitigated. If available to the public it would greatly enhance the outdoor experience of hunters and birders in this wonderful State we live in.

Sincerely,

  
Wayne Alden



# BIG SANDY LAKE ASSOCIATION

www.bslassociation.org  
P.O. Box 21 • McGregor, MN 55760

*A Minnesota Star Lake*

To: Gary Drotts  
MN DNR Area Wildlife Manager  
gary.drotts@state.mn.us

The Big Sandy Lake Association unanimously supports the Minnesota DNR plan as described below to seek legacy money to purchase and manage the wild rice paddy system north of McGregor, Minnesota.

At the recent board meeting of the Big Sandy Lake Association (BSLA), Dave Kanz of the Minnesota DNR made a presentation on their plan. The plan would be to establish a 1,500 acre moist-soil-management complex. This would enhance waterfowl and water bird habitat and include a cooperative farming agreement to allow for continued wild rice production. The DNR's goal would be to produce wild rice with little or no application of fertilizer. This plan would not only be a beneficial addition to adjacent wildlife management areas and wetlands but could lead to significant improvement in water quality as the overflow and drainage of the rice paddies discharges into the Big Sandy River and then into Big Sandy Lake.

Big Sandy Lake is currently listed on the Minnesota Pollution Control Agency's (MPCA) 303(d) Impaired Waters List due to excessive nutrients because of high phosphorus levels. The MPCA a few years ago authorized a study (referred to as a TMDL-Total Maximum Daily Load- study) to verify water quality, identify sources and develop an implementation plan to bring water quality back within standards. A detailed implementation plan is now being developed by the Aitkin County Soil and Water Conservation District. All parties involved in this process know that past analytical water sampling data show the Big Sandy River downstream of the rice paddies has a very high concentration of phosphorus and is a major contributor of phosphorus to Big Sandy Lake. Implementation of the DNR plan would be a major step towards the goal of the TMDL implementation plan.

We believe this plan will be a win-win for all Minnesotans. This will be a boost for wildlife hunters and observers, the local economy of McGregor, the Minnesota DNR goal of protecting and enhancing wetlands and wildlife areas and, for the BSLA board, community, and watershed area a most important improvement in Big Sandy's water quality (that benefits the over 900 property owners on Big Sandy and the thousands of visitors each year to Big Sandy). Unlike other TMDL outcomes, this is a case of all involved parties working for a common goal to achieve a positive outcome.

BSLA board members are keenly aware that, if the DNR does not purchase the wild rice paddies, it is just a matter of time before others will. And since the most economical use of the land is to produce wild rice, heavy fertilization will maximize yield and, unfortunately, much of the nutrients will end up in the Big Sandy River and Lake. This would be a major obstacle to bringing the water quality of Big Sandy Lake within standards.

The BSLA board enthusiastically supports this DNR plan. The goal to protect and improve water quality is included in both the association's mission and vision statements.

*Jim Krezowski 4/14/2012*

Jim Krezowski, President BSLA  
Big Sandy Lake Association  
A Star Lake

