Lessard-Sams Outdoor Heritage Council

Otter and Campbell Lakes Habitat Enhancement and Restoration Phase 1

Laws of Minnesota 2027 Accomplishment Plan

General Information

Date: 10/09/2026

Project Title: Otter and Campbell Lakes Habitat Enhancement and Restoration Phase 1

Funds Recommended: $1,283,000

Legislative Citation:

Appropriation Language:

Manager Information

Manager's Name: Michael Stifter
Title: Public Works Director
Organization: City of Hutchinson
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Location Information

County Location(s): McLeod.

Eco regions in which work will take place:

Prairie

Activity types:

Restore

Other : Leverage and Scalable

Priority resources addressed by activity:

Wetlands

Narrative

Abstract

The City of Hutchinson is advancing Phase 1 of a long-term restoration effort for Otter and Campbell Lakes to address sediment accumulation, reduced vegetation, and simplified habitat conditions that remain despite upstream watershed improvements. This phase will remove sediment, construct in-lake habitat features, and establish native vegetation within the South Arm of Otter Lake to improve ecological function. Expected outcomes include enhanced fish and wildlife habitat, improved water clarity, strengthened recreational opportunities, and support for regional ecological priorities. This work forms the foundation for future phases that will extend restoration throughout the connected lake system.

Design and Scope of Work

This project addresses degraded aquatic habitat in Otter and Campbell Lakes, noted by the DNR as Lakes of Biological Significance, caused by long-term sediment accumulation that smothers vegetation and simplifies the lake structure. These impairments have reduced spawning habitat, nursery areas, and food resources for fish, waterfowl, and other wildlife, while contributing to poor water quality through internal nutrient loading. Despite ongoing upstream improvements, in-lake conditions remain a primary limiting factor to ecosystem recovery. This project targets artificially shallow lake habitats critical to fish and migratory birds by restoring water depth, habitat structure, and vegetation.

Phase 1 focuses on the portion of Otter Lake, on/around South Grade Rd, and will be implemented from 2027 to 2030. The scope includes final design, permitting, sediment removal and management, habitat installation, and vegetation establishment. Site assessments—bathymetry, sediment analysis, and ecological surveys—will refine priority treatment areas to maximize habitat benefit and long-term sustainability.

Targeted sediment removal will address internal nutrient loading and restore depth in degraded areas. Sediment will be hydraulically dredged and transported to nearby publicly owned staging areas, reducing costs and avoiding extensive easement acquisition. Following dredging, habitat features such as boulder clusters and anchored woody structure will be installed to increase habitat complexity and support multiple life stages of aquatic species.

Native aquatic vegetation will be established within the littoral zone through planting, seeding, and transplanting. This work will restore shallow water and wetland habitat by stabilizing sediments, improving water clarity, and providing food, cover, and spawning substrate. Together, these actions directly restore and enhance habitat for fish, wildlife, and Species in Greatest Conservation Need.

Project priorities were established through watershed studies, an Environmental Assessment Worksheet, and coordination with the Minnesota Department of Natural Resources (MnDNR) and McLeod Soil and Water Conservation District (SWCD). These efforts identified in-lake habitat degradation as a key barrier to ecological recovery. The phased approach targets the most accessible areas first that leverage other city infrastructure projects, aligning construction disturbance along a targeted corridor for less disturbance to the public over time, while positioning for future work in Campbell Lake and the main basin. Proximity to other shallow-water systems and waterfowl production areas increases the project's regional habitat value while adding regional habitat diversity by being one of the larger flow-through lake systems, being situated on the South Fork Crow River.

The project is urgent due to ongoing sediment accumulation and habitat decline. Costs increase and ecological

resilience is reduced if delayed. Implementation aligns with completed planning, established partnerships, and planned city infrastructure improvements that support efficient sediment management. The City of Hutchinson will lead the project alongside partners at the MnDNR, McLeod SWCD, and engineering consultants. Stakeholders include local landowners, lake users, the school district, and the municipal airport, which will provide publicly owned sediment staging areas. Continued coordination and outreach will ensure strong local support.

This effort will restore aquatic/wetland habitat, improve water quality, enhance fish/wildlife populations for Species of Greatest Conservation Need, and support long-term ecosystem function.

Explain how the plan addresses habitat protection, restoration, and/or enhancement for fish, game & wildlife, including threatened or endangered species conservation

The Otter and Campbell Lakes Habitat Enhancement and Restoration Project addresses long standing ecological degradation documented in the Environmental Assessment Worksheet (EAW) for the 650-acre impoundment system. The EAW identifies extensive sediment accumulation resulting from decades of upstream agricultural and urban runoff. This sediment loading has reduced lake depth, buried natural substrates, and impaired overall ecological function. Associated impacts include the loss of littoral habitat, diminished water clarity, and limited aquatic vegetation—factors that collectively reduce the quality and availability of spawning areas, nursery habitat, and foraging resources for fish, waterfowl, and other wildlife. Restoration, sediment management, and habitat improvement actions are therefore identified as essential to reversing these trends and restoring the system's ecological integrity.

The project directly responds to these documented impairments through targeted sediment removal, structural habitat installation, and establishment of native aquatic vegetation. The EAW documents how sediment accumulation has degraded substrate and reduced habitat complexity; the planned sediment management activities will restore appropriate depths and conditions suitable for aquatic vegetation growth and fish spawning. Structural habitat elements—including rock reefs, woody debris, and constructed spawning substrate—will increase habitat heterogeneity and support diverse aquatic communities that have been diminished by historical sedimentation and hydrologic modification. Establishing native aquatic vegetation will further stabilize sediments, improve water clarity, enhance nutrient cycling, and create high value shallow water habitat for waterfowl, amphibians, invertebrates, and juvenile fish.

The project also supports broader conservation goals by improving habitat conditions within a shallow lake system hydrologically connected to the South Fork Crow River. While the EAW does not identify federally listed threatened or endangered species within the immediate project area, observations of Species in Greatest Conservation Need are common in these lakes and the lakes are noted as DNR Lakes of Biological Significance. Restoring water quality, vegetation, and habitat complexity enhances the resilience and suitability of the system for these species. Coordination with MnDNR and application of Natural Heritage review procedures will ensure avoidance of impacts to sensitive resources and will support ecological gains, increased biodiversity, and long-term system maintenance.

What are the elements of this plan that are critical from a timing perspective?

Critical timing elements center on coordination with existing planning, partnerships, and construction windows. The project leverages completed environmental review and prior watershed studies, allowing it to advance efficiently without significant additional study. It is also timed to align with planned city infrastructure improvements, particularly roadway upgrades that enable cost-effective sediment transport and reduce construction impacts.

Seasonal constraints are also critical, as in-lake work must occur within regulatory windows to protect fish spawning, and vegetation establishment must align with growing seasons for success.

A key near-term opportunity is the availability of publicly owned land from the local school district for sediment drying and staging. If these parcels are developed, the project would lose a unique, large-scale, cost-effective disposal option, potentially delaying implementation and increasing costs. Delaying the project also risks continued sediment accumulation and further habitat degradation.

Describe how the plan expands habitat corridors or complexes and/or addresses habitat fragmentation:

The project expands habitat corridors and reduces fragmentation by restoring continuous littoral and aquatic habitat within Otter and Campbell Lakes and strengthening their ecological connection to the South Fork Crow River. The historic dam at the outlet of Otter and Campbell Lakes was replaced with a rock arch rapids ca. 2008, restoring longitudinal connectivity and removing physical barriers. However, for species moving upstream, Otter and Campbell lakes continues to be an ecological desert and limiting factor for longitudinal migration along the river corridor.

Existing conditions have fragmented shallow-water habitat due to sediment accumulation and reduced vegetation, limiting movement of fish and wildlife and isolating critical spawning and nursery areas. Through sediment management, installation of structural habitat, and reestablishment of native aquatic vegetation, the project reconnects nearshore and open-water habitats and creates continuous, high-quality littoral zones. These improvements, combined with upstream stream restoration and sediment forebay implementation, establish a more connected aquatic system that supports movement of fish, enhances waterfowl habitat, and integrates the lakes into a broader, resilient habitat complex within the Prairie region.

Which top 2 Conservation Plans referenced in MS97A.056, subd. 3a are most applicable to this project?

Minnesota Statewide Conservation & Preservation Plan

Other : South Fork Crow River One Watershed One Plan (1W1P)

Which LSOHC section priorities are addressed in this program?

Prairie

Protect, restore, and enhance shallow lakes

Outcomes

Programs in prairie region:

Protected, restored, and enhanced shallow lakes and wetlands ~ *This project will evaluate 140 acres of shallow lake and wetland and restore within the budgeted amount. Sediment removal and vegetation establishment are expected to increase aquatic plant coverage and improve water clarity, creating conditions that support higher use by ducks and other wetland-dependent wildlife.*

As habitat conditions improve, biological response can be reflected in increased waterfowl counts and recreational angler counts. Fish habitat improvements may also lead to better angling success, which can be observed through

local use and feedback. Over time, maintaining clearer water and stable vegetation communities should increase counts conducted through local recreational and biological survey.

Per MS 97A.056, Subd. 24, Please explain whether the request is supplanting or is a substitution for any previous funding that was not from a legacy fund and was used for the same purpose.

These funds would be used for a specific phase of the overall project. No other funds have been obtained, nor pursued for this particular phase of the project.

How will you sustain and/or maintain this work after the Outdoor Heritage Funds are expended?

After Outdoor Heritage Funds are expended, the City of Hutchinson will sustain project outcomes through continued watershed management and local funding commitments. A key component is the implementation of an upstream sediment forebay designed to capture incoming sediment and reduce future sediment loading to Otter and Campbell Lakes. This feature will protect the longevity of in-lake habitat improvements by maintaining water depth and reducing internal nutrient cycling.

The City will be responsible for ongoing inspection, maintenance, and periodic sediment removal from the forebay to ensure it retains its sediment capture capacity and continues to function as designed. Long-term maintenance and monitoring activities will be funded through the City's budget planning process and supported by existing stormwater utility funds. This dedicated funding mechanism ensures that critical infrastructure supporting water quality and habitat improvements remains effective over time.

Actions to Maintain Project Outcomes

Year	Source of Funds	Step 1	Step 2	Step 3
2030	City of Hutchinson	Maintenance/Restoration activities of Forebay	-	-
2028	City of Hutchinson	Inspection of Forebay	Maintenance activities	-

Provide an assessment of how your program celebrates cultural diversity or reaches diverse communities in Minnesota, including reaching low- and moderate-income households:

The ecological deficiency Otter and Campbell Lakes prevents these public resources from reaching their full potential. There are health and accessibility concerns, that combined with limited ecological function, restrict the usage of these lakes for the public, including the local underserved communities in previously MPCA-identified Environmental Justice Areas of Concern (EJAC). The EJAC community previously defined in Hutchinson included areas where at least 40% of the population is living 185% below the federal poverty level. While this designation has been removed in the last year, the status of the community has not shifted notably with regards to median income; much of the low-income population exists and is underserved.

These improvements will create recreational opportunities for Otter and Campbell Lakes and the surrounding park space. Fishing piers accessible from the parks will better integrate these community amenities into a seamless waterfront experience through additional funding requests. The improvements will also provide greater access and consideration for low- and medium-income populatoins in the region. Lower-income individuals have limited access to the diverse recreational opportunities lakes offer relative to those with access to boats or waterfront property. This project seeks to ensure that all Hutchinson residents who want to enjoy these lakes have opportunity for interaction with high quality ecological resources.

Activity Details

Requirements

If funded, this program will meet all applicable criteria set forth in MS 97A.056?
Yes

Will restoration and enhancement work follow best management practices including MS 84.973 Pollinator Habitat Program?
Yes

Is the restoration and enhancement activity on permanently protected land per 97A.056, Subd 13(f), tribal lands, and/or public waters per MS 103G.005, Subd. 15 or on lands to be acquired in this program?
Yes

Where does the activity take place?

Public Waters

Land Use

Will there be planting of any crop on OHF land purchased or restored in this program, either by the proposer or the end owner of the property, outside of the initial restoration of the land?
No

Will insecticides or fungicides (including neonicotinoid and fungicide treated seed) be used within any activities of this program either in the process of restoration or use as food plots?
No

Timeline

Activity Name	Estimated Completion Date
As-builts	September - October 2029
Punch List	July 2029
Drying and Sediment Disposal	October 2028 - June 2029
In-Lake Sediment Removal (Phase 1)	October 2028 - March 2029
Site Preparation	October - November 2028
Mobilization	October - November 2028
Pre-Construction Meeting	October 2028
Secure Permits	October 2028
Select Contractor	October 2028
Advertisement for Bid	September 2028
Approval of Final Plans and Specifications	September 2028
Approval of Draft Plans	May 2028
Permitting Review	October 2027 - October 2028
Pre-Design Review	September 2027
Natural Resources Delineation	August - September 2027
Geotechnical and Bathymetric Investigation	August - September 2027
Survey	August - September 2027
Easement Negotiations	July - December 2027
Selection of Consultant	July 2027

Date of Final Report Submission: 10/01/2030

Availability of Appropriation: Subd. 7. Availability of Appropriation

(a) Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public-use facilities must have a minimal impact on habitat in acquired lands.

(b) Money appropriated in this section is available as follows:

(1) money appropriated for acquiring real property is available until June 30, 2031;

(2) money appropriated for restoring and enhancing land acquired with an appropriation in this section is available for four years after the acquisition date with a maximum end date of June 30, 2035;

(3) money appropriated for restoring or enhancing other land is available until June 30, 2032;

(4) notwithstanding clauses (1) to (3), money appropriated for a project that receives at least 15 percent of its funding from federal funds is available until a date sufficient to match the availability of federal funding to a maximum of six years if the federal funding was confirmed and included in the original approved draft accomplishment plan; and

(5) money appropriated for other projects is available until the end of the fiscal year in which it is appropriated.

Budget

Budget reallocations up to 10% do not require an amendment to the Accomplishment Plan.

Totals

Item	Funding Request	Leverage	Leverage Source	Total
Personnel	-	-	-	-
Contracts	$1,000,000	-	-	$1,000,000
Fee Acquisition w/ PILT	-	-	-	-
Fee Acquisition w/o PILT	-	-	-	-
Easement Acquisition	-	-	-	-
Easement Stewardship	-	-	-	-
Travel	-	-	-	-
Professional Services	$283,000	$128,300	City of Hutchinson Funds - 10% Match	$411,300
Direct Support Services	-	-	-	-
DNR Land Acquisition Costs	-	-	-	-
Capital Equipment	-	-	-	-
Other Equipment/Tools	-	-	-	-
Supplies/Materials	-	-	-	-
DNR IDP	-	-	-	-
Grand Total	**$1,283,000**	**$128,300**	**-**	**$1,411,300**

Amount of Request: $1,283,000
Amount of Leverage: $128,300
Leverage as a percent of the Request: 10.0%
DSS + Personnel: -
As a % of the total request: 0.0%
Easement Stewardship: -
As a % of the Easement Acquisition: -

How will this program accommodate the reduced appropriation recommendation from the original proposed requested amount?
It is anticipated that the targeted area for sedimentation removal will be reduced. A majority of the funding may be used for fixed upfront costs (design, permitting, and mobilization), limiting the amount that will be available for actual sedimentation removal activities.

Detail leverage sources and confirmation of funds:
The City remains committed to the 10% match, utilizing already budgeted City funds in support of the project.

Does this project have the ability to be scalable?
Yes

If the project received 50% of the requested funding

Describe how the scaling would affect acres/activities and if not proportionately reduced, why?
At 50% funding, Phase 1 could still complete targeted sediment removal and limited habitat installation in

priority areas. This would improve localized water quality and fish habitat, demonstrating ecological benefits and building momentum, but would reduce overall habitat acreage restored or potentially limit proposed impacted acreage to enhancement only.

Describe how personnel and DSS expenses would be adjusted and if not proportionately reduced, why?
N/A

Contracts

What is included in the contracts line?

Professional Services

What is included in the Professional Services line?

Design/Engineering

Other : Temporary easement acquisition

Surveys

Federal Funds

Do you anticipate federal funds as a match for this program?
No

Output Tables

Acres by Resource Type (Table 1)

Type	Wetland	Prairie	Forest	Habitat	Total Acres
Restore	10	-	-	130	140
Protect in Fee with State PILT Liability	-	-	-	-	-
Protect in Fee w/o State PILT Liability	-	-	-	-	-
Protect in Easement	-	-	-	-	-
Enhance	-	-	-	-	-
Total	**10**	**-**	**-**	**130**	**140**

Total Requested Funding by Resource Type (Table 2)

Type	Wetland	Prairie	Forest	Habitat	Total Funding
Restore	-	-	-	$1,283,000	$1,283,000
Protect in Fee with State PILT Liability	-	-	-	-	-
Protect in Fee w/o State PILT Liability	-	-	-	-	-
Protect in Easement	-	-	-	-	-
Enhance	-	-	-	-	-
Total	**-**	**-**	**-**	**$1,283,000**	**$1,283,000**

Acres within each Ecological Section (Table 3)

Type	Metro/Urban	Forest/Prairie	SE Forest	Prairie	N. Forest	Total Acres
Restore	-	-	-	140	-	140
Protect in Fee with State PILT Liability	-	-	-	-	-	-
Protect in Fee w/o State PILT Liability	-	-	-	-	-	-
Protect in Easement	-	-	-	-	-	-
Enhance	-	-	-	-	-	-
Total	**-**	**-**	**-**	**140**	**-**	**140**

Total Requested Funding within each Ecological Section (Table 4)

Type	Metro/Urban	Forest/Prairie	SE Forest	Prairie	N. Forest	Total Funding
Restore	-	-	-	$1,283,000	-	$1,283,000
Protect in Fee with State PILT Liability	-	-	-	-	-	-
Protect in Fee w/o State PILT Liability	-	-	-	-	-	-
Protect in Easement	-	-	-	-	-	-
Enhance	-	-	-	-	-	-
Total	**-**	**-**	**-**	**$1,283,000**	**-**	**$1,283,000**

Average Cost per Acre by Resource Type (Table 5)

Type	Wetland	Prairie	Forest	Habitat
Restore	-	-	-	$9,869
Protect in Fee with State PILT Liability	-	-	-	-
Protect in Fee w/o State PILT Liability	-	-	-	-
Protect in Easement	-	-	-	-
Enhance	-	-	-	-

Average Cost per Acre by Ecological Section (Table 6)

Type	Metro/Urban	Forest/Prairie	SE Forest	Prairie	N. Forest
Restore	-	-	-	$9,164	-
Protect in Fee with State PILT Liability	-	-	-	-	-
Protect in Fee w/o State PILT Liability	-	-	-	-	-
Protect in Easement	-	-	-	-	-
Enhance	-	-	-	-	-

Target Lake/Stream/River Feet or Miles

Parcels

Parcel Information

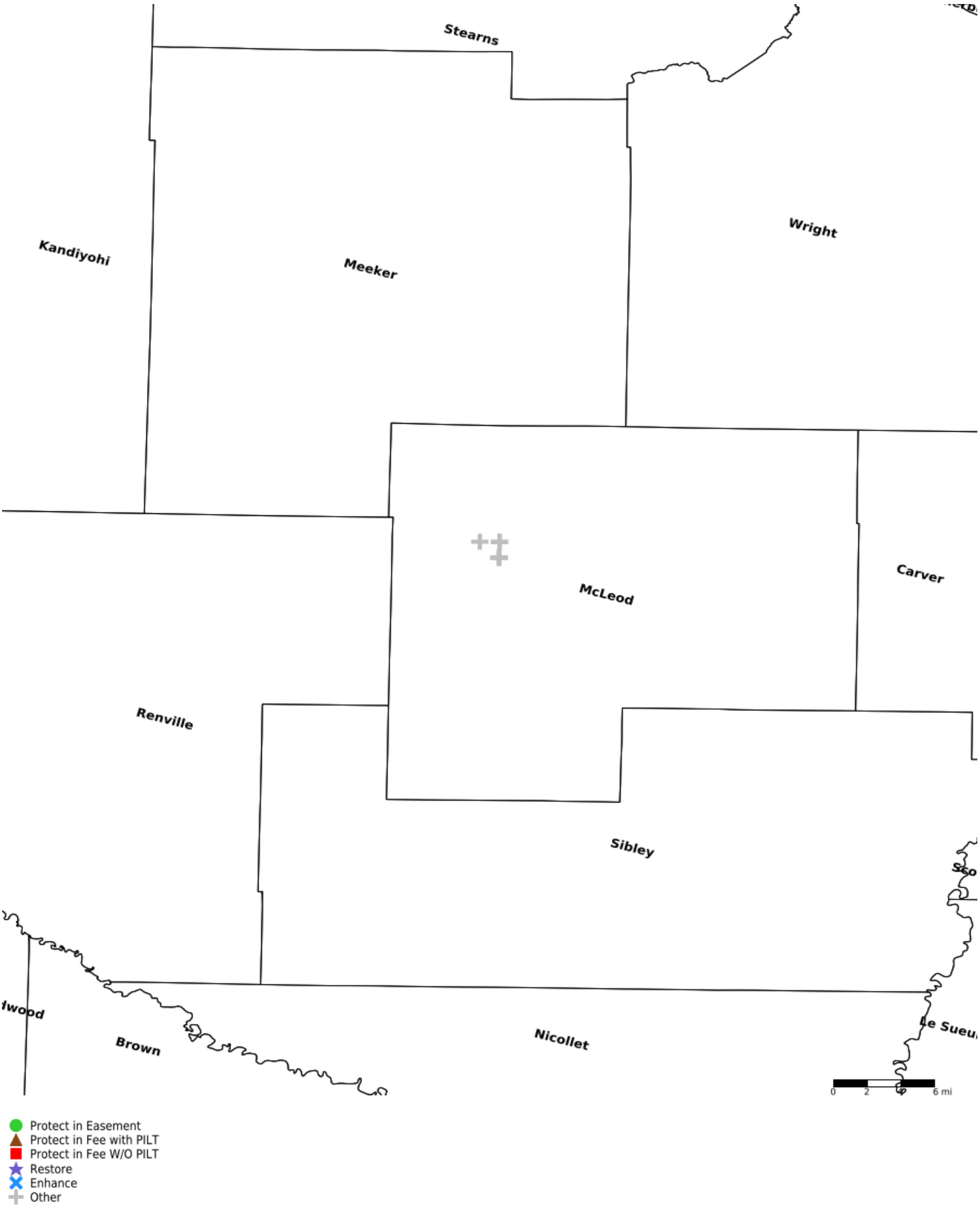
Sign-up Criteria?
No

Explain the process used to identify, prioritize, and select the parcels on your list:
All restoration is occuring within public waters. All other parcels were identified as publicly owned and are only for staging and disposal of removed sediment material. There were identified and prioritized to expedite the project timeline and minimize costs to remove sediment from the lakes, making this projecty more economically efficient.

Other Parcels

Name	County	TRDS	Acres	Est Cost	Existing Protection
City Parcel 1	McLeod	1163012	71	$0	No
City Parcel 2	McLeod	1163012	19	$0	No
City Parcel 3	McLeod	1163012	4	$0	No
City Parcel 4	McLeod	1163012	5	$0	No
City Parcel 5	McLeod	1163013	161	$0	No
City Parcel 6	McLeod	1163013	12	$0	No
City Parcel 7	McLeod	1163013	9	$0	No
ISD 423 Parcel 1	McLeod	1163012	9	$25,000	No
ISD 423 Parcel 2	McLeod	1163011	71	$100,000	No

Parcel Map


Stearns
Kandiyohi
Meeker
Wright
McLeod
Carver
Renville
Sibley
Nicollet
Brown
0
2
6 mi
Protect in Easement
Protect in Fee with PILT
Protect in Fee W/O PILT
Restore
Enhance
Other

Lessard-Sams Outdoor Heritage Council

Otter and Campbell Lakes Habitat Enhancement and Restoration Phase 1

Comparison Report

Program Title: ML 2027 - Otter and Campbell Lakes Habitat Enhancement and Restoration Phase 1
Organization: City of Hutchinson
Manager: Michael Stifter

Budget

Requested Amount: $3,000,000
Appropriated Amount: $1,283,000
Percentage: 42.77%

Item	Requested Proposal	Leverage Proposal	Appropriated AP	Leverage AP	Percent of Request	Percent of Leverage
Personnel	-	-	-	-	-	-
Contracts	$2,575,000	$300,000	$1,000,000	-	38.83%	0.0%
Fee Acquisition w/ PILT	-	-	-	-	-	-
Fee Acquisition w/o PILT	-	-	-	-	-	-
Easement Acquisition	-	-	-	-	-	-
Easement Stewardship	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Professional Services	$425,000	-	$283,000	$128,300	66.59%	-
Direct Support Services	-	-	-	-	-	-
DNR Land Acquisition Costs	-	-	-	-	-	-
Capital Equipment	-	-	-	-	-	-
Other Equipment/Tools	-	-	-	-	-	-
Supplies/Materials	-	-	-	-	-	-
DNR IDP	-	-	-	-	-	-
Grand Total	**$3,000,000**	**$300,000**	**$1,283,000**	**$128,300**	**42.77%**	**42.77%**

If the project received 70% of the requested funding

Describe how the scaling would affect acres/activities and if not proportionately reduced, why?
At 50% funding, Phase 1 could still complete targeted sediment removal and limited habitat installation in priority areas. This would improve localized water quality and fish habitat, demonstrating ecological benefits and building momentum, but would reduce overall habitat acreage restored or potentially limit proposed impacted acreage to enhancement only.

Describe how personnel and DSS expenses would be adjusted and if not proportionately reduced, why?
N/A

If the project received 50% of the requested funding

Describe how the scaling would affect acres/activities and if not proportionately reduced, why?
At 30% funding, the project would not be successful because fixed upfront costs—such as final design, permitting, and mobilization—would consume most available funds. Insufficient resources would remain for meaningful sediment removal or habitat installation, preventing measurable habitat improvements and limiting ecological benefits or demonstration of project effectiveness.

Describe how personnel and DSS expenses would be adjusted and if not proportionately reduced, why?
N/A

Output

Acres by Resource Type (Table 1)

Type	Total Proposed	Total in AP	Percentage of Proposed
Restore	140	140	100.0%
Protect in Fee with State PILT Liability	0	-	-
Protect in Fee w/o State PILT Liability	0	-	-
Protect in Easement	0	-	-
Enhance	0	-	-

Total Requested Funding by Resource Type (Table 2)

Type	Total Proposed	Total in AP	Percentage of Proposed
Restore	$3,000,000	$1,283,000	42.77%
Protect in Fee with State PILT Liability	-	-	-
Protect in Fee w/o State PILT Liability	-	-	-
Protect in Easement	-	-	-
Enhance	-	-	-

Acres within each Ecological Section (Table 3)

Type	Total Proposed	Total in AP	Percentage of Proposed
Restore	140	140	100.0%
Protect in Fee with State PILT Liability	0	-	-
Protect in Fee w/o State PILT Liability	0	-	-
Protect in Easement	0	-	-
Enhance	0	-	-

Total Requested Funding within each Ecological Section (Table 4)

Type	Total Proposed	Total in AP	Percentage of Proposed
Restore	$3,000,000	$1,283,000	42.77%
Protect in Fee with State PILT Liability	-	-	-
Protect in Fee w/o State PILT Liability	-	-	-
Protect in Easement	-	-	-
Enhance	-	-	-