

MEMO

To: LSOHC members
From: David Hartwell, Chair and Ron Schara, Vice Chair
Date: 10/3/22
RE: Chairs proposal for 2023 allocation

Thanks to all of you for your diligence in reviewing proposals and submitting proposed allocations. Staff has combined all the allocations which you can see on the attached spreadsheet.

It is our job to provide you with a chair's proposal based on the combined allocations from the Council. For the most part, we concur with the cumulative allocations by the Council. But there are a few exceptions based on special circumstances which we then provide the following recommendations to you:

- All proposals receiving 8 or more member allocations at the amounts recommended collectively, we recommend funding at the average allocation except WRE06 - Nelson Slough, CPL - Conservation Legacy Program and 01 - DNR Roving Crews. The rationale for our recommendations for these three projects is:
 - We recommend fully funding the DNR's roving crews at \$8,732,000. We are recommending this as we as a council asked the DNR to not include roving crew fundings inside other proposals and instead make an ask for this program directly. Those that have been on Council field trips have seen the impressive work being done by roving crews and it is important to continue to manage conservation properties in the state.
 - We recommend funding CPL at \$9,500,000. This is a very popular and effective program that funds small grant programs around the state in amounts below our funding threshold.
 - We recommend not funding the Nelson Slough proposal. Initially the request was for \$6,192,000 and they indicated it was not scalable. After our hearings, the proposer indicated that they could scale the project with funding of \$3,700,000 but doing that would create overall additional cost to finish the project. The collective allocation from the Council was \$2,125,000 which is well under their reported scalable minimum amount to do this proposal. Since our funding would not be enough to proceed, we are recommending in our chair's proposal not allocating any funding to this project.
- There were two projects that received 7 votes, FA02 – Camp Ripley Sentinel Landscape ACUB Protection Program and FA03 - Protection/Enhancement of Public Land Forest Habitats Through Strategic Acquisition of Private Land Inholdings. In addition to fully funding the Roving Crews and CPL, we are recommending each of these projects (FA02 & FA03) receive 67% of their combined allocation.
- Staff has been working to streamline the IDP process for our partner organizations and the proposal 02 – Core Functions in the Partner OHF Land Acquisitions proposal came from that.

But the project proposers did not reduce their proposals by the funds that would pay for that, so we were essentially being asked to fund IDP expenses twice. We recognize the value of what the staff was attempting to accomplish. We are recommending that we wait until the accomplishment plans come in with the revised amounts for IDP and then transfer the funds for IDP from those proposals to Proposal 02 rather than fund that proposal as part of this initial allocation.

Additionally, there seems to be a significant difference of opinion between project proposers and the DNR for two projects – WRE01, Wetland Enhancement in the Big Woods (collective recommendation of \$545,000) and WRE04, Shallow Lake Enhancement in Grant County (collective recommendation of \$944,000). The Council requested DNR input after hearing the presentations and the DNR responded in a way that questioned the benefits of funding those projects.

We are asking both the project proposers and the DNR to attend our meeting so that further exploration by the Council can take place before any allocation decisions are made. Should the council decide to reduce funding for either or both of these proposals, we recommend restoring funds to FA02 and FA03 to the average allocation recommendation. Should there be any excess funds beyond that, we recommend holding those funds until the December meeting to see what the adjusted forecast is and address this at that time.

Attachments:

- Chair's proposal
 - DNR responses regarding WRE02 and WRE04 (email, permit information and project feedback)
 - Nelson Slough email on minimum required for project viability
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DNR response regarding WRE01 & WRE04

From: Hansel-Welch, Nicole J (DNR) <nicole.hansel-welch@state.mn.us>

Sent: Friday, September 16, 2022 2:49 PM

To: Joe Pavelko <Joe.Pavelko@Isohc.mn.gov>

Subject: RE: DNR information Requested - WRE01 / WRE04

Joe,

Please see the attached responses. Staff from our EWR Division replied to the permitting question and Todd Call and myself put together a summary of what we know about the basins in the WRE04 proposal. Aaron W. called me this afternoon and this was the first time I had spoken with him about these proposals. He is aware that Council staff have contacted us with questions and in short, I told him the

same thing that is in the attachments. Basically, we do not have enough information, at this time, to know if there would be habitat improvements but we have concerns based on the limited information we do have indicating these basins are quite deep to be assured of winterkill. I generally relayed to him steps and considerations DNR would take before requesting funding for projects.

Please reach out if there are any additional questions or clarifications needed.

Sincerely,

Nicole Hansel-Welch

Shallow Lakes Program Supervisor | Fish and Wildlife

Minnesota Department of Natural Resources

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Phone: 218-203-4333

We attempted to respond to Questions 2 and 3 together as they seemed similar in nature and basically the simple response for both is “we do not have enough information to make a habitat benefit determination.”

WRE01

The proposers include a local conservation organization. They did coordinate with the Area Wildlife Manager on the proposed projects on WMA wetlands so there are likely habitat benefits with those projects.

However, for the Country Hollow Wetland site, the Area Wildlife Manager was not aware of the proposed project, and he has no information on the basin. The DNR Shallow Lakes Program also does not have any survey information for this basin since it is surrounded by private land. Given the lack of information, the DNR cannot determine if there will be habitat benefits from the project.

WRE04

There is not enough information provided in the WRE04 proposal or handouts to determine or predict the potential wildlife benefits or predict the long-term outcomes. DNR staff have some basic knowledge of some of the basins listed in the proposal, but standard shallow lake surveys, including water depths, are lacking. The basins have not been high priority for the DNR to survey because they lack public riparian land. Present water depths compared to potential drawdown level are critical to determining the potential for winterkill of fish and the amount of exposure of a lake's bottom sediments, which is necessary to promote the establishment of emergent aquatic vegetation. Based on recent discussions with the proposer, it does not seem this information is available from non-DNR survey sources either.

Samantha Lake\Elbow Lake: Water depths for Samantha are unknown but estimated maximum depth may be in the 8-10 foot range. This is the basin that was discussed as a DNR walleye rearing pond during the hearing presentation. Records indicate it has not been used by the DNR for walleye rearing since 2008.

Grant County and the Bois De Sioux Watershed District recently partnered on a water control structure to bring the lake down to the Ordinary High Water Level (OHWL). Construction plans suggest the structure could be modified to lower the water level an additional 4.5-5.0 feet. This reduction in water levels may still leave 3.5 to 5.5 of water in the basin at maximum drawdown. It is unlikely substantial winterkill of fish like bullheads and carp would occur with this much water remaining in the lake. Additional lake depth information would also be needed to predict emergent vegetation response. Also, the water control structure does not appear to prevent fish from re-entering the lakes from downstream. The recent project also included enhancing the connection between Elbow and Samantha Lakes to bring Elbow Lake down to the OHWL through the water control structure on Samantha. A maximum drawdown level of 5.0 feet on Elbow Lake would likely not kill fish in most years, and those fish would be able to re-infest Samantha Lake.

Trisko Lake: Trisko Lake has been licensed for private aquaculture from 1985 through 2022. The fish and other aquatic life in the basin are considered property of the license holder. DNR would not pursue any type of water level management on a basin licensed for private aquaculture as the agency would be liable to the license holder for any loss of aquatic life due to drawdown. The project proposers should be aware of this liability issue.

West Wetland and North Wetland: The DNR does not have any information on the depth of these basins. They are not on the protected public waters inventory and are on private property. They appeared to have ample aquatic vegetation visible at the water's surface this year.

Silver, Shauer, and Patchen Lakes: These are located near or on the border of Stevens County. DNR does not have lake survey or depth information to evaluate the potential for wildlife habitat enhancement. These basins also lack public riparian land and thus have not been high priority for DNR Wildlife surveys. The extended period of high water has caused road-flooding issues around these lakes. Stevens County has been actively pursuing dropping water levels to the OHWL by out-letting the water into Patchen Lake, however Patchen Lake is also experiencing high water levels and landowners are reluctant to take additional water. WRE04 includes Patchen Lake for potential drawdown. There are no details in the proposal, but the most likely outlet path would end into a Federal WPA wetland basin and into the Pomme de Terre River so the USFWF and Pomme de Terre River Association may be able to weigh in as well.

Strehlo Slough: This is a restored basin that is not on the protected public waters inventory. There is a federal WPA that includes approximately 25% of the shoreline. DNR does not have any survey data or depth information on this basin to evaluate the potential for wildlife habitat enhancement. Any potential habitat benefits would be better addressed by the USFWS. The water from this basin would go downstream into Field and Four Mile Lakes which also have high water concerns and are surrounded by private agricultural land.

Compiled by Nicole Hansel-Welch, Shallow Lakes Program Supervisor and Todd Call, Wildlife Lake Specialist

Question 1: Permits – Are these projects in the permitting process? Will DNR permit these projects? Does Grant County have to permit this project also?

WRE01– This proposal spans multiple public waters in Scott County (Taylor Huinker, Area Hydrologist) and Rice County (Todd Piepho, Area Hydrologist), as well as a wetland that falls under WCA jurisdiction.

WRE04 – This proposal involves eight public waters and one wetland under WCA jurisdiction in Grant County (Emily Siira, Area Hydrologist).

A DNR Public Water Work Permit is required for projects that involve construction of a water level control structure and/or management of water levels on public waters. DNR has not received permit applications for the projects proposed under WRE01 and WRE04. We do not guarantee the issuance of permits for any project, as permit applications need to go through the permit review process, address any reviewer comments or concerns, and demonstrate consistency with Minnesota Statutes (103G) and Rules (6115). These projects may trigger a mandatory EAW(s) under Minnesota Rule 4410.4300 Subp. 27 A or B. DNR may not issue a permit until environment review has been completed, if required.

Other state, local, and federal permits may also be required for the type of work being proposed. The Grant County Land and Resource Management Office requires a permit for most land alterations (grade, fill, excavation, etc.) within Shoreland (1,000 feet of a public water wetland/basin or 300 feet of a public watercourse).

Watershed District response regarding scalability of WRE-06 Nelson Slough

From: Morteza Maher <morteza.maher@mstrwd.org>

Sent: Tuesday, September 13, 2022 1:11 PM

To: Mark Johnson <mark.johnson@lsohc.mn.gov>

Subject: RE: LSOHC - Nelson Slough request

Hello Mark,

Thanks for hosting us in your nice Capitol building yesterday!

To answer your first question: I waited on my response to see if I can get a hold of Pat Lynch (DNR's FHM program manager). He is not available up until tomorrow, and I don't want to delay my response to you anymore!

I asked the same amount from FHM (\$6.2 mil). I think if I get lucky and bonding bill will pass soon enough that the fund will be allocated when I have OHF from your council in hand, then it is safe to **assume at least 40~50% will be funded through them (FHM)**. With that, **I think if your council will kindly approve \$3.7 mil**, that will help the project to move forward even with some fear of budgeting problems. In the meantime, I am and will continue looking for funds from other sources. And if I don't, I will come back next year!

Answer to your second question: As I mentioned in my response to comments from council members on their ranking questions, unfortunately **scaling is not a cost effective approach** for this project due to:

- 1- If we break the scope in different years, that will lengthen the draw down time and consequently potential loss of some of the natural resources (please note that we have the **endangered species Sheathed Pondweed** and we want to safe guard it).
- 2- Breaking out the construction in an already short construction season up here in the North, will increase the risk of washouts during the spring season.
- 3- It will also increase the cost of construction related to reworks, multiple mobilization costs etc.

But at the end, as I am at the mercy of funding organizations, I suppose, if there is no other way to fund, I will need to scale it. But that is my last resort!!

I hope your council will surprise me with more than \$3.7 mil approval.

Please feel free to reach out with any questions.

Kind Regards,

Mori

Morteza Maher PMP

Administrator

Middle-Snake-Tamarac Rivers Watershed District

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