Shell Rock River Watershed District  
Regular Meeting Minutes  
October 8, 2019

Managers present: Dan DeBoer, Mick Delger, Gary Pestorious, Brad Kramer, Al Bakken, and Joe Pacovsky

Managers absent: Mike Hanson

Chairman Delger called the Regular Meeting to order October 8, 2019 at 8:30 a.m. at the Albert Lea City Council Chambers, 221 East Clark Street, Albert Lea, MN 56007.

Chairman Delger offered the public an opportunity to speak during the public forum. Neal Gjersvik, Manchester Township clerk, spoke in opposition to the amended option agreement regarding the Church Lake property. Dylan Thompson, citizen, spoke in opposition to the amended option agreement regarding the Church Lake property. Gary Rogert, Shady Oak Cometary board member, spoke in opposition to the amended option agreement regarding the Church Lake property. Holly Karsjens, property owner, spoke in opposition to the amended option agreement regarding the Church Lake property. Robert Hanson, property owner, spoke in opposition to the amended option agreement regarding the Church Lake property. Sue Miller, property owner, spoke in opposition to the amended option agreement regarding the Church Lake property. Dan Dorman, former state representative, spoke in opposition to the amended option agreement regarding the Church Lake property. Jeanine Vorland, MN DNR, spoke in support of the amended option agreement regarding the Church Lake property. Joe Grossman, property owner, spoke in opposition to the amended option agreement regarding the Church Lake property. Albert Purdy, Pickerel Lake Township board member, spoke in opposition to the amended option agreement regarding the Church Lake property.

Manager DeBoer offered the following motion:

Move to approve the consent agenda as follows:
  a. Minutes of the September 10, 2019 SRRWD Monthly Board Meeting
  b. September 2019 Treasurer’s Report Subject to Audit
  c. September 2019 Project Fund Treasurer’s Report Subject to Audit
  d. Authorize Payment of Claims
  e. Authorize Payment of Project Fund Disbursements
  f. Quarterly Transfer

Manager Kramer seconded the motion. 
After discussion, a vote was taken and the motion was unanimously approved.

No addition, corrections or deletions were made to the agenda.
Administrator Andy Henschel gave an update on the sale of District equipment. The pipe, pumps, and seaming machine have been sold. The dredge is still for sale. District staff is working to generate more interest in the dredge to expedite the sale.

Administrative Henschel invited the Board of Managers and public to attend the Bonding Committee Tour at Edgewater Bay Pavilion on October 21st at 4:30 pm. The SRRWD will present information regarding Phase 3 of the Fountain Lake Restoration project.

The dredging contractor, J.F. Brennan Company, Inc., plans to finish dredging in Edgewater Bay in 2019 but is unsure about demobilizing and mobilizing the dredge to the Main Bay still in 2019. Construction on the Confined Disposal Facility (CDF) cells 2&3 is behind due to rain. The SRRWD is working with the contractor, Veit, to focus on cell 2 and/or additional room in cell 1 for the beginning of the dredge season in 2020.

Project/Program Manager, Courtney Phillips, provided information regarding the amended option agreement for Church Lake property:

- The District has a history of working with local DNR staff to improve the habitat/resources of lands within our District. This includes public lands themselves as well as interested private individuals who have connected with the DNR

- In spring of 2018 the District was notified that a landowner wanted to sell their property on Church Lake and have it be restored and open to the public.

- The District reviewed the property and determined that its existing resources, proximity to open water and including 1,728 feet of shoreline, having an interested landowner, and wetland restoration/native restoration was applicable and fit within the scope of District plans for a potential project.

- District included it in their Phase 8 Habitat Restoration Program that was presented for approval for application at the May 2018 Board Meeting (Resolution 2018-18)

- District communicated directly with landowner to sell and District entered into option agreement to purchase the 80 acre property at July 2018 Board Meeting

- District continued perusing grant funds and received the grant out of the 2019 Legislative Session, entered into grant agreement July of 2019.

- The District has been following all applicable laws and the grant process while perusing this project.
This amendment to the option is just to increase the area of ground that would be bordering 710th Ave by approximately 6-7 acres. This would further the distance of where public access could be to the remaining current landowners driveways – initiated by current landowners.

The District has received some comments regarding this property including the intended use, availability to the public, as well as safety concerns and garbage dumping concerns.

Again this project fits the scope of the Districts Water Plan under numerous areas including:

- Appendix A: Erosion Implementation
  - Conserve the Topsoil in the Shell Rock River Watershed District and to Hold the Soil on the Land
  - Control and Prevent Erosion Along Lake Shore and Restore Severely Damaged Shorelines

- Appendix B: Lakes Implementation
  - Identify groups of citizens interested in the improvements of the water quality of the watershed lakes.
  - Seek to improve the water quality of watershed protected waters
  - Enhance water quality thought the restoration of aquatic plants, wildlife habitat and fisheries.

- Appendix E: Flooding Implementation
  - Restore and retain water upstream throughout the watershed
    - Identify and restore natural flood plains
    - Return land within floodplain to natural state whenever possible
  - Prevent shoreland and streambank erosions
    - Repair any shoreline or streambank erosion
  - Restore natural hydrological regimes – (natural flow before water diversions).

- Appendix F: Wetland Implementation – all around fits in

- Appendix I: Other Goals
  - Preserve Remaining Original Oak Woodland and Wet/Upland Prairie Plant Communities
    - Consider management practices that do not destroy the remaining Oak Woodland and Upland Prairie plan communities
      - Consider implementing the return of marginal cropland to its natural state for native plants.
      - Support local conservation groups and encourage habitat preservation
• Encourage participation in CRP, RIM, and the Swampbuster Programs, especially on steep slopes and erodible soils.
  o Establish Plots of Native Plant Species to Reduce Soil Erosion
    ▪ Establish native plant species restoration on plots, particularly on erodible soils.

• District staff is recommending including this amended area as it will further distance from current privately owned driveways

• District still needs to complete a survey and appraisal, and come to agreement on price with current landowner before the option is executed.

• This property fits into the LSOHC Call For Funding – Prairie Region vision by:
  o Protect, enhance, or restore existing wetland/upland complexes, or convert agricultural lands to new wetland/upland habitat complexes
    ▪ Key core parcels are protected for fish, game and other wildlife
    ▪ Increased participation of private landowners in habitat projects
    ▪ Agricultural lands are converted to grasslands to sustain functioning prairie systems
    ▪ **Improved access to public lands**
  o Protect, enhance and restore remnant native prairie, Big Woods forests and oak savanna
    ▪ Protected, enhanced and restored remnants of bid woods and oak savanna
    ▪ Remnant native prairie and wetlands are perpetually protected and adequately buffered
  o Protect, restore and enhance shallow lakes

Property Facts:
• 85 acres in size (depending final survey)
• 1,725 linear feet of shoreline
• 23 acres of oak woodland
• 19 acres of wetland
• 25 acres of open water

Outcomes:
• Would open up access to 59 acres of Public Waters (currently landlocked by private ownership)
• 13 Acres of row-crop agriculture transitioned to prairie planting
• Wetland permanently protected from development
• Oak Savana permanently protected
• A current unoccupied barn will be removed, at landowners expense - prior to SRRWD acquisition, and returned to native planting
• 85 acres of usable hunting and fishing ground open to public, with Albert Lea (18,000 population) in proximity
• Only 1.2% of total Acres in Freeborn County are open to the public.

Safety Facts:
• 11 WMA’s in Freeborn County have 96 residences or livestock corrals within 500 feet of the boarder. On average that is 8.7 per WMA.

The Districts’ goal of the Church Lake Property is to benefit water quality by replacing agricultural ground with native prairie and pollinator plantings, improve the condition of the wetlands, and hope to conduct tile breaks to allow natural drainage and treatment, as well as hold water upstream on the landscape during flooding events. All of these action items, plus many more, are listed in the Districts approved Water Management Plan that can be found at www.shellrock.org. Among other things, the District welcomes the opportunity to work with landowners who want to make a difference and the current landowners would like the property to be restored and open to the public.

Many additional goals of the project are to have permanent protection of the oak savanna woodlands as well as protection of the current wetlands. It has been stated that the property is under current protection by the Wetland Conservation Act and Shoreland Ordinance; however, the Wetland Conservation Act does not protect the wetland as a whole because partial filling of the wetlands can be completed with sequencing and an approved replacement plan (MN State Statute Chapter 8420). Also, the shoreland ordinance of Freeborn County does allow limited tree clearing within 150 feet of a shoreline, outside of that 150 foot setback, there is limited protection. This means that potentially 15 acres of oak woodlands could be removed for such uses as building a home or putting under plow. Currently the oak savanna landscape is one of Minnesota’s rarest wildlife habitats and houses 93 species in greatest conservation need (MN DNR – Comprehensive Wildlife Conservation Strategy).

Not only does this project align with the local plans of the District, it follows perfectly with the Lessard-Sams Outdoor Heritage Council priority actions, in which the funding for this project came from. The LSOHC goal, found directly on their website, www.lsohc.leg.mn, lists the funds are to be used “for the benefit of Minnesotans...and may be spent only to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife.”
As always, the District has been transparent in their process. We post all meetings, special meetings, hearings and bids legally following Minnesota Statute. All notices are put in the Albert Lea Tribune, are posted in the District's office, and meetings are broadcasted on the local community channel. Many other non-governmental organizations such as Pheasants Forever, Ducks Unlimited, National Land Trust, the Nature Conservancy, and many others buy ground to accomplish the same slated outcomes. In the last 5 years, there have been numerous larger and smaller land acquisitions that are closer to dwellings, subdivisions and municipal city limits and affect more populations than this property. This property is listed for agricultural use. It is permitted to include “any conservation areas, including water supply works, flood control or watershed protection works, fish or game hatcheries, forest preserves or game refuges” (Freeborn County Ordinances). If there was a land use change, the District would have to notify neighboring landowners of such change; however, this project of conservation and restoration is an acceptable use as currently zoned and therefore is not a land use change and does not require rezoning or permits.

Once restoration and enhancement projects are completed, the grant source, which is funded by public dollars, requires the property to be turned over to the public for them to enjoy and benefit from. As far as the tax base goes, Freeborn County still receives payments from the state in PILT - Payment In Lieu of Taxes - payments. The PILT payment is based on the amount of ground that is in state ownership for each county. Its payment rate is the greater of $5.13 per acre or ¾ of 1 percent of the appraised value (MN DNR PILT FAQ). For the first five years after being transferred to the DNR, the PILT payment is based off of the dollar amount purchased, after that time period it is based off of assessed value. In fact, if the property was purchased for $1,600 an acre or more, the property tax payments to Freeborn County would increase over that five year term.

In regards to what local dollars will be spent? The grant the District received is $2,046,000 and aims to complete three different projects. The local match the District lists is 4.89% of the total grant fund which is $100,000. Of this $100,000 approximately less than a third will go towards the Church Lake property. It has been stated that the District has $800,000 towards this project and that is just simply not true. Looking at the LSOHC work plan for the Phase 8 Proposal, acquisition and restoration costs for this
property is listed at $609,000 (LSOHC Website- FY 2020, HRE 05 Accomplishment Plan). These funds include the property purchase, upland restoration and wetland enhancement and restoration.

This project benefits water quality and natural habitat and provides true permanent protection of habitats, and the public use by every person for generations to come.

Manager Pestorious offered the following motion:
   Move to approve amended option agreement for the Church Lake property as presented.
Manager Pacovsky seconded the motion.
After discussion, a vote was taken and the following managers voted in favor of said motion: DeBoer, Kramer, Pacovsky, Bakken, Pestorious, and Delger. Manager Bakken was not in favor.

Courtney Phillips explained the Pioneer Park project. The project was included in Phase 8 of the Habitat Restoration Program and is a partnership between the SRRWD and the city of Albert Lea. The project with maintain water quality and clarity in Fountain Lake, improve and enhance habitat, prevent further erosion on lakeshore, and improve and enhance game fish habitat.

Manager DeBoer offered the following motion:
   Move to approve Joint Powers Agreement with the City of Albert Lea – Contingent upon City Approval.
Manager Pacovsky seconded the motion.
After discussion, a vote was taken and the motion was unanimously approved.

Manager Kramer offered the following motion:
   Move to introduce Resolution 2019-18 as follows:

   Resolution 2019-18
Fountain Lake Pioneer Park Restoration
Bid Award

WHEREAS, The Shell Rock River Watershed District Board of Managers (“Board of Managers”) pursues the mission of implementing reasonable and necessary improvements to the water-related and other natural resources within its boundaries;

WHEREAS, The Shell Rock River Watershed District (the “District”) is charged with implementing the Shell Rock River Watershed District Watershed Management Plan (the “Plan”);

WHEREAS, following bid advertising for Fountain Lake Pioneer Park Restoration, the bid opening was held on October 3, 2019;

WHEREAS, six bids were submitted in the amounts of $192,825 to $ 75,675 for the completion of the Project pursuant to the bid specifications;
WHEREAS, in a letter dated October 4, 2019, WSB and Associates recommended Barth Construction as the lowest qualified bidder;

THEREFORE, the Board of Managers hereby finds that the Project has the potential to promote the public interest and welfare, is practicable, and conforms to the watershed management plan.

NOW THEREFORE, be it hereby resolved by the Shell Rock River Watershed District:

Section 1: The Contract is awarded to Barth Construction, Inc. as the lowest bidder and in the best interests of the District pursuant to the terms of the Contract; and

Section 2: The staff, the Chairman of the Board of Managers, and the Secretary are authorized to sign all contracts and documents necessary to proceed with the Project.

Date: October 8, 2019

Manager Bakken seconded the motion.
On a roll call vote, the following managers voted in favor of said resolution: DeBoer, Kramer, Pacovsky, Bakken, Pestorious, and Delger. Chairman Delger decaled the resolution passed.

Courtney Phillips reported that she and Administrator Henschel attended the Lessard-Sams Outdoor Heritage Council allocation meeting. The Shell Rock River Watershed District preliminary allocation was $1,802,000 to complete Phase IX Habitat Restoration Program that will restore, enhance, and protect 433 acres of essential prairie upland, wetland, and streambank habitat across the watershed. As a result of strategic projects, key biological functioning parcels will be permanently protected, vegetation and feeding sources will be restored for migratory fowl habitat and wetlands will be restored from row crop agriculture. Projects in Phase IX are critical for the benefit of fish, waterfowl, and wildlife populations, reversing the trend of wetland loss and habitat degradation.

Technical Specialist, Scott Christenson, gave an update on the Upper Twin Lake Pumping Station. The Lessard-Sams Outdoor Heritage Council funded project will begin this winter and manage 677 acres of shallow lake basin. The SRRWD and MN DNR plan to separate Upper and Lower Twin Lakes with a pump station to manage independently. The Lower Twin Fish Barrier requires a Joint Powers Agreement with the MN DNR because the land is on a Wildlife Management Area.

Manager DeBoer offered the following motion:

Move to approve Joint Powers Agreement with the MN DNR for the Lower Twin Fish Barrier.

Manager Bakken seconded the motion.
After discussion, a vote was taken and the motion was unanimously approved.

Upcoming meetings were discussed.

Manager Bakken offered the following motion:

Move to adjourn the meeting.
Manager Pacovsky seconded the motion.
After discussion, a vote was taken and the motion was unanimously approved.