

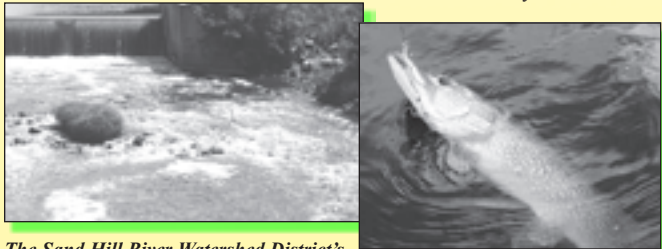
Eighth Annual Joint Conference

“Up & Down the Basin: What’s Going On?” was the theme of the Eighth Annual Joint Conference of the Red River Watershed Management Board (RRWMB) and the Red River Basin Flood Damage Reduction Work Group (the “Work Group”) conducted on March 30, 2006 in Crookston, Minnesota. The conference topics included an overview of project team activities, technical studies on tap, keynote speaker Steven J. Taff, hydrologic planning with the MIKE 11 model, the new Project Team Handbook, and the U.S. Army Corps of Engineers Permit Concurrence Points.

Project Team Activities

Project teams were established as part of the Mediation Agreement and include watershed districts, state, federal and tribal agency personnel, local government officials, affected landowners and interested citizens and interest group representatives. State agency personnel have been assigned participation as part of their position description. This process involves project development, permitting, and funding when watershed districts are the project proponent or project sponsors.

An overview of project team activities were conducted from various project team representatives. The process begins when a new problem area or project is being introduced to the project team by the watershed district Board of Managers. Problem identification occurs when a new problem area or project within the watershed is being studied by the project team. Information is acquired to assist the project team in setting the goals to be accomplished by the project. Alternatives are developed for potential projects that may have a variety of components to achieve the goals that were identified, with the preferred alternative presented to the watershed district Board of Managers for their consideration. The steps are often intertwined with each other and not followed in sequence, but the process has proved effective in developing projects consistent with the goals of the mediation agreement.



The Sand Hill River Watershed District’s project team is coordinating with the USACE and DNR Fisheries to make the Sand Hill River a viable fishery. The Sand Hill River would be opened for expanded habitat (spawning, cover, feeding, over wintering, and access to pools). In addition to expanded habitat, this project will also control erosion, sediment, and improve water quality.

The group plans to modify the Texas Crossing and add four drop structures along the Sand Hill Ditch. Seven to nine riffles will be added below the drop structures along the Sand Hill Ditch. They also plan to realign and add riffles at the West Mill Site.

To date, Minnesota DNR fisheries has provided funding to complete the work at the Texas Crossing and the West Mill Site. Construction is scheduled to begin in the spring of 2006.

Technical Studies on Tap

The Work Group relies on the Technical and Scientific Advisory Committee (TSAC) to provide

technical and scientific information and analysis in support of the mediation effort. The TSAC represents a range of disciplines, including hydrology, engineering, ecology, soils science, and economics. The TSAC has developed a series of working papers to address key topics associated with flood damage reduction and modeled the use of different strategies for flood damage reduction. The results of TSAC are based on consensus, and its work products reflect consensus recommendations to the Work Group.

Members of the Technical and Scientific Advisory Committee (TSAC) reviewed the following technical studies: *Vegetative Response to Inundation*; and *Natural Resource Enhancement Evaluation Methodology*.

Henry Van Offelen presented an update on TSAC’s proposal to study of the effects of flood control inundation on vegetation and habitat. This project is envisioned as a multi-year study that would be in collaboration with the International Water Institute. A final scope of work will be presented to the Work Group in June to seek authorization of TSAC involvement in this effort.

A proposal for a study to develop a methodology for determining Natural Resource Enhancement benefits of projects in the basin was also discussed. This tool would be used for help in project development (designing a project to balance flood damage reduction and natural resource enhancement features), project prioritization for funding, and reporting on progress toward natural resource enhancement goals to project funding entities (i.e., the legislature).

Does the Crazy Land Market Really Affect the Way We Do Business?

Participants heard keynote speaker Steven J. Taff, an associate professor and extension economist in the Department of Applied Economics, University of Minnesota examine the ways in which cropping rights restrictions influence farmland markets.

Why do we care about the market effects? Because these effects (if any) reverberate through both our income and property tax systems, as well as indirectly into the administration of easement programs. Property tax assessors want to know whether or not to change the estimated market value of properties on which a restriction has been placed. Appraisers are asked to value the restriction itself, to be used as the donation value for any income tax deduction. Administrators want to know how much contracts will cost. Presumably, they will have to pay at least as much as the property value goes down (if at all),

in order to make the contract seller financially whole.

The market effects of two programs that are predominant in Minnesota were considered. The

federal Conservation Reserve Program (CRP), which pays participating landowners a fixed annual amount for ten years for not growing crops; and the state’s Reinvest in Minnesota (RIM) easement program which pays landowners up-front for permanent conservation use of cropland. The conservation restrictions under each are essentially the same: enrolled land cannot be cropped and must be put into some sort of persistent cover crop such as native grasses or trees.

A property restricted by a conservation contract ought to sell for less than an otherwise identical but unrestricted property, because the restriction precludes certain future uses that might have economic value greater than those that remain with the property. Such an assumption underlies the whole notion of paying for the contract (or of allowing an income tax deduction in the case of a donated easement) in the first place. If the restriction does not bind, if it does not have any future (negative) economic consequences, how can we justify paying for it in the first place?

Copies of the *Evidence of a market effect from conservation easements* are available at <http://agecon.lib.umn.edu/>. Copyright © 2004 by Steven J. Taff. All rights reserved.



Steven J. Taff

Concurrence Points

Tamara Cameron, St. Paul District – U.S. Army Corps of Engineers (USACE), explained that the desire for a coordinated environmental review is well documented in the Mediation Agreement signed in December of 1998. A substantial investment of time and money can be made on a flood damage reduction proposal without assurance that a USACE permit can be obtained. Insufficient understanding of the USACE permit process in project development can result in conflicts at the permit stage.

Flood damage reduction coordination goals include providing information to watershed staff and project team members regarding USACE requirements and information needs for permitting, prior to or concurrent with project planning. Other goals include making USACE staff available for key project team meetings and also providing timely and meaningful regulatory feedback on projects during the planning and project development.

In order to meet the goals of implementing flood damage reduction efforts, the USACE has developed a concurrence process. This process addresses purpose and need, alternatives, the least environmentally damaging practicable alternative (LEDPA), and sequencing in design phase.

The Annual Joint Conference serves as a workshop for the purpose of hearing presentations from watershed districts, resource management agencies, and non-governmental organizations relative to flood damage reduction or natural resource management needs that are addressed by the project teams of the individual watershed districts. The ability to work together for a common goal through the involvement of stakeholders in early coordination is essential to the success of the process.

RED RIVER BASIN FLOOD DAMAGE REDUCTION WORK GROUP

Summary of Decisions

March 29, 2006

This is a summary of actions taken by the Flood Damage Reduction Work Group at its March 29, 2006 meeting at the Northland Inn in Crookston. This is not a complete set of minutes of all items addressed by the Work Group. All decisions recorded as agreed were by consensus of the members in attendance. **Attendance:** J. Deal (co-chair), P. Swenson (co-chair), R. Shelito (alt.), F. Erickson, J. Braastad, J. Ziegler, M. Bertram, S. Miranowski, B. Patton, C. Evans, D. Wilkens, B. Wright. **Absent:** P. Borgen, M. Ten Eyck, J. Van Amburg, C. Meyer, G. Kajewski, K. Mykleseth. **Other Presenters:** H. Van Offelen, A. Kean.

I. Project Team Handbook

D. Buckhout presented the draft of the Project Team Handbook to the Work Group members for their review. The handbook, designed by Jody Horntvedt with assistance from Brian Dwight, will be made available as a complete

master copy for each watershed district office and as less extensive versions for each registered project team member. The designers will be presenting the draft handbook in more detail to a meeting of WD Administrators in mid-April and seeking comments from admin-

istrators and work group members through the month of April. Then, final copies will be produced for distribution to the project team members in mid-May. Buckhout and Dwight will help in presenting the handbooks to the project team members and giving them a brief orientation on how to use them at individual project team meetings in May and June. Work Group members were requested to review the draft handbook and send any comments or suggestions to Buckhout by the end of April.

II. Corps of Engineers Concurrence Points Update

Tamara Cameron, Corps Regulatory Branch, delivered a letter addressed to the Work Group

— CONTINUED ON BACK PAGE —



Red River Basin Flood Damage Reduction Work Group continued from front page...

co-chairs from Col. Pfenning that indicates the Corps' intent to follow through with the concurrence points process to the point of finalizing guidelines and an MOA that will guide the process and commit the various parties to working with it. The colonel's letter was written in response to a letter from the Work Group co-chairs requesting that the Corps implement a merger of the Section 404 regulatory process with the Project Team process. In addition, Jerome Deal reported that the Red River Watershed Management Board has discussed options getting involved financially in increased Corps of Engineers involvement in the project teams, including having a designated Corps' staff person partially funded by the RRWMB to attend the team meetings. At this time, the RRWMB is going to wait and see how the concurrence points process works out and how additional staffing commitments by the Corps affect Corps input to the project team process before they decide whether to get financially involved. The new draft Project Team Handbook contains the latest guidance from the Corps regarding the concurrence points process and what the project proposers need to consider in working with that process.

III. FDR-NRE Project Prioritization Criteria

Buckhout reminded the Work Group that at the February Work Group meeting Kent Lokkesmoe said that it would be useful to him if the Work Group prioritized listed projects with respect to the mediation agreement goals and other factors. He would seriously consider the Work Group recommendations in subsequent funding decisions and in legislative testimony. Priority lists would have to be submitted to him by June or July. Furthermore, the list should be actively maintained as new projects come under consideration for funding through the project team process.

In response to Kent's request the Work Group began deliberation of criteria that should be used to prioritize projects for limited funds.

Buckhout referred to the criteria the Work Group had adopted in October 2000 that were used in making findings of compliance with the Mediation Agreement for the four projects listed in legislation in 2000 so that they would be eligible for 75:25 state funding. Other criteria suggested in discussion were: timely completion of the project, integration of state and federal funding, land acquisition, and STaR Value. It was suggested that there would need to be some time of weighting system employed rather than the application simply Pass-Fail criteria like those approved in October 2000.

The Work Group approved the formation of a committee to work on developing criteria and a system for applying them with a report back to the Work Group in June. Committee members identified were: R. Shelito or B. Dwight (BWSR), J. Ziegler, D. Thul, and D. Buckhout. The Work Group also requested that TSAC designate a member of their committee to participate to maintain coordination with their NRE Benefits Evaluation Methodology project (see next item). It was acknowledged that the TSAC product may be very useful to the project prioritization criteria and that the timing of these two efforts needs to be coordinated.

IV. TSAC Project Proposals

H. Van Offelen presented, on behalf of TSAC, a proposal for a study to develop a methodology for determining NRE benefits of projects in the basin. (See attachment) This tool would be used for help in project development (designing a project to balance FDR and NRE features), project prioritization for funding, and reporting on progress toward NRE goals to project funding entities (i.e., the legislature). The work would be done entirely by TSAC using some unexpended funds (\$21,000) and additional funds to be obtained later if needed.

As designed by TSAC, the Scope of Work for this study included a milestone/checkpoint after steps 1 and 2. The Work Group would be asked to authorize further work on this project at that point. Up to that point the work would be largely theoretical and collecting existing information about parameters to be evaluated and existing methodologies. It is estimate that

sufficient funds exist to complete steps 1 and 2. If the Work Group approves proceeding after the milestone step, an additional source of funds would be needed.

The Work Group approved authorization of TSAC to begin work on this project using existing funds, which need to be reallocated from BWSR to the Red River Watershed Management Board Red River Mediation account. The Work Group expects to receive a recommendation for proceeding or not from TSAC after the completion of Steps 1 and 2 in about six months.

Al Kean presented a brief concept for a culvert sizing study TSAC project. There is no currently identified source of funds for this project. However, Al, Charlie Anderson and Jim Solstad are very interested in working on this project. They will present a proposed scope of work at the June FDR Work Group meeting.

Henry Van Offelen presented a brief update on TSAC's top interest project proposal, a study of the effects of flood control inundation on vegetation and habitat. This project is envisioned as a multi-year study (~\$200,000+) that would be undertaken in collaboration with the International Water Institute with TSAC playing an advisory/steering committee role. It is expected that the work would be done under contract with IW1 by university or other non-profit sector researchers. TSAC developed an outline for this study at their last meeting and Don Buckhout and Chuck Fritz are working on a scope of work and exploring funding sources. A final scope of work will be presented to the Work Group in June to seek authorization of TSAC involvement in this effort.

V. Agassiz Valley Project Update

Jerome Deal updated the Work Group on the status of this project. The district court judge had ordered, in response to a request from the watershed district, that this project be addressed by BWSR for fact-finding on certain issues. BWSR will be addressing the issue in the near future. A report back to the judge is due in the summer.

Don Buckhout reported that a group of landowners affected by the Agassiz Valley project

WATERSHED DISTRICT PROJECT TEAM REPORTS

- The Roseau River WD project team has been meeting to discuss a proposed outlet on the west end of the Roseau River Wildlife Management Area (RRWMA) Pool 3. The District was awarded a State Flood Damage Reduction Grant with 75/25 cost share for the project.
- The Two Rivers WD project team has been discussing the Springbrook Township / County Road No. 61 project. This channel restoration and flood and erosion control project is slated to be completed this summer. Seeding will need to be completed as well as some culvert work, and then filling in the current road ditch and connecting the flow into the newly created meandering channel. Seeding will be completed this spring, with the earth work to be completed in the fall prior to freeze up. This will allow one growing season for vegetation to establish.
- The Sand Hill River WD project team has been meeting regularly. They are working on a flood damage reduction project in the Garden Slough area. The main purpose of this project is to reduce peak flood flows on the Red River. Members are also assisting with the development of the Environmental Assessment Worksheet (EAW) for fish passage and the overall plan update which includes modeling and natural resource enhancement.
- The Wild Rice WD project team has been meeting to discuss the South Branch Storage Initiative. The District has submitted a second revised version of the Purpose and Needs Statement to the USACE for the project. In addition, negotiations with the landowners at the largest off-channel site have also begun. If all goes well, a number of soil borings and preliminary geotechnical reports on the site will be completed later this spring.
- The Bois de Sioux WD project team has completed their work on the East Branch 12-Mile Creek problem area for right now. The summary report was submitted to the Board of Managers at their February meeting and accepted. The report is being publicized as representative of exactly how the mediation/project team process is expected to work.

had requested time on the meeting agenda but cancelled at the last minute. They also requested time on the agenda at the next Work Group meeting. It was agreed by the Work Group that they would only be granted time at the June meeting under certain conditions: if they want to request action by the FDRWG, that request must be made in writing and presented to Don Buckhout in advance in sufficient time for mailing with the meeting materials (2 ½ weeks prior). If they want to address the Work Group without making any specific requests for action, they will be granted 10 minutes of time for such a presentation and do not have to submit material in advance.

XI. Next Meetings

Work Group meeting dates for the remainder of 2006 are as follows:

*June 7, Wednesday – Detroit Lakes
August 30, Wednesday – Crookston
October 31, Tuesday – Detroit Lakes*

The Funding Committee will meet prior to the June Work Group meeting.

Agenda items for the June meeting will include a presentation on the SWAT model by EERC staff, TSAC proposals and a Funding Committee recommendation.

Your comments and contributions are always welcomed. Please forward any correspondence to: Flood Damage Reduction Focus, PO Box 763, Detroit Lakes, MN 56502-0763. Tele: (218) 844-6166, Fax: (218) 844-6167, Email: rrwmb@arvig.net.

Flood Damage Reduction Focus
c/o Desktop Documents
PO Box 763
Detroit Lakes MN 56502-0763

PRESORTED
STANDARD
U.S. POSTAGE
PAID
GONVICK, MN 56644
PERMIT NO. 3