

Legislative-Citizen Commission on Minnesota Resources

MEMO: Agenda Item #6 B-1

DATE: June 5, 2019

SUBJECT: Update on the City of Melrose's M.L. 2019 project – Sauk River Dam Removal and Rock Rapids Replacement

Background

On February 26th, the City of Melrose submitted to LCCMR a revised work plan and budget for the M.L. 2019 08c recommended project *Sauk River Dam Removal and Rock Rapids Replacement*. The revisions significantly changed the scope and cost of the project. The rationale for changing the project scope was outlined in a letter sent to Director Nash from the City of Melrose's Administrator Michael Brethorst (attached) and included a dam design issue encountered when the City began pursuing a permit for dam replacement.

The original proposal and work plan included:

- Sauk River Dam removal
- Replacement with rock arch dam
- Shoreland restoration and instream habitat improvements downstream from new rock arch dam
- Cited benefits included water quality improvements, fish passage, and expanded recreational opportunities
- Cost \$2.7 million

The revised proposal included:

- River channel realignment and shoreland restoration downstream of existing dam (Phase I)
- Sauk River Dam removal and replacement is proposed as future potential project (Phase II)
- Cost \$1.4 million (Phase I); \$Unknown (Phase II)

A complementary effort had received a recommendation from the Lessard-Sams Outdoor Heritage Council (LSOHC) for \$737,000. On February 21, 2019, project lead Stearns County SWCD requested withdrawal from consideration by LSOHC and stated they "did not feel the phased plan would result in habitat benefits or follow the original intent of the application submitted and approved by LSOHC."

March 4, 2019 LCCMR meeting summary

At the March 4th LCCMR meeting, the City of Melrose provided an update to members on the changes in project scope as reflected in the revised work plan submitted to LCCMR staff on February 26th. Ian Chisolm, DNR River Ecology Supervisor, and Greg Berg, Stearns SWCD Lakeshed Specialist, attended the meeting and provided additional technical and ecological context to discussion of the project.

Members passed a motion to take no action with the understanding that the City of Melrose would not be eligible to spend any of the appropriated funds due to inconsistency of the revised work plan with the appropriation intent. By taking this action, members recognized that the City and its project partners have the opportunity to work together to develop a revised plan that better reflects the original intent of the project. The DNR stated that in order to assist the City, DNR would need specific hydraulic data. They provided a memo to this effect immediately after the meeting (attached).

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Activity since March 4, 2019 meeting

- On March 13th staff from City of Melrose, WSB consultants, and the DNR met to discuss the project. A short summary of the meeting is included in the attached letter from Ian Chisolm, DNR, to Director Nash.
- On May 16th, Mike Nielson and Todd Hubmer from WSB met with LCCMR staff. Meeting takeaways:
 - WSB would like the City of Melrose to be able to use ENRTF funds to collect hydrology data needed by the DNR to determine if an arch rock rapid is feasible and to finalize design.
 - WSB is considering flattening the slope and elongating the channel of the rock arch rapids dam, which may require fee title acquisition of an upstream parcel.
 - The cost of the project will likely be greater than the funds appropriated.
 - The time needed to implement this revised project is longer than allowed through the appropriation.
- The City of Melrose provided a memo (attached) describing the current status of the project plan and will provide an update at the June 5th LCCMR meeting.
- The DNR will be present to answer any questions.
- Stearns Soil and Water Conservation District resubmitted their funding request from LSOHC and received an appropriation of \$737,000 during 2019 session for a complementary habitat restoration effort.
- As of May 31, LCCMR has not received a revised work plan and budget from the City of Melrose describing the change in scope of the project.

M.L. 2019 Appropriation language

Subd. 8 (c). Sauk River Dam Removal and Rock Rapids Replacement. \$2,768,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Melrose to remove an existing fixed-elevation dam, construct a rock arch rapids, and conduct in-stream and shoreline habitat restoration to improve water quality and native fish passage in the Sauk River. This project requires a match of at least \$1,400,000 that must be secured before trust fund money is spent. At least \$700,000 of this match must come from the city of Melrose. City of Melrose expenses for the Sauk River dam removal and rock rapids replacement incurred before July 1, 2019, may be counted toward the match.

Considerations

1. Has progress been made with project partners to achieve the conservation outcomes originally proposed to LCCMR?
 - a. Restoration of fish passage and improvement of water quality through:
 - i. Replacement of existing dam with rock arch rapids
 - ii. Instream and shoreline habitat restoration after dam removal and replacement
2. What changes to the original project, if any, would be required in terms of scope, activities, costs, or time in order to accomplish the above conservation outcomes?
3. What are the chances of success?

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Action

Possible options for commission action:

1. Request revisions to work plan for possible approval on 6/17
2. Do not put work plan on agenda for possible approval on 6/17. Choosing this option means funds would not be available to the City of Melrose at this time.

Attachments

- Letter from Michael Brethorst, City of Melrose, to Director Nash, dated February 26, 2019
- Letter from Ian Chisolm, DNR, to Director Nash, dated March 5 2019
- Letter from Ian Chisolm, DNR, to Director Nash, dated May 21, 2019
- Letter from Tessa Beuning, City of Melrose, to Director Nash, dated May 30, 2019