

Date: November 9, 2023

To: CLFLWD Board of Managers **From:** Mike Kinney, District Administrator

Subject: Little Comfort Lake Project Update & Grant

Amendment



Background/Discussion

This topic was discussed at the <u>March 9, 2023 regular board meeting</u>, and regular project updates have been brought forth monthly throughout the year. The purpose of this agenda item is to consider taking action to support a grant amendment in order to make several revisions to the grant work plan and extend the grant expiration by one year to December 31, 2024.

Clean Water Fund grant C21-6176 Little Comfort Lake Improvement Projects was awarded in 2021. Since then, the District has run into several barriers with respect to implementing the proposed projects to improve Little Comfort Lake. At this time, we are unable to complete the work as originally proposed in the grant work plan (i.e., wetland impoundment, channel improvements, alum treatment). However, staff have been evaluating several project alternatives, and we propose extending the grant for one year in order to utilize some of these grant dollars on other practices in the area that will result in measurable improvements to Little Comfort Lake. We have discussed these options with our Board of Water and Soil Resources (BWSR) Board Conservationist, and we believe there is a path forward.

The original grant award was \$354,600, and we currently have a remaining grant balance of about \$250,000 (not including the required 25% grant match).

Summary of Proposed Work Plan Revisions

a) Add two new activities – Structural Agricultural Practices and Non-Structural Practices: The District has spent a lot of time trying to figure out a way to reduce pollutant loading for Little Comfort Lake. We've run into several significant barriers with respect to the originally proposed projects (see descriptions below). However, we're very hopeful that we've found a path forward in the form of some agricultural best management practices (BMPs), and potential enhanced street sweeping in the Little Comfort Lake subwatershed. While the Little Comfort Lake Diagnostic Study identified the originally-proposed projects, it also identified several priority agricultural areas. Staff have been in communication with several landowners in the Little Comfort Lake Management District. The District is unlikely to achieve the full originally-proposed 196

lb/yr phosphorus reduction with these agriculture practices, but we think we can still achieve some measurable improvements (reduction estimates TBD).

- Structural Agricultural Practices: Potential projects (with eLINK activity numbers) include 472 - Access Control, 561 - Heavy Use Area Protection, 587 -Structure for Water Control. We're hoping roadside ditch cleanout including sediment/manure removal would be eligible, provided it is not considered routine maintenance.
- ii. **Non-Structural Practices**: Potential projects (with eLINK activity numbers) include 328 Conservation Crop Rotation, 340 Cover Crop, 345 Residue & Tillage Management (reduced-till), 329B Residue & Tillage Management, no/strip-till), and potentially enhanced street sweeping (prioritization analysis pending).
- b) Remove three activities removal of activities that could not be implemented due to multiple barriers described below.
 - i. **East Wetland Impoundment**:. The original concept was to impound water in the "East Wetland". However, doing so would result in increased water levels on several properties (20+) which overlay the wetland. The District was unable to obtain landowner permission from all of the overlaying property owners. Note that the District invested time evaluating one project alternative for this, in the form of the Gravel Pit Impoundment. For several months, the Gravel Pit seemed like a good alternative, but ultimately landowner support fell through.
 - ii. **Alum Treatment**: Part of the engineering work for this project was to perform alum dosing. Over the course of doing this work, the District Engineer gathered additional information which resulted in a recommendation not to proceed with an alum treatment at this time. Essentially, the alum treatment would not be cost effective because the internal loading was not mixing with surface water, causing impaired water quality.
 - iii. **Channel Improvements**:. The originally proposed beaver dam analogs were ultimately deemed infeasible as a result of permitting conversations with MnDNR and conversations with surrounding landowners with respect to water levels. Staff evaluated other channel improvement options, but ultimately deemed these infeasible or not cost effective.
- c) Move funds between activities.

i. **Engineering:** Increase this budget amount to account for additional technical project feasibility work required. All grant funds spent to date have been on engineering work in an attempt to develop the originally-proposed projects and then evaluate and develop project alternatives.

Heath Avenue Iron Enhanced Sand Filter

Additionally, the District has been developing a project off Heath Avenue with a landowner who is willing to parcel off the southern half of their property for our project. Staff evaluated the feasibility of amending our current Clean Water Fund grant to suit this project. However, we are unable to extend the current grant beyond December 31, 2024, and the available grant dollars are much lower than the estimated cost of this project. Given the timing and funding constraints, staff proposes the following process for this project. We do not recommend trying to amend the C21 CWF grant to fit this project.

- 1. Conservation Partners Legacy grant request of \$140,000 for land acquisition has been submitted, as approved by the Board on August 24th, and is under review. Grant awards will be announced at the end of December. This grant is for acquisition only. We hope to receive the grant award and have funds available by February 2024.
- 2. Complete project feasibility, project ordering, rezoning, parcel subdivision, and property closing between now and the end of 2024. Note that District Legal Counsel has advised that the project must be ordered before the District can close on the property.
- 3. Submit a FY25 Clean Water Fund competitive grant, possibly in the range of \$1 million, in August 2024. If awarded, the grant would be available in April 2025. The District would have until December 31, 2027 to complete the project. Given our experience with a similar project, the County Road 50 Iron Enhanced Sand Filter, this should be an appropriate amount of time to complete the project.

Recommended Action

Staff recommends that the Board support this grant amendment, which may allow us to utilize funds in hand in order to complete project alternatives (agricultural practices and/or street sweeping) and achieve some measurable improvements for Little Comfort Lake.

Proposed Motion: Manager ____ moves to authorize the District Administrator to submit a grant amendment request for Clean Water Fund grant C21-6176, adjusting grant deadline and work plan, and to execute the amendment, if granted. Seconded by Manager ____.