



US Army Corps
of Engineers
St Paul District

SPONSOR: John and Diana Welle

Public Notice

ISSUED: 17 February 2016

EXPIRES: 18 March 2016

REFER TO: 2015-00323-LED

SECTION:404 - Clean Water Act

1. WETLAND COMPENSATORY MITIGATION BANK PROPOSAL
2. SPECIFIC INFORMATION.

SPONSOR'S ADDRESS: John and Diana Welle
28946 State Highway 47
Aitkin, Minnesota 56431

PROJECT LOCATION: The project site is located in NE ¼ Section 32, T. 61N., R. 15W., St. Louis County, Minnesota. Latitude 47.723045; Longitude -92.272074.

BANK SERVICE AREA: The proposed bank is located in the Vermillion River watershed within the Rainy River Watershed (Bank Service Area 2).

DESCRIPTION OF PROJECT: The sponsor is proposing to develop the Wahlsten Peatlands Wetland Bank. The proposed bank site is approximately 71 acres in size, including upland buffer areas.

Currently, the parcel is comprised of forested and non-forested recreational wetland and uplands with an abandoned railroad grade through the southwest corner of the site. Existing railroad grade infrastructure includes adjacent ditches through the site and a railroad bridge on the adjacent down gradient (east) property. Long-term, artificially raised hydrology resulting from beaver activity at and downstream of the railroad bridge has resulted in the conversion of a portion of the wetlands onsite from historically coniferous (white cedar) swamp and shrub-carr wetlands to shrub-carr and shrub-carr/shallow marsh communities.

The sponsor proposes to preserve 40.2 acres of coniferous (white cedar) swamp and 10.7 acres of shrub-dominated/wooded swamp, and preserve 5.2 acres of upland buffer and 7.4 acres of wetland buffer. Preservation is defined in the Corps regulations as the "removal of a threat to, or preventing the decline of, wetland/aquatic functions by an action in or near those resources" (33 CFR 332.2/40 CFR 230.92). To be eligible for use as compensatory mitigation, a preservation site must be (1) under demonstrable threat of destruction or adverse modification; (2) provide important physical, chemical or biological functions for the watershed, and (3) contribute significantly to the ecological sustainability of the watershed (33 CFR 332.3(h)). Demonstrable threats may include: (a) activities not regulated by Section 404 or WCA but which can alter/degrade/destroy wetlands (e.g., certain agricultural, silvicultural, and excavation activities); and (b) case-specific situations where wetlands are within areas under intense development pressure.

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These are the three *minimum* eligibility criteria for wetland preservation credit, and it is solely the project proponent's responsibility to demonstrate to BWSR and the Corps that all three eligibility criteria are met. A proposal where the documentation does not demonstrate that all three minimum eligibility criteria are met is not eligible for consideration as preservation.

The Sponsor has suggested that the white cedar coniferous swamp and wooded swamp communities are under demonstrable threat from timber harvesting. The Sponsor states that the proposed preservation area contains an abundant population of marketable white cedar trees and a smaller population of marketable black ash trees. Much of the existing white cedar population consists of trees with tall, straight trunks and diameter breast height (DBH) of 8-18 inches. There are several mills within the region that are seeking opportunities to harvest mature, good quality white cedar trees. Much of the white cedar that exists in northeast Minnesota is on publicly managed land where managing agencies have implemented no-harvest policies for white cedar. This has resulted in increased demand for marketable white cedar trees on private land. Although the proposed wetland bank area has not been harvested for timber in recent history, there has been timber harvesting on adjacent private property. The proposed preservation area of the wetland bank is located less than 1,000 feet from a public road and, with legal access to the public road, is easily accessible for timber harvesting activities.

The Sponsor alleges that potential filling of the shrub/wooded wetland area under de minimis exemptions is also a demonstrable threat. The shrub/wooded wetland area separates the upland area in the southeast corner of the property from the upland area located in the southwest corner of the property and on adjacent public land. Since other upland connections do not exist, the shrub/wooded wetland area has the potential of being impacted in the future to create connectivity between the upland areas.

To demonstrate that the site provides important physical, chemical or biological functions for the watershed and contribute significantly to the ecological sustainability of the watershed, the Sponsor submitted the following information and referenced the guidance document for Siting of Wetland Mitigation in Northeast Minnesota. The Sponsor states that the native white cedar swamp community is mature, high quality and high functioning with good active white cedar regeneration. The Sponsor also completed a MnRAM assessment of the resources onsite to demonstrate that the proposed preservation area is a high quality wetland providing important functions to the watershed. The Sponsor's MnRAM assessment ranked the site as Exceptional for Maintenance of Water Quality, Maintenance of Characteristic Wildlife Habitat Structure, Wetland Sensitivity to Stormwater and Urban Development, and Additional Stormwater Treatment Needs; High for Maintenance of Hydrologic Regime; and Moderate for Flood/Stormwater/Attenuation, Downstream Water Quality, Maintenance of Characteristic Amphibian Habitat and Aesthetics/Recreation/Education/Cultural. The MnRAM Assessment Summary and Site Response Record is attached.

The established bank site would be managed by the sponsor or their successors in property ownership. The site would be adaptively managed to ensure the continued maintenance of high quality, native forested, shrub-dominated and herbaceous communities. Credit sales would be tracked by sponsor and reported to the state as required by state law. The reported credit releases and sales would be tracked on both Corps and state databases using ledger data supplied by the state.

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By state law, long-term management of the property would be the responsibility of the landowner and the sponsor until all released credits have been debited. After all credits are debited, long-term management obligations would fall to the landowner under state law. Additional protections and management limitations would be spelled out in both a conservation easement and in an approved bank plan.

The project would preserve approximately 50.9 acres of wetlands with an additional 12.6 acres of restored and/or preserved upland and wetland buffer.

SURROUNDING LAND USE: The immediately adjacent surrounding land use includes public recreational land (predominantly forested and undisturbed) to the north, west and southeast, private residential (combination forested and developed) property to the south, and private recreational (predominantly forested) property to the east.

COORDINATION WITH RESOURCE AGENCIES: This project has been coordinated with the following members of the Interagency Review Team (IRT) and other resource agencies: Minnesota Department of Natural Resources, U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, and the Board of Water and Soil Resources.

3. REPLIES/COMMENTS.

Interested parties are invited to submit to this office written facts, arguments, or objections within 30 days of the date of this notice. These statements should bear upon the suitability of the location and the adequacy of the project and should, if appropriate, suggest any changes believed to be desirable. Comments received may be forwarded to the applicant. A copy of the full prospectus submitted by the Sponsor is available to the public for review upon request.

Replies may be addressed to Regulatory Branch, St. Paul District, Corps of Engineers, 180 Fifth Street East, Suite 700, Saint Paul, MN 55101-1678.

Or, IF YOU HAVE QUESTIONS ABOUT THE PROJECT, call Leslie Day at the St. Paul District Office of the Corps, telephone number 651-290-5365.

To receive Public Notices by e-mail, go to: http://mvp-extstp/list_server/ and add your information in the New Registration Box.

4. FEDERALLY-LISTED THREATENED OR ENDANGERED WILDLIFE OR PLANTS OR THEIR CRITICAL HABITAT.

None were identified by the bank sponsor or are known to exist in the action area. However, St. Louis County is within the known historic range for the following Federally-listed species:

Northern Long-Eared Bat	Hibernates in caves and mines – swarming in surrounding wooded areas in autumn. Roosts and forages in upland forests
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Piping Plover	Great Lakes islands and mainland shorelines that support, or have the potential to support, open, sparsely vegetated sandy habitats, such as sand spits or sand beaches, that are associated with wide, unforested systems of dunes and inter-dune wetlands
Canada lynx	Northern coniferous forest
Gray wolf (T)	Known to exist in northeast Minnesota

This notice is being coordinated with the U.S. Fish and Wildlife Service. Any comments it may have concerning Federally-listed threatened or endangered wildlife or plants or their critical habitat will be considered in our final assessment of the described work.

5. JURISDICTION.

The aquatic resources, if any, within the boundaries of the proposed mitigation bank are being reviewed in accordance with current practices for documenting Corps jurisdiction under Section(s) 9 & 10 of the Rivers and Harbor Act of 1899 and Section 404 of the Clean Water Act.

We have made a preliminary determination that the aquatic resources within the boundaries of the proposed mitigation bank are subject to Corps of Engineers jurisdiction under Section(s) 9 & 10 of the Rivers and Harbors Act of 1899 and/or Section 404 of the Clean Water Act. If an approved jurisdictional determination is completed for this mitigation bank, a copy will be posted on the St. Paul District web page at the following link: <http://www.mvp.usace.army.mil/Missions/Regulatory.aspx>.

Any regulated discharges associated with implementation of a final approved bank plan could likely be authorized by regional general permit if the bank plan is approved before any regulated discharge occurs. Any required compensatory mitigation would be accounted for in the credit yield calculations because this is a mitigation bank project.

6. HISTORICAL/ARCHAEOLOGICAL.

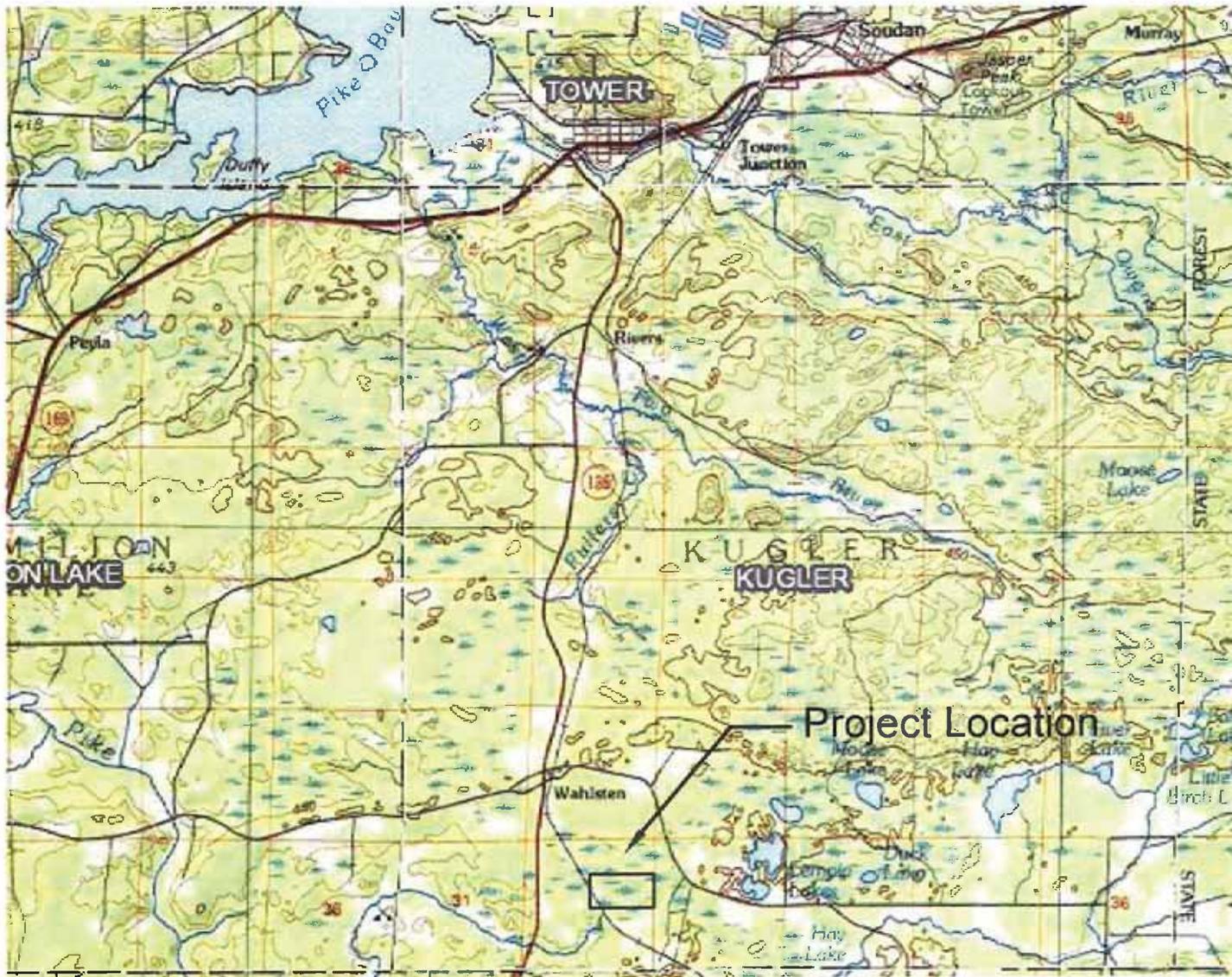
The Corps will review information on known cultural resources and/or historic properties within and adjacent to the project area. The Corps will also consider the potential effects of the project on any properties that have yet to be identified. The results of this review and the Corps' determination of effect will be coordinated with the State Historic Preservation Officer independent of this public notice. Any adverse effects on historic properties will be resolved prior to the Corps authorization, or approval, of the work in connection with this project.

7. PUBLIC HEARING REQUESTS.

Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, in detail, the reasons for holding a public hearing. A request may be denied if substantive reasons for holding a hearing are not provided or if there is otherwise no valid interest to be served.

Chad Konickson
Chief, Technical Support Section
Regulatory Branch

Enclosure(s)
Public Notice Drawings



Project Location Map Attachment 1

Wahsten Peatlands Wetland Bank
Tower, Minnesota



- Property Boundary
- Easement Boundary

Easement Boundary Attachment 2

Wahlisten Peatlands Wetland Bank
Tower, Minnesota





- Property Boundary
- Existing Access Easement
- Overhead Power Line

Site Conditions/Topography Map Attachment 3

Wahlsten Peatlands Wetland Bank
Tower, Minnesota



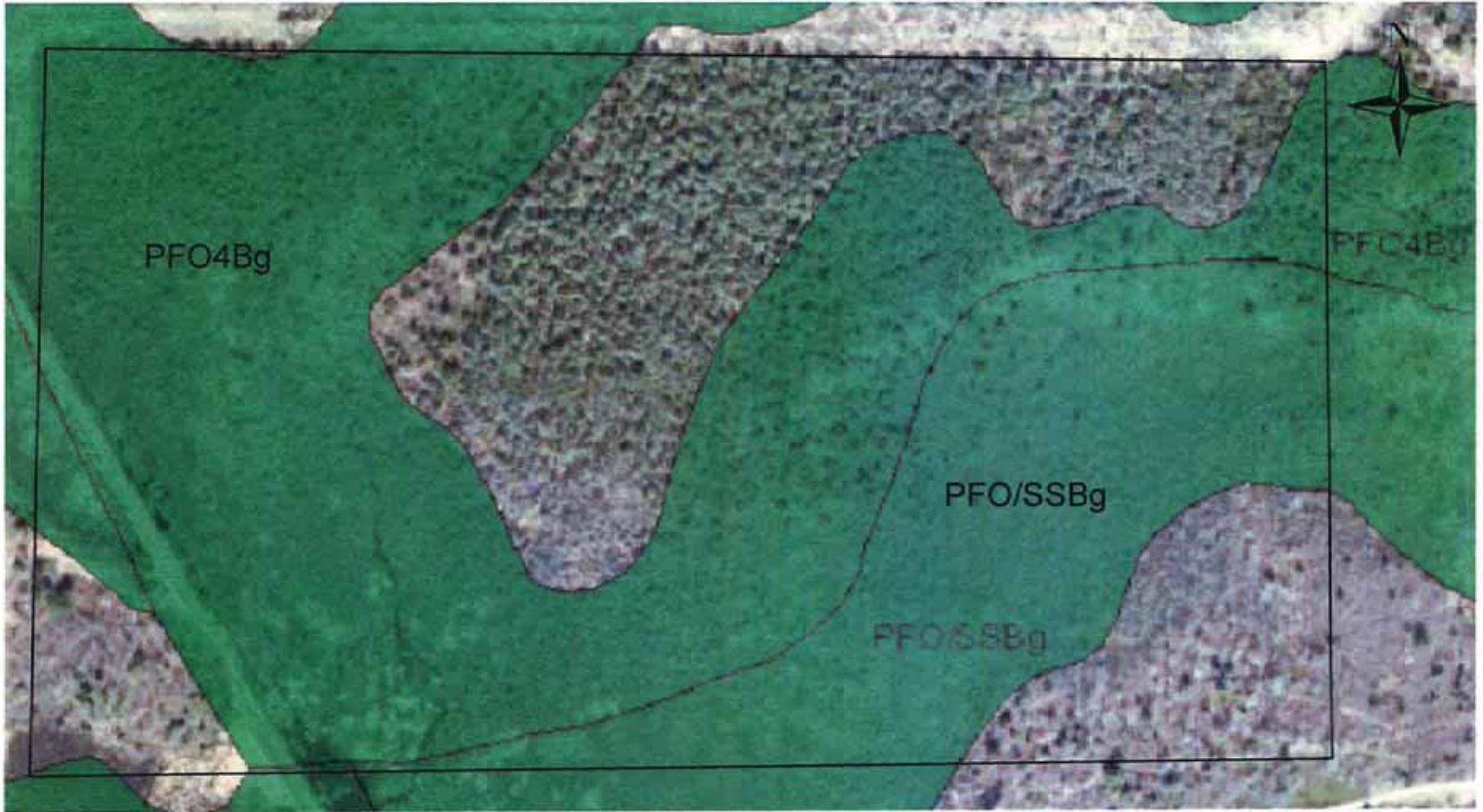


- Wetland Bank Location
- Upstream Watershed

Pike River Watershed Attachment 4

Wahlsten Peatlands Wetland Bank
Tower, Minnesota

Scale: 1" = 15,000'



— Property Boundary

National Wetland Inventory Map Attachment 5

Wahisten Peatlands Wetland Bank
Tower, Minnesota





-  Coniferous Swamp (White Cedar/Tamarack)
-  Shrub/Wooded Swamp (Dogwood, Alder, Ash)
-  Upland (Aspen, Balsam)

**Existing Wetland Types/
Vegetative Cover**
Attachment 6

Wahlsten Peatlands Wetland Bank
Tower, Minnesota



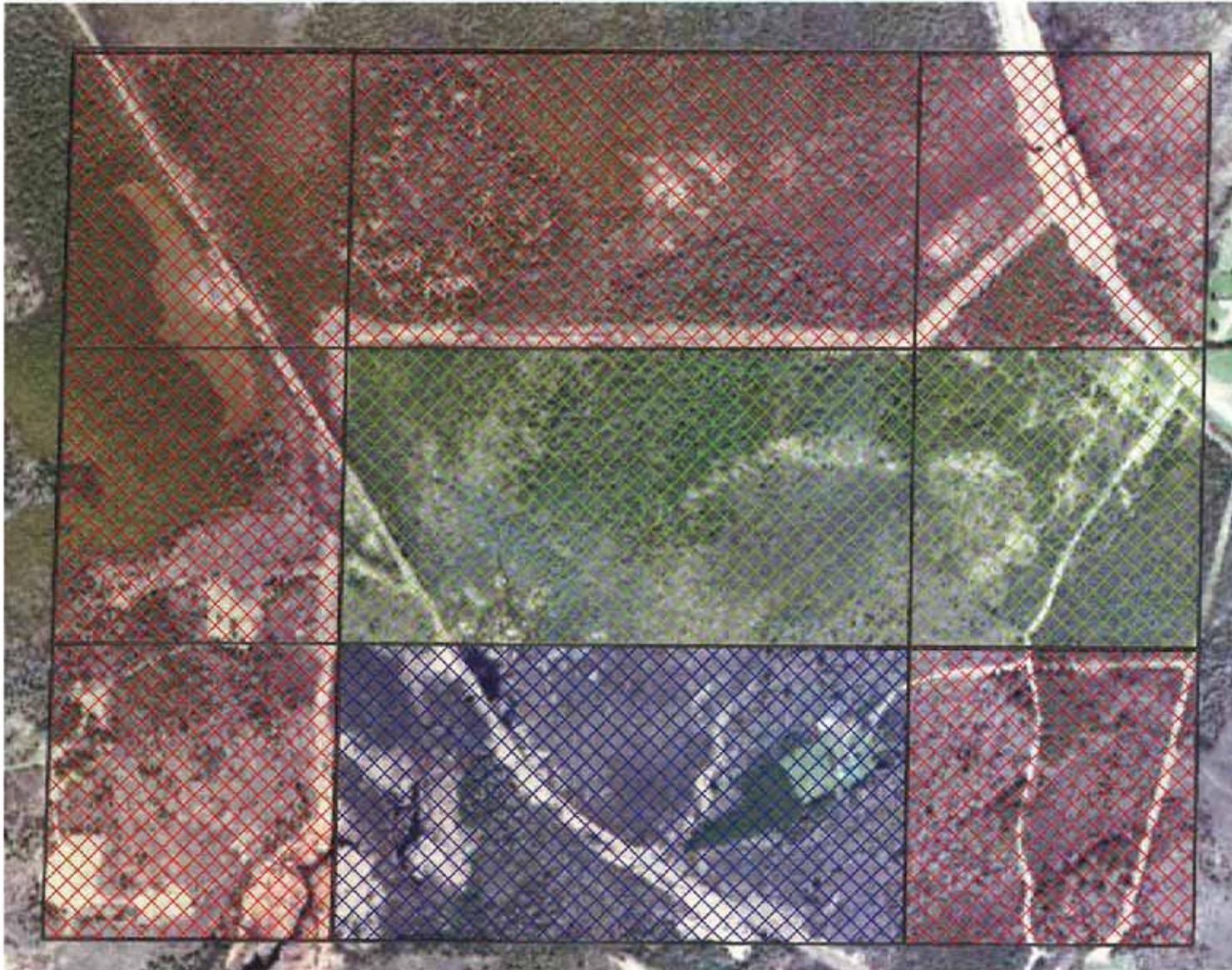


— Property Boundary

USDA Soil Survey Map Attachment 7

Wahlsten Peatlands Wetland Bank
Tower, Minnesota





-  Public Recreational
-  Private Recreational
-  Residential

Surrounding Land Use Map Attachment 8

Wahlsten Peatlands Wetland Bank
Tower, Minnesota

Scale: 1" = 720'

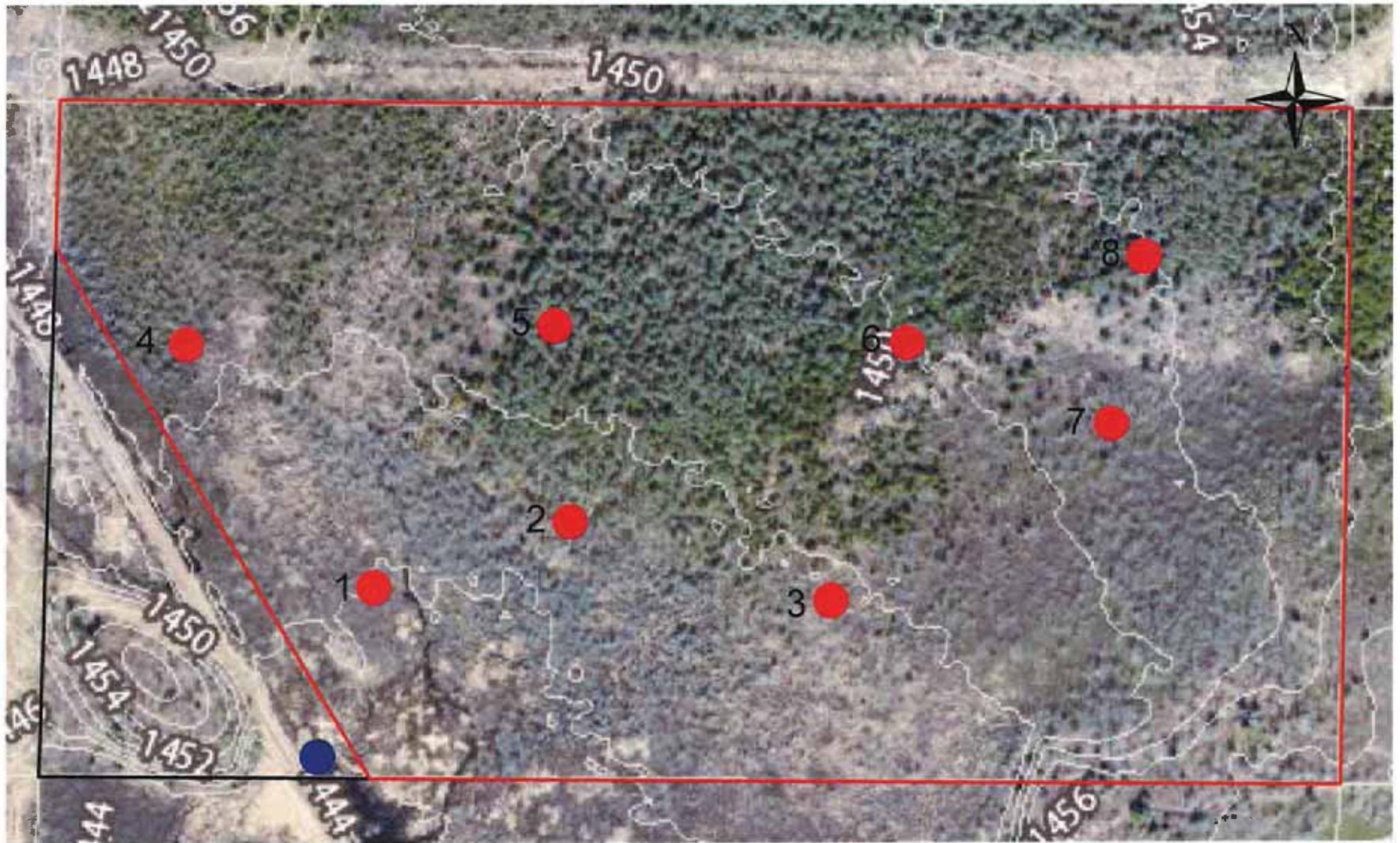


-  Preservation
-  Upland Buffer
-  Wetland Buffer
-  Non-Credit Area

Proposed Crediting Areas Attachment 9

Wahlsten Peatlands Wetland Bank
Tower, Minnesota





- Monitoring Well
- Staff Gauge

Monitoring Well Locations Attachment 10

Wahlsten Peatlands Wetland Bank
Tower, Minnesota





Exhibit 1

Wahlsten Peatlands Wetland Bank
Tower, Minnesota

Exhibit 2

Minnesota Department of Natural Resources



Division of Ecological and Water Resources, Box 25

500 Lafayette Road

St. Paul, Minnesota 55155-4025

Phone: (651) 259-5091 E-mail: samantha.bump@state.mn.us

September 4, 2015

Correspondence # ERDB 20160072

Mr. John Welle
John Welle
28946 State Highway 47
Aitkin, MN 56431

RE: Natural Heritage Review of the proposed Potential Wetland Banking or Rec Area,
T61N R15W Section 32; St. Louis County

Dear Mr. Welle,

As requested, the Minnesota Natural Heritage Information System has been queried to determine if any rare species or other significant natural features are known to occur within an approximate one-mile radius of the proposed project. Based on this query, rare features have been documented within the search area (for details, see the enclosed database reports; please visit the Rare Species Guide at <http://www.dnr.state.mn.us/rsg/index.html> for more information on the biology, habitat use, and conservation measures of these rare species). Please note that the following **rare features may be adversely affected** by the proposed project:

- The proposed project is within an area that has been preliminarily identified by the Minnesota Biological Survey (MBS) as a Site of Moderate Biodiversity Significance. Sites of Biodiversity Significance have varying levels of native biodiversity and are ranked based on the relative significance of this biodiversity at a statewide level. Sites ranked as Moderate contain occurrences of rare species and/or moderately disturbed native plant communities, and/or landscapes that have a strong potential for recovery. We encourage you to consider project alternatives that would minimize disturbance to this ecologically significant area.
- The northern long-eared bat (*Myotis septentrionalis*), a state-listed species of special concern, can be found throughout Minnesota. During the winter this species hibernates in caves and mines, and during the active season (approximately April-October) it roosts underneath bark, in cavities, or in crevices of both live and dead trees. Activities that may impact this species include, but are not limited to, wind farm operation, any disturbance to hibernacula, and destruction/degradation of habitat (including tree removal).

Effective May 4, 2015, the U.S. Fish and Wildlife Service (USFWS) listed the northern long-eared bat as threatened under the Endangered Species Act (ESA) and implemented an interim 4(d) rule. If you believe that your project may adversely affect ("take") the northern long-eared bat, you should determine whether the "take" is exempt under the interim 4(d) rule or whether you need a Federal permit. To make this determination, please refer to the USFWS Key to the Interim 4(d) Rule available at

Exhibit 2

<http://www.fws.gov/midwest/endangered/mammals/nleb/interim4dRuleKeyNLEB.html>.

Please note that the NHIS does not contain any known occurrences of northern long-eared bat roosts or hibernacula within an approximate one-mile radius of the proposed project.

- Please include a copy of this letter in any DNR license or permit application.

The Natural Heritage Information System (NHIS), a collection of databases that contains information about Minnesota's rare natural features, is maintained by the Division of Ecological and Water Resources, Department of Natural Resources. The NHIS is continually updated as new information becomes available, and is the most complete source of data on Minnesota's rare or otherwise significant species, native plant communities, and other natural features. However, the NHIS is not an exhaustive inventory and thus does not represent all of the occurrences of rare features within the state. Therefore, ecologically significant features for which we have no records may exist within the project area. **If additional information becomes available regarding rare features in the vicinity of the project, further review may be necessary.**

For environmental review purposes, the results of this Natural Heritage Review are valid for one year; the results are only valid for the project location (noted above) and the project description provided on the NHIS Data Request Form. Please contact me if project details change or for an updated review if construction has not occurred within one year.

The Natural Heritage Review does not constitute review or approval by the Department of Natural Resources as a whole. Instead, it identifies issues regarding known occurrences of rare features and potential effects to these rare features. To determine whether there are other natural resource concerns associated with the proposed project, please contact your DNR Regional Environmental Assessment Ecologist (contact information available at http://www.dnr.state.mn.us/eco/ereview/erp_regioncontacts.html). Please be aware that additional site assessments or review may be required.

Thank you for consulting us on this matter, and for your interest in preserving Minnesota's rare natural resources. An invoice will be mailed to you under separate cover.

Sincerely,



Samantha Bump
Natural Heritage Review Specialist

Links: MBS Sites of Biodiversity Significance
http://www.dnr.state.mn.us/eco/mcbs/biodiversity_guidelines.html

cc: Rian Reed

Exhibit 3

Wetland Functional Assessment Summary

Wetland Name	Hydrogeomorphology	Maintenance of Hydrologic Regime	Flood/Stormwater/Attenuation	Downstream Water Quality	Maintenance of Wetland Water Quality	Shoreline Protection
Wahlsten Peatlands Wetland	Extensive Peatland/Organic Flat, Slope	0.88	0.61	0.56	1.17	0.00
		High	Moderate	Moderate	Exceptional	Not Applicable

Additional Information

Wetland Name	Maintenance of Characteristic Wildlife Habitat Structure	Maintenance of Characteristic Fish Habitat	Maintenance of Characteristic Amphibian Habitat	Aesthetics/Recreation/Education/Cultural	Commercial Uses	Ground-Water Interaction	Wetland Restoration Potential	Wetland Sensitivity to Stormwater and Urban Development	Additional Stormwater Treatment Needs
Wahlsten Peatlands W	2.00	0.00	0.45	0.59	0.00	Discharge	0.00	1.00	1.17
	Exceptional	Not Applicable	Moderate	Moderate	Not Applicable		Not Applicable	Exceptional	Exceptional

Wetland Community Summary

Wetland Name	Location	Vegetative Diversity/Integrity							
		Community			Wetland Proportion	Individual Community Rating	Highest Wetland Rating	Average Wetland Rating	Weighted Average Wetland Rating
Cowardin Classification	Circular 39	Plant Community							
Wahlsten Peatlands Wetland	69-061-15-32-001		Type 8	Coniferous Swamp	80	1	2.00	2.00	2.00
							Exceptional	Exceptional	Exceptional
			Type 6	Shrub Carr	20	0.5	2.00	2.00	2.00
							Exceptional	Exceptional	Exceptional
							2.00	2.00	2.00
						Exceptional	Exceptional	Exceptional	
					100		2.00	2.00	2.00

Denotes incomplete calculation data.

MnRAM: Site Response Record

For Wetland: Wahlsten Peatlands Wetland

Location: 69-061-15-32-001

Wahlsten Peatlands Wetland Bank

Plant Community: Coniferous Swamp
Cowardin Classification: Circular 39:
PFO4B Type 8

Plant Community: Shrub Carr
Cowardin Classification: Circular 39:
PSS Type 7

- 4 Listed, rare, special species?
- 5 Rare community or habitat?
- 6 Pre-European-settlement condition?

Hydrogeomorphology / topography:

7 Extensive Peatland, Slope

- 8-1 Maximum water depth 2 inches
- 8-2 % inundated 0%
- 9 Immediate drainage--local WS 1500 acre
- 10 Estimated size/existing site: (see #66)

11-Upland Soil Gnesen loam, 0 to 3 percent slopes

11-Wetland Soil Mooselake mucky peat, 0 to 1 percent slopes

- 12 Outlet for flood control
- 13 Outlet for hydro regime
- 14 Dominant upland land use
- 15 Wetland soil condition
- 16 Vegetation (% cover)
- 17 Emerg. veg flood resistance
- 18 Sediment delivery
- 19 Upland soils (soil group)
- 20 Stormwater runoff
- 21 Subwatershed wetland density
- 22 Channels/sheet flow
- 23 Adjacent buffer width

Adjacent area management

- 24-A Full
- 24-B Manicured
- 24-C Bare

Adjacent area diversity/structure

- 25-A Native
- 25-B Mixed

25-C Sparse

Adjacent area slope

- 26-A Gentle
- 26-B Moderate
- 26-C Steep

27 Downstream sens./WQ protect.

28 Nutrient loading

29 Shoreline wetland?

Shoreline Wetland

- 30 Rooted veg., % cover
- 31 Wetland in-water width
- 32 Emerg. veg. erosion resistance
- 33 Erosion potential of site
- 34 Upslope veg./bank protection
- 35 Rare wildlife?
- 36 Scarce/Rare/S1/S2 community
- 37 Vegetative cover
- 38 Veg. community interspersions
- 39 Wetland detritus
- 40 Interspersions on landscape
- 41 Wildlife barriers

Amphibian-breeding potential

- 42 Hydroperiod adequacy
- 43 Fish presence
- 44 Overwintering habitat
- 45 Wildlife species (list) gray wold, coyote, whitetailed deer, moose, black bear, bald eagle, various duck species

46 Fish habitat quality

47 Fish species (list)

48 Unique/rare opportunity

49 Wetland visibility

50 Proximity to population

51 Public ownership

52 Public access

53 Human influence on wetland

54 Human influence on viewshed

55 Spatial buffer

56 Recreational activity potential

57 Commercial crop--hydro impact

Groundwater-specific questions

- 58 Wetland soils Discharge
- 59 Subwatershed land use Discharge
- 60 Wetland size/soil group Discharge
- 61 Wetland hydroperiod Discharge
- 62 Inlet/Outlet configuration Discharge
- 63 Upland topo relief Discharge

Additional information

- 64 Restoration potential No
- 65 LO affected by restoration
- 66 Existing size
- Restorable size
- Potential new wetland
- 67 Average width of pot. buffer 0 feet
- 68 Ease of potential restoration
- 69 Hydrologic alterations 0
- 70 Potential wetland type 0
- 71 Stormwater sensitivity Exception:
- 72 Additional treatment needs A

Watershed Vermillion

WS# 73 Service Area: 2

For functional ratings, please run the Summary tab report.

This report printed on: 1/28/2016

Exhibit 4 - Monitoring Well Data Summary

