

# UPPER MINNESOTA RIVER WATERSHED DISTRICT

342 NW 2<sup>nd</sup> Street, Ortonville, MN 56278  
Phone: (320)839-3411 Fax: (320)839-3313

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JUN 26 2006

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

June 23, 2006

Patty VanGerpen, Executive Director  
SD Public Utilities Commission  
500 E Capitol  
Pierre SD 57501

Re: In the Matter of the Application by Otter Tail Power Company on Behalf of Big Stone II Co-Owners for an Energy Conversion Facility Permit for the Construction of Big Stone II Project (EL05-022)

Dear Ms. Van Gerpen:

The Upper Minnesota River Watershed District is submitting this letter to the South Dakota Public Utilities Commission to communicate its support for the above-referenced Big Stone II Project's application for a siting permit.

The existing Big Stone plant has been a good neighbor, and our watershed district has gone on record to support the manner in which the Big Stone project plans to appropriate water from Big Stone Lake.

On April 11, 2006 at the regular meeting of its Board of Managers, the Upper Minnesota River Watershed District unanimously approved a resolution of support for the Big Stone II Project Water Appropriations Permit Application. A copy of those minutes is enclosed with this letter. A copy of the minutes, and a letter similar to this one, has also been submitted to the Water Management Board of the South Dakota Department of Environment & Natural Resources.

Watershed Districts were authorized by the Minnesota legislature in 1955 when it passed the Watershed Act, MSA103D. This legislation sets out the role and responsibilities for watershed districts, which are local units of government that work to solve and prevent water-related problems. The boundaries of the districts follow those of a natural watershed (an area of land in which all water flows to one outlet), and the districts are usually named after that watershed.

The general purpose of watershed districts is "to conserve the natural resources of the state by land use planning, flood control, and other conservation projects by using sound scientific principles for the protection of the public health and welfare and the provident use of the natural resources" pursuant to MSA § 103D.201 (Subd. 1). A watershed district has special purposes allocated by law, including but not limited to regulating the flow of streams and conserving the streams' water,

diverting or changing all or part of watercourses, and providing or conserving water supply for domestic, industrial, recreational, agricultural, or other public use. MSA § 103D.201 (Subd. 2).

The lakeshed of Big Stone Lake is divided by the Minnesota/South Dakota state border. The Minnesota portion of the lakeshed is located in the Upper Minnesota River Major Watershed.

Some of the specific functions performed by the Upper Minnesota River Watershed District are water planning and conservation with the state of Minnesota and its counties and cities, and regulating and controlling the use of water within the watershed district. We also conduct or sponsor water quality surveys of lakes and streams within the district. For example, the Upper Minnesota River Watershed District has sponsored the Big Stone Lake Restoration Project (Clean Lake Project, CLP) in conjunction with the Big Stone SWCD, city of Ortonville, Big Stone County, Citizens for Big Stone Lake, Minnesota Department of Natural Resources (DNR), USFWS, MPCA, and other state and local groups from South Dakota. Significant lake water quality improvements have been noted since implementing this nuisance algae reduction program.

If you need further information about the Upper Minnesota River Watershed District or its endorsement of the Big Stone II Project, please let us know.

Sincerely,



Dianne Radermacher  
Administrator for Upper Minnesota River Watershed District

Enclosure

CC: Bruce Gerhardson  
Steve Schultz  
Tom Welk  
Chris Madsen  
Joanne Haase

April 11, 2006

Pursuant to notice and call a regular meeting of the Upper Minnesota River Watershed District Board was held Tuesday, April 11, 2006 at 1:00 p.m. in the District Office. Board members present were; Kamstra, Harste, Berdan, Toelle, Hansen, and staff member Radermacher. Also present was Mark Rolfes, Ottetail Power Company, Big Stone Plant.

Chairman Harste called the meeting to order at 1:00 p.m.

Minutes from the March 14th, 2006 regular meeting were discussed and approved as presented.

Mark Rolfes was present before the board to discuss the water appropriation permit for the new Big Stone II Plant. Rolfes explained that the new permit would have the same parameters as the current permit except that they would be drawing an additional 10,000 ac.ft. of water per year for a total of 18,000 ac. ft. A new 10,000 ft. storage pond will be constructed on site. This pond will be between 20 and 25 feet deep.

Ottetail will consider taking water year round instead of just during the spring. Rolfes explained that the mercury emissions will be reduced at the plant due to the installation of a new scrubber system. Construction is planned for 2007 provided all of their permits go through.

Motion Hansen, that the Board go on record in support of the Big Stone II Plant permit to appropriate water from Big Stone Lake. Seconded by Berdan, motion carried.

Mark Rolfes left the meeting at this time.

Radermacher updated the Board on the County Commissioners meeting held on April 4th concerning the purchase of approximately 240 acres of land by the DNR. Radermacher was unable to attend the meeting due to a funeral. The County Commissioners tabled the purchase until the April 18th regular meeting. The Commissioners want an agreement that the Watershed District would be responsible for any drainage issues on this property. Radermacher will report back to the Board at the next regular meeting.

Radermacher and Harste updated the Board on the Legislative Breakfast and current legislative issue.

Radermacher updated the Board on the Shallow Lakes Conference she attended.

Centennial Wetland was discussed. Berdan updated the Board on the site visit he had with the County Engineer and Gary Haugen. Motion Berdan that Radermacher draft a letter to Wiegman, Strobel, and Morrill inviting them to attend the Boards regular June meeting to further discuss the drainage issues in this area. Seconded by Kamstra, motion carried.

Permit application #06-16, from Craig Strobel, to clean an existing ditch in the NW 1/4 of Section 17 in Malta Township, was discussed. Motion Toelle, to approve permit application #06-16 as presented. Seconded by Kamstra, motion carried.

Hansen reported on the Timber Ridge development that is being constructed on the South Dakota side of the lake.

Pending permits #05-22, #05-31 and #05-52 were discussed. Motion Berdan, that permits #05-22, #05-31, and #05-52 remain pending. Seconded by Kamstra, motion carried.

Motion Toelle, to pay the bills, seconded by Berdan, motion carried.

Administrative Fund:

LMC..(insurance).....	\$ 653.00	Quest..(phone).....	\$ 92.26
NCPERS..(ins).....	\$ 16.00	First National.(moorhead conf).....	\$ 204.43
Dianne Radermacher..(mileage).....	\$ 187.77	Kindt Ag..(ins).....	\$ 773.50
Al Kamstra.....	\$ 94.16	Robert Toelle.....	\$ 102.60
Minnwest Bank..(ss-med).....	\$ 80.36	TTL..(phone).....	\$ 17.73
Service Charge.....	\$ 1.00	Unicel..(phone).....	\$ 52.77
Loren Harste.....	\$ 227.52	Glenn Berdan.....	\$ 177.63

Maintenance Fund:


City of Ortonville..(elc).....	\$ 57.05	Dianne Radermacher..(mileage).....	\$ 124.61
Service Charge.....	\$ 5.00	Sev's Gravel & Exc..(debris removal)..	\$ 765.00

Project II Fund:

Mary Haugen..(#7).....	\$ 439.16	Pub. Emp Ret. Assc....(pera).....	\$ 316.61
Dianne Radermacher..(#7).....	\$ 1,499.58	Service Charge.....	\$ 1.00
Minnwest Bank.....	\$ 1,219.56	Mary Haugen..(#8).....	\$ 359.53
Pub. Emp. Ret. Assc..(pera).....	\$ 266.32	Dianne Radermacher..(#8).....	\$ 1,282.35
CBSA Inc....(ins).....	\$ 134.30		

Motion Hansen, to adjourn the meeting at 3:15 p.m. Seconded by Kamstra, Motion carried.

Respectfully submitted by,

  
Dianne Radermacher, Administrator

Approved by,

  
Glenn Berdan, Secretary

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