Minnesota Department of Natural Resource:

Division of Ecological and Water Resources 1200 Warner Road Saint Paul, MN 55106-6793



August 8, 2014

Transmitted via Electronic Mail

Ms. Lydia Nelson HDR, Inc. 700 Xenia Avenue South, Ste. 600 Minneapolis, MN 55416

Ms. Nelson,

The Minnesota Department of Natural Resources (DNR) has reviewed the early coordination information provided by Minnesota Energy Resources regarding routing options for the proposed Rochester natural gas pipeline project (Project). We offer the following comments for your consideration.

Route alternatives that avoid DNR administered lands should be developed. DNR administered lands include Wildlife Management Areas, Scientific and Natural Areas, State Parks, Aquatic Management Areas, and State Trails. There are not many of these within the Project area, but please note Keller WMA, R J Dorer Memorial Hardwood Forest, and a Minnesota Water Trail on stretches of the Zumbro River. Additional conservation lands exist: a Railroad Rights-of-Way Prairie located in T107-R15-S35+36, and a Reinvest in Minnesota conservation easement in T106-R15-S24.

Route alternatives that avoid lands of high conservation value should also be avoided. The early coordination map correctly identifies Sites of high and moderate Biodiversity Significance (SBS). SBS have varying levels of native biodiversity and are ranked based on the relative significance of this biodiversity at a statewide level. Sites ranked as Outstanding contain the best occurrences of the rarest species, the most outstanding examples of the rarest native plant communities, and/or the largest, most intact functional landscapes present in the state. The SBS in this area are associated with native plant communities identified by the Minnesota Biological Survey (MBS), each of which has an associated conservation status rank from S1 (critically imperiled) to S5 (apparently secure).

There is an area of particularly high biological diversity in T106-R14-S17+18. This area is associated with the riparian corridor of the Zumbro River and Mayowood Lake, and contains NPC floodplain and terrace forests types with conservation status ranks of S2 (imperiled) and S3 (vulnerable). There are also rare species records of various ranks in that vicinity.

Another area of concern involves a potential approach to the Interconnection Point 1B. Approaching the point from the west and south are a number of sensitive features, including calcareous fens (identified as Rochester 23 and Marion 30), karst features (sinkholes), Sites of moderate Biodiversity Significance, public waters (Willow Creek and an unnamed stream), associated floodplain NWI wetlands (seasonally flooded flats and shrub swamps), native plant wetland communities (Seepage Meadow/Carr-Tussock Sedge Subtype with rank S3-vulnerable and Wet Seepage Prairie-Southern with rank S1-critically imperiled), and rare species records. Negotiating through this area will require close coordination with DNR staff to avoid impacts to sensitive natural resources.

Olmsted County has a number of calcareous fens that are protected by Minnesota Statute 103G.223. Calcareous fens are highly sensitive to groundwater disruption and surface water contamination. Impacts that might affect fens directly or indirectly through disruption to water sources must be avoided. Calcareous fen records do exist within the project area. In addition, there are many karst features (springs and sinkholes) documented throughout the County. The approximate locations of these features can be downloaded from the MN DNR Data Deli website: http://deli.dnr.state.mn.us/. This information should be used to plan a route that avoids these points.

A number of National Wetland Inventory (NWI) wetlands are located within the project area. These are regulated by the Minnesota Wetland Conservation Act (WCA) and subject to WCA processes. Some of these may qualify as "rare natural communities" under Minnesota Rule 8420.0515, Subpart 3, which states that a wetland replacement plan for activities that modify a rare natural community must be denied if the local government unit determines that the proposed activities will permanently adversely affect the natural community. The NHIS review discussed previously will assist in identifying these specially protected wetlands. If you have any questions regarding this provision of the WCA, please contact Doug Norris, the DNR Wetlands Program Coordinator, at 651-259-5125, doug.norris@state.mn.us.

When route alternatives have been narrowed to a general corridor, the DNR requests that a Natural Heritage Information System (NHIS) review be conducted to determine the locations of rare species and rare natural resource features. The NHIS is continually updated as new information becomes available and would include current records and surveys. An NHIS review is considered valid if performed within one year of project implementation. The NHIS Data Request form and rate information can be accessed on the DNR website at http://www.dnr.state.mn.us/eco/nhnrp/nhis.html. Please refer to ERDB project number 20150007 when requesting this review. Alternatively, you may perform your own review and submit it to the Endangered Species Review Coordinator for concurrence: Lisa Joyal, 651-259-5109, lisa.joyal@state.mn.us. If it is determined that the Project will include unavoidable impacts to rare species or rare features identified by the NHIS review, coordination with Lisa Joyal is required regarding procedures and protocols to address potential takings.

Utility licenses will be required from the Division of Lands and Minerals for crossings of all public waters and public lands. The creeks and rivers in southeastern Minnesota are considered

important fisheries. Utility license conditions may include work exclusion dates for fisheries protection and requirements for particular BMPs to protect water quality. Any de-watering activities associated with construction will require a temporary de-watering appropriations public waters permit issued by DNR area hydrology staff.

We appreciate the opportunity to provide early coordination for this Project. We suggest you continue to coordinate with DNR as the Project develops. As the corridor footprint is further refined, coordination with area staff can provide local knowledge that will be helpful in avoiding and mitigating impacts to natural resources. I will be happy to assist you in coordination with area staff.

If you have any questions regarding these comments, please contact me.

Sincerely,

Brooke

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ERDB project: 20150007