Testimony on 2018 USDA Farm Bill

John Finney, President, Red River Watershed Management Board (RRWMB), Minnesota and Co-Chair, Red River Retention Authority (RRRA), farmer and resident of the Red River Basin.

Good morning Mr. Chairman and members of the House Agriculture Committee.

My name is John Finney and I serve as the President of the RRWMB of Minnesota and as Co-Chair for the RRRA. I also farm with my brother, Dan Finney, near the Canadian border along the Red River of the North where we experience frequent flooding and extended inundation of floodwater on our farm.

The RRRA represents 22 Red River of the North Basin watersheds and water resource districts in North Dakota and Minnesota. The RRRA is a partnership between the Minnesota RRWMB and the North Dakota RRJWRD. The genesis of the RRRA is to implement the Long Term Flood Solutions plan set forth by the Red River Basin Commission (see attachment A). The RRRA's basin wide goal is a 20% reduction in peak flows on the Red River of the North main stem and to reduce local watershed flooding by distributed watershed storage of floodwaters in upstream floodwater retention projects.

Since the devastating flood of 1997, the RRWMB, RRJWRD and RRRA along with many federal, state and local partners have implemented projects which have provided over 185,000 acre-feet of flood storage. While this is significant, it's only about one-fifth of the basin goal.

These projects reduce flooding to residents and properties, improve water quality, and enhance wildlife habitat and recreation. An acceleration of these efforts has occurred with the initiation of 20 Regional Conservation Partnership Program (RCPP) watershed planning efforts throughout the Red River of the North Basin. The RRRA secured USDA RCPP funding in May of 2015. As a result, 20 small watershed plans in thirteen major watersheds in the Red River Basin are currently being developed throughout the basin (see attachment B).

In the development of the 2014 Farm Bill, the RRRA worked diligently with our Federal Congressional delegations in MN and ND to modify existing policies and add a cost-share funding component to the proposed Farm Bill to implement retention projects. A few key enhancements were suggested to modify the USDA Natural Resources Conservation Service (NRCS) Small Watershed Protection program, or PL83-566 program. The "PL-566 watershed" program could be much more successful in the Red River basin if the suggested program modifications were made to address basin-wide resource issues in addition to the current local watershed resource issues.

These proposed program modifications include; eliminate the requirement under economic and environmental principles and guidelines for water resources implementation studies for individual benefit to cost ratio calculations on each individual project and instead allow flood control projects to be based upon an overall basin plan (see attachment C; pages 10 and 11: RRRA Consolidated Subcommittee reports dated March 28, 2011 for other specific recommendations).

Since our original suggestions to modify the PL-566 program were not fully addressed, local watershed districts working with their consultants in planning the 20 RCPP watersheds have encountered challenges with identifying and calculating the true and total benefits from implementing flood retention and flood damage reduction and environmental enhancement projects. Traditional benefit cost analysis used by USDA for water resource projects makes the likelihood of future federal funding to assist with retention project construction difficult.

A priority of the RRWMB, RRRA and its affiliated member watershed and water resource districts is to demonstrate that the continued planning and implementation of projects will enhance the infrastructure of rural America, improve water quality in lakes and streams, and establish critical wildlife habitats for all Red River basin residents. Determining the value of input costs of fertilizer or the revenue generated from hunting can be calculated, but valuing societal benefits of having adequate water quality and wildlife habitat is much more subjective and controversial.

I propose that federal cost-share for the planning and implementation of flood retention and flood damage reduction projects should be based on their economic, ecological and social benefits provided to the entire Red River of the North basin from a programmatic perspective comparable to the justification of various USDA Conservation Programs. This approach would be a significant improvement to the formula for providing federal assistance that encourages a "Public-Private-Partnership" for the Red River of the North basin as well as small watersheds. For rural America to compete with this program, there needs to be modification of existing programs or new programs created that allow partnerships to thrive and encourage project implementation. These changes would assist in strengthening and achieving the partnership goals identified in the RCPP program.

The 2014 RCPP was an excellent start to assist organizations like the RRWMB and the RRRA, which I represent, to reach their goals. The foundation has been laid to plan and build distributed retention projects to alleviate local watershed and basin flooding problems while incorporating environmental enhancements to improve water quality, wildlife habitat, water supply and recreation. Collectively, we must to continue to assist one another in achieving a safe and economically productive Red River of the North basin.

Please consider implementing these proposed changes to provide for USDA funds to be utilized for watershed and water resource projects using a variable cost-share rate based on true and identified needs not only of RCPP watersheds but the entire Red River of the North basin.

Thank you for the opportunity to provide testimony to you today. We sincerely appreciate your continued efforts in drafting the new Farm Bill.



RED RIVER BASIN COMMISSION'S

LONG TERM FLOOD SOLUTIONS

For the Red River Basin



Report Includes:

LTFS Executive Summary

Conclusions and Recommendations for Action

Funding Timeline for Project Implementation Costs: Along the Red River of the North and Tributaries





September 2011

Red River Basin Commission

Red River Basin Commission Offices Moorhead Office 119 5th St. S., Ste. 209 PO Box 66 Moorhead, MN 56561-0066 218-291-0422 218-291-0438 Fax 1-866-629-4498 Toll Free

Winnipeg Office

410-112 Market Ave. Winnipeg, MB R3B 0P4 204-982-7250 204-982-7255 Fax

staff@redriverbasincommission.org www.redriverbasincommission.org

VISION

A Red River Basin where residents, organizations, and governments work together to achieve basin-wide commitment to comprehensive integrated water stewardship and management.

MISSION

To create a comprehensive integrated basin-wide vision, to build consensus and commitment to the vision, and to speak with a unified voice for the Red River Basin.



THE RED RIVER BASIN is an international, multi-jurisdictional watershed of 45,000 square miles, with 80 percent of the basin

lying in the United State and 20 percent in Manitoba, Canada. Eighteen Minnesota counties and 22 North Dakota counties lie wholly or partially in the basin. The economic impact of the basin, from both urban-generated activity and a vibrant agricultural economy, is significant. This basin is home to more than half a million people, and serves as a jobs, education and medical hub, in addition to a world-renowned agricultural producer.



NEED FOR ACTION

The increase in frequency and magnitude of flooding in the Red River basin is unmistakable. The spring flood of 1997 that decimated the metro center of Grand Forks-East Grand Forks and gravely threatened areas throughout the basin introduced a decade of flooding. Since 2000, the basin has experienced damaging flooding in all but two years. Since 1997, most sites along the main stem have seen levels of flooding at or close to 100-year levels, some in more than one flood event. And tributary areas have experienced up to 500-year flood levels during the past decade. We know today that larger floods are both possible and probable.

THE IMPETUS

Before the major flood waters of 2009 had even receded, state legislators in North Dakota and Minnesota asked the Red River Basin Commission (RRBC), as an international basin-wide organization, to spearhead the effort to develop a comprehensive, proactive plan that responds to and mitigates flooding throughout the watershed. Corresponding with the legislative charge were appropriations of half a million dollars from each state to execute the project. The RRBC was uniquely positioned for this endeavor given its ongoing organized effort to further commitment to shared land and water stewardship goals in the basin, including the goal of flood damage reduction.

THE PROCESS

The LTFS study process brought together professional and citizen water managers from all levels and from all the reaches of the basin. In addition to hands on involvement from the RRBC Board of Directors, umbrella committees were assembled (Policy, Technical) and specific issue workgroups to dissect the issues and identify solutions. In addition, a number of outside experts and agencies were contracted to develop information and analysis for central questions addressed in the study. Most importantly, the study was a grass-roots effort. It was launched with an extensive public engagement process of 21 public flood forums held in the Minnesota, North Dakota and South Dakota portions of the basin, with more than 1,000 attendees in total.

Citizens' experiences, problems and concerns with flooding in the basin were solicited, together with suggestions for solutions. It was this public input that helped shape the study's committees and issues to explore. A second series of public meetings was held in spring of 2011 in order to gather feedback from citizens on the primary directions and conclusions of the study. That feedback helped to guide final conclusions and recommendations. The results of the overall study findings are presented in this report to assist the basin's residents, community leaders, water managers and policy makers.

ASSUMPTIONS FOR FUTURE CONDITIONS Pertinent to the LTFS plan development adopted by RRBC Board 2010

Components of the LTFS plan are intended to be developed and implemented over the next 50 years. It is important to understand the assumptions under which this plan was developed. The following describe basic assumptions about several issue areas in the Red River basin that are key to plan development.

<u>Agriculture</u> will continue to be the dominant land use through out the basin. Adequate surface drainage has been and will continue to be integral to maintaining productivity of cropland. Subsurface drainage is likely to become increasingly popular.

<u>Current development</u> trends will continue into the foreseeable future. The major urban centers and communities will continue in their present locations. Major metro areas will continue to grow. Future development will occur in compliance with flood-plain management regulations.

<u>Floods</u> will continue into the future. Floods larger than historically experienced can be expected to occur.

Flood damage reduction will need to be implemented in the basin based primarily on the identified needs of the basin residents and their willingness to provide or seek the funding necessary to implement the measures which they believe are appropriate, effective, and justified. State and federal agencies will support the implementation of the various measures based on their policies, regulations and availability of funding. Flood damage reduction is just one issue that affects the sustainability of the region.

Other key resource issues need to be considered as this plan is developed and implemented, including droughts, water supply, water quality, recreation and other natural resource areas.



GUIDELINES FOR PROTECTION IN THE BASIN

Before the LTFS study, the only site protection guideline for levels of protection was the federal (FEMA) requirement that mortgaged structures in 100-year floodplains (or lower) carry flood insurance. The problem with these guidelines for the Red River basin is that 100-year flood levels have been experienced on most reaches of the main stem and far surpassed in some tributary areas. RRBC developed baseline goals for levels of flood protection during the project.

Level of Flood Protection Goals

The LTFS review of current local protection policies and practices revealed that the basin lacks adequate guidelines on levels of protection appropriate for various basin locations. The following goals for levels of protection were developed as part of the study and approved by the RRBC to serve as a guideline for the residents of the Red River basin, its communities, and state/provincial and federal agencies, as they plan and implement future local protection projects (see Appendix D, Table D-3). The intended outcome of the goals is to provide a long-term objective for communities and sites that will cumulatively reduce the risk of flooding and flood damages from potential floods of larger size than the basin has experienced in the recent past. The goals can help move the basin beyond a mode reactive to the last large flood to a proactive mode of using risk and damage assessments to put adequate protection into place to reduce flood risk across the basin.

Level of Flood Protection Goals for the Red River Basin

Area Protected Major urban/metropolitan areas (1) (2) (4) Critical infrastructure (1) (2) Cities/municipalities (1) (2) Rural residences & farmsteads (1) (2) Agricultural cropland: Summer flood Transportation (2) (3) Critical transportation system and emergency service links

Estimated Recurrence Interval 500 year or greater 500 year or greater 200 year or greater 100 year or greater 10 year or greater 200 year or greater

Notes

- (1) Protection for urban areas, critical infrastructure, cities, rural residences, and farmsteads should all have appropriate freeboard (i.e., contingency or risk and uncertainty allowance) with any projects designed to provide the specified level of protection.
- If a flood of record has occurred which exceeds the specified level of protection goal, the flood of record should (2)be used in place of the specified level of protection goal.
- The critical transportation systems should be maintained passable during a flood of the described level of (3)protection to assure safe and reliable transportation and provision of emergency services. The transportation system should not increase flooding problems either upstream or downstream.
- Includes Fargo-Moorhead, Grand Forks-East Grand Forks, and Winnipeg.



The Red River Basin Commission (RRBC) is a group of people working together to achieve common goals for water protection and management within the Red River Basin.

> 119 S. 5th St. PO Box 66 Moorhead, MN 56561 218-291-0422 staff@redriverbasincommission.org

> > See the full report on our website: www.redriverbasincommission.org



ID	Name
1	Beltrami Island State Forest
2	Klondike
3	Middle-Snake-Tamarac JD-19
4	Middle-Snake-Tamarac JD-14
5	Four Legged Lake
6	Pine Lake
7	Upper Sandhill River
8	Green Meadow
9	Moccasin Creek
10	South Branch Wild Rice River
11	Bois De Sioux Direct
12	Whitney Lake
13	North Branch Park River
14	Forest River
15	Upper Maple River
16	Rush River
17	Swan Creek
18	Antelope Creek
19	Tongue River
20	Shortfoot Creek





Consolidated Subcommittee Reports

March 28, 2011



Retention Committee

Water Management Sub-committee

Chair: Gary Peterson

New Farm Bill funding

- Continue further study on the viability of tiling as a water retention practice
 - ✓ Collaborate with the RRRA Basin Technical and Scientific Advisory Committee on water retention strategies, specifically ag water management for both surface and sub-surface water.
 - ✓ Utilize the NRCS Conservation Innovative Grants program in a pilot watershed to provide scientific findings on the potential of using tile systems to retain water in the soil profile
 - ✓ Develop a cooperative agreement with USDA Agricultural Research Service, Cooperative Extension Service, and the land grant universities from University of Minnesota, North Dakota State University, and South Dakota State University to:
 - Continue research on the impact of tiling on water retention.
 - Continue to evaluate the impacts of tile drainage on water quality and wetland health
- Provide Red River of the North Basin financial assistance through Agricultural Water Enhancement Program (AWEP) and Conservation Stewardship Program (CSP) for bundled agricultural water management practices
 - ✓ Nutrient management
 - ✓ Pest management
 - ✓ Erosion control
 - ✓ Buffer and filter strips
 - ✓ Water control structures on tile outlets
 - ✓ Downstream retention ponds
- Based on scientific research, continue to provide low interest rate loans through the "Conservation Loan Program" administered through the Farm Service Agency (FSA) to implement ag water management systems through the NRCS (drain tile).

• Prioritize Red River of the North Basin Environmental Quality Incentives Program (EQIP) Agricultural Water Enhancement Program (AWEP) sub-program financial assistance for the design and installation side water inlet structures



Wilkin County, Minnesota side water inlet

Sub-committee observations:

Tile has potential to be used as a water management tool in the Red River Basin. Experts from North Dakota State University, the Energy and Environmental Research Center, the tiling industry, International Water Institute and private landowners have conducted or are working on short-term studies on this type of water management. The preliminary findings show a need for further evaluation and study.

There appears to be the potential to gain efficiencies in water retention, protect public safety, improve soil health and water quality. There are some studies indicating the soil can hold more water in the spring, but these studies are not conclusive. Many of the reports on water management efficiencies are anecdotal and need to be further studied by the scientific community. The potential is real, but we need to be certain we are not solving one water resource issue while creating another.



Retention Committee

Permitting Sub-committee

Chad L. Engels, Chairman

Sub-Committee Recommendations:

- EPA Guideline Change
 - EPA 404(b)(1) Guidelines, set out in 40 C.F.R. section 230 (LEDPA) 404(b)(1) states a permit will not be issued "if there is a practicable alternative to the proposed discharge which would have less adverse impact on the aquatic ecosystem, so long as the alternative does not have other significant adverse environmental consequences." Our subcommittee has identified LEDPA as a significant obstacle to building retention projects in terms of time and money. A solution would be to replace The Least Environmental Damaging Practicable Alternative (LEDPA) requirement with a simple environmental mitigation requirement for the proposed project.
- SAMP
 - EPA 404 Nationwide Permit / Regional Permit Currently, retention projects must be
 permitted as individual projects. Our subcommittee has learned that many categories of projects
 are permitted under what are called "Nationwide Permits" or "Regional permits". These permit
 categories speed the process significantly by having a common "Purpose and Need" and
 "Description of Proposed Alternatives and No Action Alternative" in the EIS requirements for
 flood retention projects covered by this National or regional permit. Therefore, our subcommittee
 will likely recommend that a Nationwide Permit (preferable) or Regional General Permit (second
 choice) be developed for three categories of retention projects like North Ottawa, dry mainstem projects like the Maple River Dam, and wetland retention projects that temporarily store
 water <u>above</u> the delineated wetland boundary.
 - Consistency The USACE should establish an interagency agreement whereby one office assumes regulatory control of retention projects within the entire Red River of the North Watershed.
 - **Funding** The federal government should fund a USACE regulatory position dedicated solely to processing federal permits for retention projects in the Red River of the North Watershed.
 - Involvement The USACE should be a committed, active, and involved participant in the "Flood Damage Reduction Work Group -Watershed District Project Teams" process for developing retention projects in Minnesota. Additionally, the USACE should be involved at the ground level, if requested, for retention projects developed in North Dakota and South Dakota.

• Corps Rule 40 CFR Change

• **NEPA Council on Environmental Quality (CEQ) Comment Period** –would recommend that Corps rules be changed so that under no circumstances can the three comment periods required under an EIS be extended beyond 30 days for the Notice of Intent, 45 days for the Draft EIS, and 30 days for the Final EIS.



Retention Committee

Easement Sub-committee

Chair: Jon Roeschlein

Farm Bill changes

- **514.13 Ineligible Landowners** We recommend that Watershed Districts, Water Resource Districts, and the Red River Retention Authority in the Red River of the North Basin be eligible to enroll lands into the WRP. This provision would expedite the implementation of flood water retention projects.
- **514.14 Land Eligibility** It is recommended that all hydric soils including non-drained retention areas located in the Red River of the North Basin are eligible lands for the WRP.

514.14d - Consideration should be given to add a new focus area like that done for the Devils Lake area. Potential language:

Section 1237, Wetlands Reserve Program (c) Eligibility

Add (2)(C) Other land of an owner where the Secretary determines wetland functions and values can be established on such land.

• **514.20 Ranking Criteria** – It is a recommendation of this committee that the Red River Retention Authority in cooperation with the three State Conservationists develop WRP ranking criteria specific to the Red River of the North Basin.



Spring 2010 North Ottawa Impoundment



Structure C North Ottawa Impoundment

• **514.41b** – **Definition of Restoration** – We have come to agreement on short-term definition that we are restoring the value and function of wetland complexes that have been degraded since settlement of the area. Long-term, there is a need to provide clarification that allows for the establishment of wetlands and wetland complexes that provide the same or better functions and values as enhanced, rehabilitated or restored wetland functions and values. If managed properly, the functions and values should far exceed those of most naturally occurring wetlands and those wetlands that are restored but not managed.

• WRP Acreage Cap – State Conservationists be allowed to waive the County Cropland Reenrollment limitations in the Red River of the North Basin for purpose of water retention projects. Also suggest a separate acreage limit for WRP and CRP. i.e. CRP 25%, WRP 25%.

FSA Regulation change

- **Buffer widths** Eligible buffer strip widths should be increased to fully encompass the 100-year floodplain adjacent to the channel or the floodway adjacent to the channel or up to 1,000 feet.
- **CRP Acreage Cap** State Executive Director be allowed to waive the County Cropland Reenrollment limitations in the Red River of the North Basin for purpose of water retention projects. Also suggest a separate acreage limit for CRP and WRP. i.e. CRP 25%, WRP 25%.
- **Vegetation Management** There should be provisions added where the State Executive Director could waive the payment reduction on CRP and CCRP for bio-fuels harvesting or haying or grazing when part of an approved management plan. It does not make sense to use burning as the only viable option for vegetative management on these sites targeted for water retention projects and penalize the landowner for more reasonable and practical management options.

NRCS Policy change or Farm Bill change?

- **Multiple Easement Categories** It is recommended the EWP-FPE allow for continued cropping of portions of the easement under an approved conservation management plan.
- **Enhancement** It is recommended that EWP-FPE include enhancement and allow retention in addition to restoration of the floodplain.



Retention Committee

Farm Bill Programs Sub-committee

Chair: Rob Sando

NRCS Policy Changes

- Encourage sidewater inlets/outlets as retention features in EQIP/AWEP
 - ✓ Change NRCS ranking criteria with "Encourage and Prioritize", to emphasize the installation and operation of sidewater inlets/outlets with traps as higher priority in the ranking process.
 - ✓ Encourage and emphasis Flood Damage Reduction (FDR) and Natural Resource Enhancement (NRE) in NRCS ranking process.
 - ✓ Encourage landowners through local EQIP/AWEP applications to refrain from draining water on property with traps on sidewater inlets/outlets until the water in the drain or stream recedes thus resulting in a higher score on their eligibility status. This could be done by having landowners sign an agreement resulting in a higher NRCS ranking score.



Minnesota Red River Valley side water inlets

New Farm Bill Funding

- ✓ Increase the amount of funding for Technical Service Providers in the Red River of the North Basin (practice design, application and checkout).
- ✓ Establish FEMA or public private partnership, or USDA Rural Development to be used for protection of small agricultural rural community (population less than 3,000) ring dike (50 percent to total project costs).
- ✓ Establish FEMA or public private partnership, or USDA Rural Development to be used for culvert sizing projects that provide for distributed flood water retention in targeted/prioritized areas as part of a sub-watershed plan. This would provide landowner incentives for keeping the water where it lands as part of the goal of reducing downstream flood peaks.
- ✓ Provide AWEP funding to construct levees and dikes to manage 10-year frequency for overland flooding on agricultural land.
- ✓ Increase EQIP/AWEP funding for forestry practices.
 - ✓ Utilize forestry management products and activities for excess moisture.
 - ✓ Biomass Crop Assistance practice.
- ✓ No Federal cost-share or incentive payment should exceed 75% of the cost of installation

PL566 and EWP Change

- ✓ Where it is not practical for technical reasons to construct ring dikes for a farmstead provide PL566 and Emergency Watershed Protection Program funds for relocation or buy out of some or all of the farmstead at 50 percent cost-share.
- ✓ No Federal cost-share or incentive payment should exceed 75% of the cost of installation



Retention Committee

PL – 566 Sub-committee

Chair: Dan Money

Committee Recommendations:

- Increase *watershed size* limit from 250,000 acres to 1,000,000 acres, and use only the upstream contributing area to determine eligible size, not any downstream areas.
- Increase the *single site storage volume* from 12,500 acre feet to 75,000 acre feet.
- Increase the *total project storage volume* from 25,000 acre feet to 250,000 acre feet.
- Increase the *eligible construction cost-share* from 0 percent to 75 percent federal cost-share for natural resource enhancements.
- Add language to alter the *eligible technical assistance cost-share* to make technical assistance costs associated with natural resource enhancement portions of the project eligible for 75 percent cost-share.
- Add language to limit the *total project sponsor cost-share* (non-federal) to 25 percent. Also, amortize the future expected operations-maintenance-repair-replacement-rehabilitation costs to a present value and allow the local sponsor to use this obligation towards the max of 25 percent cost-share on initial construction.
- Increase *project cost / timing approval by Congress requirement* from projects that exceed \$5 million and/or 4,000 acre feet to:
 - 1) allow approval by the NRCS State Conservationist for projects up to \$25 million (or 25,000 acre feet), and
 - 2) allow approval by the NRCS Chief for projects up to \$50 million (or 50,000 acre feet). Approval by Congress would be required for projects over \$50 million/50,000 acre feet.
- Eliminate the requirement under *economic and environmental principles and guidelines for water resources implementation studies* for individual benefit to cost ratio calculations on each individual project and instead allow flood control projects to be based upon an overall basin plan.
- Designate the Red River Retention Authority as the unit of government who will develop the *benefit to cost ratio* to be used collectively for all projects within the Red River of the North basin. Projects that fall under the basin plan will not need to meet an individual cost benefit ratio criteria, but will need to meet the basin cost benefit criteria.

- Under *technical services contracting*, issue a Request for Proposals for a multiple award of indefinite delivery / indefinite quantity contract for planning, design, and implementation of flood control planning focused specifically for the Red River of the North Basin.
- Under *dam rehabilitation*, utilize Section 313 of Public Law 106-472 to provide dedicated funding for rehabilitation projects in the Red River Basin where the primary purpose is the development of gated flood storage. The intent is to retrofit existing PL 566 projects that have little or no storage to be able to build into them a storage component where possible.



