



BWSR 2009 Legislative Session Summary May 27, 2009

Omnibus Environment, Natural Resources and Energy Finance Bill

BWSR General Fund. Session Law Chapter 37, BWSR items in Section 5. Our reductions amount to about a 10.8% general fund decrease. *Note:* the Governor may unallot as a mechanism to balance the budget.

The law makes the following budget reductions:

- Cost Share Grants: decrease by 17% from \$6.3M in 2008-09 to \$5.2M for the 2010-11 biennium. At least \$900K per year is designated for riparian buffers which allows for no more than \$1.1M per year for regular cost-share. The cooperative weed management program is funded at \$100K per year. Feedlot Cost Share is funded at \$500K per year. Rider language in the bill allows the Board to shift cost-share funds if needed to leverage federal funds or to address high-priority projects identified in local water management plans.
- Natural Resource Block Grants: decrease of 5% from \$8.2M in 2008-09 to \$7.8M for 2010-2011.
- SWCD General Service Grants: decrease of 1.8% from \$7.1M in 2008-09 to \$7.0M for 2010-2011.
- Funding for the Red River Basin Commission and the MN River JBP decreased from \$200K each in 2008-09 to \$180K each in 2010-11. The Area II Flood Plain Mgmt Board decreased 7% from \$280K in 2008-09 to \$260K in 2010-11.
- BWSR Administration: decrease of 8.8% from \$10.4M in 2008-09 to \$9.4M for 2010-2011.

The law also includes the following rider language provisions:

- Cost-share program has been provided greater flexibility. Now the Board is allowed to shift cost-share funds and to adjust the technical and administrative assistance portion of the grant to leverage federal funds or to address high-priority projects identified in local water management plans.
- Native seed language also was adjusted to provide greater flexibility by stating, "*To the extent possible, any person conducting a restoration with money appropriated in this section must plant vegetation or sow seed only of ecotypes native to Minnesota, and preferably of the local ecotype, using a high diversity of species originating from as close to the restoration site as possible, and protect existing native prairies from genetic contamination*". This means the definitions in MS 84.02 for distance and diversity of seed sources will not be limiting as they were in the past biennium.
- Increased accountability and reporting requirements, as outlined in the following language, "*A recipient of a grant funded by an appropriation under this section shall display on its Web site detailed information on the expenditure of the grant funds, and measurable outcomes as a result of the expenditure of funds, and submit this information to the board by June 30 each year. A recipient without an active Web site shall report to the board by June 30 each year detailed information on the expenditure of the grant funds, and measurable outcomes as a result of the expenditure of funds. The board shall display the information received by recipients under this paragraph on the board's Web site*".

As noted above, BWSR specific information can be found starting on page 28 of this link:

<https://www.revisor.leg.state.mn.us/bin/showPDF.php> also available at Session Law 37:
<https://www.revisor.leg.state.mn.us/laws/?id=37&doctype=Chapter&year=2009&type=0>

Constitutional Amendment Dedicated Funding House File 1231, Session Law Chapter 172. (<https://www.revisor.leg.state.mn.us/laws/?id=172&doctype=chapter&year=2009&type=0>)

Constitutionally Dedicated Funding Governance Provision: The Legislative Coordinating Commission (LCC) will develop and maintain a user-friendly, public-oriented website that informs, educates and demonstrates how the funds are being expended to meet the requirements of the constitution. Must include proposed measurable outcomes, the plan for measuring outcomes, and the measured outcomes and evaluation of the projects.

Clean Water Fund	2010	2011	Biennium
<u>Buffer easements</u>	\$3.25M	\$3.25M	\$6.5M
Purchase and restore permanent conservation easements on riparian buffers adjacent to public waters, except wetlands. Buffers must be at least 50 ft where possible and no more than 100 ft. May be used for restoration of riparian buffers and stream bank restoration.			
<u>Wellhead Protection Conservation Easements</u>	\$1.0M	\$1.0M	\$2.0M
Permanent Conservation Easements on wellhead protection areas under MS 103F.515 Subd 2, paragraph (d). Must be in drinking water supply management areas (DWSMA) designated as high or very high by the Commissioner of Health.			
<u>WD/WMO BMPs</u>	\$2.8M	\$3.124M	\$5.924M
Grants to WDs and WMOs for: 1) structural or vegetative practices that reduce storm water runoff from developed or disturbed lands or 2) to leverage federal funds for restoration, protection or enhancement of water quality in surface waters and to protect groundwater. Must have long-lasting benefit, include local match (which can be staff/admin), and be consistent with TMDL implementation plans or local water management plans. Priority may be given to school projects that demonstrate water retention practices.			
<u>Non-point implementation grants</u>	\$3.0M	\$3.0M	\$6.0M
Grants to WDs, WMOs, Counties and SWCDs to keep water on the land and to protect, enhance, and restore water quality in lakes, rivers and streams and to protect groundwater and drinking water. Must have long-lasting benefit, include local match, and be consistent with TMDL implementation plans or local water management plans. Priority may be given to school projects that demonstrate water retention practices.			
<u>Anoka Conservation District</u>	\$0.4M	\$0.6M	\$1.0M
For 7-county metropolitan landscape restoration program for water quality and improvement projects.			
<u>Feedlot Water Quality Improvement Grants</u>	\$2.0M	\$2.0M	\$4.0M
For feedlots under 300 animal units on riparian land, to include water quality assessment to determine the effectiveness in protecting, enhancing and restoring water quality in lakes, rivers and streams and in protecting groundwater from degradation.			
<u>Stream bank, stream channel, and shoreline</u>	\$2.33M	\$1.83M	\$4.16M
• <i>Conservation Drainage</i>	\$0.33M	\$0.33M	\$0.6M
Technical assistance and grants to establish a conservation drainage program in consultation with the DWG. Program consists of projects to retrofit existing drainage systems with water quality practices, evaluate outcomes, and provide outreach.			
• <i>Hennepin County</i>	\$0.5M	-0-	\$0.5M
Grant for riparian restoration and stream bank stabilization in the 10 primary stream systems in Hennepin County. County will work with WDs and WMOs to identify and prioritize projects. To the extent possible, county shall employ youth through MCC and Tree Trust. Must be matched by non-state sources, including in-kind contributions.			

Oversight, support, accountability reporting \$0.275M \$0.315M \$0.59M
Includes an annual report to the legislature prepared jointly with DNR and MPCA, detailing recipients and projects funded; anticipated water quality benefits; relationship of restoration projects to TMDL load allocations; relationship of protection projects to monitored water quality trends; and individual county progress in implementing SSTS programs and upgrading open lot feedlots <300 AU in shoreland areas. Organizations receiving grants under this section shall provide this information to BWSR. BWSR will require grantees to specify outcomes achieved by the grants prior to any grant awards.

Technical Assistance and Engineering \$1.25M \$1.5M \$2.75M
Targeted nonpoint restoration technical assistance and engineering.

SSTS Programs \$1.6M \$1.9M \$3.5M
Grants to counties to implement SSTS programs including inventories, enforcement, development of databases, and systems to insure SSTS maintenance reporting program results to BWSR and the MPCA and base grants. Priority must be given to protection of lakes, rivers and streams. Grants can only be provided to counties that have adopted SSTS ordinances and can demonstrate enforcement of the ordinances.

Imminent health threat systems \$0.8M \$1.0M \$1.8M
Grants to address imminent health threat and failing SSTS

Items of note in BWSR section:

- BWSR must contract with MCC for restoration, maintenance and other activities for at least \$1.0M (\$500,000 each year).
- BWSR may shift grant or cost share funds and may adjust the technical and administrative assistance portion of the funds to leverage federal or other non-state funds or to address oversight responsibilities or high-priority needs identified in local water management plans.
- BWSR shall give priority consideration to projects and practices that compliment, supplement or exceed current standards or that protect groundwater from degradation.
- Native species language: "To the extent possible, a person conducting a restoration with money appropriated in this section must plant vegetation or sow seed only of ecotypes native to Minnesota, and preferably of the local ecotype, using a high diversity of species originating from as close to the restoration site as possible, and protect existing native prairies from genetic contamination".
- BWSR must submit a report on the expenditure and use of appropriation to the House and Senate Committee Chairs with jurisdiction over environment and natural resources by March 1 of each year. Report must provide detail on effectiveness in protecting, enhancing, restoring lake, stream and river water quality; protecting groundwater from degradation; and effectiveness of keeping water on the land.

Other Agency items of note:

- MN Dept of Agriculture:
 - \$4.5M total for ag BMP loans. At least \$4.0M of which is for a new Clean Water Ag Practices BMP Loan account.
 - \$0.3M total for Livestock Environmental Quality Assurance Program (LEQA)
- MPCA:
 - \$0.25M total for TMDL pilot project with Buffalo Red River WD
 - \$2.5M total for the Clean Water Partnership Program
 - \$0.346M total for Red River Watershed Management Board for river watch programs
 - \$0.5M total for St. Croix Basin Water Resources Planning Team and St. Croix River Assn to implementing monitoring and phosphorus reduction activities.
 - \$0.25M total for civic engagement in TMDL development, consideration shall be given to the Mississippi Headwaters Board, Mn River JBP, Area II MN River Basin, and the Red River Basin Commission.

- MN Department of Natural Resources:
 - \$5.6M total for LiDAR
 - \$0.5M total to adopt rules for the Mississippi River Corridor critical area
- MN Department of Health
 - \$2.415M total for drinking water protection, including providing assistance to communities on development of source water protections plans
- University of Minnesota
 - \$0.75M total for the development of a comprehensive statewide sustainable water resources 10-year plan and 25-year detailed framework. This will be developed in cooperation with BWSR, WMOs, WDs, SWCDs and others.

Outdoor Heritage Fund

2010

RIM Wetlands Reserve Program

\$9.058M

In cooperation with USDA WRP. A list of proposed acquisitions and a list of proposed projects, describing types and locations of restorations, must be provided as part of the required accomplishment report.

Items of note:

- All Outdoor Heritage funds are appropriated for 2010 only.
- Appropriation is available until June 30, 2012. However projects receiving federal funds, the time of the appropriation is extended to equal the availability of federal funding.
- An accomplishment plan and periodic accomplishment reports in a form determined by the LSOHC (Lessard-Sams Outdoor Heritage Council) must be submitted to the LSOHC. The accomplishment plan must account for the use of the appropriation and outcomes of the expenditures and an evaluation of results. None of the money may be expended unless the council has approved the plan.
- Native species language: same as above.
- All easements involving restoration: must be permanent; include a long-term stewardship plan and funding for monitoring and enforcing the easement agreement; have an ecological restoration and management plan including timetable for implementation.
- BWSR must submit documentation of selection process and provide documentation of all related transaction costs.

Bonding/Red River Valley Flood Relief Bill: HF 855. Session Law Chapter 93

<https://www.revisor.leg.state.mn.us/bin/bldbill.php?bill=ccrhf0855.html&session=ls86>

RIM Reserve Program: \$0.5M total.

Disaster Relief: \$2.0M total

- RIM Easements on marginal land: \$0.5M
- Erosion, Sediment and water quality control cost share program: \$1.0M
- Red River Basin Commission Grant: \$0.5M for comprehensive plan to address, mitigate, and respond to flooding and related water quality and land conservation issues. Commission will report to the legislature progress on goals and outcomes by January 15, 2010. Any remaining money can be used to implement the plan
- Cost share program waivers provided in the same manner as for the southeast flood.

Omnibus Environmental Policy Bill: BWSR items HF 1237, Session Law Chapter 176

<https://www.revisor.leg.state.mn.us/bin/bldbill.php?bill=H1237.4.html&session=ls86>

- Carbon sequestration added as a wetland functions based on broad scientific findings, but defers incorporation into rulemaking until after August 2009 so that the current Wetland Conservation Act rulemaking now nearly completed is uninterrupted. This provision will not substantively change the application of the law
- Counties provided the flexibility to derive their local grant matching contribution to the local water planning program grant from a source other than a dedicated levy. This is agency proposed legislation that had full consensus.
- Efficiency and flexibility changes to update the state's conservation cost share program. These changes will eliminate a redundant reporting requirement and allow BWSR to establish policy to supplement (but remain wholly within) the current statute and rule

- provisions. The policies will be established to adapt to federal funding opportunities and to incorporate enhancements to best management practices based on recent and scientific findings. This is agency proposed legislation that had full consensus.
- “Reinvest in Minnesota” (RIM) Reserve Law updated. Technical updates provide flexibility to RIM to take full advantage of partnerships with federal, local and non-government partners. The language delete’s the reference to the “conservation reserve program”. In addition, references to specific payment rates for conservation easements and practices are modified to allow for a consistent but adaptable framework for establishing fair land acquisition payment rates. Repeals outdated and unneeded statute and related rule provisions that prescribed certain technical assistance roles. This is agency proposed legislation has had full consensus.
 - BWSR Board Membership Expanded: The board will be expanded by three board members who are the Governor’s appointees. Two are representatives of cities, with one representing the metropolitan area, and one is a representative of townships.

LCCMR (Legislative-Citizen Commission on Minnesota Resources) Bill: SF 1012, Session Law Chapter 143.

(<https://www.revisor.leg.state.mn.us/laws/?id=143&doctype=chapter&year=2009&type=0>)

Soil Survey: \$0.4M. Continuation of county soil survey program. Greg Larson, BWSR lead staff.

Statewide Ecological Ranking of CRP and other Critical Lands: \$0.107M. Determining ecologically critical lands to better target conservation program efforts. In cooperation with the University of Minnesota. Project already received \$0.168M from the emerging issues account. Greg Larson/Julie Klocker, BWSR lead staff.

MN Farm bill Assistance Program: \$1.0M for funding technical staff to implement provisions of conservation programs in the federal farm bill. Tabor Hoek, BWSR lead staff.

Other Bills of Interest:

- **MN River Board Update (SF275):** renames and makes changes to duties and purpose. Provides specific reporting requirements, including advice on the implementation and coordination of TMDLs under the CWL Act. Requires the board to advocate at the state agency and legislative levels to promote and advance issues identified by the board’s partners. It renames advisory committee, specifies that members are appointed by the chair, and requires the advisory board to provide input. Session Law Chapter 49. (<https://www.revisor.leg.state.mn.us/bin/bldbill.php?bill=S0275.3.html&session=ls86>)
- **Green Acres/Rural Preserves (HF392)** – language was included in the mid-session tax bill that has SWCDs approving conservation plans for land being considered for future enrollment. SWCDs can charge fees for this role and can also do so for development of the plans if that is a service they choose to offer. BWSR will be providing guidance and training in concert with Dept. of Revenue. (See Section 5, Subd. 1 at (<https://www.revisor.leg.state.mn.us/bin/bldbill.php?bill=ccrhf0392.html&session=ls86>.)
- **Drainage (HF162/SF364):** Although the bills contain the consensus recommendations from the Drainage Work Group, it did not progress this year because of attention and time focused on budget issues this year.
- **Public Waters Temporary Drawdown:** Government agencies that want to drawdown lake water to control invasive species need 75 percent of the lakefront owners to agree to the method, instead of the unanimous approval currently required. Session law chapter 48. (<https://www.revisor.leg.state.mn.us/laws/?id=48&doctype=Chapter&year=2009&type=0>)
- **State agencies electronic meeting authority (SF 764):** State boards and agencies are allowed to meet electronically instead of in person, as long as the public still has access to the meetings. The bill states that the electronic meetings must be accessible to the public, and that at least one member of the board or agency must be present at the regular meeting location. Session Law Chapter 80. (<https://www.revisor.leg.state.mn.us/laws/?id=80&doctype=Chapter&year=2009&type=0>)
- **Omnibus Agriculture and Veteran’s Affairs Bill (H.F. 1122):** a number of provisions regarding noxious weed laws and agricultural inspectors. Creates a Noxious Weed Advisory Committee with membership from BWSR and SWCDs, among others. HF 1122. Session Law Chapter 94. (<https://www.revisor.leg.state.mn.us/laws/?id=94&doctype=Chapter&year=2009&type=0>)