

Clean Water Council Meeting Agenda
Thursday, March 3
3:00 – 4:00 p.m.
MPCA, Room 6-1 & 6-2; conference call
520 Lafayette Road North, St. Paul

- | | | |
|------------------|--|----------------------|
| 3:00-3:05 | Convene Full Council <ul style="list-style-type: none">• Comments/additions to the agenda• Council and guest introductions | |
| 3:05-4:00 | MPCA SSTS Clean Water Fund
budget initiative proposal
<i>Lisa Thorvig, Rebecca Flood, MPCA</i> | Decision item |

Next Meeting: March 21, 2011

Clean Water Council Meeting Minutes
Thursday, March 3, 2011
3:00 – 4:00 p.m.
MPCA, Conference Room 6-1 & 6-2
520 Lafayette Road North, St. Paul

Council members present: *(all on the phone, except as noted)* Dave Bennett, Marilyn Bernhardson, Pam Blixt, Keith Buttleman, Keith Hanson, Scott Hoese, Mark Knoff, Mike McKay *(in conference room 6-1)*, Gene Merriam, Gary Pedersen, Steve Pedersen, Gaylen Reetz *(in conference room 6-1)*, Victoria Reinhardt.

Absent: Dave Leuthe, Matt Wohlman, Deb Swackhamer, Todd Renville, Louis Smith, Paul Torkelson, Steve Woods.

1. Convene Full Council

- Comments/additions to the agenda
- Council and guest introductions

2. MPCA SSTS Clean Water Fund budget initiative proposal

Lisa Thorvig, Rebecca Flood, MPCA

- Council Chair Keith Hanson called the special meeting to order. The purpose of this meeting is to come up with a response to the Subsurface Sewage Treatment Systems Program (SSTS) funding request.
- Rebecca Flood, MPCA – background is the information she presented at Monday's Council meeting about what's included in the Governor's budget.
- Lisa Thorvig, MPCA – thank you all for your time. Septics systems are an important issue. 23% of wastewater in Minnesota is treated and managed through septic systems. 20% of the septic systems are fully functioning and up to date. Of the 80% not fully functioning, it's important to address those with imminent health threats. There are 40-50 thousand that are imminent health threats in Minnesota. Septic systems regulated by the state under Statute 115.55 and 115.56. Both MPCA and counties are involved in regulation. Counties permit and regulate in their counties. New rules were adopted in 2008 which took the program from one chapter to four chapters covering cluster systems, county programs.
- In 2003, 2 stakeholder groups were legislatively mandated, one was the G16, and agencies and counties got together to do a 10 year plan to upgrade systems. The plan called for \$8.5 million per year. The state can't fund both impaired waters and septic systems, so we talked about funding septic systems through the impaired waters program.
- Funding from the Clean Water Legacy Act - one time funding in 2007, 2008-2009, and the first round of FY10-11 Clean Water Funds - all included funding for septic systems.
- Governor's Clean Water Fund (CWF) Proposal for SSTS table handout – Lisa went over the information in the handout.

- The reason the Council didn't hear about septic proposal earlier is because MPCA and BWSR hadn't decided which way to go yet.
- BWSR will continue to receive septic system fix-up funds; surface and drinking water protection.
- MPCA will receive funds for County Base Grant Program and County Challenge Grant Program in FY12-13. Higher rate in FY12-13 than FY10-11 for county base grants. MPCA will work with task force to determine how funds will be used.
- Challenge grants - BWSR was able to move money to fix systems with imminent health threats.
- 2 FTEs for MPCA needed; engineer and staff person for administration, outcomes.
- Spreadsheet handout shows appropriations from the Legislature for FY10, FY11, FY12, FY13.
- Representative Wagenius appropriated an additional \$700,000. In FY10-11, we spent close to \$2 million for this work.
- MPCA and BWSR had not come to an agreement on the SSTs funds, so it is currently not included in the Council's budget or in Representative Torkelson's bill. At this time, there is no money allocated for the county based grant program.

Questions and discussion:

- Victoria asked what gets dropped if the Council adds this?
- Jen Maleitzke said the Minnesota Management and Budget (MMB) estimate for the FY12-13 Clean Water Fund is now at \$180,793 million. The Council used an estimate of \$176,485 million for its budget recommendations in the December 2010 Council report.
(\$180,793M - \$176,485M = \$4,308M)
- Keith H. - the Council had a lengthy discussion at the Council meeting about what does the Council do in these situations. Where do we stop? The Council is not ready to do a supplemental budget. This conference call is a response to a request from a Council member to hear the details of the SSTs proposal.
- Marilyn asked Lisa about why we should be using CWF money to fund something previously funded with general fund money.
- Lisa said CWF money has been used for this program in previous years, FY8-9, FY10.
- Marilyn – we want to make sure we supplement not supplant.
- Victoria said that's an issue for other budget recommendations too. The question is, how do we supplement not supplant. This is important for counties. SSTs is important to clean water. I think this should be funded. Not sure if something should come off the plate or if there are more funds than previously estimated in the CWF to do this. It sounds like there's additional money and this is something we should do.
- Lisa – Governor's recommendation for SSTs is \$7.5 million. BWSR received \$5.3 million in FY10-11. BWSR would have \$25 million for surface & drinking water activities, which includes some going for SSTs activities.
- Mark – the SONAR for the septic system rules says no increase in funding is needed for these rules.
- Lisa - the ten-year plan presented to the Legislature in 2004 articulates the need for this funding. If you think the counties don't need this money, you just need to ask them.

- Victoria – counties absolutely need more funds for septic systems. Is there enough in the higher MMB CWF estimate to cover this request?
- Lisa – there's a difference of over \$4 million.
- Keith H. said the scope of this discussion is not if we will revise our recommendations, but the request from Rep. Torkelson to find out what the Council thinks about the Governor's budget.
- Steve P. – it's not clear if this \$7.5 million is in the Governor's budget. Yes, the \$7.5 million is in the Governor's budget.
- Victoria – there is a difference between Rep. Torkelson's bill and the Governor's budget. SSTs is not included in the bill.
- Keith H. – there are other things in the Governor's budget that the Council did not recommend.
- Mike – not clear about what's in BWSR's \$25 million. Uncomfortable with the fact that there's a single option being considered separately. If this gets kicked back, then consider it.
- Victoria – we should say if we think this funding is a good idea.
- Marilyn – Rep. Torkelson didn't ask if we thought this was a good program or not.
- Mark – do we recommend all the changes or not? Why wouldn't we just recommend the Governor's budget?
- Gene – when Paul presented his bill he said there were some differences with the Governor's budget. Was there \$5.3 million spent by BWSR in FY10-11?
- Lisa – yes; \$1.8 million for imminent health threats.
- Victoria – issue is that funding to counties is not there at all except for imminent health threat funds. This is a big deal for counties.
- Mark – October budget – notes in budget sheets; assumed it was embedded in the \$25 million. Are there any block grants?
- Keith: You're right Mark.
- Mark: That's a huge increase and it's not in there.
- Victoria: The county grants are not in there.
- Lisa: They are not. There are 3 pots to BWSR, two would go to MPCA and BWSR would continue with their SSTs Funds.
- Mike – decide if we are prepared as a group to make a decision on a single proposal or not then decide if we support the SSTs proposal.
- Motion by Mike; second by Marilyn
- Dave, Marilyn, Keith H., Scott, Mark, Gene, Gary, Steve, Victoria, Mike - all present for a total of 10 Council members, which is a quorum.
- Motion: Consider any additional funds to be recommended after we consider a formal process for recommendations.
- Marilyn – what triggers the request to consider?
- Victoria – we already know we have over \$4 million in additional funds. We need to decide at our next meeting if we want to make additional recommendations.
- Keith H. – my understanding from Monday's meeting is that we are only addressing the request for information from Rep. Torkelson, not a request for additional

recommendations. Our recommendation is what it is until we receive a formal request from Rep. McNamara or the Governor or Senator Ingebrigtsen.

- Victoria: I thought we were having a discussion, because we know the money is there. We need this discussion.
- Gary asked about the timeliness of this, maybe it's too late.
- Steve P. - we are going way beyond the original request.
- Gaylen – Paul said it will move out of his committee into omnibus bill. There's not enough time to bring this to the March 21st Council meeting.
- Mike – we are not in a position to fully support this.
- Victoria – support motion to have discussion on March 21st.
- Marilyn – is the word formal in the motion?
- Gaylen – the Council is a creation of the Governor, not the Legislature.
- Keith H. – the Council will address this issue if we get a request from the Governor.
- Marilyn – will we let people know we are considering additional recommendations?
- Victoria – which is why I didn't want to include the word formal in the motion.
- Keith H. - we will respond to Paul's question that we believe SSTs is an important program.
Motion: We the Council will respond to Rep. Torkelson's question and say that the SSTs is an important program.
- Dave – does that mean we think the CWF money should be used to fund SSTs?
- Keith H. - we've said that in the past because we've funded it.
- Randy Ellingboe, MDH – question on the motion; there are a number of items in the Governor's budget that are not in the Council's recommendations. Is the motion only dealing with the \$7.5 million for MPCA?
- Steve – the motion is not dealing with that. It just relates to whether we think the SSTs program is important.
- Keith H. – good clarification.
- Mike agreed to replace his motion with Keith's revised motion.
- Dave abstained from the vote. Marilyn, Keith H, Scott, Mark, Mike, Gene, Gary, Steve P., Victoria – all voted yes on the motion. Votes on the motion: 9 yes, 1 abstention.
- Keith will call Rep. Torkelson and tell him what was voted.
- Victoria - prefer to see it in writing.
- Send him minutes; call today, and send minutes later.
- Victoria – there is still the issue of additional funds. How does that get to our Council?
- Gary – if a question is brought up, we can consider it at the next meeting.
- Jen – if a question is asked we can let the Council know right away depending on the urgency.
- Dave – can Clean Water funds be carried over? Yes.

Council adjournment

Next Meeting: March 21, 2011

Minnesota's Subsurface Sewage Treatment Systems Program (SSTS)

Subsurface Sewage Treatment Systems (SSTS), commonly known as septic systems, are regulated by Minnesota Statutes [115.55](#) and [115.56](#).

These regulations detail:

1. Minimum technical standards for individual and mid-size SSTS ([Chapter 7080](#) and [7081](#));
2. A framework for local administration of SSTS programs ([Chapter 7082](#)) and;
3. Statewide licensing and certification of SSTS professionals, SSTS product review and registration, and establishment of the SSTS Advisory Committee. ([Chapter 7083](#)).

MPCA: SSTS program goals

The goal of the MPCA SSTS program is to protect the public health and the environment through adequate dispersal and treatment of domestic sewage from dwellings or other establishments generating volumes less than 10,000 gallons per day. Methods employed by MPCA towards accomplishing these goals are:

1. Periodic revisions to Minnesota's SSTS code (MN Rules [Chapters 7080](#), [7081](#), [7082](#), [7083](#));
2. Ongoing assistance in interpreting Minnesota's SSTS code; and
3. Administrating the statewide [SSTS Certification and Licensing Program](#).

SSTS funding

SSTS is funded through various programs:

- **The Natural Resources Block Grant** (County Base Grants), is a composite of base grants available to local government units that help them implement programs designed to protect and improve water resources. The MPCA Individual Sewage Treatment Systems Program is included in this grant; counties are the only eligible applicants.
- **SSTS Inventory and Program enhancement grants** (County Challenge Grants) assist counties to implement SSTS programs including inventories, enforcement, database development, and systems to insure SSTS maintenance and reporting program results to BWSR and MPCA and base grants.
- **Imminent health threat systems** (Upgrade funds) provide grants to address imminent health threat and failing SSTS.

The basis for using Clean Water Fund dollars for these SSTS activities is the 2004 Report to the Legislature, titled, "[10-Year Plan to Upgrade and Maintain Minnesota's On-Site \(ISTS\) Treatment Systems](#)". The purpose of the report was to identify the resource and funding needs for septic systems. A decision was reached in the report to only use one funding source for impaired waters and septic systems, rather than two sources for the programs. That's why septic system needs have been funded since 2007 with the first round of funding after the legislature adopted the Clean Water Legacy Act.

SEE BACK PAGE

Governor's Clean Water Fund Proposal for SSTS Activities in FY12-13 as compared to FY10-11

FY10-11 (BWSR)	FY12-13 (BWSR)	FY12-13 (MPCA)	Comments
County base grants – through Natural Resource Block Grants (i.e., \$1,479,174 in the biennium). County base grant was begun in FY00 but at a very low level (\$988/county/year) until supplemented with CWFs beginning in FY07		Increase County Base Grants – (\$2,345,000 in each year; \$4,690,000 for biennium) Continue to use BWSR as fiscal agent to send out through NRBG	Increase brings funding to level recommended in Ten Year Plan; consider need for tiered funding based on program needs (i.e., number of SSTS regulated) and accomplishments (i.e., adoption of 2008 rules by ordinance; currently 33 counties have adopted)
County Challenge Grants (\$860,000 in FY10; \$1,170,000* in FY11) Total = \$2,030,000 *Note: \$370,573 awarded in FY11 due to lack of applications, remaining funds shifted to Imminent Health Threats		Same Level - County Challenge Grants through MPCA (\$2,000,000 for biennium)	Grants to implement county SSTS programs, including inventories, enforcement, development of databases, and systems to insure SSTS maintenance and reporting results
Upgrade Funds -- Imminent Health Threats (\$800,000 in FY10; \$1,000,000 in FY11) Total = \$1,800,000	Surface & Drinking Water Protection (\$25M in the biennium; includes SSTS activities)		SSTS upgrade funds no longer called out separately; now rolled into BWSR's Surface & Drinking Water Protection activities
		2 FTEs needed: -SSTS program staff to administer County grant program -Engineer needed to support County grant program (\$452,000 for biennium)	MPCA staff costs estimated from fiscal note instructions, 1 FTE = \$226,000 per biennium; or \$452,000 for 2 FTE *add'l detail on positions below
Total CWF for BWSR in FY10-11 is \$5,309,174	Amount directed to SSTS upgrades is not known	Total CWF for MPCA in FY12-13 is \$7,142,000	

*1.0 FTE SSTS Program Staff to develop and administer County Grant Programs

It may take more than one FTE to develop and implement a new County grant program (county applications and work plans, and their review, timing, eligibility, scoring/selection, development of electronic submittals etc., reporting and accountability management). This will be developed in collaboration with the Subsurface Sewage Treatment Systems Implementation and Enforcement Task Force, formed as a result of legislative mandate in 2010.

*1.0 FTE Engineer needed to support County Grant Program development and implementation

In addition to supporting the new County grant program, an engineer would assist with new 2008 rule requirements including Product Registration, the new Tank Registration Program, and to help manage the Small Community Grant Program applications and design reviews.

Fund	Approp	Approp Name	FY10	FY10 FTE	FY11	FY11 FTE	FY12	FY12 FTE	FY13	FY13 FTE
100	V11	SSTS INVENTORY GRANTS	\$350,000	0.00	\$350,000	0.00	\$0	0.00	\$0	0.00
100	WD5	SSTS	\$375,000	3.90	\$375,000	4.00	\$375,000	4.00	\$375,000	4.00
330	WU1	SSTS ACTIVITIES	\$740,000	4.40	\$740,000	5.85	\$740,000	5.85	\$740,000	5.85
352	T03	DRINKING WATER PROTECTION SSTs	\$0	0.00	\$0	0.00	\$3,750,000	2.00	\$3,750,000	2.00

FY12-13 Clean Water Fund: side by side analysis

Agency	Activity	Governor FY12-13	HF656 FY12-13
Total		\$180,977	\$175,654
MDA		\$15,150	\$16,400
	Increased monitoring for pesticides and pesticide degradates	\$700,000	\$700,000
	Increased monitoring and evaluation of nitrates in high risk areas and evaluation of best management practices	\$1.7 million	\$1.7 million
	Agriculture BMP loan program	\$9.25 million	\$10 million
	Research, pilot projects, and technical assistance on BMP implementation	\$3.5 million	\$1.4 million
	Research to quantify agricultural contributions to impaired waters and BMP development and evaluation.		\$2.1 million
	Research inventory database		\$500,000
PFA		\$32,400	\$33,420
	TMDL grant program	\$22.4 million	\$22.37 million
	Clean Water Legacy phosphorus reduction grant program	\$8 million	\$8.55 million
	Small community wastewater treatment grants and loan	\$2 million	\$2.5 million
MPCA		\$52,665	\$44,750
	Statewide surface water quality monitoring and assessments	\$15 million	\$15 million
	TMDL studies and implementation plans	\$19.1 million	\$18.8 million
	Groundwater assessment	\$2.25 million	\$2.25 million
	Restoration project in the lower St. Louis River and Duluth harbor	\$1.5 million	\$1.5 million
	\$1,250,000 each year for the clean water partnership program	\$2.5 million	\$2.5 million
	Storm water research and guidance	\$825,000	\$800,000
	TMDL research and database	\$2 million	\$2.3 million

	development		
	NPDES and storm water TMDL implementation	\$1.69 million	\$1.6 million
	Civic engagement	\$300,000	
	Protecting groundwater through enhancing the local delivery system of county inspection and corrective action regarding subsurface soil treatment systems	\$7.5 million	
DNR		\$20,614	\$20,320
	Stream flow monitoring	\$7.1 million	\$2.7 million
	Lake IBI assessments		\$2.3 million
	Assessing mercury contamination of fish		\$260,000
	Watershed delineation and BMPS in forested watersheds		
	TMDL development and implementation plans	\$3.4 million	\$3.91 million
	Water supply planning, protection and monitoring	\$4.1 million	\$3 million
	Web based electronic water appropriation permitting system		\$900,000
	Shoreland stewardship, TMDL implementation, and technical assistance (watershed boundaries, biomonitoring database)	\$3.3 million	\$3.95 million
	High-resolution digital elevation data (LiDAR)	\$2.6 million	\$2.7 million
	Delivery of decision support tools (outreach, education and citizen engagement)		\$600,000
BWSR		\$48,968	\$54,384
	Pollution reduction and restoration grants	\$25 million	\$27.5 million
	Targeted local resource and protection	\$4.5 million	\$6 million

	grants		
	Oversight, accountability, and results evaluation of local conservation program implementation	\$1.8 million	\$1.8 million
	Conservation drainage program	\$2 million	\$2 million
	Riparian buffer easements and restoration	\$13 million	\$12 million
	Wellhead protection area easements		\$2 million
	Community partners grants	\$2.5 million	\$3 million
	Technical assistance panel to conduct restoration audits in response to the new statutory requirement passed in 2010	\$168,000	\$84,000
MDH		\$7,180	\$5,370
	Drinking water contaminants of emerging concern	\$2.040 million	\$2.040 million
	Drinking water source protection	\$2.830 million	\$2.830 million
	Well sealing cost-share assistance	\$694,000	\$500,000
	Expand the capabilities of the County Well Index database and develop and implement a methodology for designating public health risk relating to human and natural impacts on groundwater used for drinking water	\$1.086 million	
	Establish a formal process and standard for licensed well/boring contractors to use the Global Positioning System (GPS) to locate all wells constructed and sealed in Minnesota, and to test new private water wells for arsenic occurrence	\$530,000	
Met Council		\$4 million	\$1 million
	Implementation of the master water supply plan	\$1 million	\$1 million
	Inflow & Infiltration Grant Program	\$3 million	
LCC	"Minnesota's Legacy" web site		\$10,000