

Policy Committee Meeting Agenda

Clean Water Council

March 22, 2024

9:30 a.m. – 12:00 p.m.

[WebEx Only](#)

2024 *Policy Committee: John Barten, Rich Biske (Chair), Gail Cederberg, Kelly Gribauval-Hite, Victoria Reinhardt (Vice Chair), Peter Schwagerl, and Marcie Weinandt*

9:30 Regular Business

- Introductions
- Approve today's agenda
- Approve minutes of previous meeting(s)
- Chair update
- Staff update

9:45 Legislative Rundown

10:30 Break

10:45 Strategic Discussion on Nitrate Response in Southeast Minnesota

11:45 Public Comment

12:00 Adjourn

Next Meetings Options:

- Water storage pilot completion
- Soil Health Part 2
- **New Report:** Minnesota's Vanishing Natural Shorelines: A Loss that Contributes to Degraded Lake Quality + lake water quality issues in general

Policy Committee Meeting Summary
Clean Water Council (Council)
February 23, 2024, 9:30 a.m. to 12:00 p.m.

Committee Members present: Rich Biske (Chair), Gail Cederberg, Kelly Gribauval-Hite, Victoria Reinhardt (Vice Chair), Peter Schwagerl, Marcie Weinandt.

Members absent: John Barten.

Others present: Paul Gardner, Glenn Skuta (MPCA), Reid Christiansen (MDA), Frieda VonQualen (MDH), Annie Felix-Gerth (BWSR), Jason Moeckel (DNR), Margaret Wagner (MDA), Jim Stark (Subcommittee on Minnesota Water Policy)

To watch the WebEx video recording of this meeting, please go to <https://www.pca.state.mn.us/clean-water-council/policy-ad-hoc-committee>, or contact [Brianna Frisch](#).

Regular Business

- Introductions
- Approval of the February 23 agenda, and January meeting summary, motion by Kelly Gribauval-Hite, seconded by Victoria Reinhardt. Motion carries.
- Chair update
 - I was at Upper Red Lake, and the “Keep it Clean” group seems to be working! The lake looked clean, good promotion around the area, and there was a line of folks at the dumpsters too.
- Staff update
 - Paul Gardner attended the drainage conference in Alexandria. There were a lot of conversations happening, especially some opportunities for water storage and water quality items.
 - Nitrate is a topic coming up in the House and Senate this week. It is clear in the House there is a push for a fertilizer fee to pay for the cost of drinking water mitigation for private wells. Representative Hansen has been outspoken about that approach. He also had a bill that would alter easement statute language, with a focus on targeting easement dollars on the most vulnerable parcels that can affect groundwater.
 - Paul Gardner and John Barten testified at the House Legacy Finance Committee. We were asked to give an update on the supplemental request. There was a thoughtful discussion on the constitutionality question with well mitigation. There were some follow up requests.
 - The agricultural census has come out. From 2017 to 2022 the number of farms using fertilizer and chemicals dropped by five percent. Statewide expenses for these items also dropped by six percent. The number of farms using manure also dropped by fifteen percent. The number of total farms is decreasing. There could be some positive impacts regarding soil health information, like the number of cover crop acres went up by thirty-one percent.

Integrating Policy Statements into FY26-27 Clean Water Fund Proposals (Webex 00:26:00)

- At the last meeting, the committee talked about reviewing the Council’s existing policy platforms and see if there are any implications for the next round of Clean Water Fund (CWF) recommendations for FY26-27. A table has been compiled (see meeting packet). Items in red might be a CWF need. This may be helpful to the state agencies, to see if they should ask for funding to assist in these areas. Note a budget item for a drainage endorsement for the Minnesota Ag Water Quality Certification program (MAWQCP).

Discussion:

- Marcie Weinandt: Regarding the MAWQCP, I am a little concerned about all of the endorsements that are being proposed for the certification program. As someone who looks at the signs, I would hope that their drainage work would be up to standards. Right now, it is like it is certified, and there are endorsements that would go with it. I am wondering where we come down on this as a Council, instead of funding for the endorsements, perhaps it is an increase of funding of the program. If you throw too many endorsements on it, there are too many levels of action, and some producers doing a better job than others.
 - Peter Schwagerl: It is tricky. There are different perspectives. On the overall structure, the intent to have the initial entry into the program have the bar not be as high, to help the folks wanting to make incremental improvements. It is a way to get people into the program. There are different farmers,

different soil types, different resource concerns, etc. These endorsements give folks an easier on-ramp and access to technical resources. Building that trust. I agree, at some point, we can't just have an endorsement for every sub-category.

- Rich Biske: This is where we have this healthy tension between the role of the Council and the program itself. We can make recommendations for funding, but to not get too far into specific program elements. Perhaps, we should have the expectation that drainage is considered in some way. Does the expectation change to environmental outcomes and how those are achieved is up to the program structure. From the policy statement conversations, there is an expectation of using this tool to help address drainage and improve environmental outcomes on farms.
- Marcie Weinandt: I would like to endorse the training for drainage authority.
- Paul Gardner: Should the Council create a memo of this document, which asks if the Board of Water and Soil Resources (BWSR) can share if they need funding for these areas, or if there will be proposals that are submitted on these items? Do you want us to give concrete written directives, or is this conversation sufficient? *Answer from Annie Felix-Gerth, BWSR:* Direction is always great. Regarding the multipurpose drainage program, the way it is constructed now, there was a recent change in the program. When the offering is made in terms of the RFP, it is more of a rolling RFP, so the money is being made more often each year, allowing more offerings a year. They can take advantage of it as opportunities present. The program is working well, adding more funding would address more of the needs.
- Glenn Skuta, Minnesota Pollution Control Agency (MPCA): Of the chloride items listed, assistant commissioner Dana Vanderbosch is most interested in financial support and technical assistance to municipalities on water softeners. There is a demand and need for this area if funds become available.
- Paul Gardner: Does the Minnesota Department of Health (MDH) need additional funds for the advanced drinking water protection, to develop and disseminate these model ordinances? *Answer:* They are set for now with the staff capacity they have in this area.
- Paul Gardner: For the MDH private well mitigation, it may be complex because of the EPA mitigation of nitrates in southeast Minnesota, but looking at the five contaminants, how they may play out moving forward will be of interest. *Response:* The supplemental request is specific to nitrates. For the MDH general private well initiative, and the grants made possible through CWFs, it is all five. We plan for that to continue in the next round of RFP grants. We would continue promoting all five be tested.
- Gail Cederberg: I'm not as aware of the pharmaceuticals. The safe medication return programs are popping up everywhere. I would be hesitant in moving forward with funding because I am not as aware of it. Perhaps other members can speak on this item?
 - *Response from Victoria Reinhardt:* It is an issue I have been familiar with for many years. I do think the timing is right. We have a Legislature that is concerned about waste issues and toxicity in the waste stream. This is becoming more of an issue. How much can the environment and our bodies take? There is always someone that does not want to deal with it or pay for it. It is something that needs to be taken more seriously. I think it should be moved forward now.
 - *Gail Cederberg:* Then I can be on board for this item.
 - *Paul Gardner:* There may be some other work to help with the foundational science of this item.
 - *Rich Biske:* Perhaps, on the policy years we update the letters of support, it represents our interest. This could be a support of a policy.

Policy Considerations for Private Wells in Southeast Minnesota (Webex 01:05:30)

- There are some legislative initiatives happening as well. A list of suggested policy ideas is included in the meeting packet. Such as funding sources: fees and rural water system support. Land use changes like determining what lands should be set aside, targeted required use of buffers, targeted use of easements, or market based continuous living cover. Regulatory items have come forward as well like expansion of the Groundwater Protection Rule to the township level, legal requirements to seal wells after maybe three years, well testing requirement, and enhanced compliance on feedlots.

Questions/Comments:

- Rich Biske: Regarding enhanced compliance of feedlots, it has been discussed before, but has the MPCA made a request for that? *Answer from Glenn Skuta, MPCA:* Not through the CWFs. We have increased the feedlot program by two full time employees a few years ago. We do not fund feedlot items out of CWFs. It is about a

ten percent increase in the number of staff in the program. I have had some conversations on it. We are feeling a little torn, looking at full time employees that are funded out of CWFs for items that would be ongoing if that funding sunsets in 2034. Looking at this program compared to others, it is well resourced, and the performance is high relative to other state and federal programs, but there is plenty of work to do.

- Marcie Weinandt: I want to highlight the comment to adding staff. If you hire someone today, and the funding disappears, balancing the work on the ground with the source of the funding is important to be mindful of.
- Glenn Skuta: Reviewing the land use changes, what is needed is efficient use of fertilizer. Incentives for nutrient management and tracking use are key to addressing this problem.
- Rich Biske: For fertilizer application, do we know what the current recommendations are versus the actual applied? *Answer:* There are crude numbers. MDA may have better information.
- Frieda von Qualen: Regarding the legal requirement to seal a well after maybe three years, the statute already requires that the owner is supposed to seal the well if it is no longer in use and they have no maintenance permit for it. I am not sure what the additional component may be with this item. Would there be another requirement for well testing? *Answer from Rich Biske:* I assume testing at time of title transfer.
- Rich Biske: I am interested in the return on investment of these items, as well as the temporal scale of these activities. From a durability and unit reduction in nitrates would be helpful in this Council. How to meaningfully reduce nitrates, thinking about the vulnerable areas, looking at how to address this issue, along with thinking about the cost of items. Also, what is practical.

Soil Health Plan, by Tom Gile, BWSR (*Webex 01:20:00*)

- When we talk about soil health, we need to talk about soil health principles. This includes the need to minimize disturbance, keep living roots in the ground, keep the soil covered, and maximize biodiversity. We need to move forward on these principles on a systems scale with a producer's operation, not just within individual practices.
- In 2017, they changed some of their program policies to begin allowing the soil health types of practices. They also received the first round of funding from the CWFs to support the Minnesota Office for Soil Health (MOSH). The research and outreach are important. In 2019, the BWSR utilized CWFs for cover crop demo grants. They also focused on identifying barriers to help in this area. In 2020, there was some survey work, to better understand the work and adapters. In 2021, there was the first general fund for soil health, along with some CWFs. In 2022, the McKnight Foundation awarded the state funding for soil health action framework. In 2023, they received CWFs, general funds, and Natural Resources Conservation Service (NRCS) Regional Conservation Partnership Program (RCPP) award. In 2017 there were zero dollars, up to \$50 million now. Other states wish they had this work.
- The Soil Health Action Framework is to look at identifying things needed to move things forward. Key concepts and priorities include invest in people, not just practices; expand public-private partnerships across multiple sectors and activities; increase the role of private sector agronomists; farmer mentorship and peer-to-peer learning support; designing programs to meet farmer needs/small-scale communities and experimentations; and looking at different scales and approaches in agriculture. To advance adoption in soil health is almost as much a social science experiment as it is about implementing items on the ground. This is about building infrastructure and support to help build soil health throughout the state.
- Looking at how the funding fits together is looking at it from three phases. Phase one involves CWFs, soil health, and adding staffing as needed. Phase two is soil health delivery and education outreach. Phase three is soil health practices along with incentives and payments. Staffing crosses over between phase 1 and 2, because additive staffing is important. They are a key cog in this work. There is time and effort needed for producers, and we don't want to drop things off their regular list.
 - Phase 1 soil health focuses on staffing. This is to create additional local point of contact to work with landowners on increasing utilization of soil health practices and systems that advance the principles of soil health. It would be competitive (SWCDs) in a statewide RFP (with scoring applications). This is the increase the trusted local expertise (like staff and assistance capacity), partnerships, and mentorship, as well as farmer-to-farmer learning support.
 - Phase 2 soil health focuses on the delivery grant. The soil health implementation (financial assistance), education/outreach, and staff time. This part is expected to be non-competitive (RFI), statewide, and

formula based. The funding is expected to become available as quickly as possible after Phase 1 grants are awarded. They are a minimum of \$4 million. They are also local policy driven.

- Phase 3 soil health focuses on soil health practices specifically. This is where the RCPP will come into play. The total request is \$25 million, but the state needs to provide a match (via phase 1 and 2). There is an alternative funding agreement. This focuses on counties with greater than thirty percent agriculture. Negotiations are underway.
- Separate, but related work is a Virginia Tech Alliance (along with a few other states). This program is about providing ecosystem service-based payments. It is more complicated because there are more partners. Several state partners are also involved. They expect some Minnesota Soil and Water Conservation Districts (SWCDs) to participate in this project.
- This is a lot to absorb from all parties involved. It is moving fast. We are talking about millions of acres and different utilizations. It is a big shift. It is not going to happen overnight. We want these things to be sustainable. It is dependent on making it functional and beneficial for producers to continue doing the work.
- Job approval authority is a training that will be needed to sign off on the practices. So, when we talk specifically to SWCDs, we recommend they get it.
- There is a lot going on, so we need to make sure there is capacity to do this work without dropping items.
- When it comes to working with soil health, because it is annual management, this is not just about contracts and acres. This is going to be a challenge when communicating outcomes. We need to see people be successful in implementing these practices, to help them grow that into their business systems and models. We want to support them after contracts as well. It is about an investment in helping support people in these investments that are multi-pronged to get to millions of acres.

Questions:

- Gail Cederberg: Thank you for the thoroughness of this presentation. It is helpful to understand it. I like that you included the social science as well.
- Peter Schwagerl: Thank you for the big picture look at things. I appreciate the context, that the changes on paper look simple, but the cascading consequences from a seemingly simple change to the farming system can be a barrier to entry on some of these practices. The phase one approach really does need to think about that staffing, because the magnitude and scale is so large to get these changes going. We are leaning heavily on the local SWCDs. Yet, it is complicated. Are we investing enough in SWCD staffing? There will be more funding coming out to move this work forward, so what do we do the strengthening this SWCD capacity.
Answer: SWCD aid has come out of the CWFs and is now supported by the general fund. We are fortunate to have the funding we have. These are great points.
- Paul Gardner: Regarding communication, it is a paradigm shift in how we think about agriculture. It would have multiple benefits, not just a focus on yield, but also cash flow. We are trying to use the funding as a high-touch way to be there for them as they try new things as they convert. The majority will start to shift, rather than move away from the conventional way of doing things. Does that sound accurate? *Response:* To some degree that is fair, the idea is to help them think about ways they can incorporate components of advancing the principles of soil health in their operation, in a way that they find beneficial. They need to find a benefit, and feel it is successful. Telling a farmer to do something is very different than letting them figure out what they want to do.

Public Comment (*Webex 02:18:00*) - *No comments provided.*

Adjournment (*Webex 02:21:28*)

Memo

To: House & Senate Legacy Finance Committees
From: Paul Gardner, Administrator, Clean Water Council
Date: March 18, 2024
RE: Supplemental Clean Water Fund Recommendations for FY24-25

The November 2023 revenue estimate and budget forecast show an additional \$25,426,000 in the Clean Water Fund (CWF) for FY24-25.

At its March 18th meeting, the Clean Water Council approved the following requests to submit to the Legislature. These requests, if appropriated by the Legislature, would amend 2023 Session Law, Chapter 40 with section and paragraph references noted in each line item below.

Total Request **\$25,426,000**

MINNESOTA DEPARTMENT OF AGRICULTURE

Nitrate in Groundwater (Section 3(b)) \$1,000,000

This additional request would accelerate progress already being made by the Department of Agriculture (MDA) to implement the Nitrogen Fertilizer Management Plan. However, this additional funding would focus on eight counties included in southeast Minnesota as a response to the EPA. The current appropriation is \$3,000,000 in FY24 and \$3,000,000 in FY25.

Agricultural Best Management Practices Loan Program (AgBMP) (Section 3(c)) \$3,402,000

This request includes \$402,000 that is the difference between the MDA's past request for \$10 million and what was appropriated for FY24-25. The Council made this program its top priority for backfilling if a surplus was available. An additional \$3,000,000 would help meet a large backlog of requests for low-interest loans for water quality-related loans in southeast Minnesota, where nitrates are a major focus. The current appropriation is \$4,799,000 in FY24 and \$4,799,000 in FY25.

MINNESOTA POLLUTION CONTROL AGENCY

Chloride Reduction Grants (Section 4(g)) \$1,000,000

This program offers grants to communities to upgrade/replace water softeners, provides money for training salt applicators as well as education and outreach to permit holders to support implementation of chloride reduction strategies. The current appropriation is \$650,000 in FY24 and \$650,000 in FY25.

River and Lake Monitoring and Assessment (Section 4(a)) \$326,000

The Red River Watershed Management Board has regularly lobbied for a direct legislative appropriation from the Clean Water Fund to support the River Watch program. Usually, the Legislature makes an additional appropriation to the MPCA monitoring and assessment program for this purpose, but in FY24-25, it took \$326,000 from the program to pay for River Watch. This recommendation would backfill this cut to meet the MPCA's goal of regularly monitoring for PFAS. The current appropriation is \$9,050,000 in FY24 and \$9,050,000 in FY25.

Enhanced County Inspection/SSTS Corrective Actions (Section 4(f)) \$2,000,000

The current appropriation for FY24-25 is \$7.1 million, which includes enhanced inspections by counties and assistance for qualified low-income households to replace their septic system to avoid imminent threats to human health. This additional recommendation would support an approximate additional 156 low-income households. The current appropriation is \$3,550,000 in FY24 and \$3,550,000 in FY25.

Continuous Nitrate Sensor Network [New] \$2,000,000

This request was previously made in the Governor's Capital Investment budget. It would develop a continuous nitrate monitoring network to allow local water managers to effectively target best management practices where nitrate reduction is most needed. The sensors will monitor approximately 60-80 locations across the state with historical elevated loads or increasing nitrate.

MINNESOTA DEPARTMENT OF NATURAL RESOURCES

Fish Contamination Assessment (Section 5(c)) \$90,000

The DNR received additional funds in FY24-25 to monitor PFAS in fish. (The program has monitored mercury and PCBs to date.) DNR requests some additional funds to accomplish the task. The current appropriation is \$455,000 in FY24 and \$455,000 in FY25.

BOARD OF WATER AND SOIL RESOURCES

Working Land and Floodplain Easements (Section 6(f)) \$4,434,000

The program goal is to restore and protect riparian, wellhead and floodplain areas across the state to improve and enhance water quality and wildlife habitat. The land targeted for this program is sensitive agriculture land within a riparian floodplain or wellhead area that is a priority drinking water protection area. This will be accomplished through long term, limited use contracts and perpetual easements. This additional funding would support activities in the eight southeastern Minnesota counties covered in the EPA response and could be used as state match for federal Regional Conservation

Partnership Program (RCPP) funds. The current appropriation is \$2,500,000 in FY24 and \$2,500,000 in FY25.

Critical Shoreland Protection -Permanent Conservation Easements (Section 6(k)) \$4,000,000

This appropriation protects lands adjacent to public waters that have good water quality but are threatened with degradation. This program has a backlog of requests to protect priority parcels in north central Minnesota. It protects sensitive shorelands on privately owned lands in the following 10 counties: Aitkin, Anoka, Benton, Chisago, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, and Sherburne. Protecting these acres supports the drinking water supply for Minneapolis and St. Paul. This additional amount could support the protection of approximately 1,100 acres. The current appropriation is \$1,500,000 in FY24 and \$1,500,000 in FY25.

Watershed Partners Legacy Grants (Section 6(m)) \$2,000,000

This is the small grants program that the Council advocated for over many budget cycles to involve new partners. Half of the funding would go to tribal governments and the other half to nonprofit organizations. The current appropriation is \$500,000 in FY24 and \$500,000 in FY25.

Great Lakes Restoration Initiative Lakewide Action and Management Program \$1,000,000

This is a new request that had been pulled back from the FY24-25 appropriations process due to funding constraints. This funding would support soil and water conservation district capacity to leverage federal funds from the Great Lakes Restoration Initiative (GLRI). Funding would only apply to the five SWCDs along in the Lake Superior Basin for protection and restoration activities affecting lake water quality. The LAMP program is different from current GLRI funding to Minnesota that applies to the cleanup of the St. Louis River Area of Concern (AOC) that the CWF has matched in Section 4(d).

MINNESOTA DEPARTMENT OF HEALTH

Southeast Minnesota Nitrate Response \$2,790,000

This new funding would support a public health response on nitrate in private wells in eight counties in southeast Minnesota. The response includes conducting a well inventory and offering free well testing and mitigation for water quality issues. Most of the appropriation would go to the Tap In collaborative headed by Olmsted County that was created in a pilot project two years ago. Well mitigation is not included.

Drinking Water Contaminants of Emerging Concern (Section 7(a)) \$384,000

MDH would use this additional appropriation to develop health-based guidance for PFAS compounds and fish consumption. The current appropriation is \$4,746,000 in FY24 and \$5,354,000 in FY25.

UNIVERSITY OF MINNESOTA

Stormwater BMP Performance Evaluation and Technology Transfer (Section 9(b)) \$1,000,000

Additional funding would support research on emerging issues in urban stormwater pond operation and maintenance, including pond cleanout and disposal. Research in this program has been scaled up for water quality efforts statewide, such as enhanced street sweeping. The current appropriation is \$1,000,000 in FY24 and \$1,000,000 in FY25.



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Chair Founj Hawj
Senate Environment, Climate, and Legacy Committee
3231 Minnesota Senate Building
95 University Avenue W.
St. Paul, MN 55155

RE: Clean Water Fund Appropriations

March 18, 2024

Chair Hawj and Members of the Senate Environment, Climate, and Legacy Committee,

As the committee reviews the Clean Water Council's supplemental recommendations for the Clean Water Legacy funds, we write to highlight support for the work of and the update recommendations produced by the Clean Water Council.

The Clean Water Council, made up of both citizen volunteers representing diverse stakeholders and legislators, spent two years gathering input from state agencies and a variety of constituencies from across the state to aid in the development of its recommendations for how the Clean Water Fund should be spent. In addition, the updates to their recommendations being presented to you today reflect time sensitive and emerging needs that have evolved since the Council developed their initial recommendations. The Council is a deliberative body who spends significant time and effort in making recommendations in line with their strategic plan.

The Council, state agencies and stakeholders have identified and recommended new programs to address clean water needs. As a participant during many of the Council's meetings, The Conservancy fully supports its recommendations and the thorough process by which the Council has arrived at these updated recommendations.

Thank you for your work on behalf of the State of Minnesota.

Sincerely,

Steven J. Herrington, Ph.D.
Associate Director of Water
The Nature Conservancy in Minnesota

March 18th, 2024

Re: Supplemental Clean Water Fund recommendations

Chair Hawj and committee members,

As you know, Minnesotans voted to adopt the Clean Water, Land and Legacy Amendment in 2008. One-third of the revenue from the amendment is allocated to the [Clean Water Fund](#). The State's recently [revised budget forecast](#) shows a total surplus in the Clean Water Fund of \$25.426 million.

We, the undersigned organizations, are writing to express our appreciation for the work of the Clean Water Council in preparing supplemental Clean Water Fund recommendations that direct the surplus toward numerous initiatives we support, including:

- Minnesota Department of Agriculture (MDA): Nitrate in Groundwater (\$1.0 million) and AgBMP Loan Program (\$3.402 million).
- Minnesota Department of Health (MDH): Drinking Water Contaminants of Emerging Concern (\$384,000) and Southeast Minnesota Nitrate Response (\$2.79 million).
- Department of Natural Resources (DNR): Fish Contamination Assessment (\$90,000).
- Minnesota Pollution Control Agency (MPCA): River and Lake Monitoring and Assessment (\$326,000), Enhanced County Inspection/SSTS Corrective Actions (\$2.0 million), Chloride Reduction Grants (\$1.0 million) and Continuous Nitrate Sensor Network (\$2.0 million).
- Board of Water and Soil Resources (BWSR): Great Lakes Restoration Initiative LAMP match (\$1.0 million), Critical Shoreland Protection Easements (\$4.0 million), Working Land and Floodplain Easements (\$4.434 million) and Clean Water Partners Legacy small grants (\$2.0 million).
- The University of Minnesota: Stormwater BMP Performance Evaluation & Technology Transfer (\$1.0 million).

We are also pleased to see that the recommendations do not include funding for private well measures that had raised constitutional concerns. Such investments, which are critical for protecting public health, are best made through traditional means, as reflected by the [Governor's 2024-25 Supplemental Budget Recommendations](#).

We encourage you to advance a 2024 Legacy Bill that reflects the Council's recommendations.

Sincerely,

Friends of the Mississippi River

Minnesota Center for Environmental Advocacy

Conservation Minnesota

Northern Waters Land Trust

CURE

Land Stewardship Project

Minnesota Environmental Partnership

Minnesota Well Owners Organization

Legacy Funds; Fund Balances

February 2024 Forecast

	2024 Feb Forecast			Change from Nov Forecast
	FY2024	FY2025	FY2024-25	
Outdoor Heritage Fund				
1				
2	Balance Forward	160,320	44,656	
3	Adjustments/Cancellations			
5	Resources			
6	Sales Tax Revenue	148,503	153,019	301,522
7	Investment/Other	14,656	3,491	18,147
8	Total Resources:	163,159	156,510	319,669
10	Expenditures/Appropriations			
11	Department of Natural Resources	216,624	-	216,624
12	Board of Water & Soil Resources	60,581	-	60,581
13	Leg Coordinating Commission	1,618	655	2,273
14	Total Expenditures/Appropriations	278,823	655	279,478
16	Transfer to Special Revenue Fund	-	-	
18	Balance	44,656	200,511	
20			7,651	5% Reserve
Clean Water Fund				
23	Balance Forward	123,138	36,821	
24	Adjustments/Cancellations			
26	Resources			
27	Sales Tax Revenue	148,503	153,019	301,522
28	Investment/Other	7,516	2,736	10,252
30	Total Resources:	156,019	155,755	311,774
32	Expenditures/Appropriations			
33	Pollution Control Agency	31,487	24,188	55,675
34	Department of Natural Resources	15,709	12,780	28,489
35	Metropolitan Council	1,875	1,875	3,750
36	Board of Water & Soil Resources	130,976	78,063	209,039
37	Department of Agriculture	20,554	16,115	36,669
38	Public Facilities Authority	20,415	8,350	28,765
39	University of MN	1,500	1,500	3,000
40	Department of Health	15,081	11,904	26,985
41	Leg Coordinating Commission	15	-	15
42	Total Expenditures/Appropriations	237,612	154,775	392,387
44	Transfer to Special Revenue Fund & Loans	4,724	4,724	
46	Balance	36,821	33,077	
48			7,651	5% Reserve
Parks & Trails Fund				
52	Balance Forward	46,659	9,822	
53	Adjustments/Cancellations			
55	Resources			
56	Sales Tax Revenue	64,126	66,076	130,202
57	Investment/Other	2,726	969	3,695
59	Total Resources:	66,852	67,045	133,897
61	Expenditures/Appropriations			
62	Department of Natural Resources	75,110	38,931	114,041
63	Metropolitan Council	28,572	25,524	54,096
64	Leg Coordinating Commission	7	-	7
65	Total Expenditures/Appropriations	103,689	64,455	168,144
67	Balance	9,822	12,412	
69			3,304	5% Reserve

Available for FY2025
5% Reserve
\$ 192,860 FY25
LSOHC FY2025 Rec
\$ 180,711

Available for FY2025
5% Reserve
\$ 25,426 FY25

Available for FY2025
5% Reserve
\$ 9,108 FY25



Legacy Funds; Fund Balances

February 2024 Forecast

	2024 Feb Forecast			Change from Nov Forecast
	FY2024	FY2025	FY2024-25	
71 Arts & Cultural Heritage Fund				
72 Balance Forward	44,360	13,560		
73 Adjustments/Cancellations				
75 Resources				
76 Sales Tax Revenue	88,877	91,579	180,456	1,838
77 <u>Investment/Other</u>	1,881	577	2,458	(622)
79 Total Resources:	90,758	92,156	182,914	1,216
80				
81 Expenditures/Appropriations*				
82 Dept of Education	3,000	2,750	5,750	
83 Perpich Center for Arts Education	-	-	-	
84 University of MN	-	-	-	
85 MN Zoo	2,002	2,000	4,002	
86 Historical Society	32,167	18,977	51,144	
87 - FY2023 Re-appropriation	-	-	-	
88 Indian Affairs Council	3,278	2,300	5,578	
89 Administration Department	17,314	14,105	31,419	
90 Humanities Center	14,879	3,600	18,479	
91 Arts Board	48,432	44,796	93,228	
92 Department of Agriculture	477	400	877	
93 <u>Leg Coordinating Commission</u>	9	-	9	
94 Total Expenditures/Appropriations	121,558	88,928	210,486	
95				
96 Balance	13,560	16,788		
97				
98		4,579	5% Reserve	
99				
100 SUMMARY BY FUND				
101 Total Revenue (Tax & Investment & Transfer)				
102 Outdoor Heritage Fund	163,159	156,510	319,669	12,209
103 Clean Water Fund	156,019	155,755	311,774	7,440
104 Parks & Trails Fund	66,852	67,045	133,897	2,978
105 <u>Arts & Cultural Heritage Fund</u>	90,758	92,156	182,914	1,216
106 Total Revenue	476,788	471,466	948,254	23,843
107				
108 Expenditures/Actuals				
109 Outdoor Heritage Fund	278,823	655	279,478	
110 Clean Water Fund	237,612	154,775	392,387	
111 Parks & Trails Fund	103,689	64,455	168,144	
112 <u>Arts & Cultural Heritage Fund</u>	121,558	88,928	210,486	
113 Total Expenditures	741,682	308,813	1,050,495	
114				
115 Appropriations				
116 Outdoor Heritage Fund		192,860		12,139
117 Clean Water Fund		25,426		7,370
118 Parks & Trails Fund		9,108		2,948
119 <u>Arts & Cultural Heritage Fund</u>		12,209		1,174
120 Total Appropriations		239,603		23,630
121				

Available for FY2025
5% Reserve
\$ 12,209 FY25
Arts Board @ 47%
\$ 5,738
Remaining
\$ 6,471

Available to appropriate w/5% reserve	
192,860	12,139
25,426	7,370
9,108	2,948
12,209	1,174
239,603	23,630



Clean Water Council
Policy Committee Legislative Update
March 22, 2024

Governor's Bonding Recommendations

- Metropolitan Council
 - \$5,000,000 **Inflow and Infiltration** Grant Program
- Minnesota Pollution Control Agency
 - \$10,000,000 Statewide **Drinking Water Contamination Mitigation for Private Wells** (at select sites with PFAS and 1,4-dioxane)
 - \$2,000,000 **Continuous Nitrate Sensor Network** [Now in Clean Water Fund recs]
- Public Facilities Authority
 - \$39,000,000 State Match for Federal Grants to **State Revolving Loan Programs**
 - \$23,485,000 **Water Infrastructure Funding** Program
 - \$18,527,000 **Point Source Implementation Grant** Program
 - \$18,000,000 **Emerging Contaminants Grant** Program (for manganese and PFAS at public water suppliers)
 - \$10,000,000 **Lead Service Line Replacement** Grant Program
- Board of Water and Soil Resources
 - \$10,000,000 **Reinvestment in Minnesota (RIM)** Reserve Program

Bills already passed

- HF3377 (Hansen, R) **Environment and natural resources trust fund**; previous appropriations modified, and money appropriated

Possible Environment & Natural Resources Omnibus Finance Bill Provisions

- HF4214 (Hansen) **Water quality monitoring at state fish hatcheries required, and previous appropriations modified.**
- HF3624 (Hansen) **Planting corn on state lands prohibited, and use of prior appropriations authorized.**
- HF4625 (Hansen) **Report on state agency nitrogen fertilizer purchases required and reduction goal established.**
- HF3418 (Hansen) Investment accounts provided, transfer or sale of bison provided, enhanced restitution values for mistreatment of wild animals provided, protection of threatened species clarified, releaf program modified, **water use general permit fee corrected**, Mineral Coordinating Committee extended, and money appropriated.
- HF4135 (Hansen) **Agricultural fertilizer research fee and program extended by one year, drinking-water fee established for nitrogen fertilizer and private well drinking-water assistance program**, testing of biosolids for perfluoroalkyl and polyfluoroalkyl substances required, reports required, and money appropriated.
- SF4989 Hoffman: **Native rough fish provisions and aquatic farm licenses and taking and possessing fish conforming changes**

- SF 4073-McEwen: **Municipal effluent testing for PFAS appropriation.**
- SF 3946-Kunesh: **Friends of Minnesota Valley River Watch program appropriation.** (Senate hearing only)
- SF 4143-Morrison: **50-year clean water plan appropriation.** (Senate hearing only)
- HF4698/SF4234 (Pursell/Putnam) **Rulemaking to require environmental impact statement for large animal projects required.**
- [SF 4492](#) - Hawj: **Certain manure management plans required in feedlot permit provisions modification**
- HF4320 (Hansen) **Feedlot permit provisions modified to require manure management plans.**
- [SF 3869](#) - Morrison: **Installation of permeable synthetic turf added to best management practices to control stormwater runoff provision**
- HF3596 (Vang) Natural resources; rulemaking authority clarified. [Removes expiration date on the DNR's authority to develop shoreline development standards outside a municipality.]
- HF 3874/SF3867 (Hansen, R.) **Administrative penalty order authority modified for enforcing public water and drainage ditch buffer requirements,** and certain lawns to legumes program data made private.
- HF3550 (Hansen) **Watersheds, soil and water conservation districts, and wetland management provisions modified; wetland banking program and conservation easement programs modified; riparian protection and water quality jurisdiction clarified; beaver damage control grants eliminated; Board of Water and Soil Resources authority and duties modified; and rulemaking required.**
- HF3474 (Reyer) **Reinvest in Minnesota (RIM) reserve program funding provided,** bonds issued, and money appropriated. [Amended to be taken out of CWF]
- [SF 3957](#) - Putnam: **Keep it Clean Program establishment and appropriation**
- HF3550 (Hansen) **Watersheds, soil and water conservation districts, and wetland management provisions modified; wetland banking program and conservation easement programs modified; riparian protection and water quality jurisdiction clarified; control beaver damage grants eliminated; Board of Water and Soil Resources authority and duties modified; and money appropriated.**
- S.F. 3558-Kunesh: **Public waters definition modification.**

Possible Omnibus Tax Bill Provisions

- [SF5055](#): (Nelson) Minnesota **agricultural water quality certification program certain acres credit establishment** and appropriation
- HF 4044/SF4241 (Jacob/Drazkowski) **Property tax credit established for acres certified under Minnesota agricultural water quality certification program, and money appropriated.** Testimony was previously heard. No additional testimony will be taken.
- S.F. 4422-Hauschild: **Soil and water conservation district aid appropriation increase provision.**

Possible Agriculture Omnibus Finance Bill Provisions

- [HF4989](#): Clean water, climate-start, and soil-healthy farming goals established; pilot program to provide financial incentives for farming practices in southeastern Minnesota created; fertilizer fee extended; data collection required; and money appropriated.

- HF 3389 (Pursell) **Subsurface drain tile installation and modification reporting required.**

Possible Workforce Development Omnibus Finance Bill

- HF 3475 (Mueller) **Water operator and wastewater operator training development funding provided, and money appropriated.**