

Status Memo: Draft Clean Water Fund budget for FY28-29 biennium

August 17, 2026

Background

At their July 20, 2026 meeting, the Clean Water Council (CWC) finalized direction to program proposers regarding level of program priority and desired funding direction (increase, decrease, hold steady). In response, agency proposers worked through the Interagency Coordinating Team (ICT) to develop a draft budget proposal for agency programs. (Their memo is included separately.)

In advance of the Budget and Outcomes Committee (BOC) meeting on August 14, 2026, committee members were invited to review the draft budget proposals from the ICT and offer their overall reactions, identify any remaining questions they felt must be addressed at this time, suggest adjustments, as well as offer possible budget amounts for nonagency programs.

Before discussing the outcomes from the homework, two programs were reviewed in detail, as the discussions could have impacts for the budget deliberations. These were the Minnesota Agricultural Water Quality Certification Program (as a follow up to the report on the program released by the Office of the Legislative Auditor in July) and the Watershed Based Implementation Fund program (in response to requests for enhanced standardized reporting from the program). Each of those discussions warranted the use of a considerable portion of the BOC meeting, and report outs from that discussions will be included in the August 24, 2026 CWC meeting.

The final hour of the BOC meeting was then dedicated to review of the homework outcomes.

Discussion of homework outcomes

Overall reactions

On the whole, BOC members noted appreciation of the efforts among ICT members to develop a proposal strongly aligned with the direction the CWC had offered over the last several months and, in particular, at the July CWC meeting. They appreciated as well that the ICT did not seek to use the entire \$340M in their proposals, acknowledging the high priority and interest in nonagency programs.

Questions

There were a handful of programs for which there were still some outstanding questions. Some were able to be addressed in the room, some were more rhetorical, and some will need to be considered over a longer period of time. The details can be seen in the recording of the meeting and will be available in minutes in the future, but we were able to reach a point in discussion where members felt comfortable moving forward.

Adjustments

Three programs were considered by some members as candidates for increases, whereas five were identified as possible candidates for cuts. It should be noted that some members did not recommend any changes, and for the cuts, it is possible that some suggested cuts were to make space for the desired increases, but may not have been suggested otherwise. That said, where adjustments were suggested, the adjusted amounts were similar. However, in the remaining time available in the meeting, the BOC was not able to reach agreement, and will instead offer their responses as a starting point for the August 24, 2026 CWC meeting discussion.

CWC members are asked to review this table, as well as review the full draft table to identify if other adjustments are desired.

Agency	Program	FY26-27 Approp	ICT Rec July 2026	Potential + or -	Revised Rec
BWSR	Legacy Partners	\$1M	\$2M	+\$1.75-2M	\$2M-4M
BWSR	Critical Shoreland Easements	\$1M	\$2M	+\$1.75-2M	\$2M-3.75-4M
UMN	Stormwater BMP Perf & Eval Tech Transfer	\$1.6M	\$2M	+\$0.5M	\$2M-2.5M
MPCA	River & Lake Monitoring & Assessment	\$18.9M	\$20.9M	-\$1-1.4M	\$19.5-20.9M
MDH	Private Well Initiative	\$6M	\$10M	-\$2M	\$8-10M
MDA	Nitrate in Groundwater	\$6.2M	\$7.2M	-\$0.5M	\$6.7-7.2M
BWSR	Conservation Drainage	\$2M	\$3M	-\$0.5-0.6M	\$2.4-3M
BWSR	Riparian Protection & Soil Loss Assistance	\$4M	\$3.5M	-\$0.5M	\$3-3.5M

Nonagency programs

As no base numbers were available to consider for nonagency programs, the BOC prioritized their meeting time to setting these draft amounts. Several motions were offered, and not all passed. However, BOC members set the following recommendations through non-unanimous votes in order to be discussed alongside all of the other programs at the August 24, 2026 CWC meeting. The proposed amounts from all BOC members are included in the final column, with the draft amounts listed in bold and dark teal.

Proposal	Prior Appropriations	Requested	Proposed Funding
Voyageurs National Park	\$1.5M	\$8M (\$3M match from St. Louis County)	\$0-2M (\$1.5M 8/14)
Red River Basin River of Dreams*	\$300k-\$326k	\$350k	\$325k-350k, ?? (\$350k 8/14)
River Watch in the Minnesota Valley*	\$0	\$150k	\$100k-150k, ?? (\$75k 8/14)
River Watch – Cannon River Valley*	\$0	\$150k	\$0-100k, ?? (\$0 8/14)
<i>*Perhaps fund these through River & Lakes Monitoring & Assessment</i>			

Next steps

The CWC will review the draft budget at their August 24, 2026 meeting. It is possible that, with more CWC members engaged, other programs may be suggested for increases or decreases than those offered by the BOC. It is also possible that BOC suggestions will be altered during the course of conversation. The BOC will review the budget one more time in September before offering a final draft to the CWC for approval.



Date: July 27, 2026

To: John Barten, Clean Water Council Chair
Steve Christensen, Budget and Outcomes Committee Chair, Clean Water Council
Jen Kader, Clean Water Council Administrator

From: Dana Vanderbosch, Assistant Commissioner, MPCA
Katie Smith, Assistant Commissioner, DNR
Andrea Fish, Assistant Director, BSWR
Myra Kunas, Assistant Commissioner, MDH
Raj Mann, Assistant Division Director, MDA
Sam Paske, Assistant General Manager, Metropolitan Council
Chad Kolstad, Interim Executive Director, Public Facilities Authority
Joel Larson, Associate Director of the Water Resources Center, University of Minnesota

RE: Interagency Recommendations for FY2028-2029 Clean Water Fund Budget

The Clean Water Fund Interagency Coordinating Team (ICT) appreciates the opportunity to provide to the Clean Water Council (CWC) these FY28-29 Clean Water Fund (CWF) budget recommendations for consideration. We strived to create a budget that supports all elements of Minnesota's water management framework. These recommendations reflect:

- a strong commitment to foundational work that supports Minnesota's water management system, and ensures a base of solid science and data on which to effectively target implementation funds and gage progress;
- the input of partners and the CWC priorities; and
- a sustained commitment to funding implementation, incorporating innovations alongside time-tested strategies that increase results.

In recognition that there are applicants for Clean Water Funding from non-state entities, the ICT did not allot the entire amount that Minnesota Management and Budget projects to be available for appropriation in FY28-29. This leaves capacity for the CWC to recommend funding to non-state applicants or supplement state programs, as desired.

The ICT also recognizes that cancellations back to the CWF from previous biennial appropriations are likely and this may mean there is more to allot for FY28-29 after the November 2026 and February 2027 budget forecasts are released. This would allow us to jointly identify additional opportunities for increased investment before the 2027 legislative session.

Budget Recommendations by Agency

Collectively, the budget recommendations are grounded in the watershed approach to protect and restore the state's abundant and diverse water resources. As you know, the watershed approach is a systematic, data-driven, iterative process that allows state agencies and local partners to coordinate to maximize CWF investments. It requires and supports local and state partnerships and includes consideration of water quality, quantity, surface water, groundwater, drinking water, habitat, and recreation. The following paragraphs summarize the proposed FY28-29 recommendations for activities led by each of the ICT member agencies.

I. Minnesota Pollution Control Agency (MPCA)

River and Lake Monitoring

FY26-27 Appropriation: \$18,900,000 FY28-29 Recommendation: \$20,900,000

The Surface Water Monitoring program conducts water chemistry and biological monitoring on lakes, rivers, and streams to determine if waterbodies are impaired or meet standards, detects long-term trends over time at the basin, watershed and subwatershed scales, and identifies areas for protection and restoration. The primary output from the surface water monitoring activities is a large body of high-quality data, which is used in other steps within the Watershed Framework. A primary feature of the surface water monitoring activities is partnership between MPCA and local units of government, educational institutions, and Tribal nations who accomplish the work together. This recommendation ensures work will remain steady, and that two FTE can be hired to manage the large volume of data that is being generated from the new continuous nitrate monitoring network that the Legislature funded two years ago.

Groundwater Trend Monitoring

FY26-27 Appropriation: \$2,000,000 FY28-29 Recommendation: \$3,300,000

Rationale: Groundwater monitoring data are foundational to understanding the condition of Minnesota's groundwater quality. A long-standing Memorandum of Understanding divides groundwater monitoring responsibilities between the Department of Agriculture, Department of Health and the Minnesota Pollution Control Agency. These data are critical for the development of Groundwater Restoration and Protection Strategies (GRAPS), and the development and implementation of One Watershed One Plans (1W1P). As more WRAPS, GRAPS and 1W1P are implemented, monitoring remains critical as the means to determine if clean water goals are being met. This program's budget has not been increased in many years. The recommendation ensures work can remain steady, and that high-priority PFAS sampling can be routinely conducted so we can detect contamination as quickly as possible.

Watershed Restoration and Protection Strategies (WRAPS)

FY26/27 Appropriation: \$14,500,000 FY28-29 Recommendation: \$15,000,000

Rationale: WRAPS reports, including Total Maximum Daily Load studies (TMDLs) for impaired waters, are updated with local partners to confirm strategies for impaired waters and unimpaired waters by setting reduction and protection goals, milestones and measures to guide targeted state and local government planning and implementation efforts. Funding also supports updating watershed models as new monitoring data become available. Some of this program's funding moves to local partners who participate in WRAPS updates and supports the We Are Water public engagement traveling exhibit. This recommendation ensures that work remains steady.

Chloride Reduction Program

FY26-27 Appropriation: \$1,300,000 FY28-29 Recommendation: \$2,600,000

Rationale: This program provides critical support to communities by providing chloride reduction from road salt and water softening training, and grants to communities so they can implement their chloride management plans. This recommendation recognizes the CWC's desire to see more training and more grants available for on-the-ground chloride reduction work, and it also meets the needs MPCA is hearing from partners. The MPCA is open to discussing additional work once the CWC finalizes its chloride reduction policy.

Subsurface Treatment System Grants (septic systems)

FY26-27 Appropriation: \$6,881,000 FY28-29 Recommendation: \$6,900,000

Rationale: This program provides critical funding to local units of government to operate their respective SSTS programs and also provides funding to homeowners with low income to replace or repair non-complying septic systems. Both county SSTS programs and grants for SSTS replacement protect groundwater and connected surface water. This recommendation ensures we can maintain the grant levels from the past biennium.

Wastewater and Stormwater TMDL implementation

FY26-27 Appropriation: \$3,200,000 FY28-29 Recommendation: \$3,400,000

Rationale: With the completion of hundreds of TMDLs over the past decade and a half, the work to translate wasteload allocations into permit requirements has expanded enormously. Funding for these programs provides technical assistance tools to local units of government and supports staff to accelerate work in the stormwater and wastewater permitting programs that protect lakes and streams. The FY28/29 recommendation will ensure the work effort remains steady.

Clean Water Council Administration

FY26-27 Appropriation: \$922,000 FY28-29 Recommendation: \$1,500,000

Rationale: This recommendation reflects the change in CWC administration scope to conduct more stakeholder engagement and communication, as well as hire an additional staff person to assist the Council Administrator.

II. Minnesota Department of Natural Resources (DNR)

Stream Flow Monitoring

FY26-27 Appropriation: \$5,650,000 FY28-29 Recommendation: \$5,850,000

Rationale: Stream flow monitoring is foundational to assessing water quality, the development of TMDLs, WRAPS, and developing and implementing 1W1Ps. As more WRAPS and 1W1Ps are implemented, monitoring remains critical to measure progress. The recommendation will maintain the current gage network, replace aging equipment and continue to ensure data are readily available to inform decision making and assess progress toward clean water goals.

Lake Index of Biotic Integrity (IBI) Assessment

FY26-27 Appropriation: \$3,050,000 FY28-29 Recommendation: \$3,300,000

Rationale: Lake IBI assessments are foundational to assessing water quality, the development of TMDLs, WRAPS, developing and implementing 1W1P. Lake IBI assessments started later than stream IBIs conducted by the MPCA and there are still many lakes that need to be completed. This recommendation maintains most of the DNR's core capacity to assess lakes for fish and associated stressor identification.

Fish Contamination Assessment

FY26-27 Appropriation: \$1,100,000 FY28-29 Recommendation: \$1,100,000

Rationale: The DNR traditionally collected fish for mercury and PCB contamination assessment from 70 lake and stream sites using Game and Fish Funds. The Clean Water Fund has been supporting the laboratory costs for an additional 80 lake and stream sites per year. The recommendation maintains the core capacity for the statewide assessment of PFAS compounds in fish tissue.

Watershed Restoration and Protection Strategies

FY26-27 Appropriation: \$4,750,000 FY28-29 Recommendation: \$5,300,000

Rationale: The DNR employs experts in hydrology and geomorphology to support comprehensive assessments and strategy development as part of WRAPS. DNR staff complete targeted surveys and analysis and watershed reports that inform WRAPS and ultimately implementation projects. DNR staff make this information available in the Watershed Health Assessment Framework (WHAF) and other reports. The proposed amount will maintain DNR's capacity to provide this core expertise as part of the interagency watershed approach.

Aquifer Monitoring for Water Supply Planning

FY26-27 Appropriation: \$4,700,000 FY28-29 Recommendation: \$5,300,000

Rationale: The DNR is developing a robust groundwater level monitoring network that informs our understanding of groundwater level trends; the source of drinking water for 75% of Minnesotans. DNR applies this data in groundwater models, technical analysis, and water supply planning. The proposed amount will add up to 25 new monitoring wells, help maintain the current network of about 1,254 wells, and sustain the DNR's capacity to manage and apply the data.

Nonpoint Source Restoration and Protection**FY26-27 Appropriation: \$4,350,000 FY28-29 Recommendation: \$4,930,000**

Rationale: As the number of completed WRAPS and 1W1P increases, there is an increasing need for DNR experts to provide site-specific technical support for planning and implementing projects. DNR is actively involved in about 80 implementation projects each year, providing design expertise on dam removals, stream restoration and other stabilization projects. DNR staff often help during implementation and construction oversight, filling in critical gaps in local expertise. The proposed amount will maintain this core expertise and continue supporting local government partners.

Tool Development and Evaluation**FY26-27 Appropriation: \$1,400,000 FY28-29 Recommendation: \$1,500,000**

Rationale: The DNR maintains and provides access to LiDAR-derived elevation data that is widely used for targeting and designing implementation projects and for watershed modeling. DNR also assesses relationships among disturbance patterns, BMP applications, and water quality in forested watersheds. The proposed amount will maintain effort on LiDAR related support, maintain effort in forest BMP monitoring. Over the past biennium the DNR has eliminated effort on fine-scale watershed models to evaluate the effects of drainage, soil health and other BMPs.

County Geologic Atlases**FY26-27 Appropriation: \$200,000 FY28-29 Recommendation: \$200,000**

Rationale: The CWF has enhanced data collection and analysis of the county geologic atlases by providing supplemental chemistry and geology data. The core funding of the atlas program continues to be the LCCMR and the Environment and Natural Resources Trust Fund, along with state general fund resources. The proposed amount restores capacity to supplement the atlas data collection efforts that have previously resulted in significant efforts to target nitrate reduction in southeastern Minnesota.

Mussel Restoration Program**FY26-27 Appropriation: \$700,000 FY28-29 Recommendation: \$750,000**

Rationale: Of the 50 native freshwater mussel species in Minnesota, 61% are low in number, declining and their persistence is in jeopardy. Mussels are efficient natural filterers of water, including removal of sediment, nutrients and bacteria and they provide habitat for other aquatic species. The DNR has developed the expertise to grow and restore mussel populations and upgraded facilities to support an expansion and more rapid restoration of mussels throughout Minnesota. The amount requested will provide support to significantly maintain higher propagation, rearing and restoration efforts.

Culvert Replacement Incentive Program**FY26-27 Appropriation: \$2,900,000 FY28-29 Recommendation: \$3,000,000**

Rationale: Minnesota's public roads intersect the state's natural perennial flowing watercourses at approximately 65,000 locations. Many of the culvert structures at these locations are failing and require replacement. A culvert replacement and incentive program would provide financial and technical assistance for counties and other local governments to modernize culvert systems to address climate resiliency, restore fish communities, and reduce sediment loads (two major sources of impairment). This proposal will accelerate the adoption of alternative culvert designs that improve biological connectivity, channel stability, reduce flood stage and lower long-term maintenance costs. This proposal will fund approximately 12 projects with a 25% cost share. Funds would need to be available until spent to allow for sufficient local planning and implementation.

Natural Shoreline Protection Program (New)**FY28-29 Recommendation: \$1,800,000**

Rationale: Nearly 50% of Minnesota's natural shorelines have vanished due to suburban-style development and lawn manicuring. This conversion allows up to nine times more pollutants into lakes and degrading critical fish and wildlife habitats. Protecting and restoring native plant buffers is essential to filter runoff and anchor soil.

This program will enhance funding for the Lake Steward program, sponsored by Minnesota Lakes and Rivers, and provide funding for permanent lakeshore conservation easements to protect priority lakes by restoring natural shorelines and reducing pollutant loading.

III. Board of Water and Soil Resources (BWSR)

One Watershed, One Plan

FY26-27 Appropriation: \$1,000,000 FY28-29 Recommendation: \$1,000,000

Rationale: As more comprehensive watershed management plans mature, increased funding is needed to keep plans current through plan evaluations and updates that reflect new data, implementation experience, and emerging priorities. Maintaining current plans ensures implementation funding continues to be targeted to the highest-priority projects, strengthens local and Tribal partnerships, and preserves the effectiveness of Minnesota's watershed-based approach.

Watershed Based Implementation Funding (WBIF)

FY26-27 Appropriation: \$88,100,000 FY28-29 Recommendation: \$96,000,000

Rationale: While moving at a slower rate than the implementation trajectory calls for, continued growth in WBIF is necessary to keep pace with rising projects costs and to meet the demand by partnerships to help fund the goals set out in their plans. Stable funding provides local governments and Tribal partners the certainty needed to invest in staff, leverage additional resources, and deliver measurable water quality improvements for priority resources identified in watershed plans.

Accelerated Implementation

FY26-27 Appropriation: \$8,700,000 FY28-29 Recommendation: \$9,000,000

Rationale: As we continue to hear a demand from local and Tribal government partners for more training and tools, this recommendation helps to maintain program capacity. Funding is needed to expand technical assistance through Technical Service Areas, technical training & certifications, and implementation support that directly increases the pace and quality of conservation project delivery. These investments leverage federal matching funds while building the local capacity required to move priority projects from planning to implementation.

Conservation Drainage (*Multipurpose Drainage Management*)

FY26-27 Appropriation: \$2,000,000 FY28-29 Recommendation: \$3,000,000

Rationale: Demand for multipurpose drainage projects continues to exceed available funding. Increased investment will allow more high-impact drainage system improvements to incorporate conservation practices during infrequent system upgrades, producing long-term water quality benefits while expanding implementation of new conservation solutions identified by the Drainage Work Group.

Measures, Results, and Accountability

FY26-27 Appropriation: \$2,500,000 FY28-29 Recommendation: \$2,780,000

Rationale: Continued investment ensures accountability for CWF expenditures by measuring, evaluating, and communicating program outcomes. Maintaining robust performance reporting and grant oversight improves program effectiveness, supports legislative accountability, and demonstrates the return on public investment.

Riparian Protection and Soil Loss Assistance (*Buffer Law Implementation*)

FY26-27 Appropriation: \$4,000,000 FY28-29 Recommendation: \$3,500,000

Rationale: Stable funding is necessary to maintain statewide buffer compliance through continued monitoring, technical assistance, and local implementation support. Sustained investment protects previous gains in compliance and prevents increased enforcement costs by helping landowners remain in compliance. The FY28/29 recommendation reflects the Council's direction to decrease funding support, without compromising the integrity of the previous investments.

Surface and Drinking Water Protection & Restoration (*Projects and Practices*)**FY26-27 Appropriation: \$6,000,000 FY28-29 Recommendation: \$7,500,000**

Rationale: Demand for project funding consistently exceeds available resources, with requests typically totaling twice the available funding. Conservation project costs have increased by 6%-15% statewide, year over year in the previous 2 years. The increase reflects a recovery from the cuts from the shortfall last biennium, and an increased investment to fund more high-priority, shovel-ready projects. An increase in funding will also allow local governments to capitalize on time-sensitive opportunities, including the protection of drinking water resources while avoiding higher future project costs.

Watershed Partners Legacy Partners**FY26-27 Appropriation: \$1,000,000 FY28-29 Recommendation: \$2,000,000**

Rationale: The proposal doubles the previous appropriation for the program. Based on the priority of the CWC, increased funding is needed to address demand from Tribal Nations and nonprofit conservation organizations and to expand participation through a more flexible funding approach for Tribes. Additional investment will build implementation capacity and allow more high-quality projects aligned with local watershed priorities to move forward.

Enhancing Cover Crops for Adoption (*Joint Soil Health Program*)**FY26-27 Appropriation: \$9,486,000 FY28-29 Recommendation: \$12,500,000**

Rationale: Increased funding supports expansion of technical assistance and implementation needed to meet growing demand for soil health practices, including restoring funding to the FY24-25 level of \$12M, and adding a new, southeast Minnesota performance-based pilot program, all while leveraging available federal matching funds and aligned LCCMR funding (Olmsted County) to maximize conservation outcomes.

Tillage and Erosion Transects**FY26-27 Appropriation: \$850,000 FY28-29 Recommendation: \$850,000**

Rationale: Maintaining funding ensures continued collection of consistent, scientifically valid statewide data used to target conservation investments, improve watershed models, and evaluate conservation outcomes. Reliable, long-term data is essential for informed water quality planning and decision-making.

Technical Evaluation**FY26-27 Appropriation: \$200,000 FY28-29 Recommendation: \$220,000**

Rationale: Continued funding supports independent evaluation of restoration projects, improving accountability and ensuring future investments are informed by demonstrated project performance. Evaluation findings strengthen conservation effectiveness and provide legislators and partners with credible information on program outcomes. The increase reflects two biennia of inflation, as the appropriation has remained the same during that time period.

Wetland Restoration Easements**FY26-27 Appropriation: \$5,000,000 FY28-29 Recommendation: \$8,000,000**

Rationale: Increased funding is needed to capitalize on high-priority restoration opportunities before they are permanently lost. Wetland restoration provides multiple public benefits from a single investment, and this program remains one of Minnesota's most effective tools for achieving large-scale water quality improvements while leveraging federal conservation funding. This is BWSR's top priority easement program and work may be done in cooperation with the USDA or other agencies to leverage federal funding.

Targeted Wellhead/Drinking Water Protection Easements**FY26-27 Appropriation: \$5,000,000 FY28-29 Recommendation: \$2,000,000**

Rationale: Continued investment is needed to protect additional high-priority drinking water supply areas. Rising land values and increasing development pressure make proactive land protection more cost-effective

than delaying conservation investments or constructing costly drinking water treatment systems that many small water suppliers struggle to fund and maintain.

Working Lands Floodplain Easements

FY26-27 Appropriation: \$2,000,000 FY28-29 Recommendation: \$2,300,000

Rationale: Increased funding responds to growing demand for working lands easements that improve water quality while maintaining productive agricultural use and will keep the program at a sustainable level. This program sets aside sensitive land in riverine and riparian corridors to address water quality concerns, and climate adaptation and mitigation goals, and creates opportunities to leverage additional conservation funding and achieve multiple watershed benefits through a single investment.

Critical Shorelands Easements

FY26-27 Appropriation: \$1,000,000 FY28-29 Recommendation: \$2,000,000

Rationale: Increased funding is needed to capitalize on time-sensitive land protection opportunities before development permanently alters high-quality shorelands. Strong demand from local partners, increasing development pressure, and aging landownership make consistent investment critical to protecting Minnesota's highest-quality waters. FY26-27 appropriation amount was suggested by BWSR as a budget solution for the biennium because of the additional funding this program received in FY24. This request is in line with historic appropriations for this easement program.

Great Lakes Restoration

FY26-27 Appropriation: \$1,000,000 FY28-29 Recommendation: \$1,060,000

Rationale: Continued funding enables soil and water conservation districts in the Lake Superior Basin to leverage significant federal Great Lakes Restoration Initiative investments. State funding provides the local capacity and matching resources necessary to maximize federal dollars and accelerate implementation of priority watershed projects.

Conservation Corp of Minnesota and Iowa

FY26-27 Appropriation: \$1,500,000 FY28-29 Recommendation: \$1,600,000

Rationale: Continued investment maintains critical on-the-ground implementation capacity that many local governments and Tribal Nations rely on to complete conservation projects. The program also develops Minnesota's conservation workforce while accelerating delivery of CWF investments.

IV. Minnesota Department of Health (MDH)

Future of Drinking Water

FY26-27 Appropriation: \$500,000 FY28-29 Recommendation: \$500,000

Rationale: Current federal and state regulations no longer provide adequate protection for customers of public water systems and users of private wells. This initiative supports MDH's implementation of the **Minnesota Drinking Water Action Plan** to protect Minnesotans against new threats that endanger our vision of safe and sufficient drinking water for everyone, everywhere in Minnesota. In addition, this initiative will focus on implementation of select activities named in the Action Plan that will prepare both public and private well supplies to adapt to an uncertain future.

Source Water Protection

FY26-27 Appropriation: \$7,690,000 FY28-29 Recommendation: \$8,120,000

Rationale: Protecting our sources of drinking water (groundwater, rivers, and lakes) is the most equitable and cost-effective approach to safeguarding our drinking water now and for future generations. This support facilitates planning and implementation specific to local needs for protecting drinking water sources and includes small grants for public water systems to implement actions identified in their Source Water Protection Plans. Additionally, program assets are being directed toward 1) enhancing the characterization of source water quality conditions using rigorous screening, monitoring, and analysis and 2) fulfilling MDH and CWC strategic

objectives of securing long-term protection for the most vulnerable lands in drinking water system management areas statewide and protection plans for community systems that use surface waters as their source of drinking water.

Groundwater Restoration and Protection Strategies

FY26-27 Appropriation: \$3,500,000 FY28-29 Recommendation: \$3,500,000

Rationale: GRAPS is an interagency effort to coordinate the delivery of state agency groundwater and drinking water data, information, and implementation strategies for use at the local level. The aim is to facilitate local efforts to benefit groundwater resource restoration and protection. Key efforts include the following:

1) migrating data and information to online tools, 2) completing a GRAPS report for every comprehensive watershed planning (1W1P) by end of FY28 so that local partners have groundwater information resources for implementation planning, and 3) building local capacity through education, outreach, and financial assistance.

Private Well Initiative

FY26-27 Appropriation: \$6,000,000 FY28-29 Recommendation: \$10,000,000

Rationale: Unlike people who get their drinking water from public water system, people who get their drinking water from a private well (private well users) are largely on their own for ensuring that water from their well is safe for their household. As part of our commitment for equity, we are increasing education, technical support, and financial assistance for private well users so they can be confident in the safety and quality of their drinking water. This initiative continues to make progress towards the Council's vision of offering free private well testing to 10% of private well users each year. By the end of FY29, the initiative is on track to have free private well testing available for 50% of Minnesota's private well users and on track to meet the 2034 goal of offering free private well testing to all private well households.

Contaminants of Emerging Concern

FY26-27 Appropriation: \$11,850,000 FY28-29 Recommendation: \$11,850,000

Rationale: Maintain program capacity for evaluating contaminants of emerging concern (CEC). The health-based evaluation of known and new contaminants in drinking water is the starting point for assessing the threat to public health and potential public health burden. The values developed in this initiative are widely used by sister agencies. Technical assistance is given by the CEC program to citizens, companies, and other state agencies on interpreting and evaluating what CEC concentrations in water mean for human health. This initiative also develops analytical methods for laboratories to improve detection of emerging contaminants and ensures that accredited laboratories performing analytical water testing are accountable to standards that support defensible and accurate data.

Recreational Water Quality Online Portal

FY26-27 Appropriation: \$600,000 FY28-29 Recommendation: \$600,000

Rationale: While many people assume all beaches are monitored, beach testing is conducted at the discretion of the entity responsible for the beach (often a local public health agency). This initiative maintains the statewide recreational water testing portal that allows Minnesotans to go to one online location to access information on any recreational water testing conducted or beach closures currently in place. Additionally, the portal allows users to be made aware of any alerts currently in place at the beach of interest, such as the appearance of harmful algal blooms or major pollution events.

V. Minnesota Department of Agriculture (MDA)

Monitoring for Pesticides in Surface Water and Groundwater

FY26-27 Appropriation: \$740,000 FY28-29 Recommendation: \$800,000

Rationale: Pesticide monitoring is critical to assess water quality compared to environmental standards (assessing impaired waters); evaluate the risk to drinking water from both surface and groundwater sources; and evaluate the need for and effectiveness of restrictions on product use or voluntary best management practices. Clean Water funding has allowed the MDA to increase the number of detectable pesticides, increase

the sensitivity of detection of certain pesticides, and increase the overall number of samples that can be analyzed on an annual basis. The expansion has allowed the MDA to test additional public water supply wells, lakes, rivers/streams, wetlands including water samples collected on Tribal land.

Pesticide Testing of Private Wells

FY26-27 Appropriation: \$1,000,000 FY28-29 Recommendation: \$1,100,000

Rationale: The primary goal of testing wells for pesticides is to provide information to homeowners and the public about the presence of pesticides in private drinking water wells and in groundwater. Funding is for free pesticide testing of private wells in areas where groundwater may be at risk for elevated pesticide concentrations. Earlier phases of the project analyzed up to 133 pesticide compounds in private wells across agricultural areas with vulnerable groundwater. Those results identified the herbicides cyanazine and atrazine—and their degradates—represented the greatest pesticide-related risk to private well users. Building on these findings, upcoming sampling will prioritize these compounds, along with nitrate and select insecticides and fungicides in vulnerable aquifers, to ensure continued monitoring of contaminants most likely to affect groundwater quality.

AgBMP Loan Program

FY26-27 Appropriation: \$4,000,000 FY28-29 Recommendation: \$4,500,000

Rationale: AgBMP loans can be used for the implementation of any practice that reduces or mitigates the effects of water pollution. The purpose is to encourage agricultural best management practices and other practices that prevent or reduce runoff from feedlots, farm fields and for other pollution problems identified by the county in local water plans. Funding can also be used to replace or treat contaminated wells. The program is administered by local governments and local loaning institutions and has extremely low administration costs. AgBMP loans are frequently used to leverage additional funding. Loans are repaid into the corpus of the account and will be available for future clean water projects regardless of the renewal of the CWF. The demand for Ag BMP loans greatly exceeds available funding.

Minnesota Agriculture Water Quality Certification Program (MAWQCP)

FY26-27 Appropriation: \$7,000,000 FY28-29 Recommendation: \$7,470,000

Rationale: The proposed budget serves to meet expanding demand and associate needs for program delivery including implementation grants, growing number of participating farms to audit, and overall labor demands to serve increasing participation. This funding provides for MAWQCP to meet seven goals in the CWC's 2024 Strategic Plan. Greater than 50% of funding is pass-through for soil and water conservation districts and supports implementation. The funding is required as match to leverage and maintain a \$10,000,000 federal EPA Climate Pollution Reduction Grant (CPRG).

Technical Assistance

FY26-27 Appropriation: \$3,200,000 FY28-29 Recommendation: \$3,980,000

Rationale: Technical assistance is a primary vehicle to work with the agricultural community to promote best management practices. This funding is used to evaluate the effectiveness of conservation practices, demonstrate practices that protect water and enhance outreach and education of recommended agricultural practices to the agricultural community and local government partners. Technical assistance activities fill an important need for field demonstrations and validation of practices to protect water quality.

Irrigation Water Quality Program

FY26-27 Appropriation: \$310,000 FY28-29 Recommendation: \$330,000

Rationale: Funding supports an irrigation water quality specialist through a contract with the University of Minnesota Extension to address water quantity and water quality issues in Minnesota's irrigated regions. The specialist conducts applied research, develops technical guidance and publications, provides education and outreach on irrigation and nitrogen best management practices (BMPs), and contributes to the development of irrigation scheduling tools for Minnesota irrigators.

Nitrate in Groundwater**FY26-27 Appropriation: \$6,200,000 FY28-29 Recommendation: \$7,200,000**

Rationale: The MDA leads nitrate monitoring and reduction activities across Minnesota, with emphasis on areas with vulnerable groundwater. This work is done in partnership with the agricultural community and local governments. Funding supports activities that identify sources of nitrate contamination and evaluate and implement practices at the local level to reduce nitrate in groundwater. In addition to promoting, demonstrating, and encouraging adoption of nitrogen fertilizer BMPs, the program engages in strategic efforts to increase vegetative cover in vulnerable areas; works with farmers and crop advisors in local advisory teams; conducts computer modeling to evaluate practices; monitors groundwater, provides technical support and supports on-farm demonstration projects.

Research Inventory Database (MnWRL)**FY26-27 Appropriation: \$100,000 FY28-29 Recommendation: \$80,000**

Rationale: The MnWRL is a user-friendly, searchable inventory of water research relevant to Minnesota. It provides “one-stop” access to all types of water research, including both peer-reviewed articles and white papers and reports. MnWRL provides access to water related information, enabling water managers, researchers, engaged citizens and others to easily find, share, and coordinate research to support their efforts to protect, conserve, manage and restore water in Minnesota.

Forever Green Initiative (FGI)**FY26-27 Appropriation: \$5,000,000 FY28-29 Recommendation: \$6,660,000**

Rationale: The FGI develops Minnesota-specific winter annual and perennial crops that provide continuous living cover to protect and restore surface and groundwater quality. Through integrated research, farmer adoption support, and market-building efforts, the program accelerates adoption of cropping systems that reduce nutrient loss, enhance soil health, and support farm profitability. CWF advances research, implementation, and partnerships that expand these crops across Minnesota’s agricultural landscape.

Conservation Equipment Assistance**FY26-27 Appropriation: \$3,500,000 FY28-29 Recommendation: \$3,500,000**

Rationale: Conservation Equipment Assistance supports the Minnesota Department of Agriculture’s Soil Health Financial Assistance Program (SHFAP), which provides grants to producers, producer groups, and local governments to purchase or retrofit equipment that implements soil-health practices. A primary obstacle to expanding soil health is access to the specialized equipment necessary for successful adoption of soil health practices. By expanding access to equipment for cover cropping, reduced tillage, managed grazing, and similar practices, the program improves soil structure, increases infiltration, and limits disturbance to directly protect water quality by reducing erosion and curbing sediment and nutrient runoff. The appropriation is required as match to leverage and maintain a federal EPA Climate Pollution Reduction Grant (CPRG) award.

Manure BMP and Water Quality Specialist (NEW)**FY28-29 Recommendation: \$330,000**

Rationale: Funding will support a manure land application and water quality specialist to develop and promote BMPs and update guidance, with a focus on regions at elevated environmental risk, including Southeast and Central Minnesota. Data from the U.S. Department of Agriculture and the MDA indicate that nutrients from manure are frequently under credited when farmers calculate the total amount of nitrogen applied to the crop, resulting in overapplication of commercial fertilizer. Improving manure crediting accuracy—and ensuring manure is applied at the right time, in the right place, in the right amount, and from the right source—will reduce nitrate leaching from manured fields to groundwater and decrease manure related runoff to surface water.

VI. Metropolitan Council

Water Demand Reduction Grant Program

FY26-27 Appropriation: \$1,400,000 FY28-29 Recommendation: \$1,400,000

Rationale: The program is a Metropolitan Council and local community cost share program that provides 100% pass-through water efficiency grants to metro municipalities. This popular, over-subscribed program provided critical support to address the drought of 2021. The proposed budget was set to continue to meet growing needs by communities implementing water demand reduction measures to use groundwater more wisely, particularly in areas with drinking water contamination or water availability issues. The funds protect drinking water supplies and support the reliability and resiliency of water suppliers to serve homes, businesses, and growth.

Metropolitan Area Water Sustainability Support

FY26-27 Appropriation: \$2,750,000 FY28-29 Recommendation: \$3,000,000

Rationale: This program helps municipalities and industries in the Twin Cities metro area as they plan and implement projects that address emerging drinking water supply threats and overall water sustainability, provide cost-effective regional solutions, leverage inter-jurisdictional coordination, support local implementation of wellhead protection plans, and prevent degradation of groundwater and surface water resources. Activities in this program provide metro communities with:

- III. Potential solutions to better connect land use impacts on water supply and overall water sustainability
- IV. Ways to balance regional water use through utilization of surface water, storm water, wastewater and groundwater
- V. Analysis of infrastructure requirements needed to maintain and strengthen the reliability of water systems
- VI. Development of planning level cost estimates, including capital cost and operation cost
- VII. Funding mechanisms and equitable cost-sharing structure for regionally beneficial water supply development projects
- VIII. Information and tools to use to address climate change impacts on overall water supply systems and overall water sustainability
- IX. Ways to reduce impacts on our groundwater system including funds to communities for stormwater reuse

Through established workgroups, the Met Council will collaborate with local units of government, state agencies and other stakeholders to collaboratively address local and regional water sustainability issues.

VII. Public Facilities Authority (PFA)

Point Source Implementation Grant (PSIG) Program

FY26-27 Appropriation: \$16,440,000 FY28-29 Recommendation: \$18,000,000

Rationale: The PSIG program provides essential assistance to cities to upgrade water treatment facilities needed to meet required wasteload reductions to address impaired waters and protect threatened waterbodies. Program funding has been supplemented in the past with bonding appropriations; however, annual applications consistently exceed available funds. Currently the PSIG funding list has over \$160 million of projects outside that funding range and construction costs only continue to grow.

Small Community Wastewater Treatment Program

FY26-27 Appropriation: \$100,000 FY28-29 Recommendation: \$100,000

Rationale: The Small Community Wastewater Treatment Program provides grants and loans to assist small unsewered communities with technical assistance and construction funding to replace non-complying septic systems with community subsurface sewage treatment systems (SSTS). These funds allow small communities to evaluate and implement lower cost decentralized treatment alternatives to address their wastewater needs.

VIII. University of Minnesota

Stormwater BMP Performance Evaluation & Technology Transfer

FY26-27 Appropriation: \$1,600,000 FY28-29 Recommendation: \$2,000,000

Rationale: Provides research and technology transfer to address priority water resource needs for Minnesota communities. Research is completed through a competitive grant program to develop new stormwater practices and policies as well as improving the effectiveness of existing practices. Technology transfer is a crucial aspect of the program and translates emerging research results to Minnesota stormwater professionals and practitioners through training, outreach, and Extension.

Geologic Atlas with Dept. of Natural Resources

FY26-27 Appropriation: \$800,000 FY28-29 Recommendation: \$1,000,000

Rationale: Develops county Geologic Atlases, which include maps and databases essential for improved management of ground and surface water. This is foundational data that supports management of drinking water, domestic and industrial supply, irrigation, and aquatic habitat. The distribution of geologic materials defines aquifer boundaries and the connection of aquifers to the land surface and to surface water resources to enable a comprehensive water management effort.

Agency	Program Activity	Enacted budget FY2026-27 (000s)	CWC priority and funding direction	ICT recs FY2028-29 (000s)
	Monitoring, Assessment, and Characterization			
MPCA	River and Lake Monitoring & Assessment: The Surface Water Monitoring program conducts water chemistry and biological monitoring on lakes, rivers, and streams to determine if waterbodies are impaired or meet standards, detects long-term trends over time at the basin, watershed and subwatershed scales, and identifies areas for protection and restoration. The primary output from the surface water monitoring activities is a large body of high-quality data, which is used in other steps within the Watershed Framework. A primary feature of the surface water monitoring activities is partnership between MPCA and local units of government, educational institutions, and Tribal nations who accomplish the work together. This recommendation ensures work will remain steady, and that two FTE can be hired to manage the large volume of data that is being generated from the new continuous nitrate monitoring network that the Legislature funded two years ago.	\$18,900	High priority, Tier 2 increase	\$20,900
MPCA	Groundwater assessment: Groundwater monitoring data are foundational to understanding the condition of Minnesota’s groundwater quality. A long-standing Memorandum of Understanding divides groundwater monitoring responsibilities between the Department of Agriculture, Department of Health and the Minnesota Pollution Control Agency. These data are critical for the development of Groundwater Restoration and Protection Strategies (GRAPS), and the development and implementation of One Watershed One Plans (1W1P). As more WRAPS, GRAPS and 1W1P are implemented, monitoring remains critical as the means to determine if clean water goals are being met. This program’s budget has not been increased in many years. The recommendation ensures work can remain steady, and that high-priority PFAS sampling can be routinely conducted so we can detect contamination as quickly as possible.	\$2,000	High priority, Tier 1 increase	\$3,300
DNR	Aquifer Monitoring for Water Supply Planning: The DNR is developing a robust groundwater level monitoring network that informs our understanding of groundwater level trends; the source of drinking water for 75% of Minnesotans. DNR applies these data in groundwater models, technical analysis, and water supply planning. The proposed amount will add up to 25 new monitoring wells, help maintain the current network of about 1,254 wells, and sustain the DNR’s capacity to manage and apply the data.	\$4,700	High priority, hold steady	\$5,300
DNR	Fish Contamination Assessment: The DNR traditionally collected fish for mercury and PCB contamination assessment from 70 lake and stream sites using Game and Fish Funds. The Clean Water Fund has been supporting the laboratory costs for an additional 80 lake and stream sites per year. The recommendation maintains the core capacity for the statewide assessment of PFAS compounds in fish tissue.	\$1,100	High priority, hold steady	\$1,100
DNR	Lake IBI assessment: Lake IBI assessments are foundational to assessing water quality, the development of TMDLs, WRAPS, developing and implementing 1W1P. Lake IBI assessments started later than stream IBIs conducted by the MPCA and there are still many lakes that need to be completed. This recommendation maintains most of the DNR’s core capacity to assess lakes for fish and associated stressor identification.	\$3,050	High priority, hold steady	\$3,300
DNR	Stream flow monitoring: Stream flow monitoring is foundational to assessing water quality, the development of TMDLs, WRAPS, and developing and implementing 1W1Ps. As more WRAPS and 1W1Ps are implemented, monitoring remains critical to measure progress. The recommendation will maintain the current gage network, replace aging equipment and continue to ensure data are readily available to inform decision making and assess progress toward clean water goals.	\$5,650	High priority, hold steady	\$5,850
MDA	Monitoring for Pesticides in Surface Water and Groundwater: Pesticide monitoring is critical to assess water quality compared to environmental standards (assessing impaired waters); evaluate the risk to drinking water from both surface and groundwater sources; and, evaluate the need for and effectiveness of restrictions on product use or voluntary best management practices. Clean Water funding has allowed the MDA to increase the number of detectable pesticides, increase the sensitivity of detection of certain pesticides, and increase the overall number of samples that can be analyzed on an annual basis. The expansion has allowed the MDA to test additional public water supply wells, lakes, rivers/streams, wetlands including water samples collected on Tribal land.	\$740	High priority, hold steady	\$800
MDA	Pesticide Testing of Private Wells: The primary goal of testing wells for pesticides is to provide information to homeowners and the public about the presence of pesticides in private drinking water wells and in groundwater. Funding is for free pesticide testing of private wells in areas where groundwater may be at risk for elevated pesticide concentrations. Earlier phases of the project analyzed up to 133 pesticide compounds in private wells across agricultural areas with vulnerable groundwater. Those results identified the herbicides cyanazine and atrazine—and their degradates— represented the greatest pesticide-related risk to private well users. Building on these findings, upcoming sampling will prioritize these compounds, along with nitrate and select insecticides and fungicides in vulnerable aquifers, to ensure continued monitoring of contaminants most likely to affect groundwater quality.	\$1,000	High priority, hold steady	\$1,100
MDH	Drinking Water Contaminants of Emerging Concern Program: Maintain program capacity for evaluating contaminants of emerging concern (CEC). The health-based evaluation of known and new contaminants in drinking water is the starting point for assessing the threat to public health and potential public health burden. The values developed in this initiative are widely used by sister agencies. Technical assistance is given by the CEC program to citizens, companies, and other state agencies on interpreting and evaluating what CEC concentrations in water mean for human health. This initiative also develops analytical methods for laboratories to improve detection of emerging contaminants and ensures that accredited laboratories performing analytical water testing are accountable to standards that support defensible and accurate data.	\$11,850	High priority, hold steady	\$11,850
MDH	Private Well Initiative: Unlike people who get their drinking water from public water system, people who get their drinking water from a private well (private well users) are largely on their own for ensuring that water from their well is safe for their household. As part of our commitment for equity, we are increasing education, technical support, and financial assistance for private well users so they can be confident in the safety and quality of their drinking water. This initiative continues to make progress towards the Council’s vision of offering free private well testing to 10% of private well users each year. By the end of FY29, the initiative is on track to have free private well testing available for 50% of Minnesota’s private well users and on track to meet the 2034 goal of offering free private well testing to all private well households.	\$6,000	High priority, Tier 1 increase	\$10,000
	Monitoring, Assessment, and Characterization total	\$54,990		\$63,500

Agency	Program Activity	Enacted budget FY2026-27 (000s)	CWC priority and funding direction	ICT recs FY2028-29 (000s)
	Watershed & Groundwater Restoration/Protection Strategies			
MPCA	Watershed Restoration and Protection Strategies: WRAPS reports, including Total Maximum Daily Load studies (TMDLs) for impaired waters, are updated with local partners to confirm strategies for impaired waters and unimpaired waters by setting reduction and protection goals, milestones and measures to guide targeted state and local government planning and implementation efforts. Funding also supports updating watershed models as new monitoring data become available. Some of this program’s funding moves to local partners who participate in WRAPS updates and supports the We Are Water public engagement traveling exhibit. This recommendation ensures that work remains steady.	\$14,500	High priority, hold steady	\$15,000
DNR	Watershed Restoration and Protection Strategies: The DNR employs experts in hydrology and geomorphology to support comprehensive assessments and strategy development as part of WRAPS. DNR staff complete targeted surveys and analysis and watershed reports that inform WRAPS and ultimately implementation projects. DNR staff make this information available in the Watershed Health Assessment Framework (WHAF) and other reports. The proposed amount will maintain DNR’s capacity to provide this core expertise as part of the interagency watershed approach.	\$4,750	High priority, hold steady	\$5,300
MDH	Groundwater Restoration and Protection Strategies: GRAPS is an interagency effort to coordinate the delivery of state agency groundwater and drinking water data, information, and implementation strategies for use at the local level. The aim is to facilitate local efforts to benefit groundwater resource restoration and protection. Key efforts include the following: 1) migrating data and information to online tools, 2) completing a GRAPS report for every comprehensive watershed planning (1W1P) by end of FY28 so that local partners have groundwater information resources for implementation planning, and 3) building local capacity through education, outreach, and financial assistance.	\$3,500	High priority, hold steady	\$3,500
MDH	Source Water Protection: Protecting our sources of drinking water (groundwater, rivers, and lakes) is the most equitable and cost-effective approach to safeguarding our drinking water now and for future generations. This support facilitates planning and implementation specific to local needs for protecting drinking water sources and includes small grants for public water systems to implement actions identified in their Source Water Protection Plans. Additionally, program assets are being directed toward 1) enhancing the characterization of source water quality conditions using rigorous screening, monitoring, and analysis and 2) fulfilling MDH and CWC strategic objectives of securing long-term protection for the most vulnerable lands in drinking water system management areas statewide and protection plans for community systems that use surface waters as their source of drinking water.	\$7,690	High priority, Tier 1 increase	\$8,120
	Watershed & Groundwater Restoration/Protection Strategies total	\$30,440		\$31,920
	Comprehensive Local Watershed Management			
BWSR	Water Management Transition (One Watershed One Plan): As more comprehensive watershed management plans mature, increased funding is needed to keep plans current through plan evaluations and updates that reflect new data, implementation experience, and emerging priorities. Maintaining current plans ensures implementation funding continues to be targeted to the highest-priority projects, strengthens local and Tribal partnerships, and preserves the effectiveness of Minnesota’s watershed-based approach.	\$1,000	High priority, hold steady	\$1,000
	Comprehensive Local Watershed Management total	\$1,000		\$1,000
	Nonpoint source implementation			
BWSR	Implementation Funding for Watersheds with Approved Comprehensive Watershed Plans (Watershed-based Implementation Funding): While moving at a slower rate than the implementation trajectory calls for, continued growth in WBIF is necessary to keep pace with rising projects costs and to meet the demand by partnerships to help fund the goals set out in their plans. Stable funding provides local governments and Tribal partners the certainty needed to invest in staff, leverage additional resources, and deliver measurable water quality improvements for priority resources identified in watershed plans.	\$88,100	High priority, Tier 1 increase	\$96,000
BWSR	Accelerated Implementation: As we continue to hear a demand from local and Tribal government partners for more training and tools, this recommendation helps to maintain program capacity. Funding is needed to expand technical assistance through Technical Service Areas, technical training & certifications, and implementation support that directly increases the pace and quality of conservation project delivery. These investments leverage federal matching funds while building the local capacity required to move priority projects from planning to implementation.	\$8,700	High priority, Tier 2 increase	\$9,000
BWSR	Conservation Drainage Management and Assistance: Demand for multipurpose drainage projects continues to exceed available funding. Increased investment will allow more high-impact drainage system improvements to incorporate conservation practices during infrequent system upgrades, producing long-term water quality benefits while expanding implementation of new conservation solutions identified by the Drainage Work Group.	\$2,000	High priority, Tier 1 increase	\$3,000
BWSR	Critical Shoreland Protection-Permanent Conservation Easements: Increased funding is needed to capitalize on time-sensitive land protection opportunities before development permanently alters high-quality shorelands. Strong demand from local partners, increasing development pressure, and aging landownership make consistent investment critical to protecting Minnesota’s highest-quality waters. FY26-27 appropriation amount was suggested by BWSR as a budget solution for the biennium because of the additional funding this program received in FY24. This request is in line with historic appropriations for this easement program.	\$1,000	High priority, Tier 1 increase	\$2,000
BWSR	Wetland restoration easements: Increased funding is needed to capitalize on high-priority restoration opportunities before they are permanently lost. Wetland restoration provides multiple public benefits from a single investment, and this program remains one of Minnesota’s most effective tools for achieving large-scale water quality improvements while leveraging federal conservation funding. This is BWSR’s top priority easement program and work may be done in cooperation with the USDA or other agencies to leverage federal funding.	\$5,000	High priority, Tier 1 increase	\$8,000
BWSR	Measures, Results and Accountability: Continued investment ensures accountability for CWF expenditures by measuring, evaluating, and communicating program outcomes. Maintaining robust performance reporting and grant oversight improves program effectiveness, supports legislative accountability, and demonstrates the return on public investment.	\$2,500	High priority, hold steady	\$2,780

Agency	Program Activity	Enacted budget FY2026-27 (000s)	CWC priority and funding direction	ICT recs FY2028-29 (000s)
BWSR	Riparian Protection and Soil Loss Assistance (Buffer Law Implementation): Stable funding is necessary to maintain statewide buffer compliance through continued monitoring, technical assistance, and local implementation support. Sustained investment protects previous gains in compliance and prevents increased enforcement costs by helping landowners remain in compliance. The FY28/29 recommendation reflects the Council’s direction to decrease funding support, without compromising the integrity of the previous investments.	\$4,000	Medium priority, reduce	\$3,500
BWSR	Working Land and Floodplain Easements: Increased funding responds to growing demand for working lands easements that improve water quality while maintaining productive agricultural use and will keep the program at a sustainable level. This program sets aside sensitive land in riverine and riparian corridors to address water quality concerns, and climate adaptation and mitigation goals, and also creates opportunities to leverage additional conservation funding and achieve multiple watershed benefits through a single investment.	\$2,000	High priority, Tier 1 increase	\$2,300
BWSR	Surface and Drinking Water Protection/Restoration Grants: Demand for project funding consistently exceeds available resources, with requests typically totaling twice the available funding. Conservation project costs have increased by 6%-15% statewide, year over year in the previous 2 years. The increase reflects a recovery from the cuts from the shortfall last biennium, and an increased investment to fund more high-priority, shovel-ready projects. An increase in funding will also allow local governments to capitalize on time-sensitive opportunities, including the protection of drinking water resources while avoiding higher future project costs.	\$6,000	High priority, Tier 2 increase	\$7,500
BWSR	Watershed Partners Legacy (WPL) Grants: The proposal doubles the previous appropriation for the program. Based on the priority of the CWC, increased funding is needed to address demand from Tribal Nations and nonprofit conservation organizations and to expand participation through a more flexible funding approach for Tribes. Additional investment will build implementation capacity and allow more high-quality projects aligned with local watershed priorities to move forward.	\$1,000	High priority, Tier 1 increase	\$2,000
BWSR	Enhancing Landowner Adoption of Soil Health Practices for Drinking Water & Groundwater Protection: Increased funding supports expansion of technical assistance and implementation needed to meet growing demand for soil health practices, including restoring funding to the FY24-25 level of \$12M, and adding a new, southeast Minnesota performance-based pilot program, all while leveraging available federal matching funds and aligned LCCMR funding (Olmsted County) to maximize conservation outcomes.	\$9,486	High priority, Tier 1 increase	\$12,500
BWSR	Lake Superior leveraging of GLRI/federal funds: Continued funding enables soil and water conservation districts in the Lake Superior Basin to leverage significant federal Great Lakes Restoration Initiative investments. State funding provides the local capacity and matching resources necessary to maximize federal dollars and accelerate implementation of priority watershed projects.	\$1,000	Split high and medium priority, hold steady	\$1,060
BWSR	MN & IA Conservation Corps. Continued investment maintains critical on-the-ground implementation capacity that many local governments and Tribal Nations rely on to complete conservation projects. The program also develops Minnesota’s conservation workforce while accelerating delivery of CWF investments.	\$1,500	Medium priority, hold steady	\$1,600
DNR	Nonpoint source restoration and protection activities: As the number of completed WRAPS and 1W1P increase, there is an increasing need for DNR experts to provide site-specific technical support for planning and implementing projects. DNR is actively involved in about 80 implementation projects each year, providing design expertise on dam removals, stream restoration and other stabilization projects. DNR staff often help during implementation and construction oversight, filling in critical gaps in local expertise. The proposed amount will maintain this core expertise and continue supporting local government partners.	\$4,350	High priority, hold steady	\$4,930
DNR	Mussel Restoration: Of the 50 native freshwater mussel species in Minnesota, 61% are low in number, declining and their persistence is in jeopardy. Mussels are efficient natural filterers of water, including removal of sediment, nutrients and bacteria and they provide habitat for other aquatic species. The DNR has developed the expertise to grow and restore mussel populations and upgraded facilities to support an expansion and more rapid restoration of mussels throughout Minnesota. The amount requested will provide support to significantly maintain higher propagation, rearing and restoration efforts.	\$700	High priority, Tier 1 increase	\$750
DNR	Culvert replacement Incentive Program: Minnesota’s public roads intersect the state’s natural perennial flowing watercourses at approximately 65,000 locations. Many of the culvert structures at these locations are failing and require replacement. A culvert replacement and incentive program would provide financial and technical assistance for counties and other local governments to modernize culvert systems to address climate resiliency, restore fish communities, and reduce sediment loads (two major sources of impairment). This proposal will accelerate the adoption of alternative culvert designs that improve biological connectivity, channel stability, reduce flood stage and lower long-term maintenance costs. This proposal will fund approximately 12 projects with a 25% cost share. Funds would need to be available until spent to allow for sufficient local planning and implementation.	\$2,900	High priority, hold steady	\$3,000
DNR	(NEW) Natural Shorelines: Nearly 50% of Minnesota’s natural shorelines have vanished due to suburban-style development and lawn manicuring. This conversion allows up to nine times more pollutants into lakes and degrading critical fish and wildlife habitats. Protecting and restoring native plant buffers is essential to filter runoff and anchor soil. This program will enhance funding for the Lake Steward program, sponsored by Minnesota Lakes and Rivers, and provide funding for permanent lakeshore conservation easements to protect priority lakes by restoring natural shorelines and reducing pollutant loading.	\$0	High priority, Tier 2 increase	\$1,800
MC	Water demand reduction/efficiency grant program: The program is a Metropolitan Council and local community cost share program that provides 100% pass-through water efficiency grants to metro municipalities. This popular, over-subscribed program provided critical support to address the drought of 2021. The proposed budget was set to continue to meet growing needs by communities implementing water demand reduction measures to use groundwater more wisely, particularly in areas with drinking water contamination or water availability issues. The funds protect drinking water supplies and support the reliability and resiliency of water suppliers to serve homes, businesses, and growth.	\$1,400	Medium priority, hold steady	\$1,400

Agency	Program Activity	Enacted budget FY2026-27 (000s)	CWC priority and funding direction	ICT recs FY2028-29 (000s)
MDA	AgBMP Loan Program: AgBMP loans can be used for the implementation of any practice that reduces or mitigates the effects of water pollution. The purpose is to encourage agricultural best management practices and other practices that prevent or reduce runoff from feedlots, farm fields and for other pollution problems identified by the county in local water plans. Funding can also be used to replace or treat contaminated wells. The program is administered by local governments and local loaning institutions and has extremely low administration costs. AgBMP loans are frequently used to leverage additional funding. Loans are repaid into the corpus of the account and will be available for future clean water projects regardless of the renewal of the CWF. The demand for Ag BMP loans greatly exceeds available funding.	\$4,000	High priority, Tier 2 increase	\$4,500
MDA	MN Agricultural Water Quality Certification Program: The proposed budget serves to meet expanding demand and associate needs for program delivery including implementation grants, growing number of participating farms to audit, and overall labor demands to serve increasing participation. This funding provides for MAWQCP to meet seven goals in the CWC’s 2024 Strategic Plan. Greater than 50% of funding is pass through for soil and water conservation districts and supports implementation. The funding is required as match to leverage and maintain a \$10,000,000 federal EPA Climate Pollution Reduction Grant (CPRG).	\$7,000	High priority, Tier 2 increase	\$7,470
MDA	Technical Assistance: Technical assistance is a primary vehicle to work with the agricultural community to promote best management practices. This funding is used to evaluate the effectiveness of conservation practices, demonstrate practices that protect water and enhance outreach and education of recommended agricultural practices to the agricultural community and local government partners. Technical assistance activities fill an important need for field demonstrations and validation of practices to protect water quality.	\$3,200	High priority, Tier 2 increase	\$3,980
MDA	Conservation Equipment Assistance: Conservation Equipment Assistance supports the Minnesota Department of Agriculture’s Soil Health Financial Assistance Program (SHFAP), which provides grants to producers, producer groups, and local governments to purchase or retrofit equipment that implements soil-health practices. A primary obstacle to expanding soil health is access to the specialized equipment necessary for successful adoption of soil health practices. By expanding access to equipment for cover cropping, reduced tillage, managed grazing, and similar practices, the program improves soil structure, increases infiltration, and limits disturbance to directly protect water quality by reducing erosion and curbing sediment and nutrient runoff. The appropriation is required as match to leverage and maintain a federal EPA Climate Pollution Reduction Grant (CPRG) award.	\$3,500	High priority, hold steady	\$3,500
MDA	Ag Weather Station Network	\$2,300		\$0
	Nonpoint source implementation total	\$161,636		\$182,570
	Point source implementation			
MPCA	Chloride reduction efforts: This program provides critical support to communities by providing chloride reduction from road salt and water softening training, and grants to communities so they can implement their chloride management plans. This recommendation recognizes the CWC’s desire to see more training and more grants available for on-the-ground chloride reduction work, and it also meets the needs MPCA is hearing from partners. The MPCA is open to discussing additional work once the CWC finalizes its chloride reduction policy.	\$1,300	High priority, Tier 1 increase	\$2,600
MPCA	Wastewater/stormwater TMDL implementation: With the completion of hundreds of TMDLs over the past decade and a half, the work to translate wasteload allocations into permit requirements has expanded enormously. Funding for these programs provides technical assistance tools to local units of government and supports staff to accelerate work in the stormwater and wastewater permitting programs that protect lakes and streams. The FY28/29 recommendation will ensure the work effort remains steady.	\$3,200	High priority, hold steady	\$3,400
PFA	Point Source Implementation Grant (PSIG) Program: The PSIG program provides essential assistance to cities to upgrade water treatment facilities needed to meet required wasteload reductions to address impaired waters and protect threatened waterbodies. Program funding has been supplemented in the past with bonding appropriations; however, annual applications consistently exceed available funds. Currently the PSIG funding list has over \$160 million of projects outside that funding range and construction costs only continue to grow.	\$16,440	High priority, Tier 2 increase	\$18,000
PFA	Small Community Wastewater Treatment Program: The Small Community Wastewater Treatment Program provides grants and loans to assist small unsewered communities with technical assistance and construction funding to replace non-complying septic systems with community subsurface sewage treatment systems (SSTS). These funds allow small communities to evaluate and implement lower cost decentralized treatment alternatives to address their wastewater needs.	\$100	High priority, hold steady	\$100
	Point source implementation total	\$21,040		\$24,100
	Groundwater/Drinking Water Implementation			
BWSR	Targeted Wellhead/Drinking Water Protection: Continued investment is needed to protect additional high-priority drinking water supply areas. Rising land values and increasing development pressure make proactive land protection more cost-effective than delaying conservation investments or constructing costly drinking water treatment systems that many small water suppliers struggle to fund and maintain.	\$5,000	High priority, Tier 2 increase	\$2,000
MC	Metropolitan Area Water Sustainability Support: This program helps municipalities and industries in the Twin Cities metro area as they plan and implement projects that address emerging drinking water supply threats and overall water sustainability, provide cost-effective regional solutions, leverage inter-jurisdictional coordination, support local implementation of wellhead protection plans, and prevent degradation of groundwater and surface water resources.	\$2,750	Medium priority, hold steady	\$3,000
MDA	Nitrate in Groundwater: The MDA leads nitrate monitoring and reduction activities across Minnesota, with emphasis on areas with vulnerable groundwater. This work is done in partnership with the agricultural community and local governments. Funding supports activities that identify sources of nitrate contamination and evaluate and implement practices at the local level to reduce nitrate in groundwater. In addition to promoting, demonstrating, and encouraging adoption of nitrogen fertilizer BMPs, the program engages in strategic efforts to increase vegetative cover in vulnerable areas; works with farmers and crop advisors in local advisory teams; conducts computer modeling to evaluate practices; monitors groundwater, provides technical support and supports on-farm demonstration projects.	\$6,200	High priority, Tier 2 increase	\$7,200

Agency	Program Activity	Enacted budget FY2026-27 (000s)	CWC priority and funding direction	ICT recs FY2028-29 (000s)
MDA	Irrigation Water Quality Protection: Funding supports an irrigation water quality specialist through a contract with the University of Minnesota Extension to address water quantity and water quality issues in Minnesota’s irrigated regions. The specialist conducts applied research, develops technical guidance and publications, provides education and outreach on irrigation and nitrogen best management practices (BMPs), and contributes to the development of irrigation scheduling tools for Minnesota irrigators.	\$310	High priority, hold steady	\$330
MDH	Future of Drinking Water: Current federal and state regulations no longer provide adequate protection for customers of public water systems and users of private wells. This initiative supports MDH’s implementation of the Minnesota Drinking Water Action Plan to protect Minnesotans against new threats that endanger our vision of safe and sufficient drinking water for everyone, everywhere in Minnesota. In addition, this initiative will focus on implementation of select activities named in the Action Plan that will prepare both public and private well supplies to adapt to an uncertain future.	\$500	High priority, hold steady	\$500
MPCA	Enhanced County inspections/SSTS corrective actions: This program provides critical funding to local units of government to operate their respective SSTS programs and also provides funding to homeowners with low income to replace or repair non-complying septic systems. Both county SSTS programs and grants for SSTS replacement protect groundwater and connected surface water. This recommendation ensures we can maintain the grant levels from the past biennium.	\$6,881	High priority, Tier 2 increase	\$6,900
MPCA (funds passed thru)	National Park Water Quality Protection Program	\$1,500	High priority, Tier 2 increase	\$0
	Groundwater/Drinking Water Implementation total	\$23,141		\$19,930
	Local Implementation total (NPS, PS, GW/DW)	\$205,817		\$226,600
	Research, Evaluation and Tool Development			
BWSR	Tillage and Erosion Survey: Maintaining funding ensures continued collection of consistent, scientifically valid statewide data used to target conservation investments, improve watershed models, and evaluate conservation outcomes. Reliable long-term data are essential for informed water quality planning and decision-making.	\$850	High priority, hold steady	\$850
BWSR	Technical Evaluation: Continued funding supports independent evaluation of restoration projects, improving accountability and ensuring future investments are informed by demonstrated project performance. Evaluation findings strengthen conservation effectiveness and provide legislators and partners with credible information on program outcomes. The increase reflects two biennia of inflation, as the appropriation has remained the same during that time period.	\$200	Medium priority, hold steady	\$220
DNR	Tool development and evaluation: The DNR maintains and provides access to LiDAR-derived elevation data that is widely used for targeting and designing implementation projects and for watershed modeling. DNR also assesses relationships among disturbance patterns, BMP applications, and water quality in forested watersheds. The proposed amount will maintain effort on LiDAR related support, maintain effort in forest BMP monitoring. Over the past biennium the DNR has eliminated effort on fine-scale watershed models to evaluate the effects of drainage, soil health and other BMPs.	\$1,400	High priority, hold steady	\$1,500
DNR	County geologic atlases: The CWF has enhanced data collection and analysis of the county geologic atlases by providing supplemental chemistry and geology data. The core funding of the atlas program continues to be the LCCMR and the Environment and Natural Resources Trust Fund, along with state general fund resources. The proposed amount restores capacity to supplement the atlas data collection efforts that have previously resulted in significant efforts to target nitrate reduction in southeastern Minnesota.	\$200	High priority, hold steady	\$200
MDA	Research Inventory Database: The MnWRL is a user-friendly, searchable inventory of water research relevant to Minnesota. It provides “one-stop” access to all types of water research, including both peer-reviewed articles and white papers and reports. MnWRL provides access to water related information, enabling water managers, researchers, engaged citizens and others to easily find, share, and coordinate research to support their efforts to protect, conserve, manage and restore water in Minnesota.	\$100	High priority, reduce	\$80
MDA	Forever Green Agricultural Initiative (U of MN): The FGI develops Minnesota-specific winter annual and perennial crops that provide continuous living cover to protect and restore surface and groundwater quality. Through integrated research, farmer adoption support, and market-building efforts, the program accelerates adoption of cropping systems that reduce nutrient loss, enhance soil health, and support farm profitability. CWF support advances research, implementation, and partnerships that expand these crops across Minnesota’s agricultural landscape.	\$5,000	High priority, Tier 1 increase	\$6,660
MDH	Recreational Water Quality Online Portal: While many people assume all beaches are monitored, beach testing is conducted at the discretion of the entity responsible for the beach (often a local public health agency). This initiative maintains the statewide recreational water testing portal that allows Minnesotans to go to one online location to access information on any recreational water testing conducted or beach closures currently in place. Additionally, the portal allows users to be made aware of any alerts currently in place at the beach of interest, such as the appearance of harmful algal blooms or major pollution events.	\$600	Medium priority, hold steady	\$600
U of MN	Stormwater BMP Performance Evaluation & Technology Transfer: Provides research and technology transfer to address priority water resource needs for Minnesota communities. Research is completed through a competitive grant program to develop new stormwater practices and policies as well as improving the effectiveness of existing practices. Technology transfer is a crucial aspect of the program and translates emerging research results to Minnesota stormwater professionals and practitioners through training, outreach, and Extension.	\$1,600	High priority, Tier 1 increase	\$2,000
U of MN	Geologic Atlas with Dept. of Natural Resources: Develops county Geologic Atlases, which include maps and databases essential for improved management of ground and surface water. This is foundational data that supports management of drinking water, domestic and industrial supply, irrigation, and aquatic habitat. The distribution of geologic materials defines aquifer boundaries and the connection of aquifers to the land surface and to surface water resources to enable a comprehensive water management effort.	\$800	High priority, Tier 2 increase	\$1,000

