

**Clean Water Council**  
**Budget and Outcomes Committee (BOC) Meeting Agenda**  
**Friday August 6, 2021 9:30 a.m. to 12:30 p.m.**  
BY WEBEX ONLY

*2020 BOC Members: Steve Besser (BOC Vice-Chair), Dick Brainerd, Gary Burdorf, Jen Kader, Holly Kovarik (BOC Chair), Warren Formo, Todd Renville, Pat Shea*

**9:30 Regular Business**

- Introductions
- Approve agenda & most recent minutes
- Chair and Staff update
  - Cancelling September meeting

**9:45** First Draft on the Scope of the Water Legacy Grants Program (aka Small Grants)

**10:45 BREAK**

**11:00** First Draft Calendar for FY24-25 Clean Water Fund Recommendations

**12:00 Adjourn**

**Future BOC Meeting Dates:** See attached

## Meeting Dates for Clean Water Council for 2021

As Approved on November 16, 2020

(It is unlikely that state agencies will allow an in-person meeting until after June 2021)

<b>Full Council (3<sup>rd</sup> Monday with Exceptions for Holidays)</b>	<b>Budget &amp; Outcomes Committee (1<sup>st</sup> Friday with Exceptions for Holidays)</b>	<b>Policy Committee (4<sup>th</sup> Fridays with Exceptions for Holidays)</b>
9 am to 12:30 pm (if by WebEx) 9 am to 2 pm (if in person)	9:30 am to 12:30 pm (if WebEx) 9:30 am to 2 pm (if in person)	9:30 am to 12:30 pm (if WebEx) 9:30 am to 2 pm (if in person)
January 25 <sup>th</sup> (MLK Day Jan 18)	January 8 (New Year's is Jan 1)	January 22
February 22 <sup>nd</sup> (Prez Day Feb 15)	February 5	February 26
March 15	March 5	March 26
April 19	April 2	April 23
May 17	May 7	May 28 (note: this is corrected)
June 21	June 4 (cancelled)	June 25
July 19	July 2 (cancelled)	July 23
August 16	August 6	August 27
September 20	September 3 (change for Labor Day being the 6th?)	September 24
October 18	October 1	October 22
November 15	November 5	November 19 (Thxgvg is Nov 26)
December 20	December 3	December 17 (Xmas Eve Dec 24)

**Budget and Outcomes Committee Meeting Summary**  
**Clean Water Council (Council)**  
**May 7, 2021, 9:30 a.m. to 12:00 p.m.**

**Committee Members present:** John Barten, Steve Besser (Committee Vice Chair), Gary Burdorf, Warren Formo, Holly Kovarik (Committee Chair), and Todd Renville.

**Members absent:** Pat Shea

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
- May 7 meeting agenda and the March 5 meeting summary, as one motion for approval by Steve Besser, seconded by Gary Burdorf, unanimous motion approved by roll call.
- Chair and Staff update
  - Congratulations to Jen Kader, our Council member who had her baby this last week!
  - CWF 20-21 Update: About \$17.5 million of CWFs were being held back for possible unallotment back in June of 2020 due to a poor May budget forecast. Now that sales tax revenues are higher than expected, the money will be released to agencies from MMB. Expiration dates for these dollars will be extended.
  - The Governor announced if 70 percent of Minnesotans over 16 are vaccinated, the state can open back up by July 1, 2021. The Council may be able to meet in-person soon, using Covid-19 safety protocols.
  - New Appointments: Rich Biske (represents environmental organizations), Peter Schwagerl (represents statewide farm organizations), and Marcie Weinandt (represents watershed districts).
  - Legislature:
    - All of the bills have been passed off the floor, and they are now in conference committee. The Legacy Bill has the same budget target in the House and Senate.

**Measurement, Outcomes, and Prioritization Discussion (WebEx 00:18:00)**

Paul Gardner, Clean Water Council Administrator, connected with stakeholders during the Council's Strategic Plan work, and heard questions about how projects are prioritized. Nature Conservancy has some feedback.

- **Rich Biske**, Freshwater Conservation Program Director for MN, ND, and SD for The Nature Conservancy
  - The Freshwater Conservancy is interested in measurement and results. There are many examples of projects that have taken place across the state, and good methodology and plans at the watershed level, as well as the impaired waters list. These are long-term endeavors. A few other items to mention include: public perception of how the Clean Water Funds (CWFs), Legislative perception of the CWFs, and ten-year results to help make a compelling argument in 2034 to renew the Clean Water Funds. There is a need to set some priorities of the CWFs investments. Taking a closer look at how decisions and prioritizations are happening, not just within watersheds, but across them as well.
  - One approach is to maximize the return on investment of CWFs. TNC has created a Clean Water Prioritization Proposal. This would require the Clean Water Council to prioritize investments for on-the-ground restoration and conservation to target efforts where there is a greater return on investment for limited Clean Water Fund resources. This would prioritize 1) protecting high-quality unimpaired waters that are most at risk of becoming impaired; 2) Restore those impaired waters that are closest to meeting applicable water quality standards, 3) Restore impaired waters that demonstrate a high potential for public use or public health benefit, including the use of waters as a source of drinking water. The proposal emphasizes implementation and sets an expectation to limit unnecessary or duplicative planning. The Council's Strategic Plan looks to have no new net impairments by 2034.
  - There is a need to measure results. There are many great examples, and there is good methodology and planning at the watershed level. There is a growing list of impaired waters, which is a long-term endeavor. Public perception is also important.
- *Questions:*

- Paul Gardner, Clean Water Council Administrator: Do you feel a Legislative remedy on top of the nonpoint source funding plan is the logical next step? *Answer:* I am happy for the discussion. This proposal places a responsibility to keep working towards this area, including the agencies that are working in this area.
- Tannie Eshenaur, Minnesota Department of Health (MDH): Does Rich have ideas to quantify the prioritization? All of these items make sense, but translating that into a scoring process is difficult. How can we quantify public health benefits? *Answer:* We have struggled with that as well. In some ways, there are some possibilities for some of those surface waters or criteria. I am not sure yet on what that might be for drinking water supply. Part of that uncertainty requires the different sectors around water to come to that. This is meant to stimulate that discussion and create some consistencies.
- **Pam Anderson**, Manager, Surface Water Monitoring Section, Minnesota Pollution Control Agency (MPCA) (*WebEx 00:34:30*)
  - To prioritize waters, the state uses the protection and restoration strategies in the Nonpoint Priority Funding Plan (NPPF). We are also focused on waters close to an impairment threshold (e.g., nearly impaired waters or just impaired waters). The information is used in the Watershed Restoration and Protection Strategies (WRAPS) and One Watershed One Plan. In addition, BWSR must allocate funding according to the priorities and criteria identified in the NPPF when CWFs are the source of funding.
    - The 2013 Clean Water Accountability Act Law – requires BWSR to prepare a plan to prioritize potential nonpoint restoration and protection actions based on the WRAPS, Total Maximum Daily Loads (TMDLs), and local water plans. It is updated each biennium. The plan highlights high level state priorities and criteria: restore impaired waters that are closest to meeting water quality standards; protect high-quality unimpaired waters at greatest risk of becoming impaired; restore and protect water resources for public use and health, including drinking water.
  - The nearly/barely concept is that preventing impairment, or causing improvement in an impaired water, is most cost effective if the water is near the standard.
    - Vulnerable (nearly) impaired is where the biology is close enough for support, but the chemistry or habitat is indicating it might not last long. This is also true where the chemistry trend indicates declining water quality conditions.
    - Barely impaired can be impaired, but the chemistry has an improving trend. It can be impaired, but the biology has made improvements from the first and second time. Easy fixes help, like culverts.
    - Agencies and local governments can prioritize water within smaller “buckets” using the WRAPS.
    - This is based on current water quality data and modeling. It does not consider: biological communities, habitat or natural corridors; drinking water; public accessibility; waters of high local importance; and waters identified as priorities in local or state plans. This is the base, and the planning process can incorporate these other considerations.
- *Questions:*
  - Paul Gardner: All of the prioritization work is happening in the monitoring and WRAPS work. If this work was not done, we would be guessing where to best spend the money? *Answer:* It could be done in the absence of the water quality data, but it is based on the data collected, and we know where these lakes are located relative to their water quality standards.
  - Rich Biske: Are you using an 8-digit HUC? *Answer:* It varies with the tool. It is split across the state. It can be at a statewide scale or watershed scale.
  - Steve Besser: It would be nice if we had capability to do remote, continuous monitoring on every stream and lake in Minnesota. What is the schedule for this monitoring? Is this an area where we can become more efficient with the funding? *Answer:* For the MPCA approach, they do not have the equipment to have the continuous monitoring. We do have volunteer lake and stream monitors and tie recruitment to the watershed approach to have yearly data. We have also partnered with the University of Minnesota (UMN) to get satellite imagery of lakes across Minnesota. This helps with snapshots across the state, with a relatively low cost. They have utilized some continuous monitoring in certain areas of the state where there are nitrate concerns. Other state agencies have invested in monitoring equipment as well, which is shared. It takes a while to see impacts on the water, so we look at a ten year scale set.
  - Steve Besser: Have colleges or universities been involved? It could shift expenses as well. *Answer:* The Red River Watch project funded by CWFs, involves high school and middle students in the field collecting data. There has been other work with students to collect work. It could be expanded. *Comment from Holly*

*Kovarik:* In Pope County, they have a citizen program to help collect water samples. They use some local plan water fund dollars to do the chemistry testing. It is happening in other parts of the state as well, where citizens are collecting that data at a low cost. The data is submitted to the MPCA.

- Steve Besser: Is there a central location for gathering this information? *Answer:* The MPCA does a call for data annually. Some of the local laboratories provide information as well.
- **Julie Westerlund**, One Watershed One Plan (1W1P) Coordinator, BWSR (*WebEx 01:11:00*)
  - Every time a water gets removed from the impaired waters list, there is a story about how that water body was prioritized. There are many success stories. In 1W1P, they work to prioritize, target, and measure at the statewide and watershed level.
  - The prioritization process involves multiple steps, elements, data, and considerations. Each watershed's process looks a little different. Science is always used. The nearly/barely impaired waters information is only one type of information among many. It is a complicated process, and there are important context involved. Agencies and other on local advisory committees are working together to add value.
  - Our approach: identify issues and relative importance (e.g., drainage, impaired waters, drinking water, recreation); identify resources to decide which are most important (e.g., lakes, groundwater, forests); set goals to each issue while considering priorities (e.g., phosphorus load reduction, land protection); and consider the issues and local knowledge to prioritize planning regions for implementation. There is also a public engagement process that happens in the prioritization process.
  - Other considerations and context: nearly/barely impaired waters may not be the easiest to fix or the best opportunity area to implement. The water quality trends, biological significance, phosphorus sensitivity are also important for lakes (or maybe more so). Another area to mention is scale because it impacts time and space on the project. Additionally, data is not always available and there is some uncertainty.
- *Questions:*
  - Tannie Eshenaur, MDH: How many nearly/barely lakes are in the Pine River watershed? How many of the state priority lakes are picked up in the local prioritization process? *Answer:* I believe there were six in the Pine River Watershed. It is rare that an item would be identified as a priority at the local level that was not already identified as a priority at the state level. It would be hard to quantify.
  - John Barten comment: The prioritization issues may need some additional discussion during the BOC deliberations during the next budget cycle, especially comparing waters of statewide significance to waters of local significance and where to focus funds to have the greatest public and ecologic impact.
  - Dick Brainerd: I like the idea of making immediate and long-term goal plans, and the response. Who makes these decisions for the lakes? *Answer:* It is a long-term process. There are groups working on the committees that adopt the plans, and the priorities have to fight their way to the top, alongside comparable options. It is a combination of elements that lead to those priorities.
  - Paul Gardner: Is there a conflict between a statewide prioritization, versus a thoughtful process at the local level watershed process? *Answer:* That is a conversation that the Council would need to have, and there may be a way to overlay those items when involving funding. Perhaps it is a criteria used in the watershed implementation funding areas. *Comment from Kevin Bigalke, BWSR:* There is not anything that is mutually exclusive. These plans are valuable and locally driven and state supported. It is driven by data and involves the public input, and it is balancing and ranking the different prioritizations. From a funding standpoint, with the watershed based implementation funding, it is connected to different variables, and allows the priorities drive by the local prioritization plans.
- **Mike Kinney**, District Administrator, Comfort Lake–Forest Lake Watershed District (*WebEx 01:45:00*)
  - He has had a lot of different experiences (i.e., military, business, agriculture, research, geology, conservation). He is going to talk about prioritizing efforts in the Comfort Lake-orest Lake Watershed District (CLFLWD).
  - The BWSR vision for 1W1P is for implementation actions to be prioritized, targeted, and measurable.
    - For prioritization, they have six impaired lakes in their watershed. It was their starting point.
    - For targets, they went in a new direction, looking at a diagnostic approach. This is more data-driven with more on-the-ground monitoring rather than modelling. Not all monitoring is the same. The CLFLWD uses three distinct types of monitoring to achieve rapid, cost-effective results. First, baseline monitoring (lake and rivers, like WRAPs). Next, is diagnostic monitoring, which is sequential sampling, along with calibrating models as needed. Finally, effectiveness monitoring, which is post construction

sampling to verify the project effectiveness and inform future modeling. Moody Lake is an example of this work (see graphics). They could have spent years implementing dozens of projects all over the watershed without coming close to the reductions they reached (80 percent of nonpoint source pollution may be coming from 20 percent of the watershed).

- The CLFLWD diagnostic monitoring has identified two distinct types of watershed loads. The “legacy loads” are high nutrient loads that remain in the landscape decades after the activity has ceased. They can only be identified through diagnostic monitoring (but is not BWSR eligible for funding). These sites yielded the highest load reductions at the best return on investment. The “current loads” are more conventional loads, and are identified in the moment by SWA models (which is BWSR grant eligible). The model assumptions create low return on investment. There was SWA work that did not identify high nutrient loading sites (old dairy farm sites), which were identified through diagnostic modeling. They also target the infiltration, looking at the different impacts from the different land uses, and how to put in different practices to impact them. The right best management practices (BMPs) can have big impacts. The focus with their producers is not so much fiscal, as it is the use of the land. They are also working with farmers to provide the best information and the right incentives. More staff will make a big difference helping farmers. Graphics provide cost effectiveness of this work.
- They have the Enhanced Street Sweeping Program. They are finding it to be effective for phosphorus reductions. It may be a net zero project (comparing the costs of other items like road maintenance).
- For measures they have a lot of data, looking at the effectiveness monitoring. They often look at three years’ work of data. They have a yearly progress report, to provide metrics of the work. For their progress towards phosphorus reduction goals, they hit 81 percent for their district goals and 89 percent for the state standards.

- **Questions:**

- Steve Besser: Regarding the legacy pollution sites, you indicated it was not fundable? *Answer:* The diagnostic monitoring was not funded. The local historical society provided a lot of information on the land and the people in these areas. We tried to find the longest living families on the land and looked at aerial photos to locate different sites. That information can help support the diagnostic monitoring, as well as collection soil samples. Buildings are gone, but old photos and stories help reveal what impacts have had on the land. *Comment from Kevin Bigalke, BWSR:* Regarding the diagnostic monitoring, that goes back to work of polices and eligibility criteria. The monitoring piece in particular, came from the local government roundtable, which has representation across the state. The non-competitive CWFs allocated based on approved 1W1Ps/comprehensive management plans should not be watershed based *monitoring* funding, but rather watershed based *implementation* funding. Local units of government can do these diagnostic pieces to further prioritize area. However, it was important to see the funding to implementation.
- Kevin Bigalke, BWSR: What does the CLFLWD spend on the diagnostic monitoring annually? I am curious to see the cost benefit on it. *Answer:* We spend less on projects that are not effective. Computer monitoring is covered because it is connected to implementation. I would suggest the diagnostic monitoring does the same thing, allowing a more precise area of focus, to make the biggest impacts for implementation sites. They do modeling, but utilizing it with the data they are collecting. The diagnostic monitoring varies from year to year. They also use volunteers to collect data. The data is not considered valid for incorporation for the warehouse data the MPCA uses. The funding is small compared to funding that is going into projects that are not effective.
- Melissa Lewis, MPCA: Why was Moody Lake prioritized over some of the other lakes in the work that you were doing? *Answer:* It is about 40 percent of the water going to Bone Lake, and would have a major impact. Doing the baseline monitoring, Moody Lake was highly impaired. It was at the top of the watershed, in order to help improve the water bodies further down. We are starting to realize those benefits after this work. The data was driving this decision.

- **Holly Kovarik**, Ranking Tool during One Watershed One Plan process (North Fork Crow River One Watershed, One Plan) (*WebEx 02:27:00*)

- This is to talk about their development of the plan, using the tools they have, to prioritize waters. It is based on the science, the local concern, and local units of government. They broke this watershed into five subwatersheds. They did use a modeling effort, looking at the different management practices and

structural BMPs. They also had cost effectiveness goals and load reduction goals. The rankings can be different in each subwatershed based on the resources in those regions. There are urban and rural areas in the watersheds too. Their data provided the top 250 practices. The models are a first look, and there is a need to still go out in the field to make sure the practices are feasible.

- Next, They are in the implementation phase. They have been working with Moore Engineering's Watershed BMP Selection Tool to look at projected impacts. It is great when working with a landowner to see how it may help. Projects are entered into a spreadsheet. It utilizes that ranking tool; it is called the rainbow table, because it categorizes and ranks each of the subwatershed's concerns. Groups that are a part of these planning methods may be using different approaches. It is complicated pulling all the information together for the plan, and we are continuing to refine that process.
- *Questions:*
  - Paul Gardner: Do you find the prioritization system you use varies? *Answer:* They just finished their plans for their next 1W1P (Sauk River), and we borrow from that, but each part of the state is going to be different.
  - Paul Gardner: Should we figure out some way, other than just impairment, as a way to talk about progress that the Clean Water Fund is making?
    - *Steve Besser comment:* The idea of no new net impairments is a wish, and an unrealistic goal. There is always going to be something new happening. There is some work to do.
    - *Dick Brainerd comment:* I think these are good comments. Everything that was said today, all of the presenters was extremely helpful. This kind of information is important—looking at on-the-ground work, the challenges, the processes, and other organizations. The big take away is there is a lot of interest in what the Council does with water. People don't really understand what happens behind the scenes for keeping water safe (to drink, to swim, etc.). There is a balance that needs to be had for explaining these items.

**Adjournment** (*WebEx 02:50:32*)

Clean Water Council  
Budget & Outcomes Committee  
August 6, 2021

## DRAFT Criteria for Small CWF Grants/Water Legacy Grant Program

**Legislation:** The Legislature appropriated \$400,000 in FY22 and \$600,000 in FY23 from the Clean Water Fund “for developing and implementing a water legacy grant program to expand partnerships for clean water.”

**Purpose:** As recommended by the Clean Water Council, this grant program would be for small grants. The two main objectives of the grants would be to support:

1. New and innovative projects which could provide a proof of concept to accelerate our progress for meeting water quality goals; and
2. Projects with proven approaches by entities that are not traditional CWF grant recipients and that meet needs identified in water plans.

**Amount of Grants:** Based on the January BOC meeting discussion, a minimum grant of \$30,000 would justify the administrative costs. A maximum of \$100,000 is suggested for your consideration. (BWSR competitive CWF grants must be for a minimum of \$30,000.)

**Timeline:** BWSR suggests waiting to disburse funds until FY23 (starting July 1, 2022) so that all \$1 million is appropriated. (Lawns to Legumes took about eight months before money was disbursed.) Several stakeholders suggested in January that projects should be complete within 12 months; stretching that to 15-18 months might better account for the full construction/growing season in 2022.

### Criteria:

- Must meet requirements of [Legacy Amendment](#) (can't supplant funding) and the [Clean Water Legacy Act](#)
- Meet one or more of the three priorities established in BWSR's [Nonpoint Priority Funding Plan](#):
  - 1. Restore those waters that are closest to meeting state water quality standards
  - 2. Protect those high-quality unimpaired waters at greatest risk of becoming impaired
  - 3. Restore and protect water resources for public use and public health, including drinking water
- Proposals must include a measurable goal
- (BWSR RFPs include a long list of other requirements.)

### Ineligible activities

[We can borrow from [BWSR Projects and Practices RFP](#).]

**Matching requirements:** Minimum non-state match equal to at least 25% of the amount of Clean Water Funds requested or received. The match must be cash or in-kind cash value of goods, materials,

and services directly attributed to project accomplishments. [Do we want a lower match or no match for certain circumstances, especially for projects benefitting low-income communities?]

**Eligible Entities:** Nonprofit 501(c)(3) organizations, local units of government, or tribal governments. Entities that do not fit in these categories should partner with an eligible entity. [These entities are usually a state vendor already, which would make grants administration quicker and can handle reporting requirements.]

*[Just for context, here is BWSR's list of eligible applicants in competitive CWF grants]*

- Local government units (counties, watershed districts, watershed management organizations, and soil and water conservation districts) or local government joint power boards working under a current State approved and locally adopted local water management plan or soil and water conservation district (SWCD) comprehensive plan.
- Municipalities that 1) have a water plan that has been approved by a watershed district or a watershed management organization as provided under Minn. Stat. 103B.235; or 2) adopted an approved comprehensive watershed management plan developed under Minn. Stat. 103B.801
- Counties in the seven-county metropolitan area are eligible if they have adopted a county groundwater plan or county comprehensive plan that has been approved by the Metropolitan Council under Minn. Stat. Chapter 473.
- Entities that have not adopted a plan as described above, and therefore not eligible to apply, are encouraged to work with an eligible entity if interested in receiving grant funds.
- LGUs are eligible to receive grant funds if they are working under a current water management plan that has been state approved and locally adopted when the BWSR Board authorizes the grant awards.

**Technical Review:** A technical review panel should review proposals to determine eligibility and to rank proposals. The Clean Water Council should be represented on the panel.

**Proposal Format:** Letter of interest/inquiry? Full proposal? Electronic only? Paper proposals?

**Payment schedule:** 50% disbursed after approval of a work plan and execution of a grant agreement

CLEAN WATER COUNCIL			Current as of 3 Mar 2020
Budget & Outcomes Timeline for FY22-23	complete?	Date	Comments
Scoping process with stakeholders (including agencies & legislators) begins	yes	21-Oct-19	Review strategic plan, get high-level input
<a href="#">State revenue forecast released</a>	yes	<a href="#">7-Dec-19</a>	
Scoping process with stakeholders ends	yes	31-Jan-20	
CWC provides strategic direction/priorities to agencies	yes	7-Feb-20	BOC meeting date
Strategic Plan complete	yes	24-Feb-20	full Council meeting
<a href="#">State revenue forecast released</a>	yes	<a href="#">27-Feb-20</a>	
Brief overview of 1/3 of proposals, topics TBD		16-Mar-20	Likely full Council meeting date
Agencies present 1/3 of proposals to BOC--topics TBD		3-Apr-20	Likely BOC meeting date
Brief overview of 1/3 of proposals, topics TBD		20-Apr-20	Likely full Council meeting date
Agencies present 1/3 of proposals to BOC--topics TBD		1-May-20	Likely BOC meeting date
Brief overview of 1/3 of proposals, topics TBD		18-May-20	Likely full Council meeting date
Agencies present 1/3 of proposals to BOC--topics TBD		5-Jun-20	Likely BOC meeting date
Public Meeting for feedback on proposals		15-Jun-20	2 p.m. at MPCA
Draft BOC recommendations reviewed, discussed		10-Jul-20	Likely BOC meeting date (maybe move for holiday?)
Stakeholder input on draft recommendations begins		13-Jul-20	
Final BOC recommendations approved		7-Aug-20	likely BOC meeting date
Full CW Council approval		17-Aug-20	likely full Council meeting date
CW Council submits non-agency requests to MPCA/Agencies send budget		21-Aug-20	
<a href="#">Final deadline to send agency budgets to Governor's office</a>		<a href="#">15-Oct-20</a>	date used in past years
<a href="#">General Election</a>		<a href="#">3-Nov-20</a>	
<a href="#">State revenue forecast released</a>		<a href="#">7-Dec-20</a>	Usually first Monday in December
Final Legislative Report		1-Dec-20	
Met with key legislative chairs & Governor's office		15-Dec-20	Throughout December
<a href="#">New Legislature Meets</a>		<a href="#">4-Jan-21</a>	
<a href="#">State revenue forecast released</a>		<a href="#">28-Feb-21</a>	Usually last day of February
New Legislature Adjourns		17-May-21	
<a href="#">FY22 fiscal year begins</a>		<a href="#">1-Jul-21</a>	