

Clean Water Council
Budget and Outcomes Committee (BOC) Meeting Agenda
Friday, June 3, 2022 9:30 a.m. to 2:00 p.m.
BY WEBEX ONLY

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

9:30 Regular Business

- Introductions
- Approve agenda & most recent minutes
- Chair and Staff update
 - Legislative Wrap-up: FY22-23 of \$47M remains in CWF; deadlines changed to January 15th
 - MMB Spreadsheet on Clean Water Fund Balance by Agency/Program
 - Policy topics under consideration by the Policy Committee w/ CWF Implications

9:45 Review of Agency and University Proposals Covered at May 16th Council Meeting

Groundwater/Drinking Water Implementation:

- Enhanced County Inspections/SSTS Corrective Action Grants, MPCA
- Enhancing Landowner Adoption of Soil Health Practices for Drinking Water and Groundwater Protection, BWSR
- Water Storage, DNR
- NEW Expanding Weather Station Network, MDA

Point Source Implementation:

- Chloride Reduction Program, MPCA
- Point Source Implementation Grant (PSIG) Program, PFA
- Small Community Wastewater Treatment Program, PFA

10:30 BREAK

Research, Evaluations and Tool Development:

- Measures, Results, and Accountability, BWSR
- Tillage, Cover Crop and Erosion Transects, BWSR
- Technical Evaluation, BWSR
- Applied research and tools, DNR
- Geologic Atlas with Dept. of Natural Resources, U of MN (Part A)
- County geologic atlases, DNR (Part B)
- Research Inventory Database, MDA
- Forever Green Agricultural Initiative (U of MN), MDA
- Stormwater BMP Performance Evaluation & Technology Transfer, U of MN

11:30 Legislative Fiscal Notes about Several Drinking Water Bills at Legislature

- Tannie Eshenaur, MDH

11:45 BREAK for lunch

12:15 Next Steps

- Prompting questions about priorities (especially about one-time FY22-23 surplus)
- Feedback received so far

- How Council will transmit feedback

2:00 Adjourn

Next BOC Meeting Date: Friday, July 8th (moved due to July 4th weekend)

Budget and Outcomes Committee Meeting Summary
Clean Water Council (Council)
Friday, May 6, 2022 9:30 a.m. to 12:00 p.m.

Committee Members present: Steve Besser (Committee Vice Chair), Dick Brainerd, Gary Burdorf, Frank Jewell, Warren Formo, Jen Kader, Holly Kovarik (Committee Chair), and Todd Renville.

Members absent:

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](#).

9:30 Regular Business

- Introductions
- Approve agenda and most recent minutes
 - Dick Brainerd motion for approval, Gary Burdorf, seconded the motion and approved.
 - MPCA updates moved up in agenda - approved
- Chair and Staff update, *by Paul Gardner*
 - Supplemental CWF Appropriation Proposal at Legislature
 - House is moving a bill adjusting the membership for LCCMR (making non-legislators the majority); there is also a bipartisan effort to renew the Environmental Natural Resources Trust Fund.
 - Process for Giving Feedback to Interagency Coordination Team
 - Agency is looking forward to the BOC's feedback on suggested proposals.
 - Come up with written feedback in June to give to the agencies.
 - Be aware of timelines as final deadlines on the Governor's budget are usually October 15th.

Comments/Questions

- *Steve Besser:* Experience has shown that we have made the right decisions by listening closely to the agency presentations, and the dollars have been spent well.
- *Paul Gardner:* Currently, the amount to be requested will exceed the amount available. The Council may want to consider a buffer of funds in case of a future deficit in the Clean Water Fund and prioritize some programs to receive additional funds in case of an additional surplus.
- *Glenn Skuta:* Feedback from the council will help us to submit a balanced budget.
- *Paul Gardner:* It would be useful for the council to have written input to the agencies. This would help people how the feedback was incorporated into the decision making.
- *Dick Brainerd:* How does this relate to departments budgets?
- *Paul Gardner:* The agencies and council haven't always agreed on CWF recommendations, leading to much confusion. Governor Dayton insisted on better collaboration.
- *Glenn Skuta:* When we weren't completely in sync, we were 90% - 95% in sync.
- *Dick Brainerd:* There could be significant changes coming from legislature this time. How do we fund a huge part of the watershed districts? As we move along, how do we go forward with our budget? Do we have to be concerned with the large outflow of funds? If we have leftover money we could make that happen, then what happens?
- *Frank Jewell:* We have struggled to have a method to receive agency, community, and stakeholder feedback for supplemental budgets.
- *Glenn Skuta:* Depending on legislative action on a supplemental Legacy Finance bill this year, there may be a \$20 million difference in CWFs available for FY24-25.
- *Todd Renville:* On the financial side, I would like to see the agency holdbacks or biennium certain unspent dollars. *Answer: Paul Gardner:* I will see if I can get a spreadsheet.
- *Jason Moeckel:* It's hard to spend down to zero each year. You never want to be at zero because you don't want to be in the red.
- *Dan Stoddard:* The fiscal year does not align with the ag calendar, leading to leftover funds.
- *Dick Brainerd:* Regarding unspent money, are we looking for policy directions? What do we want to do about funds that aren't spent?

- *Paul Gardner*: I will commit to getting spreadsheet but will be happy to annotate it. Note: We don't actually write the appropriations bill. MMB drafts it and it becomes the Governor's bill.
- *Brad Jordahl Redlin*: Appropriations can be spent typically over two or four years. Unspent money will always go back to the Clean Water Fund.
- *Glenn Skuta*: MMB or fiscal staff can help get those numbers. Some funding was frozen during COVID in planning for unallotment, but we got it back after a better budget forecast.
- *Holly Kovarik*: Timing plays a factor. I had a project that was split into two phases, but due to limited timeframe, slippage had to be sent back to the State. This is good information to review.

1. Great Lakes Restoration Projects, MPCA - Glenn Skuta (WebEx: 00:36:11)

- This program will leverage a lot of federal money available through the Great Lakes Restoration Initiative (GLRI) for Lakewide Action and Management Plans (LAMP).

Question/Comments

- *Paul Gardner*: What are the typical activities to be carried out? *Answer Glenn Skuta*: Green infrastructure projects underway in 2022-23, urban stormwater projects that include: rain gardens, stormwater ponds (that cleanup water before it hits the lake), stream bank restorations, shoreland stabilization. These are projects that are scoped out in the Watershed Restoration and Protection Strategies (WRAPS). There are culvert replacement and connectivity restored in streams.
- *Paul Gardner*: There is money left on the table because there isn't enough staff to do the work?. *Answer*: Correct.
- *Steve Besser*: Lake Superior holds 1/5 of the world's fresh water, and the water is relatively pure. A heavy rain event can create a mudline that can go out offshore for miles. This is a critical for Minnesota and the planet. This is an investment with immediate returns and measurable results.
- *Dick Brainerd*: I agree with Steve. There are streams coming off North shore and are running at a fast pace and all you see is brown. This is critical for Minnesota and the world.
- *Glenn Skuta*: The AOC is getting one more increment this cycle and then it's done.
- *Frank Jewell*: Would be great if Wisconsin had the same level of investment as Minnesota. Clean Water Funds make us able to do things others can't do.

2. St Louis River Area of Concern - Barb Huberty, MPCA (WebEx: 00:45:51)

- Requesting \$1.5 million through 2023 to finish project.

Question/Comments

- *Steve Besser*: Does this project address drinking water for Duluth?
- *Barb Huberty*: The project has an indirect benefit to drinking water, but it's not a primary goal. We are also near to the end for our need for this money in 2025.

3. MS4 and NPDES -Glenn Skuta/Nicole Blasing (MPCA) (WebEx: 00:52:19)

- This funds the wastewater and stormwater staff during WRAPS and TMDL. Implement actions to reduce pollutants through permitting and working with local partners. Combining former NPDES wastewater/stormwater TMDL and accelerate implementation into one request.

Question/Comments

- *Steve Besser*: When do some of these dollars go to communities that still have straight pipes? *Answer, Glenn Skuta*: SSTS is in a separate budget item that we couldn't get to, this is wastewater treatments plants and stormwater not septic.

4. Watershed Based Implementation Funding, BWSR - Annie Felix-Gerth (WebEx: 00:57:01)

- Funding to support projects in One Watershed One Plan (1W1P). Funding requests have gone up and BWSR is looking for an increase.

Question/Comments

- *Paul Gardner*: This funding builds on the science in the WRAPS. The 1W1P identifies the highest priorities, and then BWSR funds them? *Answer, Annie Felix-Gerth*: Yes, although the funding can't cover all activities in the plans. We can seek leverage elsewhere.
- *Frank Jewell*: There has been an increase in number of staff. Will we need more staff? *Answer, Marcey Westrick*: Yes.

- *Dick Brainerd*: There are significant increases over time, going from \$4.2 M to \$43 M. Will that continue? If so, any thoughts about where this could lead? *Answer, Annie Felix-Gerth*: Yes, this will continue to increase over time as more 1W1Ps are completed. The trajectory goes through FY30-31.
- *Frank Jewell*: At the request of watershed districts, this funding was set up to be non-competitive since the plans identify the needs, and BWSR approves the plans.
- *Holly Kovarik*: As more plans are completed, there will be more demands from this funding source instead of the competitive grant program.

5. Accelerated Implementation Assistance and Grants, BWSR - Annie Felix-Gerth (WebEx: 01:07:44)

- This covers three programs: a local BWSR technical training and certification program, engineering and technical assistance through regional technical service areas (TSAs) and targeting tools.

Question/Comments

- *Dick Brainerd*: Can you explain the FY 2022-2023 reduction? *Answer, Annie Felix-Gerth*: You are only seeing FY2022. We will allocate 2023 money this summer. *Answer, Marcey Westrick*: The dollar amount will be equivalent to 2021.
- Tannie Eshenaur: In the council meeting I had asked if the PTMAApp included groundwater data, and I was wondering if you had an answer to that? *Answer, Annie Felix-Gerth and Marcey Westrick*: We don't have that answer at the moment.
- Paul Gardner: Is it fair to say, this helps makes projects throughout the state shovel-ready faster, because folks on the ground may not have the technology or data analysis to carry projects out? *Answer, Annie Felix-Gerth*: Yes.
- *Marcey Westrick*: The technical training and certification program is a partnership with Natural Resources Conservation Service (NRCS) and SWCDs to provide job approval authority required by NRCS.
- *Marcey Westrick*: Answer for Tannie, PTMAApp does have surface water nitrogen data layers, but it does not include groundwater data layers currently.

6. Conservation Drainage Management Grants and Assistance, BWSR - Annie Felix-Gerth (WebEx 01:17:28)

- This is directed at drainage authorities to include water quality components in partnership with SWCDs. It can be "external source" of funding for water quality improvements.

Questions/Comments

- Paul Gardner: There are some policy makers at the capitol that believe this encourages more drainage, but we are trying to insert water quality considerations into the ditch improvement that would happen anyway, for legacy ditches that wouldn't happen otherwise. Does that sound accurate? *Answer: Annie Felix-Gerth*: Yes.

7. Critical Shoreland Protection-Permanent Conservation Easements, BWSR – Sharon Doucette (WebEx: 01:19:55)

- This protects shoreland and drinking water sources downstream of the Mississippi River headwaters.

Questions/Comments

- *Paul Gardner*: You are targeting these watersheds (Pine, Crow Wing and Rum River Watersheds) because these are rapidly developing areas? *Answer*: Yes.
- *Dick Brainerd*: What has been accomplished on the Rum River in the past four years? *Answer*: We have 22 easements recorded or in process. The biggest easement is 324 acres. We'll continue to take applications with FY21-22 funding for that area.
- *Dick Brainerd*: Where would the majority of the rest of the easements be? Emphasis in the slides seems to be on the Rum, yet we've protected 3,700 acres. *Answer*: That is for the Pine, Crow Wing and Rum. This is first chance of having easements on the Rum.
- Sharon Doucette in Chat: Dick- total acres by watershed for critical shorelands areas (to date): Pine 462 acres; Crow 1432 acres; Rum 1843 acres. Staying in the Rum for two biennia was a

strategic decision because of lack of other easement options there and the assumption that land, and therefore easements, would be more expensive as we got closer to the metro area.

8. Wetland Restoration Easements, BWSR – Sharon Doucette (WebEx 01:26:20)

- A partnership with federal agencies, this program would allow counties that are not eligible for CREP to do Wetland Restoration.

9. Working Land and Floodplain Easements, BWSR – Sharon Doucette (WebEx 01:29:02)

- This protects riparian corridors using less perpetual easements and allows landowners to get some return on the land.

Questions/Comments

- *Paul Gardner:* Is this money keeping up with demand? *Answer:* Last year we did decrease our ask due to CREP, but the trend will go back up as we give more flexible options for landowners.

10. Buffer Law Implementation, BWSR Annie Felix-Gerth (WebEx 01:32:32)

- This program maintains vegetated buffer compliance with technical assistance to landowners, monitoring and tracking, and assistance in local enforcement action if needed.

Questions/Comments

- *Dick Brainerd:* It looks as though buffer compliance has been done remarkably well. Is that True? *Answer:* Yes, a great success story for the state.
- *Dick Brainerd:* How do we communicate this success? Do we need funding to stay the course? *Answer:* Yes. *Answer, Marcey Westrick:* Buffers have been part of clean water stories but not certain what has gone out.
- *Frank Jewell:* Enforcement has been little used? *Answer, Annie Felix-Gerth:* It's mandated that we check 1/3 of all protected water buffers each year and have additional 5% spot checks.
- *Frank:* Is the success largely that the landowners are saying yes without being forced? *Answer, Marcey Westrick:* By in large the efforts have been voluntary.
- *Holly Kovarik:* In Pope County, we have only had two enforcement cases and they were taken care of before enforcement was necessary.
- *Dick Brainerd:* The 2020-2021 map does show just minor change in some areas. Are those where you having to take enforcement action? *Answer, Holly Kovarik:* It's possible. *Answer, Annie Felix-Gerth:* Tom Gile would have to talk on that.
- *Jason:* Looking at the slide it shows public waters compliance. There's a difference between what's a drainage ditch and public water in terms of that buffer requirement. Do we have data on the drainage ditch compliance as well? *Answer Marcey Westrick:* Tom Gile would need to answer that question and will follow-up with that. *Later Follow-up Answer Annie Felix-Gerth:* The header on that slide is an actual error and should state "All Waters Compliance". It is a representation of both the ditches and public water combined.

Lunch – Returning at 11:45

11. Metropolitan Area Water Supply Sustainability Support, Met Council Ali Elhassan (WebEx 01:48:17)

- Provides technical support, financial support, and project implementation to reduce metro groundwater demand. The metropolitan area water supply advisory committee guides the program and helps communities address emerging drinking water supply risks.

Comments/Questions

- *Paul Gardner:* Our strategic plan says that we want to reduce groundwater use in the metro area by 150 million gallons for a year and it sounds like this program is getting us there. *Answer:* That is correct, this program conserves half a billion gallons annually.

12. Water Demand Reduction Grant Program, Met Council – Ali Elhassan (WebEx 01:55:49)

- Twenty communities participated in this program, which gives rebates to replace old toilets, irrigation systems, sprinkler heads, and washing machines. We ask for a slight increase due to demand.

Questions/Comments

- *Todd Renville*: Why is there a gap in the urban core? *Answer*: Ali Elhassan: Minneapolis, St. Paul, and nearby suburbs use surface water and have reduced water use significantly already.
- *Todd Renville*: How did St. Paul reduce its demand? *Answer*: Housing is smaller with no sprinklers.
- *Dick Brainerd*: Does a billion gallons a year reduction apply to both programs (Metropolitan Area Water Supply Sustainability Support & Water Demand Reduction Grant Program)? *Answer*: Both.
- *Dick Brainerd*: What does the grant pay for? *Answer*: Toilets, washing machines, and irrigation controllers.
- *Dick Brainerd*: Do we know what is going on statewide beyond Met Council? *Answer* *Jason Moeckel*: This legislative session the governor requested general funds to make it statewide.

13. AgBMP Loan Program, MDA – Margaret Wagner (WebEx 02:12:51)

Questions/Comments

- *Dick Brainerd*: What is the trajectory on this program? *Answer* *Richard Gruenes*: Demand is higher than the funds available.

14. MN Agricultural Water Quality Certification Program, Brad Jordahl Redlin (WebEx 02:18:00)

Questions/Comments

- *Paul Gardner*: How much in federal funds have been leveraged? *Answer*: The Regional Conservation Partnership Program has awarded us \$9 million twice.

15. Technical Assistance Program, MDA – Margaret Wagner (WebEx 02:24:41)

- The program promotes best management practices to farmers and crop advisors such as frequency and timing of runoff, comparing nitrogen rates, and use of cover crops.

Questions/Comments

- *Dick Brainerd*: Who delivers the program? *Answer*: SWCDs, the Minnesota Ag Water resource center, farmers, and crop advisors.
- *Dick Brainerd*: Talk about monitoring. *Answer*: We do edge of field monitoring. Dept of Ag is responsible for all the QA/QC maintaining, interpreting, and reporting.
- *Dick Brainerd*: Can it expand? *Answer*: Yes. The Discovery Farms program could be expanded.
- *Frank Jewell*: Where are the \$2.5 million in pass-through dollars going? *Answer*: Primarily local governments. Some grants go directly to farmers. The remainder is lab work for water sample analysis, support staff, and staff associated costs.

16. Conservation Equipment Assistance, MDA – Brad Redlin (WebEx 02:35:05)

- This new program would support grants for equipment that farmers need to increase soil health.

Questions/Comments

- *Paul Gardner*: So, \$4 million would support 100 + projects at an average of 5,000 to 10,000 acres per year? *Answer*: Yes. The equipment would also help reduce greenhouse gas emissions. Grants would be ideal for SWCDs to share equipment and for farms form a co-op.
- *Dick Brainerd*: Is this equipment being used now in Minnesota? *Answer*: Yes, but it is expensive.
- *Dick Brainerd*: What is the level of funding that you're asking for? *Answer*: \$4 million.
- *Dick Brainerd*: What will be accomplished with \$4 million? How far will this go? If it does help, where does the farmer get more resources? *Answer*: Ag BMP loan program, you can purchase equipment down payments.

17. Irrigation Water Quality Protection, MDA – Margaret Wagner (WebEx02:46:11)

- This funds an Irrigation Specialist position at the University of Minnesota. She develops guidance and provides education on irrigation and nitrogen BMPs and provides direct support to irrigators on issues of irrigation scheduling and soil water monitoring.

Questions/Comments

- *Paul Gardner*: Do you have nutrient reduction estimates per dollar spent? *Answer*: Not directly but we focus on tracking those outreach events and touchpoints with the stakeholders. We do track the pollution load reductions through RCPP funding program.

18. Nitrate in Groundwater, MDA- Margaret Wagner (WebEx 02:49:34)

- This program implementing the MN nitrogen fertilizer management plan (NFMP) and the Groundwater Protection Rule.

Questions/Comments

- *Steve Besser*: What has the compliance been like with reducing or eliminating fall fertilizing and going to spring? Are there any reductions in the nitrates in runoff? *Answer*: We haven't received any complaints related to fall fertilization restriction. We don't have a measured reduction yet.
- *Paul Gardner*: Are landowners responding well to the GPR? *Answer*: We have received calls on the implementation of fall restrictions and whether parcels have restrictions. In general, we have had good response. There are 18 of the level 2 drinking water supply management areas. There are 12 that are established, for the six that are remaining about three may have a boundary change. The other three we have not had a great response and are trying to recruit additional members.

19. Surface and Drinking Water Protection/Restoration Grants, BWSR – Annie Felix-Gerth (WebEx 02:59:07)

No questions

20. Watershed Partner Legacy Grants, BWSR – Annie Felix-Gerth (WebEx 03:01:59)

Developing and implementing a water legacy grant program to expand partnership around clean water.

No questions

21. Nonpoint Source Restoration and Protection Activities, DNR – Jason Moeckel (WebEx 03:04:06)

- DNR provides expertise for projects in One Watershed One Plan (1W1P) such as stream restoration.

Questions/Comments

- *Paul Gardner*: What kind of professionals are they (e.g., hydrogeologists, hydrologist)? *Answer*: The job class title is Clean Water Specialist. They have a strong biology and ecology background, and they've been trained in a lot of hydrology and channel morphology. They work with local partners and engineers.

22. Mussel Restoration Pilot Program, DNR – Jason Moeckel (WebEx 03:07:52)

- Need an operating budget and some staff capacity to expand restoration of mussel populations, and to monitor and assess.

Questions/Comments

- *Dick Brainerd*: What does a mussel bed look like in a riverbed? What is needed to filter out 25 tons per year? Has it ever been achieved? *Answer: Jason Moeckel*: There are mussel beds in Lake Pepin and the Mississippi River. In the spring, they can be found by where the fishing boats are because that's where the walleye stack up.

23. Culvert Replacement Incentive Program, DNR- Jason Moeckel (WebEx 03:13:20)

- Support a couple of staff to be able to do the field work, design, engineering, hydrology, and modeling to propose work for permitting. Take the Hydraulic Engineer from part-time to full-time.

Questions/Comments

- *Steve Besser*: Removing these barriers, replacing the old culverts, increasing fish passage, reducing uncontrolled flooding to a flood plain type flooding is going to increase the availability of host species or the mussels. By doing this simple thing we are allowing movement of up and down the stream bed to establish a mussel population and reestablish the fish population. I think this program is critical. *Comments Jason Moeckel*: Systematically removing these barriers from these systems could be the single biggest thing that's keeping the water biologically impaired. Fish are unable to swim through culverts due to velocity and are unable to spawn.

24. Private Well Initiative, MDH – Frieda Von Qualen (WebEx 03:19:07)

- Ensuring that 1.2 million private well water users in Minnesota have safe drinking water.

Questions/Comments

- *Steve Besser*: Is there any willingness to get outstate residents to get their private well tested? *Answer Frieda Von Qualen*: We don't know if there has been a change in people's perceptions or willingness to get their well water tested. We have a baseline from 2016 of percentage of survey respondents that had been tested but we don't have a follow-up to see if anything has changed. You are correct, we will need to make sure that we are encouraging and making people feel confident that it is a community service for their own benefit. *Answer Tannie Eshenaur* – Looking at social science literature it has been found that if people sense that something is over complicated, too complex, or if there is no solution; they don't want to engage. Currently, we are using plain language to interpret the lab reports and looking at working with another group

nationally called Being Well Informed, where you can plug in your contaminant, and it will tell you what the treatment options are.

- *Steve Besser*: Does the Health Department have pamphlets/handouts that are available in hospitals when a child is born to have well water tested? *Answer Frieda Von Qualen* – Yes, brochures are being provided to pediatricians. Over 50,000 brochures have been released online from over 200 different partners and a good percentage of those are medical providers. We work with Department of Human Services to create an online module that includes well testing.
- *Dick Brainerd*: This is complex and there are 80,000 different contaminants out there, but we don't test for all of them. With all these different types of contaminants do we have funds available for lab capacity, education, and opportunities? For me it boils down to the cost. *Answer Tannie Eshenaur*: The 80,000 chemicals are what is in commerce, and we are not going to take that on. In the private well initiative, we are taking the top five which is: bacteria, nitrate, arsenic, manganese, and lead. In the complexity that you raise, we want to take a systemic approach to build a sustainable system for the future. We want to use existing channels and delivery mechanisms.

25. Targeted Wellhead/Drinking Water Protection, BWSR- Sharon Doucette (WebEx 03:34:36)

- Easement and grant program targeted specifically to wellhead areas with high or very high vulnerability.

Questions/Comments

- *Paul Gardner*: This uses easements, as opposed to the surface and drinking water protection restoration grants? *Answer*: Yes

26. Future of Drinking Water, MDH- Tannie Eshenaur (WebEx 03:36:45)

- The University of Minnesota has 10+ recommendations including a statewide drinking water plan. The university recommends an external advisory group for drinking water at the health department.

Questions/Comments

- *Dick Brainerd*: What have we already done with the future of drinking water? We should have been thinking about this 20 years ago. Are the citizens going to have a good source of drinking water in the future? *Answer Tannie Eshenaur*: The accomplishments are incredible. You can go anywhere in the state of Minnesota and drink out of a tap that supplies public water and be assured that it is safe water. The challenge is as we learn more about threats to drinking water, how are we going to take those public health principles and practices and apply those to these future risks. The public engagement pieces are new, and these are essential.

27. National Park/Voyageurs Project – (WebEx 03:46:48)

- No Questions

Adjourn: Motion to approve by Dick Brainerd, seconded by Frank Jewell. Motion Approves. (WebEx 03:52:15)

Next BOC Meeting Date: Friday, June 3rd

Clean Water Council Member Ideas for 2022 Recommendations

as of June 1, 2022

- **Drainage research and development site in southern Minnesota** like in Wilkin County; ditches in southern Minnesota are the oldest and are the ones most likely due for “improvement”, which is an opportunity for multi-purpose drainage management. (Warren Formo)
- **Extra staff (or grant funds) for MAWQCP focused solely on outreach to non-operating landowners**. This need keeps getting mentioned in just about every meeting I’ve been in about soil health and ag water quality. We leave a lot of acres on the table by not beefing up capacity with these landowners. (John Barten, others)
- **Increase MDH capacity for evaluating health impacts of Contaminants of Emerging Concern** (CEC) (Steve Besser, Dick Brainerd, others). It’s pretty clear the Council would like to see this based on meeting discussions.
- **Additional funding to the SWCDs to purchase conservation equipment that they could in turn rent out or custom hire to farmers to help win farmers over to soil health**. This is a new program request from MDH (Peter Schwagerl).
- **Promoting more precision application of manure**. There is enough demand in Minnesota for all the animal manure generated in Minnesota. If it applied properly, it would significantly reduce the potential for bacteria entering surface waters. MPCA staff pointed to capacity needs at U of M (Melissa Wilson is the manure specialist there). (In response to members’ ongoing concerns with manure management.)
- **PCA Framework for Contaminants of Emerging Concern** (Catherine Neuschler suggested this in response to Council discussion about new contaminants): A framework goes beyond the ad hoc way in which the MPCA tackles new contaminants and would more closely mirror what MDH does on the human health side but on the water and aquatic life side. It would help MPCA direct resources to collect data and information to identify potential risk and concerns associated with emerging contaminants, and then inform and direct management decisions as needed. The framework would be designed to lay out when we would:
 - Collect data and information to assist in understanding the potential risks and concerns associated with individual and chemical categories of CECs;
 - Classifying individual and/or chemical categories of contaminants for which monitoring/occurrence data has been collected into tiers of high, medium, and low risk;
 - identifying next steps and/or options for ongoing tracking, monitoring, or other measures
- **Non-regulatory ways to encourage more private well testing**. Increase the capacity of local government partners to encourage private well owners to test and treat for the five top contaminants recommended by MDH. Results from a 2016 survey of private well owners found that 81 percent did not test their water at the frequency MDH recommends. All of the participants had arsenic concentrations above the public drinking water standard but 34 percent did not take any action. (Tannie Eshenaur, MDH, request at March 2022 policy committee meeting) (Note: Tannie will present on several fiscal notes for recent House bills to show cost.

These bills would fund 10% of needed private well testing for ten years, and in one case cover mitigation costs.)

- **PFAS**
 - Boost in biological monitoring?
- **Increase in MDA Pesticide Lab capacity.** (Marcie Weinandt)
- **Increase capacity for Groundwater Restoration and Protection Strategies:** Three regional GRAPS specialists--One in the southwest, one in the southeast where we have significant groundwater issues. (Jen Kader)
- **Low-income SSTS Grants:** There is \$500,000 in unmet need for low-income SSTS grants. (Note that the LCCMR bill passed in May allocated another \$2,000,000 just to low-income grants.)
- **Make Greater MN cities eligible for BWSR soil health grants:** Original idea was to protect the 400,000 acres in DWSMAs. (John Barten)

HF1806 - 0 - Private Residential Well Testing and Remediation

Chief Author: **Todd Lippert**
 Committee: **Health Finance and Policy**
 Date Completed: **3/18/2022 2:55:11 PM**
 Lead Agency: **Health Dept**
 Other Agencies:
 Administrative Hearings Revenue Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Dollars in Thousands					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Health Dept					
General Fund	-	-	1,093	9,202	32,338
State Total					
Administrative Hearings	-	-	-	-	-
General Fund	-	-	1,093	9,202	32,338
Total	-	-	1,093	9,202	32,338
Biennial Total			1,093		41,540

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Health Dept					
General Fund	-	-	7.5	13.25	24.25
Total	-	-	7.5	13.25	24.25

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Carlos Guereca **Date:** 3/18/2022 2:55:11 PM
Phone: 651-284-6541 **Email:** carlos.guereca@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024
					FY2025
Administrative Hearings		-	-	-	-
Administrative Hearings		-	-	-	-
Health Dept					
General Fund		-	-	1,093	9,202
Total		-	-	1,093	9,202
Biennial Total				1,093	41,540
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Administrative Hearings		-	-	-	-
Administrative Hearings		-	-	-	29
Health Dept					
General Fund		-	-	1,093	9,202
Total		-	-	1,093	9,231
Biennial Total				1,093	41,569
2 - Revenues, Transfers In*					
Administrative Hearings		-	-	-	-
Administrative Hearings		-	-	-	29
Health Dept					
General Fund		-	-	-	-
Total		-	-	-	29
Biennial Total				-	29

HF1806 - 0 - Private Residential Well Testing and Remediation

Chief Author: **Todd Lippert**
 Committee: **Health Finance and Policy**
 Date Completed: **3/18/2022 2:55:11 PM**
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	1,093	9,202	32,338	
Total	-	-	1,093	9,202	32,338	
Biennial Total			1,093	41,540		

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	7.5	13.25	24.25	
Total	-	-	7.5	13.25	24.25	

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Carlos Guereca **Date:** 3/18/2022 2:54:56 PM
Phone: 651-284-6541 **Email:** carlos.guereca@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024
					FY2025
General Fund	-	-	1,093	9,202	32,338
Total	-	-	1,093	9,202	32,338
Biennial Total			1,093		41,540
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	-	1,093	9,202	32,338
Total	-	-	1,093	9,202	32,338
Biennial Total			1,093		41,540
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

This bill establishes a program that funds voluntary water quality testing of water from private residential wells for contaminants through providing grants to local government partners and reimbursement for claimant costs for remediation through the Minnesota Department of Health (MDH). The bill gives authority to MDH for enforcement actions against well contractors who file false claims or claimants who intentionally contaminate a well.

The bill also requires MDH to pursue rulemaking in support of this statute and requires a report to the legislature on February 1 of each odd-numbered year. There are blank appropriations in fiscal years 2022 and 2023 from the general fund to the commissioner for carrying out the bill, including grants to local units of government and tribal governments and for remediation payments.

Assumptions

There are approximately 463,591 active private wells in Minnesota that supply water to about 1,154,342 people. The construction of wells is regulated by the Minnesota Well Code (Minnesota Statute, chapter 103I and Minnesota Rules, chapter 4725). Water quality tests performed by a laboratory accredited under Minnesota Statute, section 144.98 are required to test for coliform bacteria, nitrate, and arsenic following completion of well construction. Among the many potential contaminants for private wells, MDH recommends that well owners periodically test for arsenic, manganese, nitrate, coliform, and lead as these five contaminants are most likely to cause disease or adverse health effects.

Both arsenic and manganese dissolve from nearby bedrock into groundwater and are often found together. Arsenic levels in 11.5% of new wells exceed the federal drinking water standard (Minnesota Well Index-Arsenic, 2021). Manganese levels in 48.9% of wells exceed the health-based value of 100 ug/L (Lundy & Soule, 2012). Both contaminants can be addressed by the same treatment system (typically reverse osmosis). Therefore, costs for remediation of these two contaminants are summed at \$1,500 per well (MDH, 2021).

Nitrate and coliform bacteria enter private wells through a pathway from the land surface to the aquifer. Actions to remediate both contaminants will be similar unless there is widespread contamination of the drinking water aquifer with nitrate. Since private wells are unregulated, there is little research on them, therefore, the best estimates we have for the frequency of nitrate and/or coliform bacteria contamination in private wells is based on three main sources. 1) A 1998 study found coliform bacteria in 27.3% of Minnesota private wells (CDC, 1998). 2) Approximately 27.8% of private wells in Minnesota were constructed prior to 1974 when the Minnesota Well Code was first established in law, which suggests the wells are more susceptible to nitrate and coliform bacteria contamination. For these wells, the remediation is often well repairs and/or constructing a new well. 3) 0.6% of wells constructed after the Well Code, had nitrate contamination at the point of construction (Minnesota Well Index-Nitrate, 2021). For these wells, water treatment (such as reverse osmosis) is

the remediation method.

We anticipate that the 27% of wells that were built before the implementation of the Minnesota Well Code are at greater risk of contamination by nitrate and bacteria. For wells meeting the requirements of the Minnesota Well Code, results from water testing at completion of well constructions finds that 0.6% exceed the primary drinking water standard of 10 mg/L for nitrate. Therefore, we assume approximately 13% of wells tested for nitrate and bacteria will require remediation.

Lead is not usually found in groundwater. Lead leaches into the drinking water supplied by a private well from well pipes, solder, plumbing fixtures, lead packers, and some submersible pumps. Lead in pipes and plumbing was not prohibited until 1986, therefore we anticipate that to be the largest contributor to lead being in private well systems. However, wells constructed up until 1995 still may have had pumps and packers with lead in them (MDH, 2019).

Other contaminants such as legacy industrial contaminants, pesticides, or fertilizers, are thought to be not present or below levels of health concern, unless ongoing monitoring by sister water agencies discovers new contamination. We assume that we will not perform testing for these additional contaminants.

Only a certain amount of private well testing can be offered in any given year based on laboratory capacity, contractor capacity to address remediation, and person capacity at MDH and local units of government. Out of the approximate 463,591 private wells in Minnesota, all would be eligible for testing. For comparison, MDH currently manages an inventory of approximately 8,000 public water systems that require sampling each year. Neither MDH, nor our local partner organizations, have managed outreach and testing on such a scale. Although we do not have data on laboratory capacity, we know from our lab accreditation program that the number of accredited laboratories has dropped by nearly 50% since 2012. We assume that individual laboratory capacity is limited to historical sampling rates and would need time to adjust to the increase in requests to process the contaminant samples.

Based on this information we assume state, local, and industry capacity can accommodate testing and remediation of 10% of private wells each year. Based on current pilot grantees' experience and the Minnesota Department of Agriculture's experience with response rates when free private well tests are offered, we expect that 30% of those invited to participate will choose to test. We assume the American Community Survey 5-year estimates for percent of households in each county with incomes under \$100,000 is consistent across the population of private well households in each county. As such, we estimate that approximately 71% of private well households have annual incomes below \$100,000.

Private Well Sampling Program

The "Grant Program; Testing Private Residential Water Supply Wells for Contaminants" section of the bill requires the department to provide grants to local units of government and tribal governments to test wells in their jurisdiction. The department must develop standards for testing, provide technical assistance to grantees, oversee grantee testing programs, educate the public about this local and tribal well testing program, and establish which contaminants grantees are required to test for and which contaminants grantees may optionally test for. We assume that the initial slate of contaminants will be the five currently recommended by MDH: coliform bacteria, nitrate, arsenic, manganese, and lead. The average cost to test once for these five contaminants is \$125.00 per test (MDH, 2017). The list of optional contaminants for each local unit of government will vary across the state due to variations in geology and land use, which are the two major determinants of contaminants in private wells.

MDH assumes it will enter into 98 contracts (87 counties, 11 tribal governments) averaging \$70,000 per contract. This amount will cover nearly \$18,000 for testing for the required contaminants, fund administrative needs at each contractor's organization, and provide additional funds for optional contaminant testing. 4.5 full time equivalent staff (FTEs) will be required to complete this work. In fiscal year 2023, staff will establish the grant program, develop communication materials, conduct outreach to contractors, develop standards for testing, and initiate the program. Contracts will be executed in fiscal year 2024 and the department will require reporting from each county and tribal unit of government that receives a grant. Additionally, MDH staff will need to monitor contractors, ensure testing standards are followed, provide technical assistance to contractors, and refine and update communication materials and methodologies to advertise the grant program. This work will continue in fiscal year 2025 and beyond.

Rule Making

The "eligible costs and issuance of payments" subdivision requires the department to conduct rulemaking to establish the

“usual and customary” cost for each eligible remediation cost established in this subdivision. The usual and customary costs must consider the range of costs for construction, labor, equipment, and supplies throughout the state; geology; size, type, and depth of wells; and any other factors that may affect cost. The usual and customary cost is used as the foundation remediation reimbursement amount. Rulemaking is assumed to take two years and will be ongoing, allowing for the usual and customary costs to be updated approximately every two years to reflect changes in cost for remediation solutions. 3.0 FTE staff will be required to conduct ongoing rulemaking in addition to traditional costs such as filing costs, hearing administration, and notification expenses. This two-year rulemaking process is similar to other rulemaking efforts in the department such as the Health Risk Limit Rule and Pool Code, which are updated on a semi-annual basis. Finally, the department also assumes that remediation payments will not begin until fiscal year 2025 when the first rulemaking is completed.

Remediation Payments

The “Remediation; Eligibility for Payment and Payment Procedures” section of the bill requires the department to establish a process to receive and review applications for reimbursement for a portion of the remediation costs to address contaminants found in private well drinking water. Based on responses to our 2016 survey of private well users, we anticipate 66% of private well users eligible for financial assistance will take advantage of the opportunity (MDH, 2016). The department must provide technical assistance to applicants and verify applicant eligibility, reviewing factors that include the applicants adjusted gross income, the validity of the testing data submitted to request reimbursement, and the method of remediation proposed. Eligible applicants will receive reimbursement based on the usual and customary amounts established in rule, subject to the limitations on payments established in the “limitations on payments” subdivision of the bill. In fiscal year 2024, 4.25 FTE staff will be needed to establish the reimbursement program application documents and process as well as the process for reviewing and approving eligibility of claims. Once the reimbursement program is fully implemented in fiscal year 2025, an additional 1.25 FTE staff will be needed to provide technical assistance on the application process, review submitted applications for completeness, and process reimbursement payments to approved applicants. 14.0 FTE staff will be needed to review the applications to ensure testing standards were followed, re-sample wells when questions arise regarding the original sample data or when re-sampling is required as part of the reimbursement verification process, and determine the appropriate remediation solution is reimbursed following the reimbursement hierarchy established in the bill.

Data Collection and Biennial Report

The “Data Collection, Sharing, and Availability” and “Biennial Report” sections requires grantees to collect specific data to report to the department, establishes the data privacy standard for data collected by grantees and the department, and requires the department to report testing results, findings, and program information to the legislature by February 1 of each odd numbered year. Two data systems developed by MNIT will be required to manage this program and report information to the legislature. The first system will be used to accept data from contractors, and track and report contaminant data as required in these sections of the bill. There is currently no data system with comprehensive private well contaminant information. This data will be used to report to the legislature as well as make changes to the program to better utilize testing and remediation dollars based on the emerging contaminant trends identified through this data set. The second system will establish an application process for claimants to make applications to the department and department staff to review, and ultimately, approve or deny the request. The bill requires detailed reporting on claims received and final disposition of the applications to the legislature. In addition, claims from a specific claimant for a specific well must be limited to reimbursement once every 10 years. We assume we will fund claimant reimbursements for over 5,000 wells annually so a new claimant application database will be required to manage the resulting data. In addition, 1.5 FTE staff will be required to manage data, analyze trends, and develop the report.

Expenditure and/or Revenue Formula

Expenditure (Actual Dollars)	Amount	FY 2022	FY 2023	FY 2024	FY 2025
Salary & Fringe:		FTE	FTE	FTE	FTE
Management Analyst 4	113,169		1.00	1.00	1.00
Hydrologist 2	102,253		1.00	1.00	1.00
State Program AdminTech Specialist	83,798		1.00	1.00	1.00

State Prog Admin Intermediate	91,694		3.00	3.00	3.00
Planner Principal State	109,994		1.00	1.00	1.00
Hydrologist 2	102,253		0.50	0.50	0.50
Hydrologist 2	102,253			3.00	13.00
Hydrologist 3	114,121				1.00
OAS intermediate	75,932			1.25	1.25
Epidemiologist Senior	116,356			1.00	1.00
Hydrologist 2	102,253			0.50	0.50
	FTE	0.00	7.50	13.25	24.25
	Subtotal	0	735,423	1,304,579	2,441,230
Information Technology:					
Development of well sampling database and claims application portal			162,280	162,280	
Ongoing system maintenance					48,240
	Subtotal	0	162,280	162,280	48,240
Other Operating Costs:					
Rulemaking-Office of administrative hearings ALJ and filing costs				15,000	15,000
Rulemaking- State Register notifications, filings and comments				4,000	4,000
Mailing, duplicating materials, transcripts and hosting hearings				2,000	2,000
Travel costs for reimbursement evaluation					102,253
Sampling costs for reimbursement evaluation					15,200
Remediation Reimbursement					21,748,018
	Subtotal	0	0	21,000	21,886,471
Grants, Aids & Subsidies:					
Grants to local and tribal government (98@70,000 each)				6,860,000	6,860,000
	Subtotal	0	0	6,860,000	6,860,000

Indirect (21.7% Eligible Costs)	Subtotal	0	194,801	854,515	1,101,909
Expenditure	Total	0	1,092,504	9,202,374	32,337,850
Fiscal Tracking (Dollars in Thousands)		FY 2022	FY 2023	FY 2024	FY 2025
Health Protection BACT 03		0	1,093	9,202	32,338
Administration		0	1,093	2,342	25,478
Grants		0	0	6,860	6,860

Long-Term Fiscal Considerations

Local Fiscal Impact

Aside from the grants MDH will provide to local units of government and tribal governments, local governments may incur costs to enhance their communication efforts, increase optional contaminant sampling and align efforts with other water organizations operating in their communities including Soil and Water Conservation Districts.

References/Sources

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Minnesota Department of Health (MDH). (2021). *Home Water Treatment*.
<https://www.health.state.mn.us/communities/environment/water/docs/factsheet/hometreatment.pdf>

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Minnesota Well Index. (2021). *Newly Constructed Well Data for Nitrate 1992-2021*.

Agency Contact:

Agency Fiscal Note Coordinator Signature: Brian Awsumb

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HF1806 - 0 - Private Residential Well Testing and Remediation

Chief Author: **Todd Lippert**
 Committee: **Health Finance and Policy**
 Date Completed: **3/18/2022 2:55:11 PM**
 Agency: **Administrative Hearings**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Joel Enders **Date:** 3/4/2022 11:02:18 AM
Phone: 651-284-6542 **Email:** joel.enders@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Administrative Hearings		-	-	-	29	-
Total		-	-	-	29	-
Biennial Total				-		29
2 - Revenues, Transfers In*						
Administrative Hearings		-	-	-	29	-
Total		-	-	-	29	-
Biennial Total				-		29

Bill Description

HF1806 provides for the Department of Health (Department) to establish a program to test, and provide funding to test, water from private residential water supplies as well as funding to remediate contaminated water supplies.

The legislation also authorizes the Department to conduct rulemaking to implement the provisions of 103I.25 to 103I.255, Private Residential Well Testing and Remediation, Sec. 4, Rulemaking.

Assumptions

The Department assumes a program of this size will require a major rulemaking at \$310,248 in FY2024, and every even year thereafter. Based on past practices, OAH assumes that a major rulemaking under chapter 14 will require an estimated 135 hours of ALJ time for activity related to rulemaking procedures. Of the estimated rulemaking amount of \$310,248, \$29,025 is for the estimated 135 hours of ALJ time for a major rulemaking.

OAH currently bills ALJ time for rulemaking at the MMB-approved billable rate of \$215 per hour (see Minn. Stat. § 16A.126, subd. 1 (2020)).

Expenditure and/or Revenue Formula

Estimated 135 hours of ALJ time for rulemaking activities related to implementing the requirements of 103I.25 to 103I.255, Private Residential Well Testing and Remediation, Sec. 4, Rulemaking = 135 hours x \$215/hr = \$29,025 charged to the Department in FY2024 pursuant to the requirements of Minn. Stat. § 14.53.

Long-Term Fiscal Considerations

The estimated costs associated with the rulemaking activities will begin in FY2024 and continue every even year thereafter.

Local Fiscal Impact

References/Sources

Agency Contact: Denise Collins

Agency Fiscal Note Coordinator Signature: Denise Collins

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HF1806 - 0 - Private Residential Well Testing and Remediation

Chief Author: **Todd Lippert**
 Committee: **Health Finance and Policy**
 Date Completed: **3/18/2022 2:55:11 PM**
 Agency: **Revenue Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2021	FY2022	FY2023	FY2024	FY2025
Total		-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Joel Enders **Date:** 2/28/2022 6:28:00 PM
Phone: 651-284-6542 **Email:** joel.enders@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill seeks to provide safe drinking water to those with private wells. It establishes and provides funding for a testing process administered by the Department of Health (MDH). It also provides payments to remediate costs of a contaminated water supply. The process to determine eligibility for these payments is the only interaction with the Department of Revenue (DOR). Section 6, subd. 1 (c) allows the commissioner of the Minnesota Department of Health (MDH) to consult with the commissioner of DOR in establishing additional reporting requirements which the commissioner of MDH determines are necessary to show an applicant's eligibility to receive payments for private residential well testing.

Assumptions

DOR assumes we have no role in ongoing income verification under this bill. Our involvement would be limited to consulting with MDH on the development of their verification system. This work would result in minimal administrative impact for DOR.

Expenditure and/or Revenue Formula

This bill does not change state tax law, so it will not impact state tax revenues.

Long-Term Fiscal Considerations

none

Local Fiscal Impact

none

References/Sources

Agency staff provided information for this fiscal note.

Agency Contact: Lisa Knops

Agency Fiscal Note Coordinator Signature: Lisa Knops
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HF3003 - 0 - Lead Testing and Remediation

Chief Author: **Patty Acomb**
 Committee: **Health Finance and Policy**
 Date Completed: **3/2/2022 5:05:16 PM**
 Lead Agency: **Health Dept**
 Other Agencies:
 Office of The State Auditor

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept						
General Fund	-	-	22,025	22,025	22,025	
Office of The State Auditor						
General Fund	-	-	-	-	-	30
State Total						
General Fund	-	-	22,025	22,025	22,055	
Total	-	-	22,025	22,025	22,055	
Biennial Total			22,025		44,080	

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept						
General Fund	-	-	9	9	9	
Office of The State Auditor						
General Fund	-	-	-	-	-	-
Total	-	-	9	9	9	

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Carlos Guereca **Date:** 3/2/2022 5:05:16 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024
					FY2025
Health Dept					
General Fund	-	-	22,025	22,025	22,025
Office of The State Auditor					
General Fund	-	-	-	-	30
Total		-	-	22,025	22,025
Biennial Total			22,025		44,080
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Health Dept					
General Fund	-	-	22,025	22,025	22,025
Office of The State Auditor					
General Fund	-	-	-	-	30
Total		-	-	22,025	22,025
Biennial Total			22,025		44,080
2 - Revenues, Transfers In*					
Health Dept					
General Fund	-	-	-	-	-
Office of The State Auditor					
General Fund	-	-	-	-	-
Total		-	-	-	-
Biennial Total			-		-

HF3003 - 0 - Lead Testing and Remediation

Chief Author: **Patty Acomb**
 Committee: **Health Finance and Policy**
 Date Completed: **3/2/2022 5:05:16 PM**
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund		-	-	22,025	22,025	22,025
Total		-	-	22,025	22,025	22,025
Biennial Total				22,025		44,050

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund		-	-	9	9	9
Total		-	-	9	9	9

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Carlos Guereca **Date:** 3/2/2022 5:00:57 PM
Phone: 651-284-6541 **Email:** carlos.guereca@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024
					FY2025
General Fund	-	-	22,025	22,025	22,025
Total	-	-	22,025	22,025	22,025
Biennial Total			22,025		44,050
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	-	22,025	22,025	22,025
Total	-	-	22,025	22,025	22,025
Biennial Total			22,025		44,050
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

This bill has a blank appropriation to the health department for voluntary testing and remediation of lead in drinking water at daycare facilities, private wells, and rental properties. In addition, there is a blank appropriation to the state auditor for the Infrastructure Stress Transparency Tool.

Technical comment:

The University of Minnesota is the entity that maintains the Infrastructure Stress Transparency Tool (ISTT).

Assumptions

The bill does not establish a timeframe for the provision of testing and remediation services. We assume a 10-year time-period to conduct voluntary, statewide testing for the presence of lead in drinking water obtained from private wells, day care facilities, and rental properties, and to pay for eligible remediation. There are several limiting factors for the amount of lead testing that can be offered in any given year including laboratory capacity, contractor capacity to address remediation, and person capacity at MDH and local units of government. By comparison, MDH manages an inventory of approximately 8,000 public water systems that require sampling each year. The number of eligible properties and wells covered under this bill exceeds 560,000, about seventy times more than current activities. Neither MDH, nor our local partner organizations, have managed outreach and testing on such a scale. Although we do not have data on laboratory capacity, we assume that laboratory capacity is limited to historical sampling rates and would need time to adjust to the increase request for lead samples. In order to provide testing and remediation, the department would enter into contractual agreements per Minnesota Statutes, section 144.072.

There are hundreds of thousands of private wells, rental properties, and child care facilities in Minnesota. Lead is not naturally occurring in water, but rather enters drinking water through leaching from plumbing fixtures and pipes. In 1986, there was a prohibition on lead plumbing and solder. As a result, the department would focus its testing and remediation efforts in two ways. For private wells and rental properties, we assume that housing units and private wells older than 1986 would contain some amount of lead plumbing and solder. As a result, we would be able to provide testing to 100% of the rental properties and private wells older than 1986. For child care facilities, both licensed and family run, we would be able to provide testing to test 100% of these facilities, regardless of the age of the center or home. This increased testing focus in child care facilities is based on the fact that lead is an even greater public health risk to the brain development of children and child care centers have larger numbers of children consuming water in their facilities.

Given the sheer volume of eligible wells and property types (over 560,000), we assume that we will be able to provide testing to 10% of private wells, day care facilities, and rental properties annually. This would allow MDH and contractors to manage the sizeable workload and align with other water initiatives, such as the One Watershed, One Plan program, that

often follow a 10-year implementation window. Because of the size and complexity of water issues in Minnesota, local units of government and organizations that normally work in water issues are accustomed to addressing these sizeable issues over an extended period of time. The department assumes it will contract with 21 organizations consisting of both local units of government and non-governmental water organizations to conduct testing and manage funds used for remediation each year. If demand is high, contractors may need to determine the best method of prioritization for addressing the unique issues in their regions.

Even after determining eligibility, we know that many private well, rental property and child care facility owners will decline this voluntary program. Data from our arsenic study in 2016 indicates that when private well owners are given the option for voluntary testing, approximately 30% expressed a willingness for testing. As a result, we assume that 30% of our eligible facilities will volunteer for testing. Finally, we also assume that nearly 100% of properties older than 1986 will have a detect for the presence of lead and require remediation.

Nine FTE staff will be required to manage contracts and provide technical assistance to contractors and the public. Our estimated costs do not include servicing demand for testing and remediation beyond 10% of private wells, day care facilities, and rental properties per year.

Rental Properties

According to recent data from the American Community Survey 2019, 5-year estimate, approximately 394,000 rental properties in Minnesota were built before 1986. Under our assumptions, about 10% or 39,400 would be offered testing annually, with 30% or 11,820 likely agreeing to be a part of the voluntary program. We estimate the average cost of testing for rental properties to be \$200 per rental unit, resulting in an annual testing cost of \$2,364,000. The average remediation cost is assumed to be \$1,000, resulting in an estimated, annual remediation cost of \$11,820,000 for the 11,820 units.

Private Wells

According to data from the Minnesota Wells Database, there are approximately 162,500 private wells drilled before 1986. Under our assumptions, about 10% or 16,250 private wells would be offered testing annually, with 30% or 4,875 units volunteering for testing. The average cost of testing for private well owners is estimated to be \$200 per well, resulting in an annual testing cost of \$975,000 for the 4,875 units. The average remediation cost is assumed to be \$1,000, resulting in an estimated, annual remediation cost of \$4,875,000 for the 4,875 units.

Licensed Childcare Centers

According to the Minnesota Department of Human Services (DHS), there are approximately 1,900 licensed childcare centers in Minnesota. About 10% or 190 would be offered sampling annually, with 30% or 57 volunteering for testing. Due to the size of licensed childcare centers, it is estimated that testing will cost \$560 per facility, resulting in an annual testing cost of \$31,920 for 57 units. The average remediation cost is assumed to be \$10,000, resulting in an estimated, annual remediation cost of \$570,000 for 57 units. Priority will be given to the licensed childcare centers that serve the most children first.

Family Child Care Providers

Likewise, DHS lists approximately 7,200 family childcare centers in Minnesota. About 10% or 720 would be offered sampling annually, with 30% or 216 volunteering to be sampled. It is estimated that the average cost of testing is \$200, resulting in an annual testing cost of \$43,200 for 216 units. The average remediation cost is estimated to be \$1,000, resulting in an annual remediation cost \$216,000 for the 216 units. Priority will be given to the family child care settings that serve the most children first.

Expenditure and/or Revenue Formula

Contract Expenditures by Type

Testing and Remediation Type	Amount
Rental Testing	\$2,364,000
Rental Remediation	\$11,820,000
Wells Testing	\$975,000
Wells Remediation	\$4,875,000

Licensed Child Care Testing	\$31,920
Licensed Child Care Remediation	\$570,000
Family Child Care Provider Testing	\$43,200
Family Child Care Provider Remediation	\$216,000
TOTAL	\$20,895,120

Expenditures

Expenditure (Actual Dollars)	Amount	FY 2022	FY 2023	FY 2024	FY 2025
Salary & Fringe:		FTE	FTE	FTE	FTE
State Prog Admin Intermediate	91,694		5.00	5.00	5.00
Engineer 2 Graduate	100,814		2.00	2.00	2.00
Health Educator 1	87,163		2.00	2.00	2.00
	FTE	0.00	9.00	9.00	9.00
	Subtotal	0	834,424	834,424	834,424
Information Technology:					
	Subtotal	0	0	0	0
Other Operating Costs:					
Contracts (21@995,000 each)			20,895,120	20,895,120	20,895,120
	Subtotal	0	20,895,120	20,895,120	20,895,120
Grants, Aids & Subsidies:					
	Subtotal	0	0	0	0
Indirect (21.7% Eligible Costs)	Subtotal	0	294,995	294,995	294,995
Expenditure	Total	0	22,024,539	22,024,539	22,024,539
Fiscal Tracking (Dollars in Thousands)		FY 2022	FY 2023	FY 2024	FY 2025
Health Protection BACT 03		0	22,025	22,025	22,025
Administration		0	22,025	22,025	22,025
Grants		0	0	0	0

Long-Term Fiscal Considerations

By offering testing and remediation to 10% of affected wells, childcare facilities and rental properties each year, the program can provide testing and remediation to 100% of affected property types and wells over 10 years. Should demand materialize and all funding be expended, the program could be sunset after June 30, 2033.

Local Fiscal Impact

References/Sources

Minnesota Department of Health (2016). *Data-Driven Outreach for Private Well Users: Findings from a Statewide Survey of Households on Private Wells With Elevated Levels of Arsenic*.
<https://www.health.state.mn.us/communities/environment/water/docs/cwf/hhsurveyreport.pdf>

Agency Contact:

Agency Fiscal Note Coordinator Signature: Brian Awsumb

Date: 3/2/2022 12:53:21 PM

Phone: 651-201-5235

Email: brian.awsumb@state.mn.us

HF3003 - 0 - Lead Testing and Remediation

Chief Author: **Patty Acomb**
 Committee: **Health Finance and Policy**
 Date Completed: **3/2/2022 5:05:16 PM**
 Agency: **Office of The State Auditor**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Dollars in Thousands					
General Fund	-	-	-	-	30
Total	-	-	-	-	30
Biennial Total			-		30

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Christian Larson **Date:** 2/28/2022 3:06:10 PM
Phone: 651-284-6436 **Email:** christian.larson@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024
General Fund		-	-	-	-
Total		-	-	-	-
Biennial Total				-	30
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund		-	-	-	-
Total		-	-	-	-
Biennial Total				-	30
2 - Revenues, Transfers In*					
General Fund		-	-	-	-
Total		-	-	-	-
Biennial Total				-	-

Bill Description

HF 3003 appropriates funds to the Office of the State Auditor (OSA) to add information collected by the Minnesota Department of Health (MDH) about the location of lead service lines to the OSA's Infrastructure Stress Transparency Tool.

Assumptions

The OSA assumes that the intent of HF 3003.0 is to add the new information to the Tool once it is available from MDH. In our discussions with MDH, the information will not be available until Fiscal Year 2025.

The OSA currently works with the University of Minnesota (UMN) to organize the data to be updated to the Infrastructure Stress Transparency Tool. The lead service lines data will be provided by MDH. UMN has indicated that it will cost approximately \$30,000 each year to work with the lead service lines data and add it to the Infrastructure Stress Transparency Tool once the data is available from MDH.

Finally, it will be necessary to continue to update the existing data in the Infrastructure Stress Transparency Tool so that the information presented stays relevant.

Expenditure and/or Revenue Formula

Current cost of updating current data in Infrastructure Stress Transparency Tool from the Office of the State Auditor, Minnesota Department of Health, Minnesota Pollution Control Agency, Minnesota Public Facilities Authority, and Minnesota 2050 = \$15,000 per year.

Cost of adding the location of lead service lines from the Minnesota Department of Health = \$30,000 per year.

Long-Term Fiscal Considerations

There will be an annual cost of adding current data to the Infrastructure Stress Transparency Tool so that it continues to be a useful tool.

Local Fiscal Impact

References/Sources

Len Kne, GISP

Director | U-Spatial | Research Computing

Office of the Vice President for Research | University of Minnesota

<https://uspatial.umn.edu>

612-624-7591

Chad Kolstad, P.E.

DWRF Program Coordinator

Minnesota Department of Health

625 North Robert Street

St. Paul, MN 55155

<https://www.health.state.mn.us/dwrf>

651-201-3972

Office of the State Auditor's Infrastructure Stress Transparency Tool

<https://www.osa.state.mn.us/reports-data-analysis/data/infrastructure-stress-transparency-tool/infrastructure-stress-transparency-tool/>

Agency Contact: Matthew Lindemann

Agency Fiscal Note Coordinator Signature: Matthew Lindemann

Phone: 651-297-7110

Date: 2/28/2022 11:41:41 AM

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HF3006 - 0 - Voluntary Private Well Water Testing Program

Chief Author: **Patty Acomb**
 Committee: **Health Finance and Policy**
 Date Completed: **3/22/2022 5:05:17 PM**
 Lead Agency: **Health Dept**
 Other Agencies:
 University Of Minnesota

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept						
General Fund	-	-	1,005	-	-	
University Of Minnesota	-	-	-	-	-	
General Fund	-	-	(456)	456	-	
State Total						
General Fund	-	-	549	456	-	
Total	-	-	549	456	-	
Biennial Total			549		456	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept					
General Fund	-	-	.25	-	-
University Of Minnesota	-	-	-	-	-
General Fund	-	-	1.1	1.1	-
Total	-	-	1.35	1.1	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Carlos Guereca **Date:** 3/22/2022 5:05:17 PM
Phone: 651-284-6541 **Email:** carlos.guereca@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept						
General Fund	-	-	1,005	-	-	
University Of Minnesota	-	-	-	-	-	
General Fund	-	-	(456)	456	-	
Total	-	-	549	456	-	
Biennial Total			549		456	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Health Dept						
General Fund	-	-	1,005	-	-	
University Of Minnesota	-	-	-	-	-	
General Fund	-	-	510	456	-	
Total	-	-	1,515	456	-	
Biennial Total			1,515		456	
2 - Revenues, Transfers In*						
Health Dept						
General Fund	-	-	-	-	-	
University Of Minnesota	-	-	-	-	-	
General Fund	-	-	966	-	-	
Total	-	-	966	-	-	
Biennial Total			966		-	

HF3006 - 0 - Voluntary Private Well Water Testing Program

Chief Author: **Patty Acomb**
 Committee: **Health Finance and Policy**
 Date Completed: **3/22/2022 5:05:17 PM**
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund		-	-	1,005	-	-
Total		-	-	1,005	-	-
Biennial Total				1,005		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund		-	-	.25	-	-
Total		-	-	.25	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Carlos Guereca **Date:** 3/2/2022 12:06:59 PM
Phone: 651-284-6541 **Email:** carlos.guereca@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium		Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024
General Fund	-	-	1,005	-	-
Total	-	-	1,005	-	-
Biennial Total			1,005		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	-	1,005	-	-
Total	-	-	1,005	-	-
Biennial Total			1,005		-
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

This bill provides a blank, onetime appropriation to the health department and directs it to work with the University of Minnesota and interested nonprofit organizations to develop a program that provides private well testing through local clinics, provides educational information to well owners and information about water safety and treatment.

Assumptions

The University of Minnesota, the Minnesota Well Owners Organization (MN WOO) and Minnesota Groundwater Association (MGWA) conducted a pilot program, offering a series of well clinics around the state in 2021. The clinics provided free, voluntary screening for common drinking water contaminants in private well water in addition to educational outreach regarding well water safety. We believe that these organizations would like to continue this work, with a goal of offering up to 24 additional clinics in 2022 and beyond. Estimated expenditures include those to print and distribute educational materials, support travel expenses for clinic volunteers, establish a grant program to cover the cost of water testing and partially cover the cost of remediation, and support staff expenses at the university.

The department assumes that we will execute a contract in the amount of \$965,631, which includes administrative overhead, with the University of Minnesota to carry out these activities. The department assumes 0.25 FTE staff time will be needed to manage the contract and provide technical assistance to the university, MN WOO, MGWA and other nonprofit organizations.

Expenditure and/or Revenue Formula**Long-Term Fiscal Considerations**

Expenditure (Actual Dollars)	Amount	FY 2022	FY 2023	FY 2024	FY 2025
Salary & Fringe:		FTE	FTE	FTE	FTE
Planner Principal State	109,994		0.25		

	FTE	0.00	0.25	0.00	0.00
	Subtotal	0	27,499	0	0
Information Technology:					
	Subtotal	0	0	0	0
Other Operating Costs:					
Contract to U of M			965,631		
	Subtotal	0	965,631	0	0
Grants, Aids & Subsidies:					
	Subtotal	0	0	0	0
Indirect (21.7% Eligible Costs)	Subtotal	0	11,392	0	0
Expenditure	Total	0	1,004,522	0	0
Fiscal Tracking (Dollars in Thousands)		FY 2022	FY 2023	FY 2024	FY 2025
Health Protection BACT 03		0	1,005	0	0
Administration		0	1,005	0	0
Grants		0	0	0	0

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Brian Awsumb

Phone: 651-201-5235

Date: 3/2/2022 10:56:18 AM

Email: brian.awsumb@state.mn.us

HF3006 - 0 - Voluntary Private Well Water Testing Program

Chief Author: **Patty Acomb**
 Committee: **Health Finance and Policy**
 Date Completed: **3/22/2022 5:05:17 PM**
 Agency: **University Of Minnesota**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Dollars in Thousands					
General Fund	-	-	(456)	456	-
Total	-	-	(456)	456	-
Biennial Total			(456)		456

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	1.1	1.1	-
Total	-	-	1.1	1.1	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Alyssa Holterman Rosas **Date:** 3/22/2022 4:00:49 PM
Phone: 651-284-6439 **Email:** alyssa.holterman.rosas@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024
General Fund	-	-	(456)	456	-
Total	-	-	(456)	456	-
Biennial Total			(456)		456
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	-	510	456	-
Total	-	-	510	456	-
Biennial Total			510		456
2 - Revenues, Transfers In*					
General Fund	-	-	966	-	-
Total	-	-	966	-	-
Biennial Total			966		-

Bill Description

HF3006 appropriates a blank appropriation from the general fund to the commissioner of health, in consultation with the Board of Regents of the University of Minnesota and interested nonprofit organizations, to develop a program that provides voluntary private well testing through local clinics and information about water safety, water treatment options, and private well owner water safety plans. This is a onetime appropriation.

Assumptions

The University will conduct develop a program that provides voluntary private well testing through local clinics and information about water safety, water treatment options, and private well owner water safety plans and the Minnesota Department of Health to support this work with pass through funding in FY23.

The program will last two years. University of Minnesota fringe rates will remain constant for the extent of the two-year program.

Expenditure and/or Revenue Formula

Cost Category	FY 2023	FY 2024	Total
Personnel (1 FTE program coordinator; 0.05 FTE supervisory oversight)	\$58,687.50	\$58,687.50	\$117,375
Fringe benefits	\$18,655.50	\$18,655.50	\$37,311
Travel for program personnel	\$10,000.00	\$10,000.00	\$20,000
Other program management costs (professional development)	\$3,000.00	\$3,000.00	\$6,000
Equipment and supplies	\$80,553.75	\$26,851.25	\$107,405
Well owner educational materials	\$12,620.00	\$12,620.00	\$25,240
Clinic coordination and promotion materials	\$930.00	\$930.00	\$1,860

Travel expenses for volunteers	\$16,020.00	\$16,020.00	\$32,040
Data management and interpretation	\$97,500.00	\$97,500.00	195,000
Internship program	\$10,000.00	\$10,000.00	\$20,000
Detailed well testing vouchers for Private Well owners	\$200,000.00	\$200,000.00	\$400,000
Printed materials for screening clinics	\$1,700.00	\$1,700.00	\$3,400
TOTAL	\$509,666.75	\$455,964.25	\$965,631.00

Long-Term Fiscal Considerations

The proposed funding for this bill is a one-time appropriation and is estimated to last two years. If additional funding from the general fund cannot be obtained at the end of that time, either additional funding sources will need to be explored or the program will be eliminated.

Local Fiscal Impact

None.

References/Sources

Joel Larson, Associate Director, Water Resources Center, University of Minnesota

Agency Contact:

Agency Fiscal Note Coordinator Signature: Keeya Steel

Date: 3/22/2022 3:55:34 PM

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Prompting Questions for Clean Water Council

for 2022 CWF Recommendations

Budget & Outcomes Committee

June 3, 2022

Available Funds

- Currently, there will be an estimated **\$290 million in the Clean Water Fund for FY24-25**.
- Clean Water Fund appropriations for FY22-23 were \$256 million. In addition to that, there is a **surplus of about \$47 million in the Clean Water Fund for FY22-23** that could be called “one-time money” that shouldn’t be committed for ongoing spending.
- If current estimates hold, the Council can recommend how to spend around **\$337 million**

Agency Requests

- Agencies are proposing to ask for increases for existing programs to maintain a steady effort in light of inflation, labor cost increases, etc.
- Agencies are requesting decreased funding in a small number of programs that have met a particular goal.
- Agencies are requesting a substantial increase in several programs to meet demand.
- Agencies are requesting new funding for several new programs.

Timing

Agencies are hoping to receive compiled written comments and input from the full Council by its June 27th meeting. Staff would like to ask for your feedback TODAY to get the process started.

Prompting Questions

Here are some prompting questions to determine your interest in 1) \$47 million in one-time money, and 2) how to prioritize the ongoing increase in the Clean Water Fund.

Would the Council like to prioritize new and/or one-time money on:

- **MORE DE-LISTINGS:** De-list as many impairments as possible from the Impaired Waters Lists?
- **PRIORITIZED DE-LISTINGS:** Focus on highest priority impairments in each of Minnesota’s 80 HUC-8 watersheds, as outlined in various plans?
- **REDUCED NUMBERS OF HOUSEHOLDS WITH UNSAFE DRINKING WATER?**
- **MORE CAPACITY TO ADDRESS NEW THREATS:** This could include creating more capacity to assess Contaminants of Emerging Concern (CECs) at MDH and MPCA.
- **MORE LEVERAGE:** Maximize the matching funds from other funding sources?
- **MORE PEOPLE:** Engage new people and organizations (unengaged and/or non-operating landowners, nonprofit organizations, drainage authorities, etc.) who can get more Minnesotans to take action to protect and restore water, and thereby multiple the impact of the CWF?
- **MORE TOOLS:** Support equipment, expertise, data, etc. that help Minnesotans do more in their location than before.