

Clean Water Council
Budget and Outcomes Committee (BOC) Meeting Agenda
Friday July 8, 2022 9:30 a.m. to 2:00 p.m.

In Person at MPCA Offices, Room 100, 520 Lafayette Rd N, St. Paul, MN with Webex capability

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

9:45 Timeline for FY24-25 Clean Water Fund Recommendations

10:00 Presentation and Discussion on Outcomes from SWCD Capacity Funding from Clean Water Fund

- Sheila Vanney, Minnesota Association of Soil and Water Conservation Districts (MASWCD)

11:00 BREAK

11:15 Walk-Through of “Change Items” in Agency/University Clean Water Fund Requests

11:45 BREAK for lunch

12:15 Discussion & Next Steps

2:00 Adjourn

Next BOC Meeting Date: Friday, August 5th

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: Dick Brainerd, Gary Burdorf, Frank Jewell, Jen Kader, Holly Kovarik (BOC Chair), Warren Formo, Todd Renville

Absent: Steve Besser (BOC Vice-Chair)

Others Present: Margaret Wagner MDA, Barb Lusardi-MN Geological Survey, Tannie Eshenaur MDH, Jason Moeckel DNR, Marcey Westrick BWSR, Brooke Asleson MPCA, Annie Felix-Gerth BWSR, Jeff Freeman Public Facilities Authority, Dan Stoddard MDA, Justin Hanson BWSR, Glenn Skuta MPCA, Sheila Vanney MASWCD, Brandon Montgomery MPCA, John Bilotta U of M, Jim Stark-Subcommittee on MN Water Policy, LeAnn Buck-MASWCD, Molly Jansen-Nature Conservancy, Ali Elhassan-Met Council, Jeff Anderson

Regular Business

Introductions

Approve agenda and most recent minutes: Moved by Gary Burdorf, seconded by Todd Renville, approved.

Chair and Staff update

- Legislative Wrap-up:^h
 - Legacy Finance bill passed the annual appropriation for Outdoor Heritage Fund.
 - The Council's recommendations deadline will move from December 1st to January 15th.
 - The LCCMR bill passed \$2 million for septic system assistance for low-income households.
 - No bonding bill that would have funded water treatment through Public Facilities Authority.
 - Agricultural spending bill passed that includes appropriations for soil health plan.
- MMB Spreadsheet on Clean Water Fund Balance by Agency/Program
 - The BOC asked for a spreadsheet of unspent Clean Water Funds. All of the MMB fiscal staff have been booked working through the end of the session, but could have info later in June.
- Policy topics under consideration by the Policy Committee with CWF Implications.
 - The Policy Committee is looking at manure application and private well testing.

Questions/Comments

Dick Brainerd: Does the \$47 million need to be handled in a special way? Answer Paul Gardner: No

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

Groundwater/Drinking Water Implementation

- Enhanced County Inspections/SSTS Corrective Action Grants, MPCA, by Brandon Montgomery (*WebEx 00:22:21*)
 - MPCA seeks no change in base grants but wants to reach pre-COVID funding for low-income grants.
 - *Questions/Comments*
Paul Gardner: Could you confirm that the Environment and Natural Resources Trust Fund appropriation was appropriated a couple weeks ago included \$2 million for the low-income side? *Answer:* That is correct.
Paul Gardner: That was a legislative initiative not agency? *Answer:* Yes, that was a follow-up that happened last year as well, and it went through BSWR last year. They received a little over \$1 million and then this year came through legislatively again at \$2 million and expires in 2025.
Paul Gardner: Would that fill your \$500,000 low-income grant gap? *Answer:* Tentatively maybe. It's hard to say because we are not going to be able to roll it completely over together into the same application process. It's going to have to be a separate application. It will provide additional funding for counties as we have a \$40,000 cap to distribute to each county.

Dick Brainerd: Where did the \$40,000 cap come from? *Answer*: Not sure where it came from, but it has been in the bill language for four biennial budget cycles.

Dick Brainerd: If you have a lot of requests from one County, this seems limiting and needs to be looked at legislatively. *Answer*: Agreed.

- Enhancing Landowner Adoption of Soil Health Practices for Drinking Water and Groundwater Protection, BWSR by Annie Felix-Gerth (*WebEx 00:27:38*)
 - This is new program for FY22-23 that enhances soil health for drinking water and groundwater protection. Supports Minnesota Office of Soil Health (MOSH) and \$3.9 million in soil health implementation practices.
 - *Questions/Comments*

Paul Gardner: How does this fit with McKnight Foundation MOSH grant? *Answer*: We would need to get back to you. *Paul*: I think the Foundation supports facilitation of meetings part and BSWR goes the grants.
- Water Storage, DNR, Jason Moeckel (*WebEx 00:30:54*)
 - This new program addresses water storage opportunities in southern MN. There are 408 Wildlife Management Areas (WMAs) and units with altered streams in DNR Region 4 and 813 Miles of altered streams in WMAs. There are eight Scientific and Natural Areas (SNAs) with 17.8 miles of altered streams.
 - *Questions/Comments*

Paul Gardner: The WMA's and SNAs may have been ditched agricultural land? *Answer*: Yes.

Paul Gardner: Is it easier to do work on public land than work with landowners? *Answer*: It's a good opportunity. Yes, a lot of the WMAs were agricultural lands. We will leverage fish and wildlife funds by using staff time to make sure the project achieves multiple goals.

Leann Buck: Is there any discussion about bonding funding? *Answer*: Typically, DNR doesn't get bonding funds for wildlife management. It typically goes to more infrastructure type of things. Our focus is water quality and water storage benefits in places where it's been identified as a strategy in a plan.

Paul Gardner: I assume that these might check off strategies in One Watershed One Plan (1W1P) or the Watershed Restoration and Protection Strategies (WRAPS)? *Answer*: Yes, 1W1Ps say we need more storage but doesn't specify locations.

Holly Kovarik – Is this eligible for bonding? *Answer*: Probably not, but I can follow up.
- NEW Expanding Weather Station Network, MDA by Margaret Wagner (*WebEx 00:43:15*)
 - The MDA is proposing to expand the MN Ag Weather Station Network statewide. This will provide farmers with accurate weather information within about 20 miles of their farm to support more precise agronomic management decisions that can benefit water quality.
 - *Question/Comments*

Jen Kader: Is soil moisture monitoring included and online? *Answer*: We have no soil moisture probes.

Dick Brainerd: Cost is one time for equipment plus funding for maintenance and operation? *Answer*: Our SWCD partnership is at full capacity, so we require a full-time position and data management support.

Dick Brainerd: What is the life expectancy of these units? *Follow up answer from Margaret*: Colleagues spoke with NDAWN and these stations are good for decades, approximately 30 to 50 years.

Holly Kovarik: There is an NDAWN app that you can download that show these different stations.

Point Source Implementation

- Chloride Reduction Program, MPCA by Brooke Asleson (*WebEx 00:49:07*)
 - It is the first of its kind, created with FY20-21 funds. The program supports Smart Salting training and offer one time grants to communities to address water softening.
 - For FY24-25, we request for an increase for liquid de-icer or alternative pavement grants.
 - *Questions/Comments*

Paul Gardner: Could you talk about the MPCA legislative initiatives and their status so we see how all the pieces fit? *Answer*: Legislation for limited liability for private contractors was led this time by MN Center for Environmental Advocacy, not MPCA. It made it through all committees. The contractors would go through our training and document their practices to give them some added protection.

Frank Jewell: Duluth's streams are polluted with chloride from road salt. Do we target/focus on specific places? *Answer*: We first look for willing partners to help cover costs of the training program. Examples include Dakota County, Mississippi Watershed Management Organization, and Nine Mile Creek Water

District. Next, we target non-metro communities where we haven't seen a lot of participation. The MS4 permit requirements are helping drive demand for training.

Frank Jewell: St. Louis County currently has the equipment, but not Duluth. *Answer:* I am working with Duluth to see if we can get their staff trained. Loans are available but the increased support could help with grants.

- Point Source Implementation Grant (PSIG) Program, PFA by Jeff Freeman (*WebEx 00:58:37*)
 - PSIG program specifically targeted at upgrading treatment facilities to meet more stringent limits to reduce discharge of nutrients and pollutants to meet TMDL requirements and MPCA permit requirements. Eligible project includes water treatment upgrades to reduce discharge of phosphorus, nitrogen, mercury, and chlorides.
 - *Questions/Comments*

Paul Gardner: The CWF came first and then bonding for PSIG? *Answer:* Correct.

Paul Gardner: Does the PSIG funding from the bonding bill typically exceeds the CWF? *Answer:* Yes, the governor's recommendation for this year's bill is \$75 million, and in 2020 we received \$38 million.
- Small Community Wastewater Treatment Program, PFA by Jeff Freeman (*Web Ex 01:02:58*)
 - This program is targeted to small unsewered communities that often have problems with non-compliant individual septic systems. There are lots that are too small, poor soils, high groundwater, or other issues that make it difficult or impossible for individual households to install compliant individual sewage treatment systems. This program provides technical assistance grants and a community systems and constructions systems (e.g., clustered systems). Technical assistance (TA) grants are the most popular.
 - *Questions/Comments*

Dick Brainerd: TA Grants versus construction projects, could you bridge that for me? What decisions need to be made for a county to get a construction project going? *Answer:* The TA grants look at alternatives to various types of decentralized treatment as well as helping homeowners identify other options that they might be able to use. Sometimes it's a connection to a nearby municipality through a more traditional municipal connection. If a cluster mound system is needed that's where the construction funding comes in and that is a mix of loan and grant.

Dick Brainerd: How many construction projects do you have right now? *Answer:* There are 20 candidates.

Research, Evaluations and Tool Development

- Measures, Results, and Accountability, BWSR, by Annie Felix-Gerth (*WebEx 01:13:21*)
 - This documents work done with the Clean Water Funds.
 - *Comments/Questions*

Paul Gardner: Every fiscal biennium you are sending \$75 million to \$100 million out the door, right, and this is a small fraction to make sure that you're reporting and complying? *Answer:* Yes, that is correct.
- Tillage, Cover Crop and Erosion Transects, BWSR, by Annie Felix-Gerth (*WebEx 01:15:47*)
 - Develop a long-term program to systematically collect tillage data and soil erosion. Funding request is steady with a slight increase.
 - *No Comments/Questions*
- Technical Evaluation, BWSR by Annie Felix-Gerth
 - This evaluates restoration projects and is a legislative requirement. Slight increase in funding request.
 - *Comments/Questions*

Paul Gardner: The technical evaluation is required by state statute? *Answer:* Correct.

Dick Brainerd: What type of feedback do you receive to ensure that you are providing a solid and reasonable service to those who are going to receive the information? *Answer Marcey Westrick:* This is specifically looking at habitat components of our project (e.g., native vegetation) and overall, we're seeing projects that are successful. Part of the evaluation process is to look to see if they are achieving the goals that they state they're going to achieve, and a high percentage are.

Jason Moeckel: Each project has a site evaluation that engages the people who did the project. They in turn will apply that knowledge/information to the next project.
- Applied research and tools, DNR by Jason Moeckel (*WebEx 01:25:57*)
 - This is LiDAR data support and resources to provide the best landscape data for routing water in models. The Forestry BMP monitoring and modeling is also funded through this.

○ *Comments/Questions*

Paul Gardner: The legislature requested information on LiDAR and the conclusion was that it did its job.

- County Geologic Atlas U of MN (Part A) by Barb Lusardi (*WebEx 01:29:59*)
 - We provide the geological framework for the state. The CGAs provide foundational data. Currently, 45 counties are complete, 16 counties have not started, and 22 counties are supported by CWF.
 - *Comments/Questions*

Paul Gardner: Can you do Part B before Part A? *Answer:* No, you cannot. The DNR relies on our geological framework and specifically the cross sections that we make. This is a profile view of what's beneath the land surface all the way to the bedrock. Then DNR use that information to target where they're going to sample and test the various groundwater.
- County geologic atlases, DNR (Part B) by Paul Putzier (*WebEx 01:33:02*)
 - We use Part A to come up with the groundwater atlas. We provide workshops for the stakeholders and do hands on exercises. The CSF funding is used for rotary sonic drilling and for groundwater flow/chemistry.
 - *Comments/Questions*

Paul Gardner: Did this help with mapping PFAS plumes? *Answer:* Yes.

Frank Jewell: No money was appropriated for FY22-23? *Answer Jason Moeckel:* It was decided to cut the funds due to pandemic and we had some funding left.

Frank Jewell: The packet information is confusing and would like it to be corrected to reflect that.

Jason Moeckel: Atlas data has ramped up funding throughout the state.
- Research Inventory Database, MDA by Margaret Wagner (*WebEx 01:43:01*)
 - User friendly, searchable inventory of water research relevant to MN. One-step access to all types of water research called MNWRL (Minnesota Water Research Digital Library).
 - *Comments/Questions*

Paul Gardner: This is different from the Minnesota Geospatial Commons? *Answer:* Yes, this is different. We do have use of the WRAPS and collaborate with other state agencies.
- Forever Green Agricultural Initiative (U of MN), MDA by Margaret Wagner (*WebEx 01:47:09*)
 - Developing perennial and cover cropping systems specific to MN that are necessary to protect and restore the state's surface and groundwater resources. Funding directly supports the University's Forever Green Initiative for research, implementation, and program coordination.
 - *Comments/Questions*

Frank Jewell: In the packet this is listed as appropriated funds but not spent, I don't understand why the graph illustrates for FY22-23 appropriated at "0". *Answer Paul Gardner:* Possibly an error on the spreadsheet.

Paul Gardner: Can you tell us how did this program do with the legislature? *Answer:* \$600,000 per year was appropriated and we were hoping for more. *Answer Donald Wyse:* The long-term stability in funding is key because the base of the program is developing those new crops. The \$5 million funding for the Evergreen Initiative allows the program to be very successful as it leverages funds from other programs/agencies to about five to one.

Dick Brainerd: Do we have a spreadsheet that shows appropriation of all funds for each program from all sources. *Answer Paul Gardner:* Yes, the information is put together in the agencies' performance report.

Donald Wyse: These funds really put MN in a very competitive platform for the federal dollars where other states just don't have this funding base.
- Stormwater BMP Performance Evaluation & Technology Transfer, U of MN by John Bilotta (*WebEx 02:03:26*)
 - Guidance for the MN Stormwater Manual and incorporating it into professional certification trainings. Researching how to minimize stormwater impact on MN waters. CWC investments have funded 19 completed projects and 23 overall. There are seven research projects that will start in July 2022.
 - The CWF of \$1.5 million leveraged an additional \$1.3 million.
 - *Questions/Comments*

Paul Gardner, Dick Brainerd, and Frank Jewell: Excited about this project and the information that comes out of this program is useful and helpful.
- Legislative Fiscal Notes about Several Drinking Water Bills at Legislature by Tannie Eshenaur, MDH (*WebEx 02:10:09*)

- A fiscal note calculates cost to state and local agencies of proposed legislation, and it is required by law. Committee chairs make the requests, and the notes are public. All Fiscal Notes are available at <https://mn.gov/mmbapps/fnsearchlbo/>.
- There were three bills of interest.
 - HF 3006: Voluntary Private Well Water Testing Program. General Fund request of \$1,005,000 with a one-time pass through of \$966,000 to UMN Water Resource Center.
 - HF 1806: Private Residential Well Testing and Remediation. It would take 10 million to scale up to \$32.3 million per year ongoing.
 - HF 3003: Lead Testing and Remediation. \$44 million per biennium.

Comments/Questions

Paul Gardner: You could do 10% of the state for ten years for well testing and it would cost \$1 million per year, is that correct? *Answer:* Not really, that is just for the 24 clinics and it includes well screening and encourages people to do well testing and then move on to some pilot work with remediation.

John Barten: Fiscal notes state the general funds are to pay for this, is that the intent of the legislation, or was the intent or legislation really to get it from the CWF? *Answer:* It was assumed that it would come from the general fund.

John Barten: What is the difference between screening and testing? *Answer:* The MN Well Owners Organization and the MN of Groundwater Association have what is called a “day clinic”. People bring in their water sample and it is tested for nitrate. It’s a quick test, and we call it a screening because it’s not a lab test and it isn’t tested for any other contaminants.

- Prompting questions about priorities (especially about one-time FY22-23 surplus)(*WebEx 02:34:33*)
 - There is \$290 million in the Clean Water Fund for FY24-25 and there is a surplus of about \$47 million of one-time money, for a total of \$337 million.
 - Hope to receive compiled written comments and input from the full council and have something in writing for the June 27, 2022, Full Council Meeting.
 - PCA Framework for Contaminants of Emerging Concern.
 - *Discussion:*
 - Dick Brainerd:* Need to discuss this at the Full Council Meeting. Need to work with Agencies on the one-time \$47 million.
 - Warren Formo:* The points that are listed in Paul’s “Clean Water Council Member Ideas for 2022 Recommendations” are all equal principles and I wouldn’t rank any of them significantly higher. Regarding the drainage research and demonstration site in southern Minnesota, we were able to receive a NRCS grant and that will be under the umbrella of our Discovery Farms Program, and that program can be checked off the list for this year and the following.
 - Jen Kader:* Need to really think about those one-time opportunities and program scalability. We need to be looking at system gaps (e.g., private wells, low-income efforts and environmental justice, GRAPS, and climate resilience) and making sure that practices are durable.
 - Gary Burdorf:* Well testing is important. Can we make this accessible for all wells?
 - Frank Jewell:* I recommend water storage and climate resilience as “new” items to take to the legislature.
 - Dick Brainerd:* A “new” program to consider would be the mussels program. Results are really important.
 - Jen Kader:* Story telling is an important piece and we need to invest more into that.
 - Paul Gardner:* BSWR and MPCA communications and I have a Draft Communication Plan and the next step is to get buy ins from commissioners and the Council.
 - Dick Brainerd:* We will have new communication issues with the new legislature since we are losing some key individuals.
 - Paul Gardner:* Wanted to see if maybe some of the agency folks wanted to speak about some of the ideas that have come up like the PCA Framework for Contaminants of Emerging Concern? There is a lot of legislative interest in emerging contaminants.
 - Dick Brainerd:* Paul has a good thought and maybe the MDH would have a need for the one-time funds.
 - Paul Gardner:* Do people have any reaction to some of the Ag related items that we’ve heard. There’s been an interest in more outreach and a new proposal about conservation equipment.
 - Holly Kovarik:* There is some conservation equipment rental going on already.
 - Margaret Wagner:* One-time funding could fund equipment down payments.

Don Stoddard: The weather stations and some other programs would be ideal for one-time.

Holly Kovarik: Would this be just for the equipment, or would there be a component for the staff aspect?

Don Stoddard: I'm not sure the exact distribution of that, I think most of it is for equipment.

Justin Hanson: Being really strategic with having application opportunity out there is really important and whether it is the SWCD or local partners doing this piece, it is a tight window for applications.

Paul Gardner: The Legislature will ask a lot about new programs. Will more equipment and weather stations get us to cleaner water faster? I could use information that is easy to explain.

Margaret Wagner – Promoting more precise application of manure and manure management is a research proposal that was not covered in the last CWC meeting and will be at the next CWC meeting.

Paul Gardner: Fertilizer prices are through the roof and manure has been hard to come by because people are substituting that for commercial fertilizer. If we can take advantage of the opportunity, we could solve the over application of commercial fertilizer and keep manure out of the creeks.

Glenn Skuta: When using manure instead of commercial fertilizer there is a need to be more careful by using the accurate manure credit due to the cost of fertilizer. https://www.reuters.com/world/us/us-manure-is-hot-commodity-amid-commercial-fertilizer-shortage-2022-04-06/?_cldee=4Jk1PCuYbv1xWMuEeODbKCiGQDCsoKemjaKfWSmcsBICr_bH6INeZarpAMrmnq1W&recipientid=contact-b06a10595536ea11a812000d3a579c41-ddb7ab92873440b3b386909940529352&esid=94928258-e5bc-ec11-983f-00224829dd50

Dan Stoddard: I strongly agree, and in the next CWC presentation we're talking about a request for additional funding to update the manure guidelines and demonstrating them across the state. We did get \$600,000 in the Ag bill. We were also directed to develop a soil health action plan.

Gary Burdorf: I disagree that people aren't using the manure. They are not getting rid of it more because they think fertilizers are better. They're not intentionally pouring it down the stream to get rid of it. There are places that there is no manure and then again places where there is a lot of it.

Don Stoddard: I think the whole idea is providing data to make sure that it's being properly credited.

Warren Formo: I think it's wrong to assume that there's a lot of mismanagement going on out there. Looking at sales data, survey data, and talking with agronomist and ag professionals we're seeing positive results. I would suggest the AgBMP Loan program provide farmers the needed pieces of equipment to do a better job of conservation.

Paul Gardner: The deadline for budget items will need to be in by late August, and after the June 27th Full Council Meeting there would be a finalized document ready to be handed over.

Adjourn Motioned by Everyone

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