Clean Water Council
Budget and Outcomes Committee (BOC) Meeting Agenda
Friday November 4th, 2022 9:30 a.m. to 12:00 p.m.

Webex Only

2022 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
  - Review of timeline for FY24-25 Clean Water Fund recommendations
  - Water Legacy Grant Program RFP Update
  - Showing the Water Management Framework in Maps

10:00 Review FY24-25 Recommendations in Preparation for November Budget Forecast

11:00 BREAK

11:15 Review FY24-25 Recommendations in Preparation for November Budget Forecast (continued)

12:00 Adjourn

Next BOC Meeting Date: Friday, December 2nd

Budget and Outcomes Committee Meeting Summary
Clean Water Council (Council)
October 7, 2022, 9:30 a.m. to 12:00 p.m.

Committee Members present: Steve Besser (Committee Vice Chair), Gary Burdorf, Warren Formo, Frank Jewell, Jen Kader, Holly Kovarik (Committee Chair), and Todd Renville.
Members absent: Dick Brainerd.
Others in attendance: Tannie Eshenaur, Annie Felix-Gerth, Lanya Ross, Glenn Skuta, Margaret Wagner, Jason Moeckel, Frieda VonQualen, Brad Redlin, Justin Hansen, Mark Staples

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

Regular Business

- Introductions
- October 7 meeting agenda and July 8 meeting summary, as one motion for approval by Steve Besser, seconded by Gary Burdorf, motion approved by roll call.
- Chair and Staff update
  - The 50th anniversary of the Clean Water Act has been postponed.
  - In review of timeline for FY24-25 Clean Water Fund recommendations, the Council approved the tentative budget recommendations, pending the November budget forecast. There will be a full Council meeting on December 19, so please make sure to attend for having a quorum (virtual available). This would be to approve any adjustments.
  - The tentative budget recommendations have been included in the bi-weekly email letter that went out yesterday. They are getting many clicks.

Water Legacy Grant Program Request for Proposal (RFP) Update *(WebEx 00:08:00)*

- The small grants program that the BOC has reviewed in the last few months is very close to being done. The policy draft for the BWSR board is included in the meeting packet. The board was going to approve it recently but the grants committee had some additional questions, so it was delayed for a month.
- A few items to mention:
  - Eligibility: BWSR staff thought the local governments tend to have a lot of grant opportunities already, so they are suggesting non-profit organizations and tribal governments only.
  - The ranking criteria seems to have incorporated everything the committee talked about previously.
  - Discussion:
- Tannie Eshenaur, Minnesota Department of Health (MDH): Was the list of eligible activities expanded for this grant? For example, is groundwater monitoring an allowable activity? *Answer:* They have expanded many typical activities. In the RFP, there needs some clarification on groundwater monitoring, so it may depend on the activity.

Review Key Topics from Public Input on Clean Water Fund (CWF) Recommendations *(WebEx 00:20:00)*

- The purpose of the discussion is to review areas of public input on CWF recommendations that raised questions or concerns, review agency responses, and formulate a more formal response to comments in time for the next full Council meeting. Four major areas received serious concern.
- The ag producer and environmental groups had concerns about the Buffer Implementation Funding. The ag producers question if $4 million is necessary for “compliance and enforcement activities” with a 99 percent compliance rate. They support tax credit for buffer property tax exemption. The environmental groups want to use enforcement capacity to address the remaining non-compliant parcels for buffers.
  - The BWSR response was that the CWFs help landowners comply with the buffer law, usually with the SWCDs providing education and technical assistance. Enforcement funding comes from other sources. More than 500,000 parcels are subject to the buffer law. At any given time, people will be out of compliance. Also, from a staff interpretation, technical assistance is cheaper than enforcement.

- Steve Besser: There may need to be an amendment with the Policy Committee to include a buffer strip as being exempt from property taxation.
  - Response from Paul Gardner: I can share that with the committee. Also, there is a fiscal note that has been added, but we do not know that cost, which would not come out of the CWFs.
  - Steve Besser: The big thing is mandatorily you've taken property out of production, so does that represent taking under the constitution? This is a lawyer perspective. It would be good for Legislation to be reviewed in this area.
  - Gary Burdorf: I agree with Steve. I think it should be part of the ditch system, and the farmer should not have to pay the tax since they cannot use the land. It would be a good idea to review.
- Frank Jewell: Given that most people are doing what they are supposed to do, what is happening with enforcement?
  - *Answer from Holly Kovarik:* There are a few cases in Pope County that we are working through regarding compliance and enforcement. I am sure it varies across the state. I think the enforcement situation can be time consuming too.
  - *Paul Gardner:* Not all counties have chosen to be the enforcer of the buffer law. BWSR does that in a few counties.

- Lead Service Lines: The environmental groups recommend using the CWF for required lead service line (LSL) inventories. The CWF would then free up $5-6 million annually of federal money for additional LSL replacement. The CWFs would be more reliable than other state resources.
  - There are existing federal funds too. The Public Facilities Authority (PFA) has a draft FY23 Intended Use Plan (IUP) to identify projects eligible to apply to the Drinking Water Revolving Fund. This IUP will be used to apply for Year 1 of the federal Bipartisan Infrastructure Law/Infrastructure Investment and Jobs Act (IIJA) funding; lead replacement allowed. The IIJA requires a state match, but a lack of a 2022 bonding bill limits the state to existing LSL projects. There are 19 LSL projects in 12 cities in the IUP. Federal IIJA allows use for LSL inventories, plus technical assistance for inventories in small communities.
  - There is $43 million a year of IIJA funding for Minnesota. The PFA proposes using ten percent for inventories and two percent for technical assistance. So, PFA can seek federal funding for inventories now without waiting for CWFs. Additional clarifying legislation in 2023 would free up additional future federal funding.

  Staff Questions:
  - If federal funding was used for inventory money the first year, then came from the CWFs, would it be supplanting?
  - The Clean Water Fund statute specified protecting groundwater and drinking water sources. Are water delivery systems allowable use of CWF?
  - Jen Kader: I think it is one thing to use CWFs to get more information, and something else to fund the pipes and distribution system. So, I would understand these actions, but it would be important for the Council to make sure that those infrastructure requests get back into bonding. The information is helpful to leverage the impact. It could be appropriate to use the CWF for the LSL inventories, but not delivery system. If they can move faster using just the federal funds, that would be supported.
  - Frank Jewell: I support the inventory, knowing what is out there, and having folks get them replaced is important. One issue is that money has been flowing to communities to replace their systems, so the lead lines that run up to a person's property. Low-income homeowners having to deal with the responsibility to pay for part of that process. It is not affordable for people living in poverty. I think that is a place that people are not getting clean water, and do not have the ability, and are often left out in these equations. *Response from Paul:* PFA does now have permission, due to some recent state legislation passed, to use federal funding for private lateral service line replacement. It is being done and does require income-required documentation.
- Nitrogen in Minnesota Ag Water Quality Certification Program (MAWQCP) and Groundwater Protection Rule (GPR): The environmental groups are concerned a producer could avoid level 3 or 4 regulations from the GPR by enrolling in the MAWQCP. They believe the MAWQCP is less stringent than the GPR. They believe the "maximum return to nitrogen" nutrient management recommendations in MAWQCP are not compatible with the GPR.

- From the Minnesota Department of Agriculture (MDA), the regulatory certainty for certified MAWQCP farms is for any *new* law or regulation; after ten years the farm has to demonstrate compliance with regulation enacted since initial certification. Farms certified after GPR must adopt nutrient management that meets the regulatory options currently available through GPR, while also having to mitigate all other water quality concerns (i.e., tillage, pesticides, irrigation, etc.) across all land rented or owned. Therefore, the MDA staff interpretation is that the certification is more stringent than the GPR.

- Watershed-based Implementation Funding (WBIF): The environmental groups are concerned that simply ramping up voluntary cost-share best management practices (BMPs) adoption is not likely to produce meaningful results. An increase of this magnitude could compromise the ability of other state agencies to expand upon ongoing work and deprive the Council of the ability to invest in new and innovative work for the CWFs.
  - From BWSR, there is a rapid rise in appropriations, which was expected as more plans are approved. This is the logical next step as part of watershed-based approach. The WBIF funds projects in the following categories: structural practices and projects, non-structural practices and programs, program and projects support (i.e., staffing and grant management and reports), technical and engineering assistance necessary to implement these activities, incentives. Therefore, Council staff interpretation is that a large part of the WBIF funds used for projects that would be required no matter how land is used in the future. This could use a proactive communications strategy.
  - Steve Besser: I understand where the environmental groups are coming from, but the past few years, the public needs to see implementation on the ground. Things on the ground have impact immediately in the communities. I would agree with BWSR on this item.
  - Frank Jewell: I'm not understanding why this group does not like the BMPs, can you go over that reasoning again?
    - Answer: They need to be on a larger scale.
    - Jen Kader comment: There are a few different things going on. It's not that they don't like implementation or BMPs, rather a concern that we are paying for a lot of fan-base, versus addressing the concern of the root cause. Alternatively, there is a need to try to match the scale of the degradation. There are also concerns of more funding moving forward in WBIF, there is less available for other programs, which includes the new programs that may reveal greater impacts to move progress forward. So, figuring out that balance. How can there be support for this funding until these things really get going. There may be strategic opportunities to have a transformative difference. It is all about figuring out that balance.
- These items can be revisited at the full Council meeting, with a written response composed.

Adjournment *(WebEx 01:24:38)*

Clean Water Fund program aims to expand partnerships

Grants will leverage the Clean Water Fund to support projects that protect or restore water quality, similar to the Blue Lake project seen here from a public access in Isanti County.
Photo Credit: Barbara Peichel, BWSR

Pilot program offers new opportunities to tribal governments, NGOs to protect and restore water quality

Minnesota nonprofit organizations and tribal partners will soon be able to apply for new grants through a Minnesota Board of Water and Soil Resources (BWSR) pilot program.

The Clean Water Legacy Partners Grant Pilot Program aims to protect, enhance and restore water quality throughout the state. It is slated to begin accepting applications later this year. The Legislature appropriated $1 million from the Clean Water Fund for the program in 2021. Available funding will be evenly split between nongovernmental organizations (NGOs) and tribal governments.

"This allocation was specifically designated to expand partnerships for clean water," BWSR Clean Water Specialist Shaina Keseley said.

> **"These two groups are part of the conservation universe. They do work similar to what our traditional LGUs do."**
>
> — Annie Felix-Gerth, BWSR Clean Water Coordinator

BWSR typically provides grants to local government units (LGUs) — such as soil and water conservation districts and watershed districts — to address priorities identified in local water plans, which are required to receive many of BWSR's grants. The Clean Water Legacy Partners Grant Pilot Program will provide more opportunities for NGOs and tribal governments to

receive similar Clean Water Funds.

The Clean Water Council, a 28-member group that advises the governor on how to allocate the Clean Water Fund, has been looking to create a program like this for several years, Keseley added.

“We just haven’t worked with a lot of entities outside of local governments, so now we are looking to expand and to be more inclusive,” BWSR Clean Water Coordinator Annie Felix-Gerth said. “These two groups are part of the conservation universe. They do work similar to what our traditional LGUs do.”

Clean Water Legacy Partners Grant Pilot Program funds can be used for activities including urban stormwater practices, forestry practices, agricultural conservation practices, shoreline stabilization projects, well sealing and public engagement events. More details on eligible activities will be made available when the grant application period begins.

Grant requests must be between $25,001 and $250,000. A non-state match of at least 10% — in cash or in-kind services or materials — is required. Landowners, land occupiers, private organizations, local governments or other sources can provide the match.

The number of application rounds will depend upon the number of applications and eligible projects. Application rounds will be open for about 90 days until all funds are allocated.

“It's a process,” Keseley said. “If we need more than one request for proposal round to ensure the grant dollars are going out the door for good projects, we will open other rounds.”

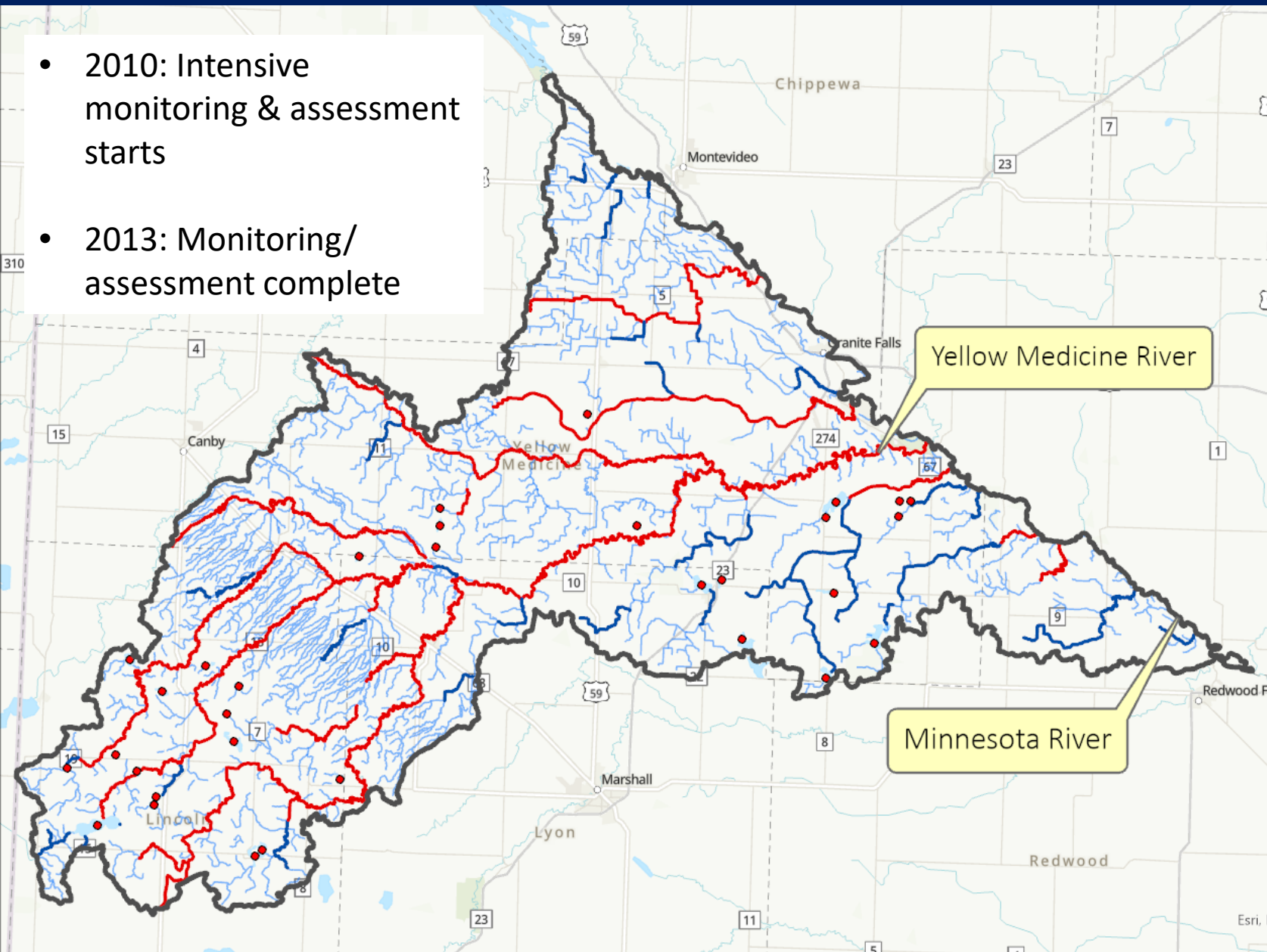
BWSR staff will review all applications for eligibility, and then applications will be further reviewed and ranked by a team of BWSR staff and external partners. From there, the team will make funding recommendations to BWSR’s Board.

“I think there's just a lot of excitement around this grant funding and we're going to use this pilot as a stepping stone to hopefully move this program forward,” Felix-Gerth said.

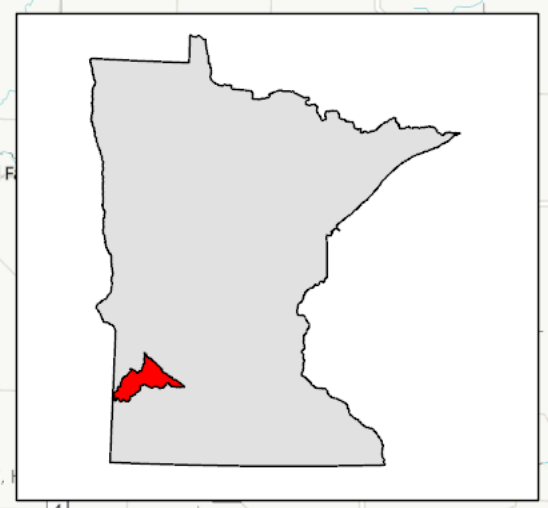
BWSR's Board approved the Clean Water Legacy Partners Grant Pilot Program request for proposals at its October meeting.

Impaired waters in the Yellow Medicine River Watershed

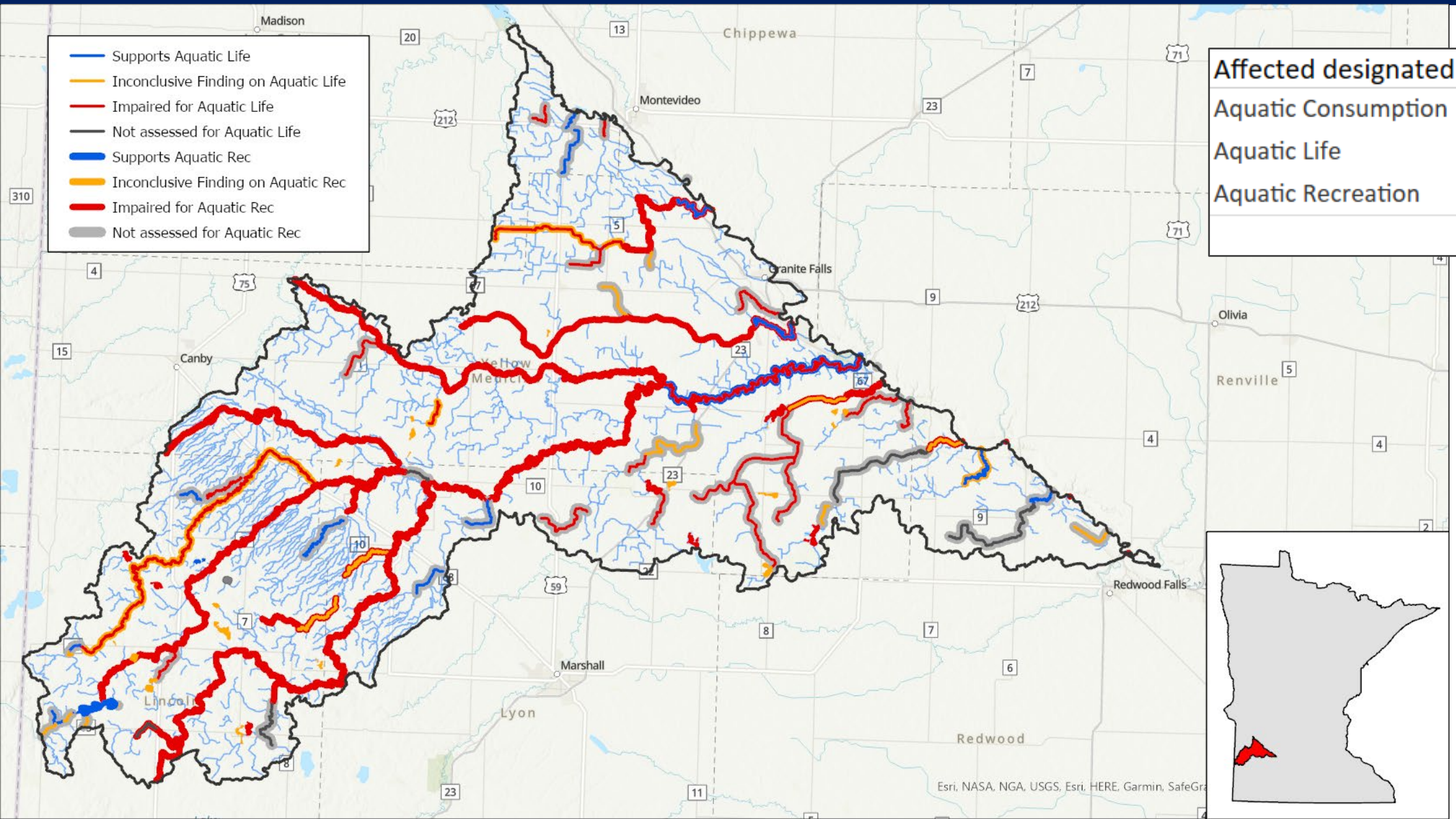
- 2010: Intensive monitoring & assessment starts
- 2013: Monitoring/ assessment complete



Pollutant or stressor	
Benthic macroinvertebrates bioassessments	34
Chlorpyrifos	1
Dissolved oxygen	1
Escherichia coli (E. coli)	21
Fecal coliform	10
Fish bioassessments	21
Mercury in fish tissue	18
Nutrients	10
PCBs in fish tissue	3
Total suspended solids (TSS)	1
Turbidity	12
	132



Conditions overview of the Yellow Medicine River Watershed



Affected designated use	
Aquatic Consumption	21
Aquatic Life	73
Aquatic Recreation	38
	132

Yellow Medicine River Watershed Planning Area Watershed Restoration & Protection Strategies (WRAPS) Baseline

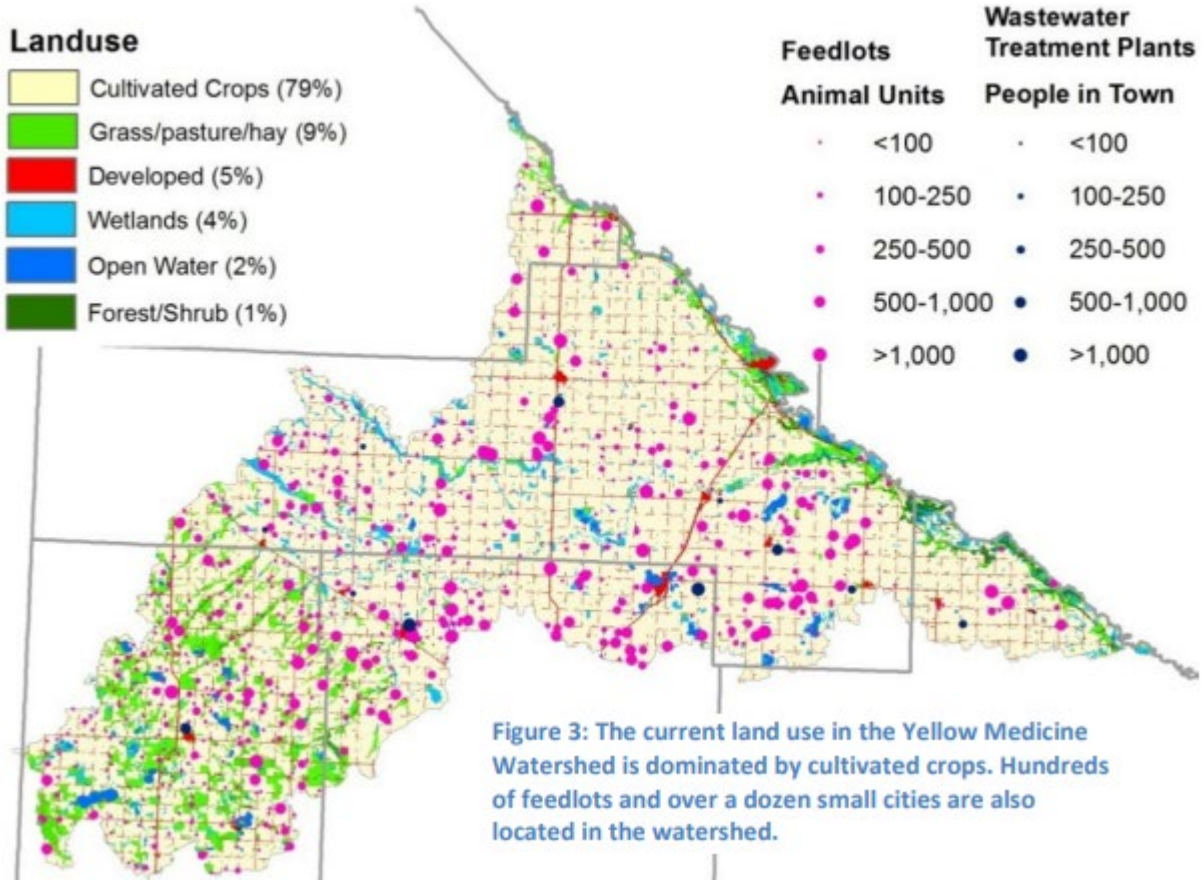


Figure 3: The current land use in the Yellow Medicine Watershed is dominated by cultivated crops. Hundreds of feedlots and over a dozen small cities are also located in the watershed.

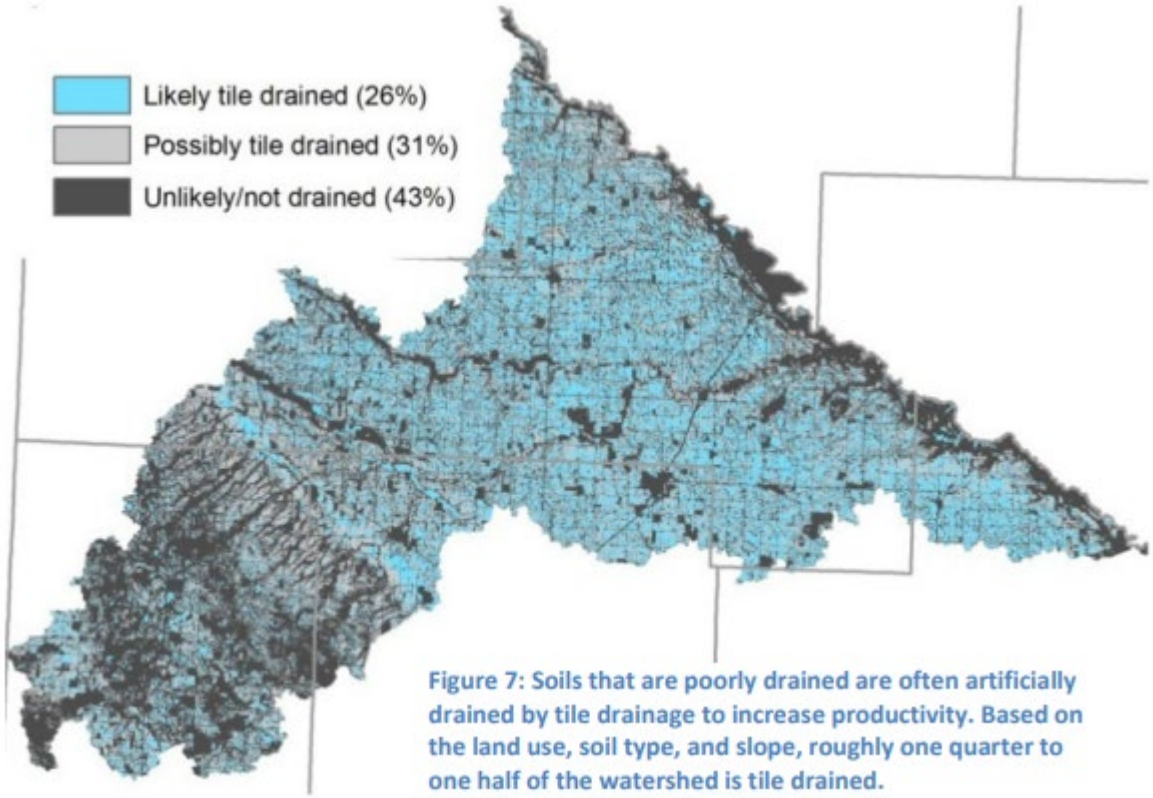


Figure 7: Soils that are poorly drained are often artificially drained by tile drainage to increase productivity. Based on the land use, soil type, and slope, roughly one quarter to one half of the watershed is tile drained.

- 2016: WRAPS complete

Yellow Medicine River Watershed Planning Area Watershed Restoration & Protection Strategies (WRAPS) Bacteria/Feedlots

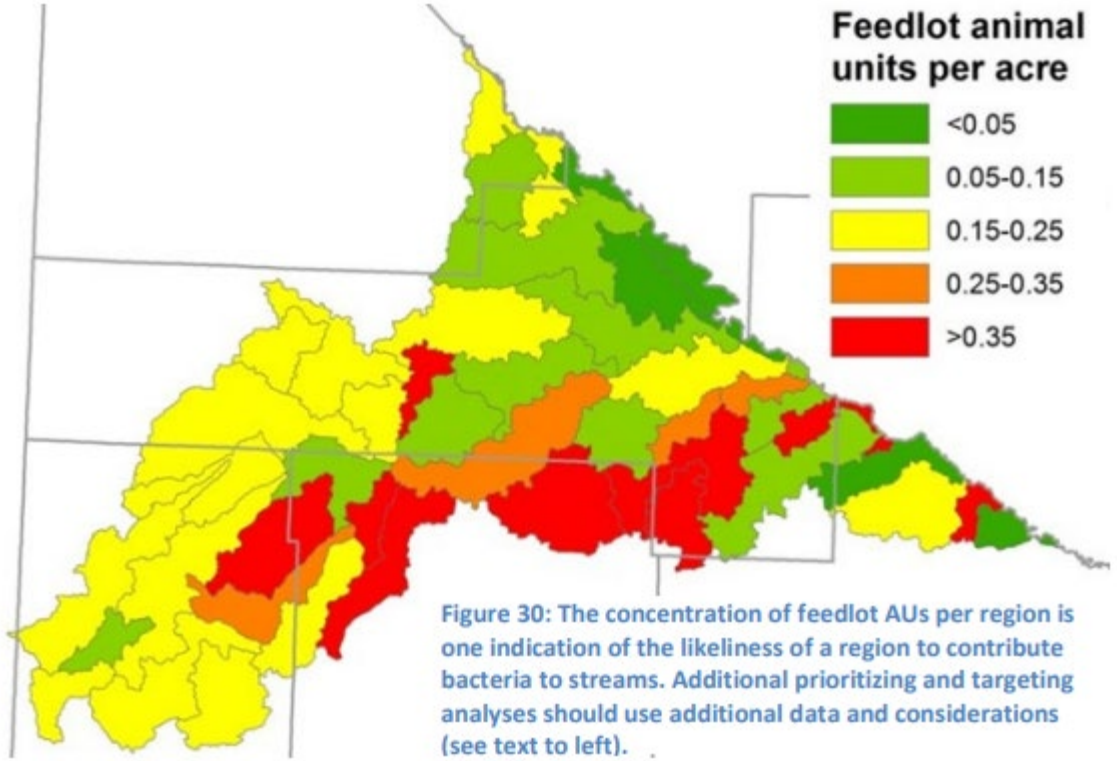


Figure 30: The concentration of feedlot AUs per region is one indication of the likeliness of a region to contribute bacteria to streams. Additional prioritizing and targeting analyses should use additional data and considerations (see text to left).

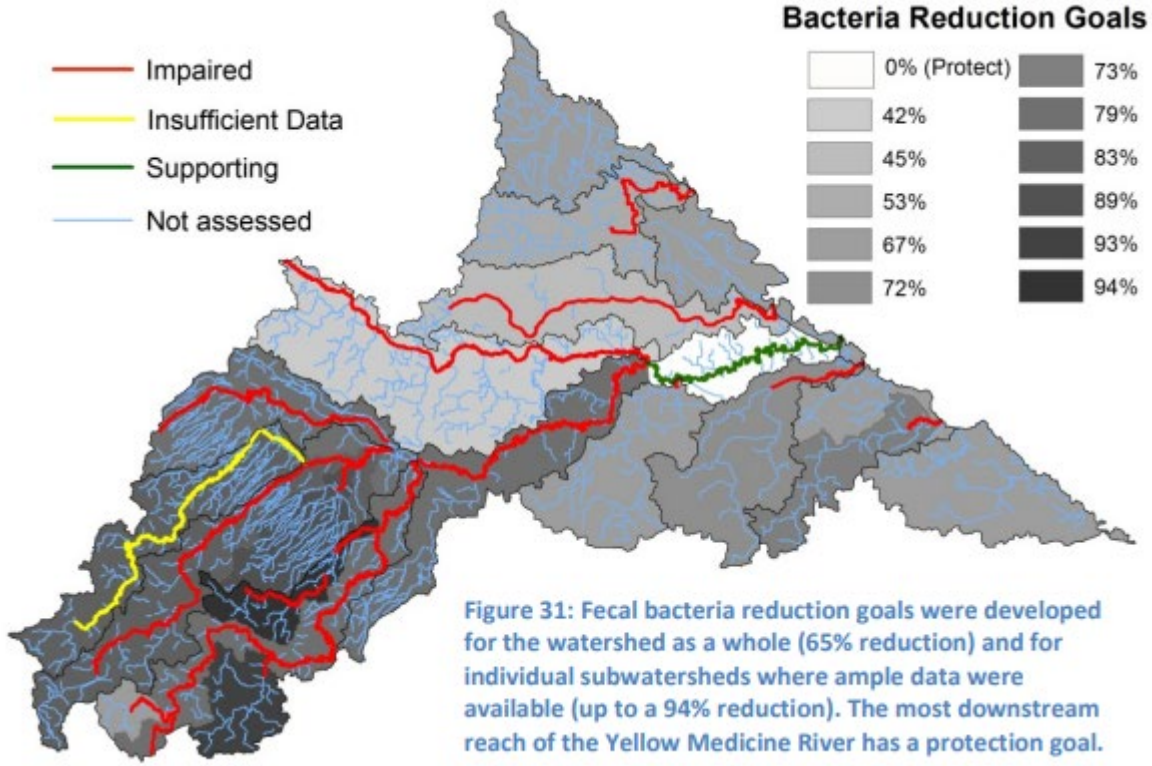


Figure 31: Fecal bacteria reduction goals were developed for the watershed as a whole (65% reduction) and for individual subwatersheds where ample data were available (up to a 94% reduction). The most downstream reach of the Yellow Medicine River has a protection goal.

Yellow Medicine River Watershed Planning Area Watershed Restoration & Protection Strategies (WRAPS) Sediment

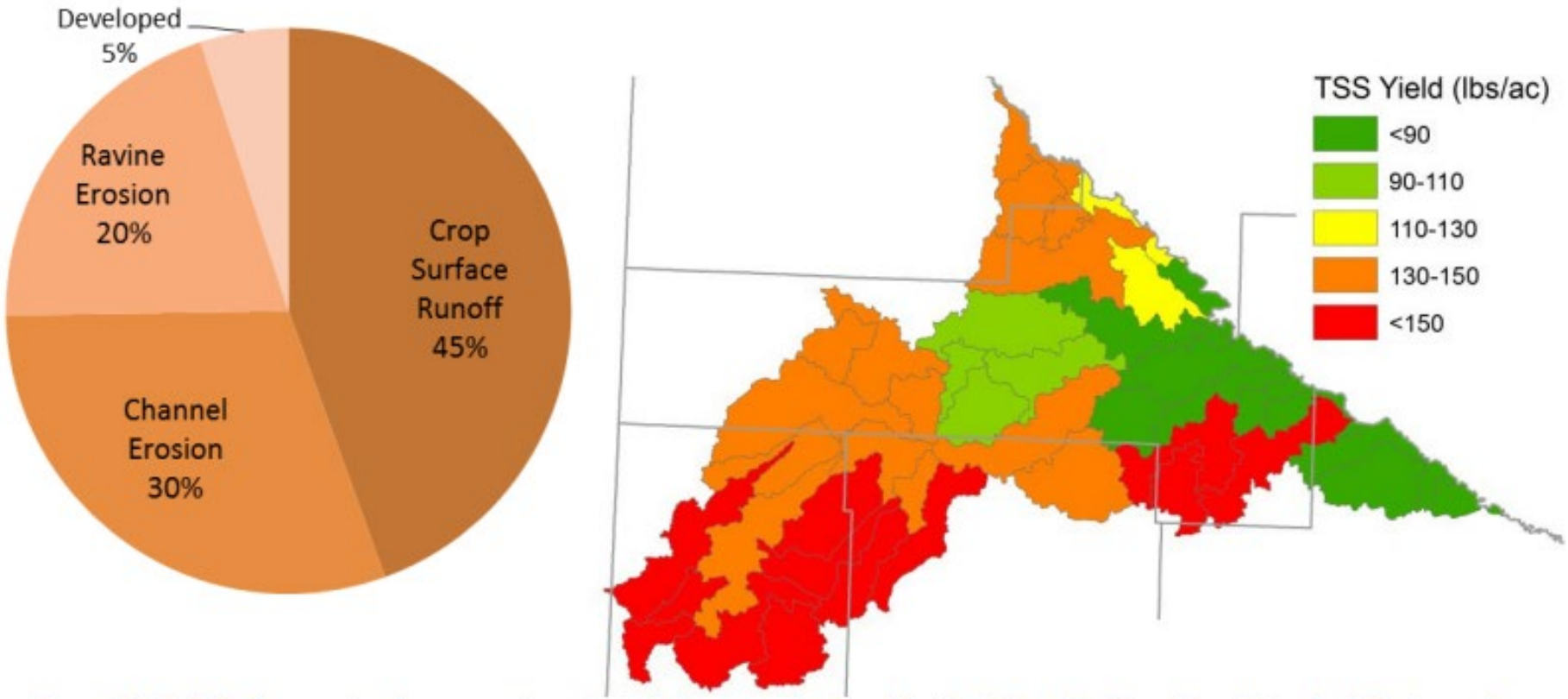


Figure 19: (Left) Surface erosion from crops is a substantial source of sediment in the Yellow Medicine River Watershed. Ravine and channel erosion, increased by altered hydrology, are also substantial sediment sources. (Right) The HSPF model estimates the subwatershed sediment yields. Model revision date: 6/22/15

Yellow Medicine River Watershed Planning Area Watershed Restoration & Protection Strategies (WRAPS) Priorities

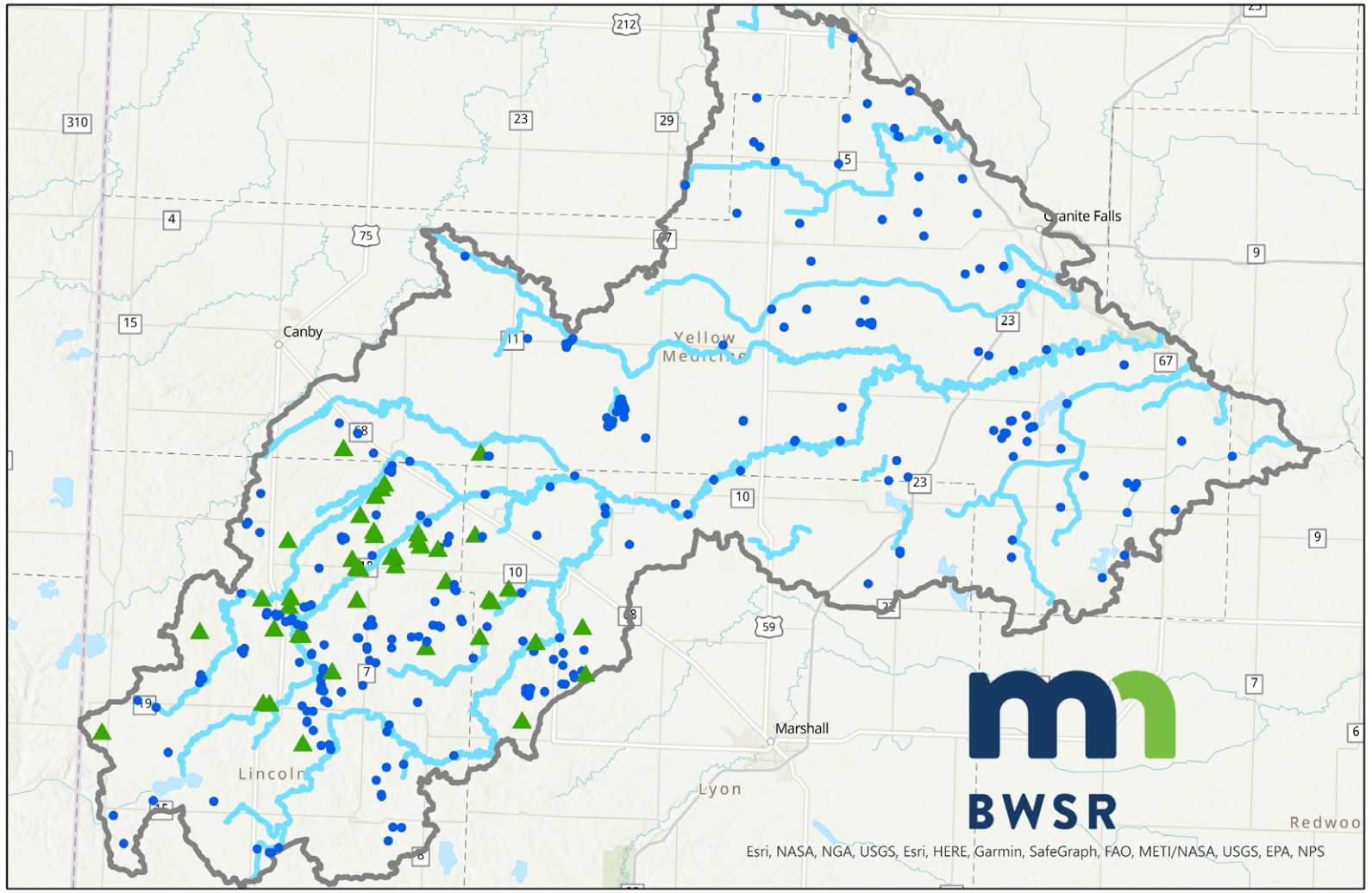
Land use/Source Type	Watershed Restoration and Protection Strategies estimated to meet 10-year target at specified adoption rates	Adoption Rate: % watershed to newly adopt (treated area)	Adoption Rate: Acres to newly adopt (treated acres)	Pollutants/Stressor addressed by strategy & relative effect of strategy on water quality goal per treated acre: Flow	TSS	Phosphorus	Nitrogen	Bacteria	Habitat**
Cultivated Crops	Nutrient management (for P & N)	10%	70,700			o	X		
	Cover crops	5%	35,400	x	X	o	X	X	-
	Conservation tillage/residue management	5%	35,400	x	x	o	x	o	-
	Buffers, border filter strips*	5%	35,400	-	o	o	-	o	x
	WASCOBS, terraces, flow-through basins (for surface	5%	35,400	-	x	o	-	-	-
	Grassed waterway*	2%	14,100	-	x	-	-		-
	Treatment wetland (for tile drainage system)*	2%	14,100	-		-	X		-
	Crop rotation (including small grain)	2%	14,100	o	o	-	o		-
	Alternative tile intakes*	1%	7,100		x	o			
	Wood chip bioreactor*	1%	7,100			-	x		
	Saturated buffers*	1%	7,100	-		-	x		-
	Controlled drainage, drainage design*	1%	7,100	-		-	x		-
	Restored wetlands	0.5%	3,500	X	X	x	X	X	x
	Contour strip cropping (50% crop in grass)	0.5%	3,500	x	X	x	X	x	-
	Improved manure application, better setbacks & trainin	0.5%	3,500	o		o	x	X	-
	Conservation cover	0.1%	700	X	X	X	X	X	x
	Extended retention (culvert design)*	0.1%	700	-	x	-	-		-
	Side inlet control to ditch (w serious erosion)*	0.1%	700		x	o			
	Two stage ditch*	0.1%	700	-	o	-	o	-	-

Table 3-1. Measurable Goals Approved by the YM1W1P Policy Committee

Priority Concerns	Identified Issue and Concern	2017–2026 1W1P Measurable Goals
Mitigate altered hydrology and minimize flooding	Flood reduction; Stream health	Add 1,000 acre-feet of new stormwater storage[a]
		No net increase in highest annual peak flows[b]
		3% increase in dry season base flow[b]
Minimize the transport of sediment, excess nutrients, and bacteria	Excess sediment	10% decrease in total suspended solids (TSS) loads[a]
	Excess phosphorus	10% decrease in total phosphorus (TP) loads[b]
	Excess nitrogen	8% decrease in total nitrogen (TN) loads[b]
Protect and preserve groundwater quantity and quality	Potential groundwater contamination	Seal 25 unused wells per year Begin hydrogeologic atlas process Maintain fewer than 10% of private wells failing to meet 10 mg/L nitrate water quality standard

- pecific strategies have measurable goals
- Watershed applied for funds from BWSR's Watershed Based Implementation Funding (WBIF) supported by the CWF
- Other CWF programs also provide support

Yellow Medicine River Watershed Planning Area
Clean Water Funded Best Management Practices

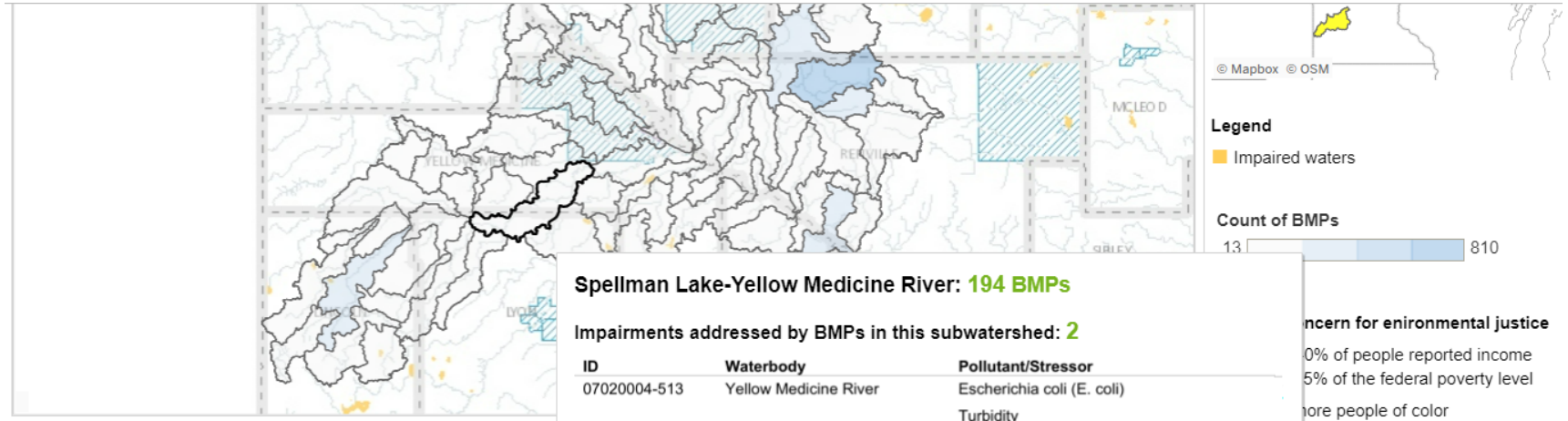


Practice Type	Total Number of Activities*
Septic System Improvement	8
Alternative Tile Intake - Dense Pattern Tiling	33
Alternative Tile Intake - Gravel Inlet	76
Alternative Tile Intake - Other Blind Intake	5
Critical Area Planting	2
Well Decommissioning	57
Diversion	1
Filter Strip	45
Grade Stabilization Structure	2
Grassed Waterway and Swales	17
Streambank and Shoreline Protection	1
Structure for Water Control	1
Denitrifying Bioreactor	1
Water and Sediment Control Basin	69
Wetland Restoration	1
Wetland Creation	1
Grand Total	**320**

**Note: Number of practices maybe greater as treatment trains of BMPs grouped together*

- 2017: One Watershed One Plan Comprehensive Watershed Management Plan Complete

Yellow Medicine River Watershed Planning Area
Clean Water Funded Best Management Practices



Spellman Lake-Yellow Medicine River: 194 BMPs

Impairments addressed by BMPs in this subwatershed: 2

ID	Waterbody	Pollutant/Stressor
07020004-513	Yellow Medicine River	Escherichia coli (E. coli)
		Turbidity

Click to filter the table of BMPs below

Minnesota River - Yellow Medicine River

Strategy	Practice Description	Total BMPs	# of BMPs (by unit)	Amount (by unit)	Units
Converting land to perennials	Conservation Easement	1,377	1,377	1,368	Count
	Conservation Cover	121	121	3,198	Acres
	Critical Area Planting	69	67	619	Acres
			2	1	Count
Nutrient management (cropland)	Nutrient Management	676	602	148,660	Acres
			74	42	Count
Septic System Improvements	Septic System Improvement	492	492	496	Count
Lliving cover to crops in fall/spring	Cover Crop	435	435	39,091	Acres
Buffers and filters - field edge	Filter Strip	453	453	27,503	Acres
Designed erosion control	Water & Sediment Control Basins	252	252	546	Count
	Grassed Waterway	39	38	111	Acres
			1	1	Count
	Terrace	15	9	48	Acres
			6	10,550	Feet

About this data

Legend

Impaired waters

Count of BMPs

13 — 810

ncern for enironmental justice

0% of people reported income
5% of the federal poverty level
ore people of color
recognized tribal areas

Filter by year

2004 — 2021

Definitions

Best management practice (BMP) – conservation practice designed to prevent or reduce water pollution.

Strategy – a group of BMPs used in Watershed Restoration and Protection Strategies (WRAPS) when proposing implementation scenarios that could meet water quality goals.

Practice Description – specific type of BMP implemented by landowners in subwatersheds (HUC 12).

MINNESOTA POLLUTION CONTROL AGENCY

- MPCA Tracks BMPs from all funding sources, not just Clean Water Fund (especially federal money)
- Agencies can see if watershed is on track to meet goals in the WRAPS
- Second intensive monitoring cycle completed in 2021, assessment currently underway
- If two datasets show a water body meeting water quality standards, MPCA submits it for delisting to EPA

FY24-25 CWF Proposed Budget

Agency	Activity	Enacted Budget FY2020-21 (000s)	Recommended budget FY2022-23 (000s)	Enacted Budget (FY22-FY23)	CWC's recs FY2024-25 (000s)	Percent Increase from FY22-23 to FY24-25
	Monitoring, Assessment, and Characterization					
DNR	**Aquifer Monitoring for Water Supply Planning:** Collect and analyze critical aquifer level data and groundwater flow dynamics, develop groundwater models and work with stakeholders to address sustainability management and planning through groundwater management areas and other forums.	$4,150	$3,700	$ 3,700	$4,000	8.11%
DNR	**Fish Contamination Assessment:** Sample mercury and other contaminants in fish to determine fish consumption advisories, impairment status, and trend markers for those sites.	$270	$350	$ 350	$910	160.00%
DNR	**Lake IBI assessment:** Support MPCA's lake water quality assessments with by providing data and interpretation about fish and plant populations.	$2,500	$2,000	$ 2,000	$2,900	45.00%
DNR	**Buffer Map Maintenance:** Update and maintain maps of public waters and ditch systems that require permanent vegetation buffers.	$200	$50	$ 50	$50	0.00%
DNR	**Stream flow monitoring:** Collect stream flow data, which is used to calculate pollutant loads for MPCA's water quality assessments. Sample bedload at select stations to analyze sediment transport in streams.	$4,000	$4,000	$ 4,000	$5,100	27.50%
MDA	**Monitoring for Pesticides in Surface Water and Groundwater:** Ongoing monitoring using clean water funded laboratory instruments which provides increased capability and greater capacity for pesticide monitoring. Clean Water funding has allowed the MDA to increase the number of detectable pesticides, increase the sensitivity of detection of certain pesticides, and increase the overall number of samples that can be analyzed on an annual basis.	$700	$700	$ 700	$700	0.00%
MDA	**Pesticide Testing of Private Wells:** Provide free pesticide testing of private wells in areas where groundwater may be at risk for elevated pesticide concentrations. Testing focuses on the herbicide cyanazine which is no longer used in Minnesota but its degradates are being detected at concentrations above the drinking water standard in some areas.	$2,000	$870	$ 870	$1,000	14.94%
MDH	**Drinking Water Contaminants of Emerging Concern Program:** Continue to protect human health by developing guidance and providing expert technical assistance on emerging contaminants so that timely and targeted health information is available for decision-making by state programs and the public. Increase outreach and education through grants or contracts that focus on education, prevention, and behavioral action to reduce contamination. Work will include developing partnerships and capacity on laboratory methods, researching and conducting rapid assessments, full chemical reviews, and participating in studies that measure the occurrence of emerging contaminants and provide public health context to the resulting data.	$3,400	$2,400	$ 2,400	$10,400	333.33%

FY24-25 CWF Proposed Budget

Agency	Activity	Enacted Budget FY2020-21 (000s)	Recommended budget FY2022-23 (000s)	Enacted Budget (FY22-FY23)	CWC's recs FY2024-25 (000s)	Percent Increase from FY22-23 to FY24-25
MDH	**Private Well Initiative:** Ensure 1.2 million private well users have safe drinking water by: better understanding and explaining the occurrence and distribution of contaminants in private wells in Minnesota; expanding education and outreach to private well users about well testing, treatment, and wellhead protection; and building partners' capacity to support private well users.	$1,500	$0	$ -	$3,000	NEW
MPCA	**River and Lake Monitoring & Assessment**: Statewide lake and stream/river monitoring foundational to assessing water quality, the development of Total Maximum Daily Loads (TMDLs), Watershed Restoration and Protection Strategies (WRAPS), Groundwater Restoration and Protection Strategies (GRAPS), which inform One Watershed One Plans (1W1P). Intensive watershed monitoring includes biological, chemical, and habitat monitoring in watersheds to assess the water conditions, pollutant load monitoring to track trends, and large river sampling every 5 years. Assessments determine if waters are impaired and serve as a basis for further analysis of watershed problems, protection options, and overall watershed planning efforts. FY24/25 request would add targeted PFAS monitoring and additional lake monitoring in lake-heavy watersheds at local partner request.	$16,000	$14,432	$ 14,432	$18,300	26.80%
MPCA	**Groundwater assessment:** Monitor and enhance ambient groundwater well network to collect critical water quality data needed for drinking water protection and surface water impact analysis, including modeling to support TMDL stressor identification and contaminants of emerging concern (CECs) in a subset of monitoring wells.	$2,364	$1,900	$ 1,900	$2,000	5.26%
MPCA (pass thru)	**Red River Watch (Red River Watershed Board)**			$ 300		-100.00%
MPCA (pass thru)	**Grants to the Friends of the Minnesota Valley** for river watch activities			$ 100		-100.00%
	Monitoring, Assessment, and Characterization total	**$37,084**	**$30,402**	**$30,802**	**$48,360**	
	Watershed & Groundwater Restoration/Protection Strategies					
DNR	**Watershed Restoration and Protection Strategies:** Work with state and local partners to provide expertise, data, analysis, and support for major watershed studies and the development of watershed restoration and protection strategies.	$3,800	$3,800	$ 3,800	$4,300	13.16%
MDH	**Groundwater Restoration and Protection Strategies:** Scale up the Groundwater Restoration and Protection Strategy development to begin matching local needs regarding data/information delivery, staff capacity, training/education, and strategy development. Continue to coordinate with other state agency efforts and complete projects coordinated with 1W1P efforts.	$1,100	$1,126	$ 1,126	$1,500	33.21%

FY24-25 CWF Proposed Budget

Agency	Activity	Enacted Budget FY2020-21 (000s)	Recommended budget FY2022-23 (000s)	Enacted Budget (FY22-FY23)	CWC's recs FY2024-25 (000s)	Percent Increase from FY22-23 to FY24-25
MDH	**Source Water Protection:** Support source water protection planning and implementation in communities served by groundwater and surface water. Establish Drinking Water Ambient Monitoring Program to monitor and address emerging threats in source waters. Continue coordinating and integrating source water protection activities with comprehensive watershed planning efforts.	$5,494	$7,884	$ 7,884	$8,000	1.47%
MPCA	**Watershed Restoration and Protection Strategies (includes TMDL development):** In 2008, the MPCA launched a watershed approach to systematically and comprehensively conduct the state's water-quality monitoring, and restoration and protection planning needs on a 10-year cycle. Watershed Restoration and Protection Strategies (WRAPs), including TMDLs, are developed with local partners to set strategies for impaired waters and unimpaired waters by setting reduction and protection goals, milestones and measures to guide state and local government implementation efforts. Funding also supports updating watershed models as new monitoring data become available.	$15,100	$13,451	$ 13,451	$13,000	-3.35%
	Watershed & Groundwater Restoration/Protection Strategies total	**$25,494**	**$26,261**	**$26,261**	**$26,800**	
	Comprehensive Local Watershed Management					
BWSR	**Water Management Transition (One Watershed One Plan):** Accelerate implementation of the State's Watershed Approach through the statewide development of watershed-based local water planning that is synchronized with Watershed Restoration and Protection Strategies (WRAPS) and Groundwater Restoration and Protection Strategies (GRAPS) by providing technical assistance, program oversight, and grants to local governments consistent with MInnesota Statutes 103B.801.	$4,000	$5,808	$5,808	$5,000	-13.91%
	Comprehensive Local Watershed Management total	**$4,000**	**$5,808**	**$5,808**	**$5,000**	
	Nonpoint source implementation					
BWSR	**Implementation Funding for Watersheds with Approved Comprehensive Watershed Plans (Watershed-based Implementation Funding):** A non-competitive, performance based program to implement projects on a watershed scale that protect, enhance, and restore surface water quality in lakes, rivers, and streams, protect groundwater from degradation, and protect drinking water sources. Projects must be identified in a water or comprehensive watershed plan developed by local governments and approved by the Board of Water and Soil Resources. This may include those under the One Watershed, One Plan Program or under the seven-county metropolitan groundwater or surface water management frameworks as provided for in Minnesota Statutes, chapters 103B, 103C, 103D, and 114D.	$26,966	$43,564	$43,564	$79,000	81.34%

FY24-25 CWF Proposed Budget

Agency	Activity	Enacted Budget FY2020-21 (000s)	Recommended budget FY2022-23 (000s)	Enacted Budget (FY22-FY23)	CWC's recs FY2024-25 (000s)	Percent Increase from FY22-23 to FY24-25
BWSR	**Accelerated Implementation:** Enhance the capacity of local governments to accelerate implementation of projects and activities that supplement or exceed current state standards for protection, enhancement, and restoration of water quality in lakes, rivers, streams, and groundwater. Activities include: 1) increase technical assistance through regional technical service areas (TSAs), 2) technical training and certification, 3) leveraging federal program dollars, and 4) using analytical targeting and measurement tools that fill an identified gap.	$8,000	$9,682	$9,682	$11,000	13.61%
BWSR	**Conservation Drainage Management and Assistance:** Implementation of a conservation drainage/multipurpose drainage water management program in consultation with the Drainage Work Group to improve surface water management by providing supplemental funding under the provisions of 103E.015.	$1,700	$1,700	$1,700	$2,500	47.06%
BWSR	**Conservation Reserve Enhancement Program (CREP)**			$5,600		-100.00%
BWSR	**Critical Shoreland Protection-Permanent Conservation Easements:** To purchase permanent conservation easements to protect lands adjacent to public waters with good water quality but threatened with degradation. Focus is on the headwaters of the Mississippi Basin for protection of tributaries and the Mississippi River, to provide source water protection for numerous Twin Cities and rural communities along the Mississippi River.	$3,000	$2,468	$2,468	$3,000	21.56%
BWSR	Capacity Grants to Soil and Water Conservation Districts		$0	$24,000		-100.00%
BWSR	**Wetland restoration easements:** Funds will acquire permanent conservation easements and restore wetlands in priority areas statewide. Will hold water in upper watershed areas for de-nitrification, rate, and volume control.	$0	$5,660	$5,660	$10,000	76.68%
BWSR	**Measures, Results and Accountability:** To provide state oversight and accountability, evaluate and communicate results, support program and outcomes development, provide reporting tools, and measure conservation program implementation of local governments, develop and distribute technical guidance, develop and submit associated legislative reports.	$2,000	$2,500	$2,500	$2,500	0.00%
BWSR	**Buffer Law Implementation:** Provides program oversight and grants to support local governments in their implementation of the statewide buffer law.	$5,000	$3,872	$3,872	$4,000	3.31%
BWSR	**Working Land and Floodplain Easements:** Easements to set aside sensitive land in riparian corridors to address water quality, including rate and volume concerns. Based on a conservation plan, participating landowners will have options to establish flood hardy understory, establish trees, haying/grazing, silviculture, silvopasture, agroforestry with payment structure based on the proposed use.	$0	$3,872	$3,872	$6,000	54.96%
BWSR	**Surface and Drinking Water Protection/Restoration Grants:** (Projects and Practices) Competitive grant program and incentive funding to protect, enhance and restore water quality in lakes, rivers and streams and to protect groundwater and drinking water by implementing priority actions in local water management plans. Up to 20% of funds dedicated to drinking water protection activities.	$32,000	$22,266	$22,266	$17,000	-23.65%

FY24-25 CWF Proposed Budget

Agency	Activity	Enacted Budget FY2020-21 (000s)	Recommended budget FY2022-23 (000s)	Enacted Budget (FY22-FY23)	CWC's recs FY2024-25 (000s)	Percent Increase from FY22-23 to FY24-25
BWSR	**Watershed Partners Legacy (WPL) Grants:** Program is for water quality improvement projects to protect, enhance, and restore water quality in lakes, rivers, and streams and protect groundwater from degradation. This program provides matching grants to local, state, and national nonprofit organizations, tribal governments, and other government partners. Projects will be evaluated and prioritized based on alignment with state-approved and locally-adopted comprehensive watershed management plans or related scientific information.	$0	$1,000	$1,000	$1,000	0.00%
BWSR	**Enhancing Landower Adoption of Soil Health Practices for Drinking Water & Groundwater Protection:** The program provides both applied research by the Minnesota Office for Soil Health and implementation of cover crop practices and conservation tillage to achieve water quality benefits as prioritized in comprehensive watershed management plans.	$0	$4,000	$4,000	$14,227	255.68%
BWSR	**Lake Superior Basin SWCDs BIL Leverage Funding:** Funding to Lake Superior Basin SWCDs to leverage Great Lakes federal dollars antici[ated from the Bipartisan Infrastructure Law	$0	$0	$0	$2,000	
DNR	**Nonpoint source restoration and protection activities:** Support local planning and implementation efforts, including: One Watershed, One Plan, systematic conservation planning, technical assistance with implementation, and targeted forest stewardship for water quality.	$2,000	$2,500	$2,500	$3,200	28.00%
DNR	**NEW Mussel Restoration Pilot Program:** Increase mussel production at Lake City facility and field test restoration in three HUC8 watersheds.	$0	$0	$0	$600	NEW
DNR	**NEW Culvert replacement Incentive Program:** Financial and technical assistance for Counties and other local governments to help replace culverts using modern design for floodplain connectivity, biological connectivity and channel stability. Funds would be authorized and available until spent (this is important because it takes time to line this work up). Target would be about 20 projects at $125K per project, up to 30% cost share. 2 FTE for Technical Support. Potential to leverage Federal infrastructure funding.	$0	$0	$0	$3,000	NEW
DNR	**Water Storage** - A pilot for a new program to identify, acquire property interest, restore/enhance and potentially engineer drained wetlands in the watersheds of impaired lakes in southern and western MN that have high fish or wildlife habitat and recreation value. Primary purpose for wetland acquisition and restoration is for water quality and quantity, with habitat benefits secondary. Examples of lakes are: Heron; Shetek; Sarah; Fox; Wakanda.	$0	$0	$0	$1,000	NEW
MDA	**AgBMP Loan Program:** This program provides revolving low interest loans for eligible activities that reduce or eliminate water pollution. The program is administered by local governments, has very low transaction costs, and repayments fund additional projects.	$150	$150	$150	$15,000	9900.00%

FY24-25 CWF Proposed Budget

Agency	Activity	Enacted Budget FY2020-21 (000s)	Recommended budget FY2022-23 (000s)	Enacted Budget (FY22-FY23)	CWC's recs FY2024-25 (000s)	Percent Increase from FY22-23 to FY24-25
MDA	**MN Agricultural Water Quality Certification Program:** The MAWQCP is a first of its kind partnership between federal and state government and private industry. This innovative and nationally recognized voluntary program targets water quality protection on a field by field, whole farm basis. It comprehensively identifies and mitigates agricultural risks to water quality and protects and restores water resources, improves and expands soil health, and builds and quantifies climate resiliency in Minnesota agriculture.	$6,000	$6,000	$6,000	$7,000	16.67%
MDA	**Technical Assistance:** Technical assistance helps ensure accurate scientific information is available and used to address water quality concerns from agricultural practices. Funding is used to evaluate the effectiveness of conservation practices, support on-farm demonstrations and enhance outreach and education to the agricultural community and local government partners. Includes activities such as Discovery Farms MN, Root River Field to Stream Partnership, and support for agricultural retailers working with the 4R Nutrient Stewardship Certification program.	$3,000	$3,000	$3,000	$3,000	0.00%
MDA	**Conservation Equipment Assistance:** Funding will provide assistance to both SWCDs and farmers to purchase equipment or items to retrofit existing equipment that has climate and water quality benefits including conservation tillage equipment and cover crop seeding equipment. This proposal would compliment soil health cost-share programs by providing the equipment needed to implement practices.	$0	$0	$0	$4,000	NEW
MDA	**Expand Ag Weather Station Network:** Expand the existing state weather station and soil temperature network to provide accurate and timely weather data to optimize the timing of irrigation, fertilizer, pesticide and manure applications and support land management decisions. This will result in improved surface water and groundwater quality and support efforts to improve soil health.	$0	$0	$0	$3,000	NEW
MC	**Water demand reduction grant program:** Provides grants to assist municipalities in metro area with implementation of water demand reduction measures to ensure the reliability and protection of drinking water supplies.	$750	$1,250	$1,250	$1,500	20.00%
MPCA	**Great Lakes restoration project:** Funds are used to leverage federal dollars to restore the St. Louis River area of concern so beneficial use impairments can be removed.	$1,500	$1,500	$1,500	$1,500	0.00%
	Nonpoint source implementation total	**$92,066**	**$114,984**	**$144,584**	**$195,027**	34.89%
	Point source implementation					
MPCA	**Chloride reduction efforts:** This program provides critical support to communities by providing grants to offset costs to reduce their chloride discharges via water softeners, a critical step in meeting statewide chloride reduction goals. The FY24-25 request adds additional grant funding because there are more communities now that must implement their chloride reduction plan. These implementation funds result in a direct reduction of chloride to our state waters.	$500	$520	$520	$1,300	150.00%

FY24-25 CWF Proposed Budget

Agency	Activity	Enacted Budget FY2020-21 (000s)	Recommended budget FY2022-23 (000s)	Enacted Budget (FY22-FY23)	CWC's recs FY2024-25 (000s)	Percent Increase from FY22-23 to FY24-25
MPCA	**Wastewater/stormwater TMDL implementation**: **Combines what had been two appropriations formerly for NPDES support (WRAPS and TMDLs) with accelerating stormwater permit compliance.** These two historical appropriations will be combined in FY24-25 for streamlining as the two bodies of work overlap. Proper management of stormwater and wastewater is crucial to achieving the goals of TMDLs. Funding for these program areas supports point source implementation and represents the minimum amount of funding needed to provide technical assistance tools to local units of government and to support staffing to accelerate work in stormwater and wastewater permitting programs that protect lakes and streams. Additional funding is requested for FY24-25 to restore cuts from the past couple of biennia to stormwater project funding that allows continued development of the Stormwater Manual which is used by both unregulated and regulated cities, and to support creating connections between point and nonpoint source implementation programs.	$2,200	$2,200	$2,200	$3,000	36.36%
PFA	**Point Source Implementation Grant (PSIG) Program:** Provides grants to help cities upgrade water infrastructure treatment facilities to comply with TMDL wasteload requirements and more stringent water quality-based effluent limits for phosphorus, chlorides, and other pollutants. The PFA administers the program in partnership with the MPCA.	$18,000	$15,936	$15,936	$18,000	12.95%
PFA	**Small Community Wastewater Treatment Program:** Provides grants and loans to assist small unsewered communities with technical assistance and construction funding to replace non-complying septic systems with community subsurface sewage treatment systems (SSTS). The PFA administers the program in partnership with the MPCA.	$250	$200	$200	$200	0.00%
	Point source implementation total	**$20,950**	**$18,856**	**$18,856**	**$22,500**	
	Groundwater/Drinking Water Implementation					
BWSR	**Targeted Wellhead/Drinking Water Protection:** For conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d), or for grants to local units of government for ensuring long-term protection of groundwater supply sources in wellhead protection areas. Priority to be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health, where the drinking water supply is identified as Mitigation Level 1 or 2 by the Minnesota Groundwater Rule, where monitoring has shown elevated nitrate levels, where drinking water protection plans have identified specific activities that will achieve long-term protection, and/or on lands with expiring Conservation Reserve Program contracts.	$4,000	$5,000	$5,000	$6,000	20.00%

FY24-25 CWF Proposed Budget

Agency	Activity	Enacted Budget FY2020-21 (000s)	Recommended budget FY2022-23 (000s)	Enacted Budget (FY22-FY23)	CWC's recs FY2024-25 (000s)	Percent Increase from FY22-23 to FY24-25
MDA	**Irrigation Water Quality Protection:** Nitrogen contributions to groundwater under irrigated agriculture can be significant in some parts of Minnesota. Funding is for an irrigation water quality specialist via a contract with U of M Extension. This position develops and provides education on irrigation and nitrogen best management practices (BMPs) and supports the development of irrigation scheduling guidance for Minnesota irrigators.	$300	$270	$270	$300	11.11%
MDA	**Nitrate in Groundwater:** Funding to implement Minnesota's Nitrogen Fertilizer Management Plan and Groundwater Protection Rule for preventing and responding to nitrate contamination of groundwater from nitrogen fertilizer use. Includes support for: well testing, BMP promotion, demonstration, and adoption; Extension staffing; local advisory teams to work with farmers and crop advisors in areas with elevated nitrate in groundwater, conducting computer modeling to evaluate specific agricultural practices and; technical support and on-farm demonstrations such as Rosholt Farm.	$5,170	$5,170	$5,170	$6,000	16.05%
MDH	**Future of Drinking Water:** Develop public health policies and an implementable action plan to address threats to safe drinking water in Minnesota by engaging local and national experts. Conduct an analysis to determine the scope of the lead problem in Minnesota's water and the cost to eliminate lead exposure in drinking water.	$500	$500	$500	$500	0.00%
MC	**Metropolitan Area Water Supply Sustainability Support:** Metropolitan Council will continue implementing projects that address emerging drinking water supply threats, provide cost-effective regional solutions, leverage inter-jurisdictional coordination, support local implementation of water supply reliability projects, and prevent degradation of groundwater resources.	$2,000	$1,838	$1,838	$2,500	36.02%
MPCA	**Enhanced County inspections/SSTS corrective actions:** Support technical assistance and County implementation of SSTS program requirements (M.S. 115.55) including issuing permits, conducting inspections, identifying and resolving non-compliant SSTS, and revising and maintaining SSTS ordinances. The FY24/25 request would increase available grant funds to counties to assist families with low income make septic system upgrades	$6,750	$5,824	$5,824	$7,500	28.78%
MPCA	**National Park Water Quality Protection Program/Voyageurs National Park**			$1,400	$2,000	42.86%
	Groundwater/Drinking Water Implementation total	**$18,720**	**$18,602**	**$18,602**	**$24,800**	33.32%
	Local Implementation total (NPS, PS, GW/DW)	**$131,736**	**$152,442**	**$182,042**	**$242,327**	
	Research, Evaluation and Tool Development					
BWSR	**Tillage and Erosion Survey:** Program to systematically collect data and produce statically valid estimates of the rate of soil erosion state-wide and tracking the adoption of high residue cropping systems in the 67 counties with greater than 30% of land in agricultural row crop production.	$850	$724	$724	$850	17.40%

FY24-25 CWF Proposed Budget

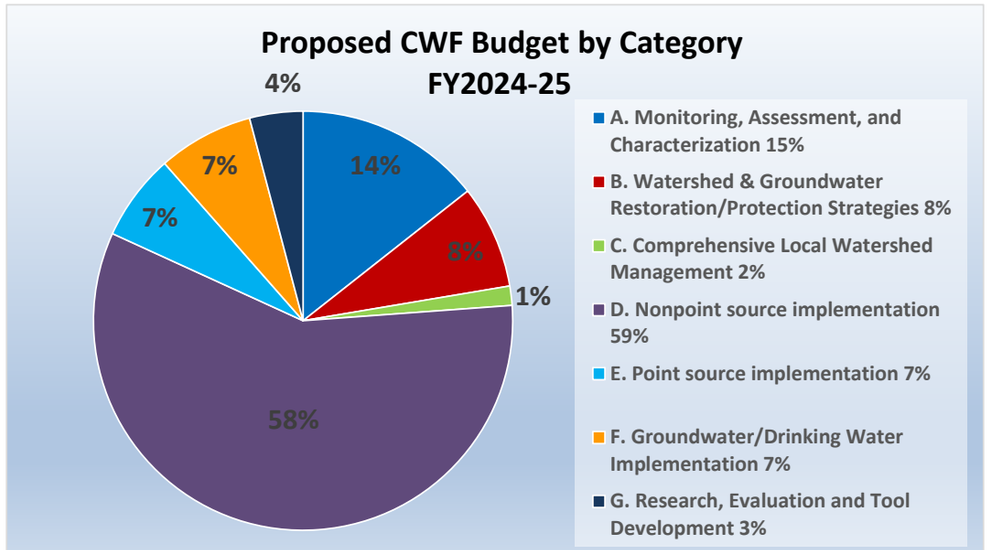
Agency	Activity	Enacted Budget FY2020-21 (000s)	Recommended budget FY2022-23 (000s)	Enacted Budget (FY22-FY23)	CWC's recs FY2024-25 (000s)	Percent Increase from FY22-23 to FY24-25
BWSR	**Technical Evaluation:** For a technical evaluation panel to conduct restoration evaluations under Minnesota Statues, section 114D.50, subdivision 6.	$168	$84	$84	$200	138.10%
DNR	**Applied research and tools**: Maintain and update LiDAR-derived elevation data and tools; develop fine-scale watershed models; assess relationships among disturbance patterns, BMP applications, and water quality in forested watersheds.	$1,400	$1,065	$1,065	$1,300	22.07%
DNR	**County geologic atlases:** Work with the Minnesota Geological Survey to accelerate completion or updates to County Geologic Atlases that provide critical groundwater and geology information to local governments.	$300	$0	$0	$300	returned to previous levels
MDA	**Research Inventory Database:** The Minnesota Water Research Digital Library (MNWRL) is a user-friendly, searchable inventory of water research relevant to Minnesota. It provides "one-stop" access to all types of water research, including both peer-reviewed articles and white papers and reports.	$100	$80	$80	$80	0.00%
MDA / U of MN	**Forever Green Agricultural Initiative (U of MN):** Develops new perennial and winter annual crops and associated cropping systems that preserve and enhance water quality, and supports the development of new supply chains that provide profitable markets for these crops. Funding will support the Forever Green Initiative in areas related to research, implementation, and partnership development.	$4,300	$4,000	$4,000	$6,000	50.00%
MDA	**Agricultural Research/Evaluation:** Research will focus on evaluating, developing and demonstrating regional and animal-specific recommendations for manure crediting, and to develop or revise manure best management practices (BMPs). Water quality benefits and greenhouse gas emission reductions can be achieved by proper crediting for the nutrient value of various types of manure.	$0	$0	$0	$1,500	NEW
MDH	**Recreational Water Quality Online Portal:** Develop a statewide portal for beach monitoring results, closures, and public health notifications. Evaluate monitoring results to determine best practices for beach monitoring at Minnesota lakes, ensuring decisions are science-driven, protect the public's health, and help make sure that Minnesota's waters continue to be swimmable for all to enjoy.	$0	$0	$0	$600	NEW
U of MN	**Stormwater BMP Performance Evaluation & Technology Transfer**			$ 1,500	$2,000	33.33%
U of MN	**Geologic Atlas with Dept. of Natural Resources**			$ 900	$1,000	11.11%
U of MN	**Quantifying the Multiple Benefits of Clean Water Investments**			$ 190	$0	-100.00%
U of MN	**Study water's role in transporting chronic wasting disease prions**			$ 1,378	$0	-100.00%
	Research, Evaluation and Tool Development total	**$7,118**	**$5,953**	**$9,921**	**$13,830**	
MPCA	**Clean Water Council budget**	$220	$550	$550	$675	22.73%
LCC	**Legislative Coordinating Commission**	$9	$8	$8	$8	0.00%
	Administration total	**$229**	**$558**	**$558**	**$683**	

FY24-25 CWF Proposed Budget

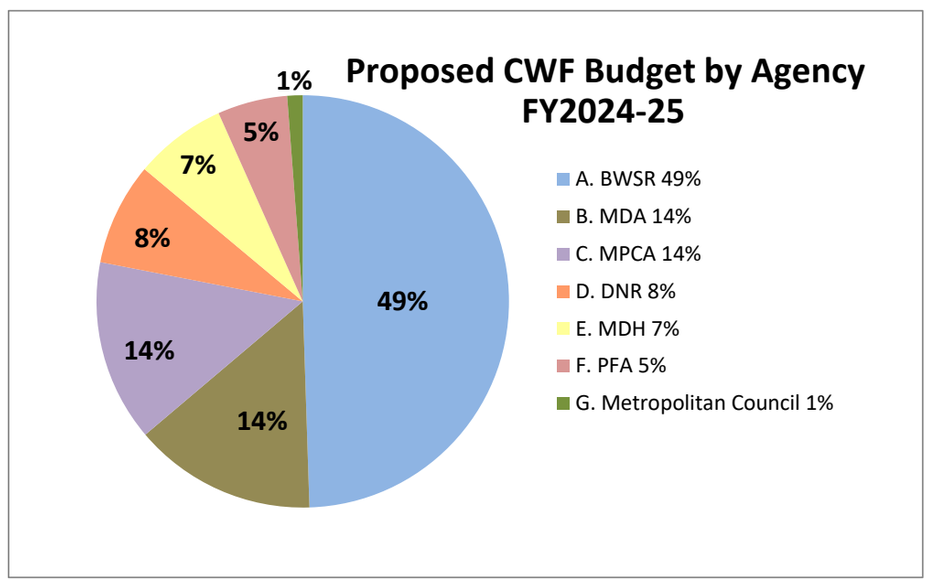
Agency	Activity	Enacted Budget FY2020-21 (000s)	Recommended budget FY2022-23 (000s)	Enacted Budget (FY22-FY23)	CWC's recs FY2024-25 (000s)	Percent Increase from FY22-23 to FY24-25
	FY24_25 budget total	$205,661	$221,424	$255,392	$337,000	

Clean Water Fund Appropriations - Summary
FY2024-25 Proposed CWF Budget

FY24-25 Proposed CWF budget by functional category	Proposed CWF budget by category FY2024-25 (000)	Percent of total
A. Monitoring, Assessment, and Characterization 15%	$ 48,360	14%
B. Watershed & Groundwater Restoration/Protection Strategies 8%	$ 26,800	8%
C. Comprehensive Local Watershed Management 2%	$ 5,000	1%
D. Nonpoint source implementation 59%	$ 195,027	58%
E. Point source implementation 7%	$ 22,500	7%
F. Groundwater/Drinking Water Implementation 7%	$ 24,800	7%
G. Research, Evaluation and Tool Development 3%	$ 13,830	4%
Total State Agency CWF budget	**$ 336,317**	**100%**
Clean Water Council Budget	$ 675	
Legislative Coordinating Commission	$ 8	
Total Clean Water Fund budget	**$ 337,000**	
Total Implementation (NPS, PS, GW/DW)	**$ 242,327**	**72%**



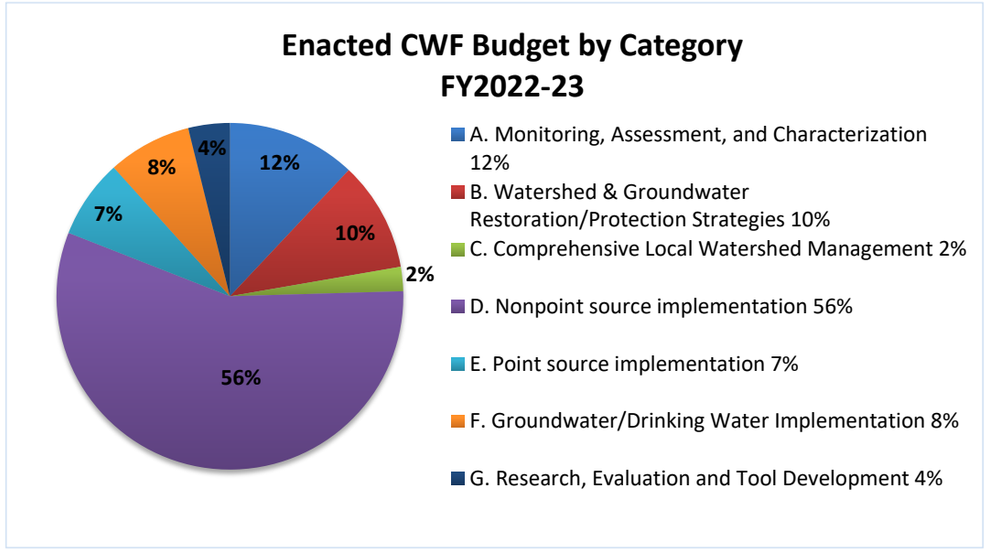
FY24-25 Proposed CWF budget by Agency	Proposed CWF budget by Agency FY2024-25 (000)	Percent of total
A. BWSR 49%	$ 164,277	49%
B. MDA 14%	$ 47,580	14%
C. MPCA 14%	$ 47,275	14%
D. DNR 8%	$ 26,660	8%
E. MDH 7%	$ 24,000	7%
F. PFA 5%	$ 18,200	5%
G. Metropolitan Council 1%	$ 4,000	1%
H. U of MN %	$-	0%
LCC	$ 8	0%
Total Clean Water Fund budget	**$ 332,000**	**100%**



Clean Water Fund Appropriations - Summary

FY2022-23 Enacted CWF Budget

FY22-23 Enacted CWF Budget by Functional Category	Enacted CWF Budget by Category FY2022-23 (000)	Percent of total
A. Monitoring, Assessment, and Characterization 12%	$ 30,802	12%
B. Watershed & Groundwater Restoration/Protection Strategies 10%	$ 26,261	10%
C. Comprehensive Local Watershed Management 2%	$ 5,808	2%
D. Nonpoint source implementation 56%	$ 144,584	56%
E. Point source implementation 7%	$ 18,856	7%
F. Groundwater/Drinking Water Implementation 8%	$ 20,002	8%
G. Research, Evaluation and Tool Development 4%	$ 9,921	4%
Total State Agency CWF Budget	$ 256,234	100%
Clean Water Council Budget	$ 550	
Legislative Coordinating Commission	$ 8	
Total Clean Water Fund Budget	$ 256,792	
Total Implementation (NPS, PS, GW/DW)	$ 183,442	72%



FY22-23 Enacted CWF Budget by Agency	Enacted CWF Budget by Agency FY2022-23 (000)	Percent of total
A. BWSR 55%	$ 141,800	55%
B. MPCA 16%	$ 42,177	16%
D. MDA 8%	$ 20,240	8%
C. DNR 7%	$ 17,465	7%
E. PFA 6%	$ 16,136	6%
F. MDH 5%	$ 11,910	5%
G. Metropolitan Council 1%	$ 3,088	1%
H. U of MN 2%	$ 3,968	2%
LCC	$ 8	0%
Total Clean Water Fund Budget	$ 256,792	100%