

**Clean Water Council
Budget and Outcomes Committee (BOC) Meeting Agenda
Friday February 3rd, 2023 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
 - Legislative hearings

9:45 SSTS Status Update and Recent Legislative Report

- Brandon Montgomery, MPCA

10:15 New BWSR “Projects and Practices” Competitive Grants Awarded

- Annie Felix-Gerth, BWSR

10:45 BREAK

11:00 Biennial Clean Water Fund Performance Report—Input Sought

- Kim Laing, MPCA

12:00 Adjourn

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

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

Members absent: Gary Burdorf.

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
 - Tannie Eshenaur, Minnesota Department of Health (MDH): They had an interagency/stakeholder group funded by Clean Water Funds (CWFs) that produced a report in 2018: [Advancing Safe and Sustainable Water Reuse in Minnesota](#). There is a lot to talk about from this report. They are in phase two, working on phase three. Additionally, another report to share is [Groundwater Governance in the Great Lakes Region](#).
 - Jen Kader: It will be exciting to see the interagency water reuse team come back with next steps identified for making the water reuse report a reality. Here are two reports to share as well: [Banking Groundwater: Managed Aquifer Recharge](#) and Freshwater's 2017 report on conservation, reuse, and recharge in MN: [The Water Underground](#).
- Glenn Skuta, Minnesota Pollution Control Agency (MPCA): To note, some representatives from the Minnesota Council of Mayors have had some conversations with the MPCA and Minnesota Department of Natural Resources (DNR) regarding water supply, impacts of the drought, and system resilience.
- Justin Hanson, Board of Water and Soil Resources (BWSR): The three-day BWSR Academy last week brought local government in to complete intensive network training. There is a huge influx of young, energetic staff. It was very encouraging for positive outcomes down the road.
- Judy Sventek is the new manager of the water resources group at the Metropolitan Council, replacing Ali Elhassan. The Council will see Judy at more meetings to help answer water supply topics.
- Approve agenda November 4 agenda and October 7 meeting summary, moved by Dick Brainerd, seconded by Frank Jewell. Motion carries.
- Chair and Staff update
 - Review of timeline for FY24-25 Clean Water Fund recommendations. The report is due January 15, instead of December 1. The November forecast will be out later this month. Now is a good time to suggest any improvements from the last report. Please attend the December 19 Council meeting for voting.
 - Water Legacy Grant Program RFP Update: This will go out sometime in November. Once it is ready to go, we want to share the news, so Council members can share it with those they represent.

Water Management Framework in Maps, by Paul Gardner (*WebEx 00:25:00*)

- Paul Gardner is working with the state agencies to show the water management framework in maps to look at how the CWFs have been deployed over time using the Yellow Medicine River Watershed.
 - The impaired waters in the Yellow Medicine River Watershed started their intensive monitoring and assessment in 2010. By 2013, they completed their monitoring assessments. There were 132 impairments listed in the watershed. The Watershed Restoration and Protection Strategies (WRAPs) show land use and provide specific strategies with measurable goals. BWSR's Watershed Based Implementation Funding (WBIF) grant supported by the CWFs shows the practices and activities done in this watershed. The MPCA tracks best management practices (BMPs) from all funding sources, not just CWF (especially federal money). The agencies can see if the watershed is on track to meeting goals in the WRAPs. The second intensive monitoring cycle was completed in 2021 with an assessment now underway. If two data sets show a water body meeting water quality standard, the MPCA submits it for delisting to the Environmental Protection Agency (EPA). This data reveals the state's capabilities. This work takes time, so this timescale helps reveal the work.

Questions/Comments:

- Frank Jewell: It would be good to see the work done overlaid on the map of the impairments. This would be useful for sharing with the Legislature. The Yellow Medicine River Watershed is a good example.
- Dick Brainerd: We are going to be asked what the CWFs are doing for this work. So, having an executive summary of it would be helpful to share.
- Holly Kovarik: Yes, I agree. A narrative of some kind would help. Each watershed has a story to tell.
- Paul Gardner: I would like to make a story map of this to help to tell folks what each of the practices does.
- Glenn Skuta: It goes to the audience. Scientists will want to look at reports and summaries online. However, if this is an example watershed that is being sharing with Legislators and the public, having some quick visuals to help people understand, this is a good watershed example.
- Justin Hanson, BWSR: I agree, Minnesota is so comprehensive in attacking these water resource challenges. Looking at how to share this information clearly, talking about strategies around it is very challenging. To do that simply is tough. Having an overview and maps/visual are very helpful. I would offer, there is a different story for the different things that each legislator and each member of the public cares about. The challenge is to meet everyone where they are at and try to demonstrate the story everyone is interested in. There are many great things happening. Let's keep having this discussion.
- Frank Jewell: As a local legislator, my job was to be a generalist. I need to know lots of things about different things. I am a visual person too. It is enormously helpful to see things that are linked to the solution. Less is often more because people can drill down more if they want to learn more. I like what we have revealed today. There is so much work being done.

Review FY24-25 Recommendations in Preparation for November Budget Forecast (WebEx 01:03:00)

The BOC leaders requested a more detailed run through the budget spreadsheet to see what to protect, or what to increase when the November forecast comes in. The Policy Committee also discussed items to discuss in 2023, looking at the action of the Council before the next budget cycle. Currently, it is estimated at \$337 million.

- The members will go down the list to either protect, keep the same, or potentially add additional funding.
- Monitoring, Assessment, and Characterization discussion items:
 - More capacity would go to contaminants of emerging concern (CECs), and PFAS in fish.
 - Steve Besser: I feel strongly about aquifer monitoring and aquifer supply. Lake IBI is critical. *Response from Paul Gardner: Demand for health-based guidance on CECs is high.*
 - Jen Kader: Yes, these two should be protected.
 - Paul Gardner: The Private Well Initiative program has a lot of support. Jen Kader concurred.
- Watershed and Groundwater Restoration and Protection Strategies discussion items:
 - The GRAPS was increased to fund several employees to do more support and capacity. Jen Kader: If there was more funding, would it make sense to add it to the GRAPS? *Answer from Tannie Eshenaur, MDH: Yes, they are doing a work plan since the amount was first proposed.*
 - Jen Kader: Did the Council hear back from the ICT on the scalability? *Paul Gardner: There was conversation, but no consensus. The ICT would be interested in what the Council is interested in.*
 - The WRAPs total funding is wrapping up, but the TMDL work is ongoing.
- Comprehensive Local Watershed Management discussion items:
 - The One Watershed One Plan (1W1P) plans are on schedule, and thus funding is going down.
 - Jen Kader: What will phase two planning grants look like? Justin Hanson, BWSR: All plans will be initiated by 2025. We would follow up on the remaining needs.
- Nonpoint Source Implementation discussion items:
 - Re: BWSR's Implementation Funding for Watersheds with Approved Comprehensive Watershed Plans (Watershed-Based Implementation Funding). This is the biggest line item in the CWFs budget. There was a robust discussion on this item from our stakeholder input. The amount goes up as the plans are approved. That is why this is a higher amount. The ICT would appreciate further discussion on this item. In the past, sometimes this has been decreased because it is the biggest line item. Therefore, it is scalable.
 - Frank Jewell: I would like to make sure that there is a good argument to save new programs by taking funding from other places. This is the largest line item and has been cut before. If needed, I think it could be cut before the new programs would be cut or it could be scaled up if there is more money.
 - Holly Kovarik: It is scalable.

- Jen Kader: This is scalable. I would caution against increasing this area if there are other areas that could be increased first. There is a concern about committing to a higher degree of funding beyond that trajectory, which would add more pressure on other programs in the next biennium.
 - Todd Renville: I feel strongly about preserving the Wetland Restoration Easements program. Steve Besser, Dick Brainerd, and Jen Kader support protecting this program as well.
 - Jen Kader: There was support for this area from stakeholders. It could also be scalable.
 - Glenn Skuta, MPCA: It might be good to mention the Lake Superior Basin SWCDs Leverage Funding program language is updated, so it is not limited to the bipartisan infrastructure law, because there may be other funds available from other areas.
 - Jen Kader: I would be interested in protecting the DNR's Water Storage program. Since they are working on a pilot program now, it does not make sense to increase funding now, until things are figured out. *Jason Moeckel, DNR*: Correct. There are other candidates, but they are not ready yet.
 - Frank Jewell: Regarding the AgBMP Loan Program, does the investment keep going? Is this a revolving loan program?
 - *Answer from Dan Stoddard, Minnesota Department of Agriculture (MDA)*: Yes, exactly. It is an extremely efficient program with low administrative costs. It is administered at local government. The loans are also used as matches for other funding sources. The demand exceeds the funding, and with interest rates go up, the demand goes up.
 - *Comment from Frank Jewell*: This is great.
 - *Dick Brainerd*: How is it determined how each local governments get the funds? *Answer from Dan Stoddard, MDA*: There are different measurements. Then, it is also based on need and available funds.
- Point Source Implementation discussion items:
 - Jen Kader: We should hold firm on the chloride reduction efforts. There is a lot of support for it.
- Groundwater/Drinking Water Implementation Items:
 - Dick Brainerd: I think the Voyageurs National Park is a good program. There has been a lot of input from the park folks, and other support. It has a lot of parts to it.
 - Frank Jewell: I would also support Voyageurs National Park.
- Research, Evaluation, and Tool Development discussion items:
 - Dick Brainerd: For items being reduced, is there any place that we say why it was reduced? *Answer*: We could do it. Regarding the items from the University of Minnesota, there was no request that came forward, so that is why it was not funding on this spreadsheet.
- The recommendations total the \$337 million estimated CWFs. Paul will follow up with a list of the items the members had strong feeling on, and the reasoning for why. Then, this will be brought to the full Council meeting for further discussion.

Adjournment (*WebEx 02:19:46*)



Enhanced County Inspections/ SSTS Corrective Actions



mn MINNESOTA POLLUTION
CONTROL AGENCY

Brandon Montgomery | SSTS Program Coordinator

2/3/2023



REPORT TO THE
LEGISLATURE

JANUARY 2023

Clean Water Fund appropriations for subsurface sewage treatment

Appropriations for subsurface sewage treatment system (SSTS)
programs in Minnesota for fiscal years 2013–2023

- SSTS CWF Appropriation Report
 - Biennial
 - Jan 2023
- MPCA Legislative Priorities Website
 - Leg. Reports and Fact Sheets
 - Lrp-f-1sy23

SSTS Overview

- Approximately 30% of Minnesotans depend on SSTS to treat their household wastewater
- In 2022, local units of government reported -
 - 630,000 SSTS in the state
 - SSTS professionals completed 15,800 compliance inspections on existing systems
 - LGUs issued \approx 13,000 construction permits
- Since 2017 –
 - Total SSTS in MN up 17% (537,00 \rightarrow 630,000)
 - Construction Permits up 20% (10,900 \rightarrow 13,000)
- COVID-19 & WFH



SSTS CWF Overview

- “Enhancing the county-level delivery systems for subsurface sewage treatment system (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protecting groundwater.”
- “This appropriation includes base grants for all counties with SSTS programs and competitive grants to counties with specific plans to significantly reduce water pollution by reducing the number of systems that are an imminent threat to public health or safety or are otherwise failing.”
- “available to counties for grants to low-income landowners to address systems that pose an imminent threat to public health or safety or fail to protect groundwater.”

SSTS CWF Grants

- MPCA has been distributing CWF money for SSTS purposes for 11 years (FY13)
- Total of \$28,663,442
 - 86 of Minnesota's 87 counties
 - Ramsey County does not operate an SSTS program
- CWF appropriations are divided into four grant opportunities
 - SSTS Base Grants (BWSR)
 - SSTS Low-Income Grants (BWSR)
 - SSTS Incentive Grants (not currently offered)
 - SSTS Advanced Inspector Grants (not currently offered)



MPCA Staff Funding

- Minimize fiscal impact when possible
- We continue to find efficiencies and reduce our FTE costs
- Higher percentages to grant programs

	FY14-15	FY16-17	FY18-19	FY20-21	FY22-23
Clean Water Funds	6.9	7.245	6.870	6.750	5.824
FTEs (state agency staff funded by CWF)	2.1	3.0	3.0	1.8	1.4
Dollars Passed Through	5.531	5.170	5.295	6.013	5.655

SSTS Base Grants

- Counties only, must:
 - Administer an SSTS program
 - Have an ordinance that meets state rules
 - Complete and submit an annual report
- SSTS Base Grant – \$18,600
 - \$17,100 CWF
 - \$1,500 Env. Fund
- 86 counties each fiscal year
 - $\$17,100 \times 86 = \$1,470,600$ Annually
 - Available for 10 years (FY14)



\$2,941,200 FY22/FY23

\$14,706,000 Total

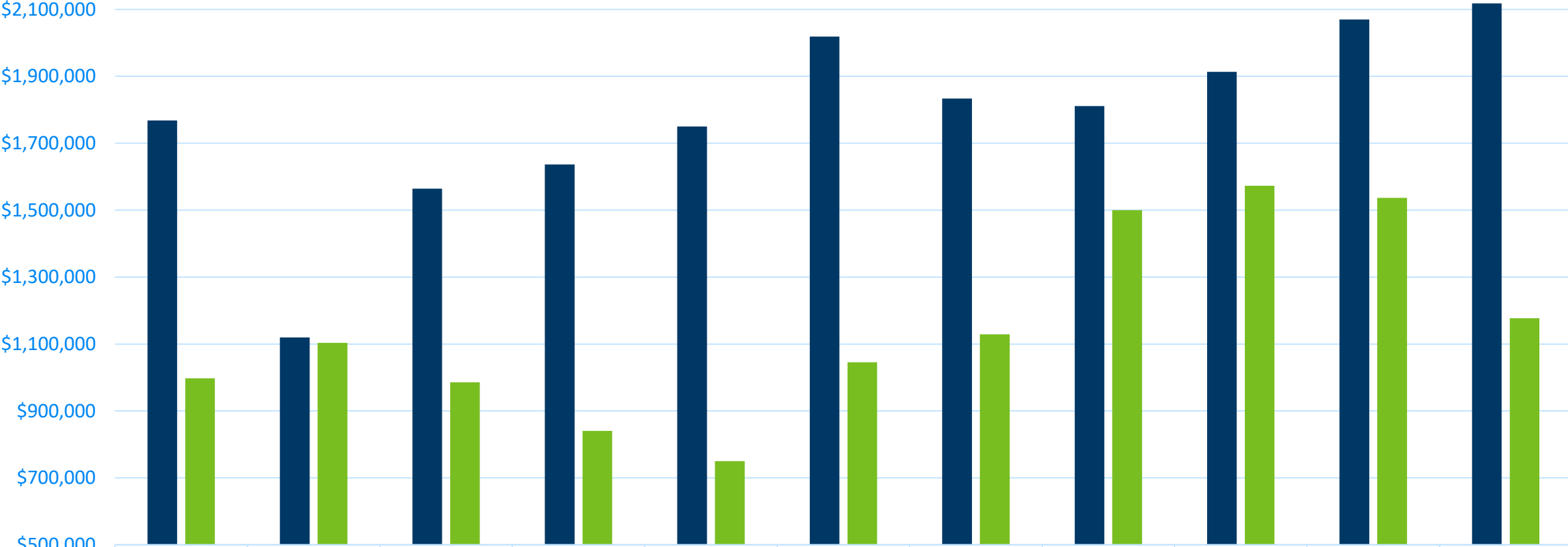
Low-Income Grants

- Competitive process that counties must apply for each fiscal year
 - Funding for low-income homeowners with failing SSTs for upgrades or replacements
- Available since FY13 (11 Years)
 - \$12,638,543 Total
 - \$1.1 million annual average
- High Demand
 - \$19,602,622 Requested
 - \$40,000 Cap
 - “Deficit” average- \$633,098



Low-Income Grants

SSTS Low-Income Funding & Requests



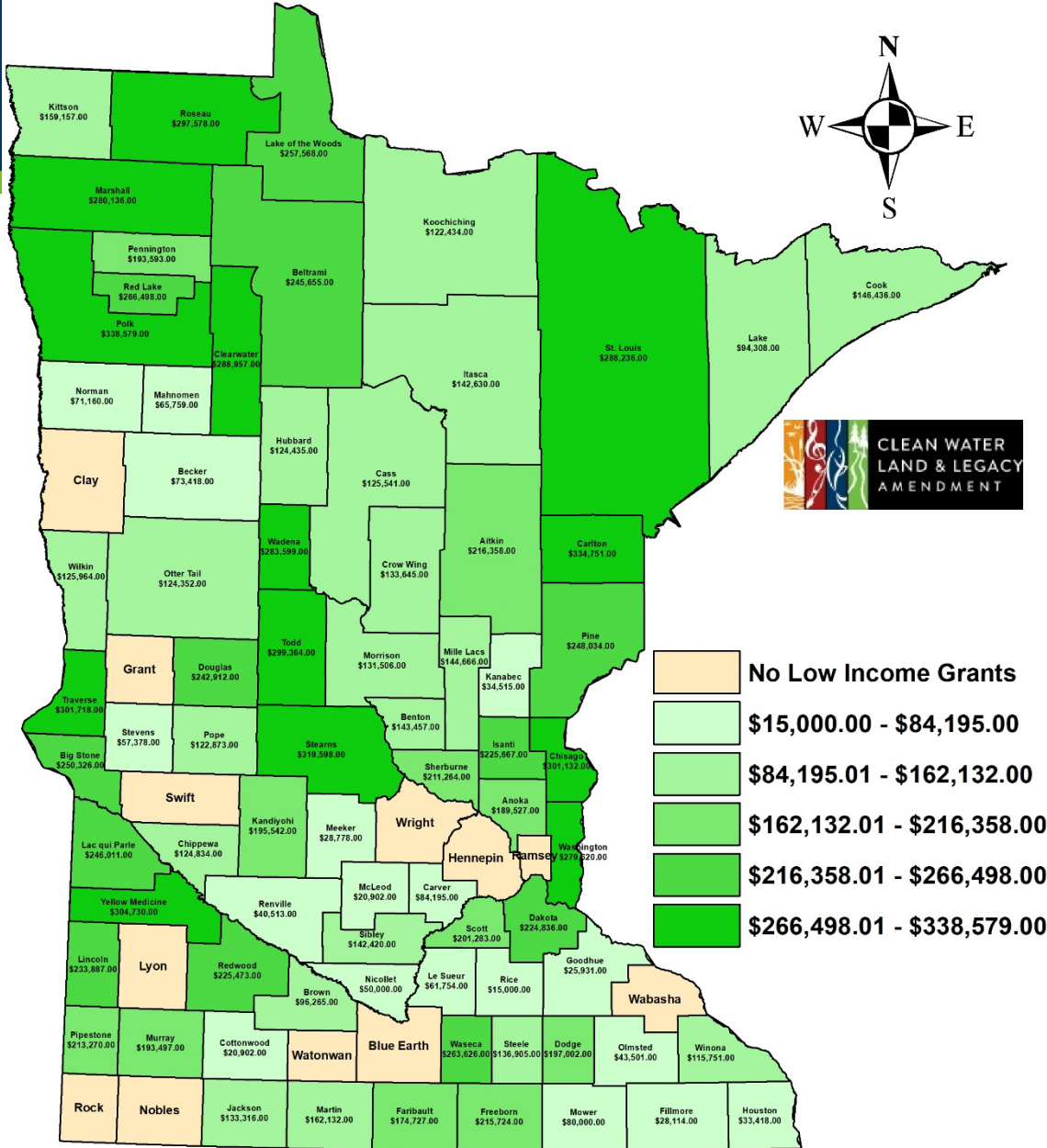
	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Amount requested	\$1,768,000	\$1,120,000	\$1,564,000	\$1,636,500	\$1,749,722	\$2,019,000	\$1,833,650	\$1,811,050	\$1,913,100	\$2,070,000	\$2,117,600
Amount Funded	\$997,580	\$1,103,300	\$985,880	\$840,307	\$750,001	\$1,045,794	\$1,129,000	\$1,500,000	\$1,572,774	\$1,536,907	\$1,177,000

Low-Income Grants

- Average County Grant
 - \$26,112.69
- Average Homeowner Grant
 - \$7,099
 - Sliding Scale
- Average System Cost
 - AgBMP - \$17,444 and ↑



Clean Water Fund Low Income Grant Totals by County FY13 - FY23



Low-Income Grants

- Systems Replaced FY13 – FY21

- 1,398 Systems
- \$9,924,636

- FY22/FY23 Distribution

- \$2,713,907
- Reporting Lag
- Expect ≈ 380 Systems

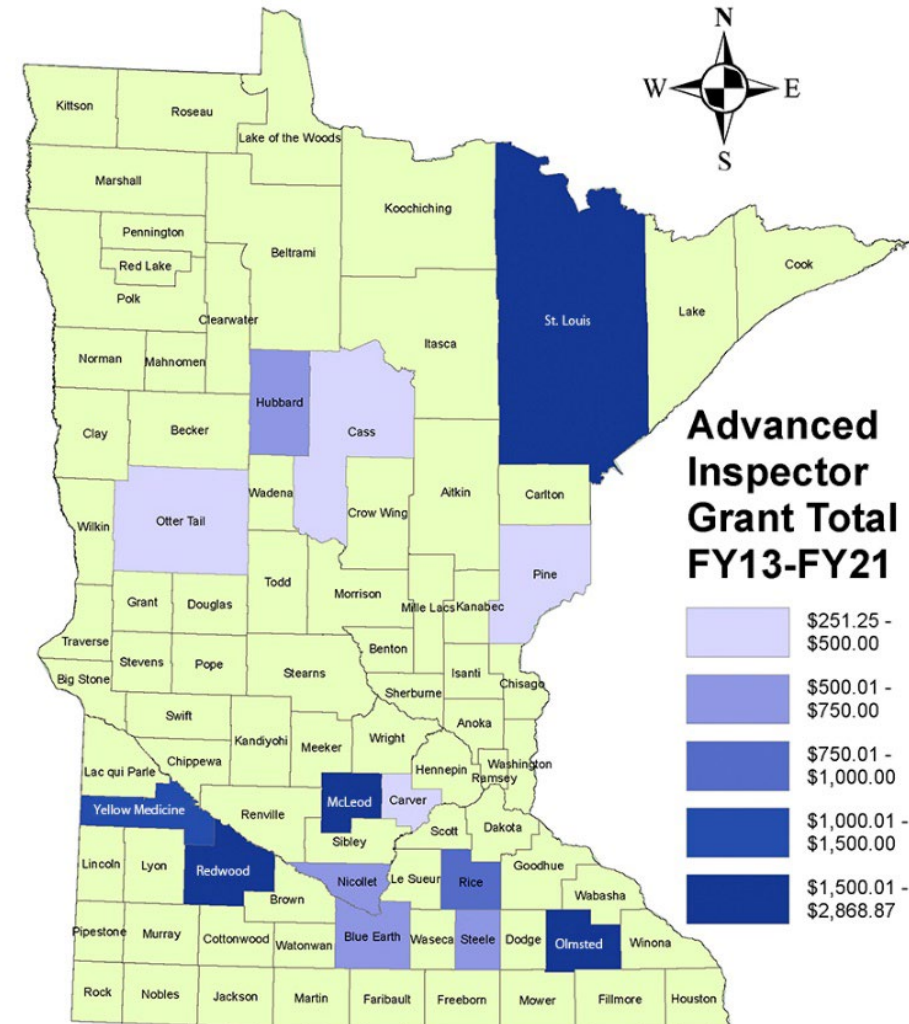
SSTS Incentive Grants

- Distributed FY14 – FY18
 - \$1,309,299 were distributed to 62 counties
- Five Categories
 - Compliance inspection requirements on property transfers
 - Compliance inspection requirements on any permit application
 - Improving compliance through an inventory
 - Completing a records catalog of SSTS in the jurisdiction
 - Planning/addressing unsewered areas within the county
- SSTS Implementation and Enforcement Task Force



Advanced Inspector Grants

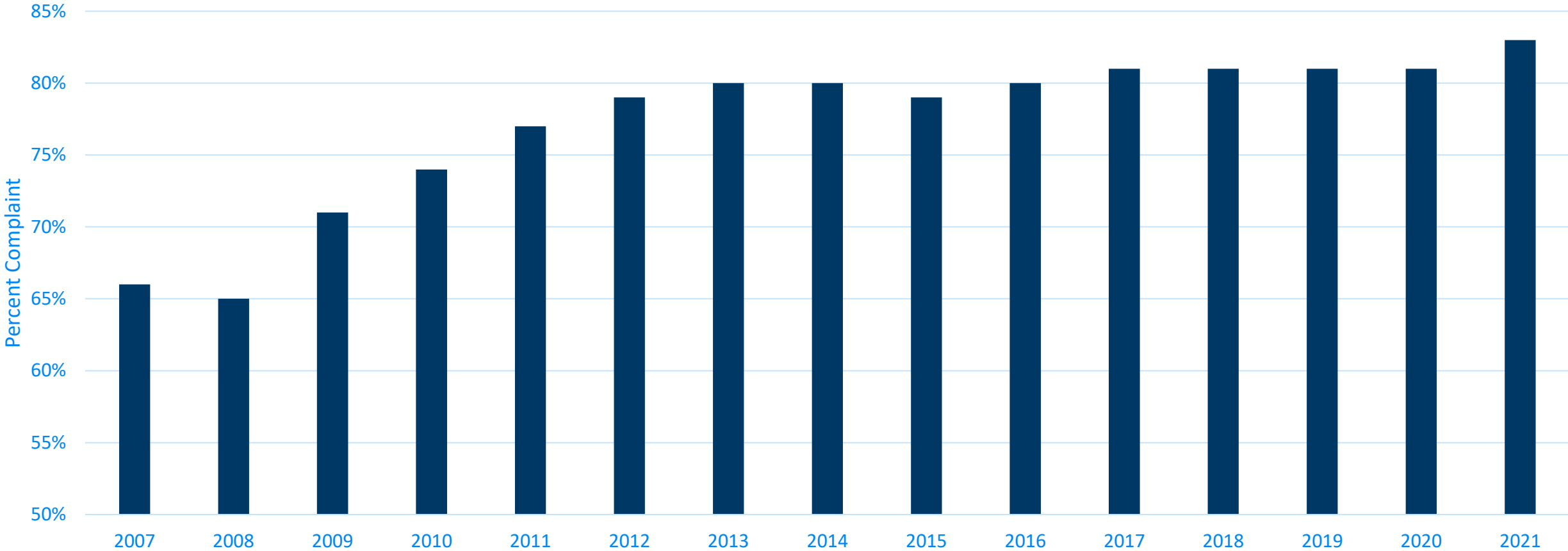
- Assist with the cost of designing, inspecting and operating SSTs that advanced inspectors
 - 75% of the incurred cost
- Less than 20 projects annually
- FY13 – FY21
 - Funding provided to 14 Counties
 - < \$13,000 Spent
 - \$162,000 Encumbered
- Inefficient
 - Permit Fee Structure



SSTS Compliance

- This program has led to an 80 percent compliance rate statewide, a goal in the Council’s Strategic Plan.

Estimated Compliant SSTS



Looking Forward

- The MPCA estimates that the CWF can help maintain a compliance rate for SSTS at a minimum of 80 percent, and to attain a goal of 90 percent annually.
 - Compliance rates vary annually; Estimates, new systems failing, better data
- Support more low-income households to replace noncompliant septic systems

Groundwater/Drinking Water Implementation

Agency	Activity	Summary of Program	Recommendations (000's)
MPCA	Enhanced County Inspections/ SSTS Corrective Actions	Provides county grants for more SSTS inspections and income-based assistance to maintain 80 percent compliance	\$7,100

Questions?

2/6/2023

Open Space Goes Here | mn.gov/web/our

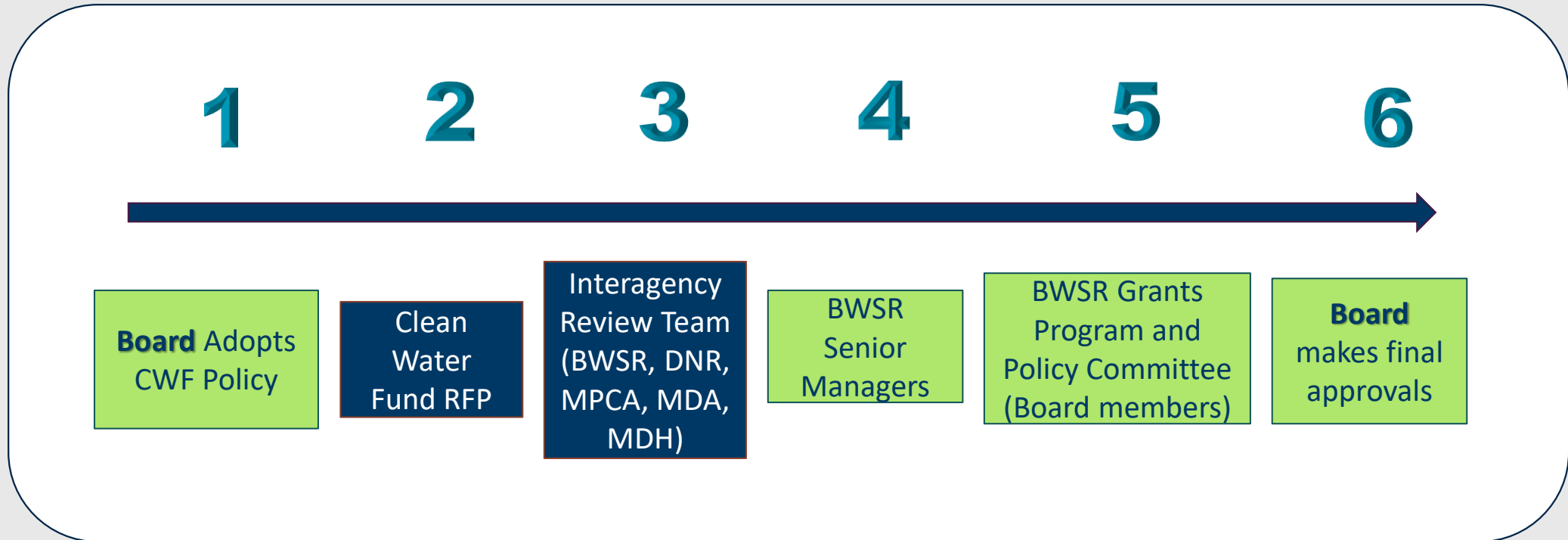


FY 2023 Clean Water Fund Competitive Funding Summary

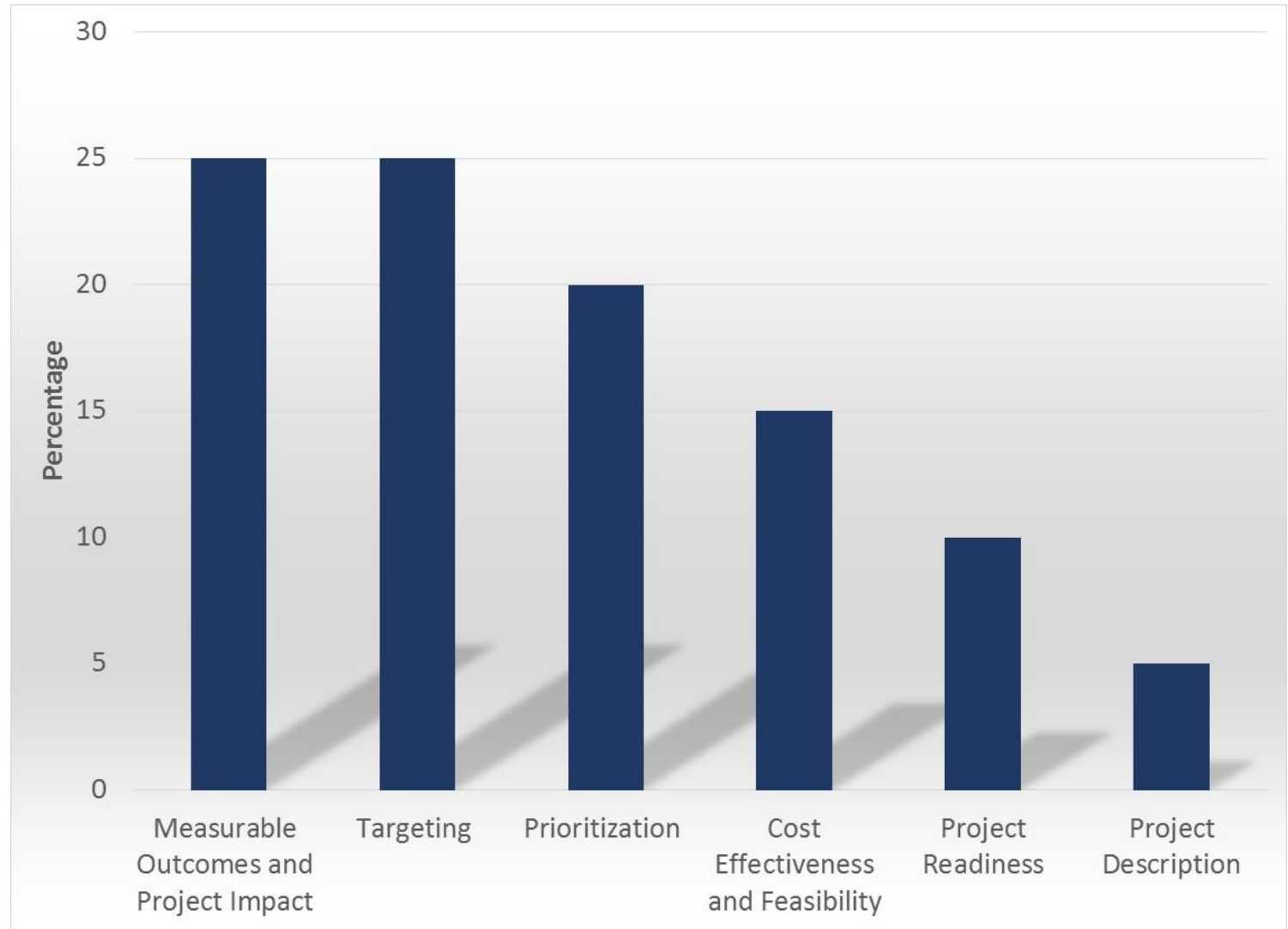
Clean Water Council Budget and Outcomes Committee

February 3, 2023

Competitive Grant Process



Ranking Criteria

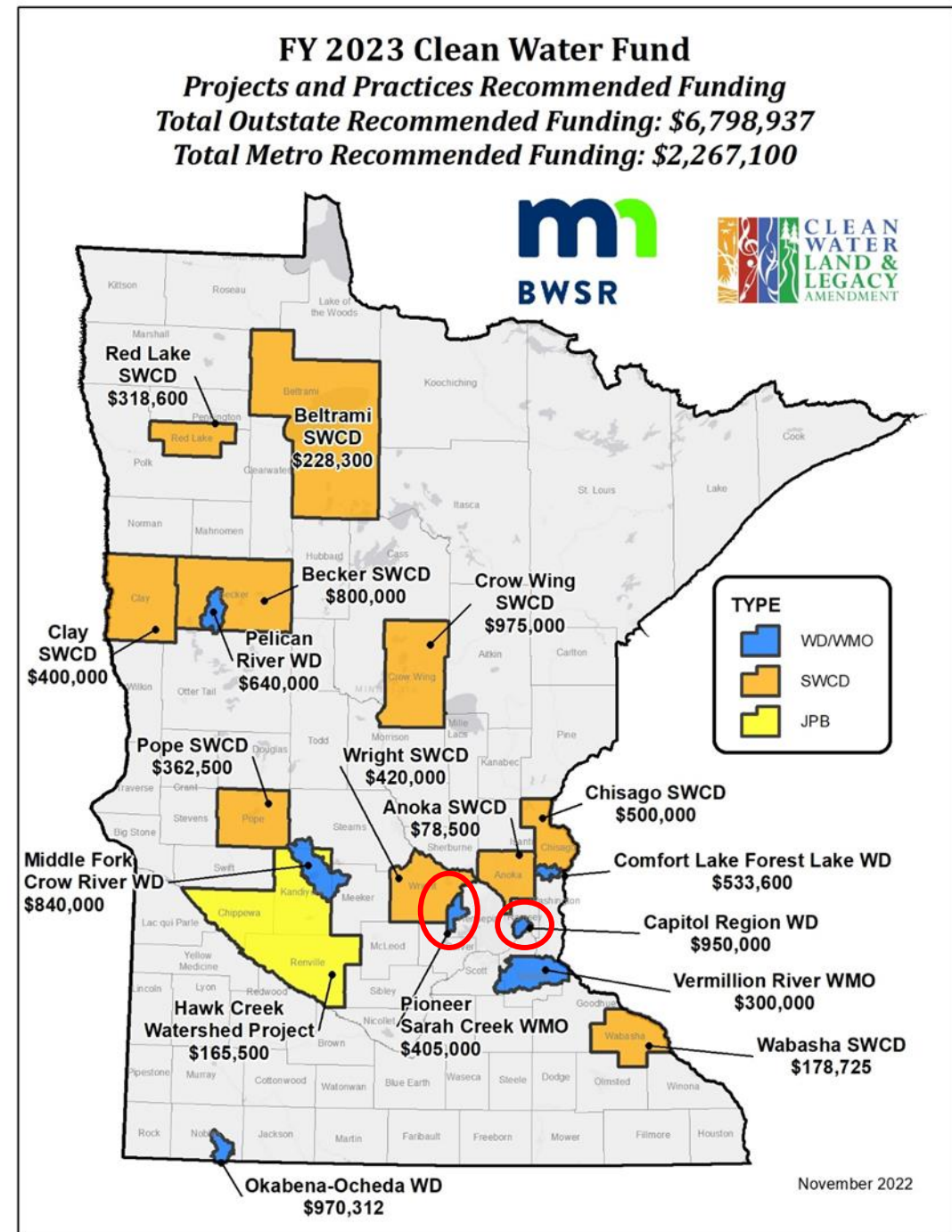


FY2023 Competitive Grant Opportunities

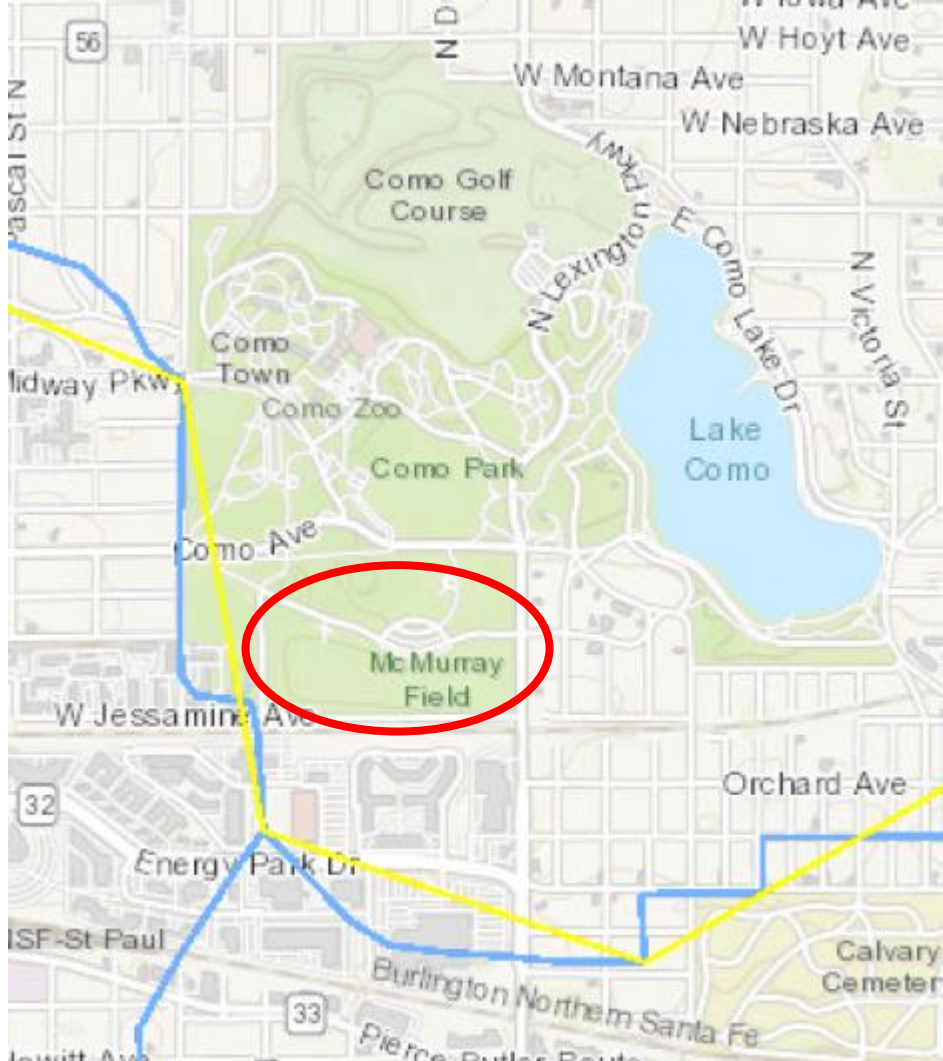
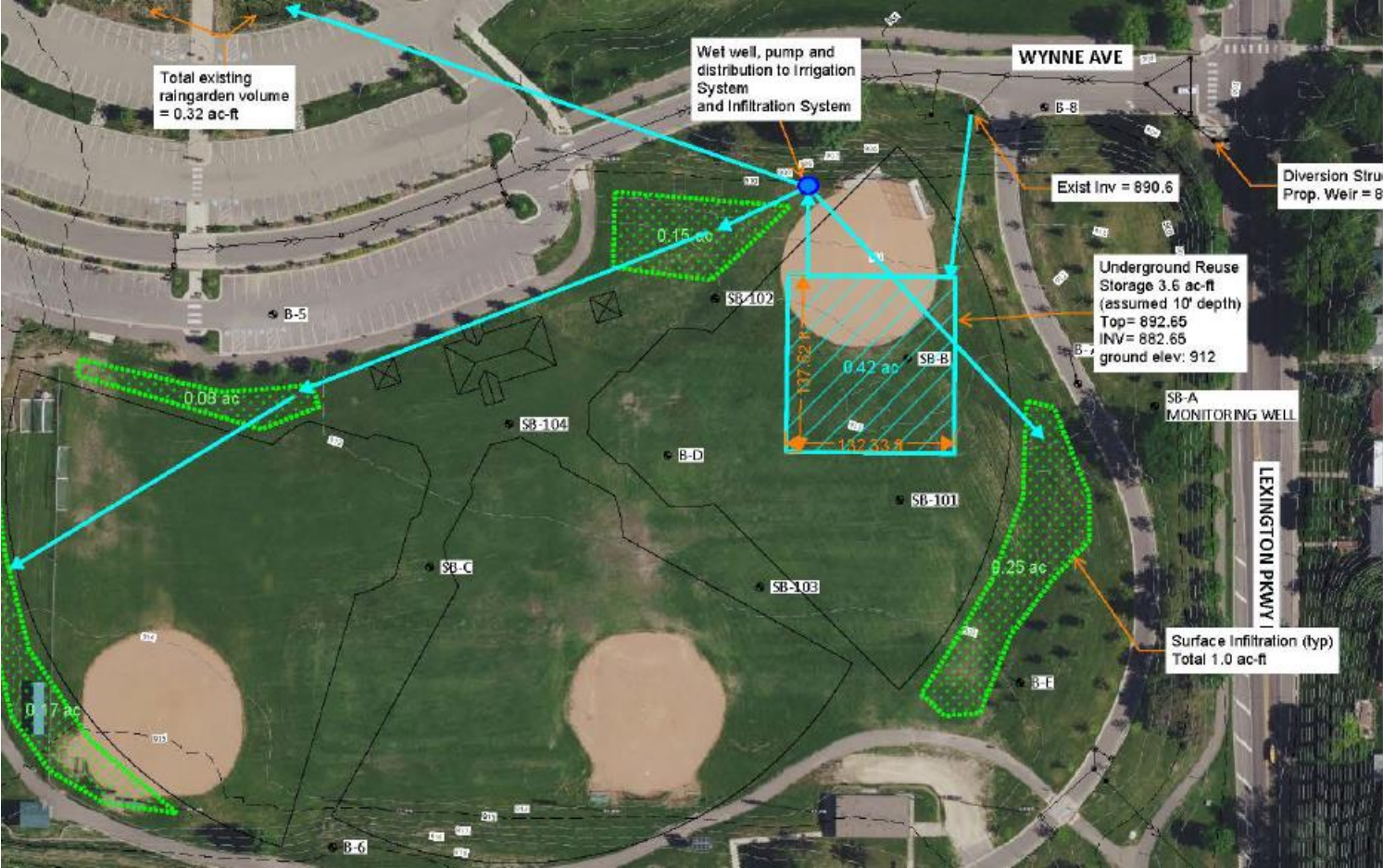
- Projects and Practices (P&P)
- P&P- Drinking Water
- Soil Health
- Multipurpose Drainage Management (MDM)

FY 2023 Projects and Practices

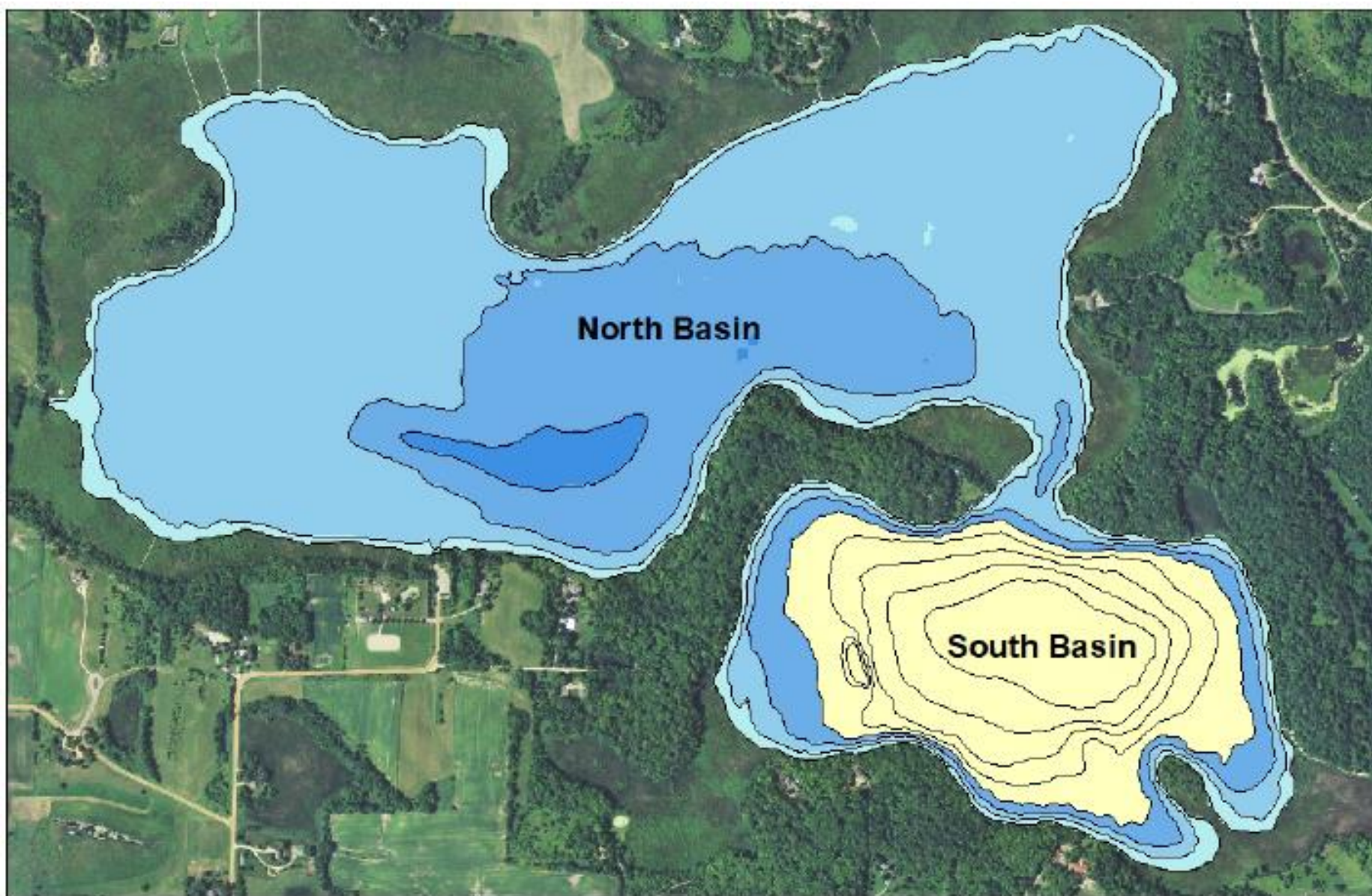
19 applications funded
 \$9M awarded
 \$23M requested



McMurray Fields Stormwater Treatment and Reuse, Capitol Region WD



Whaletail Lake- South Basin Alum Treatment, Pioneer-Sarah Creek Watershed Management Commission



Depth ft	
0 - 3.0	12.1 - 15.0
3.1 - 6.0	15.1 - 18.0
6.1 - 9.0	18.1 - 21.0
9.1 - 12.0	21.1 - 23.3

Whaletail Lake Alum Treatment

Water Resources Department
Created by: BV
Map Created: 07/8/2022

- contours 3ft
- Alum Treatment Area



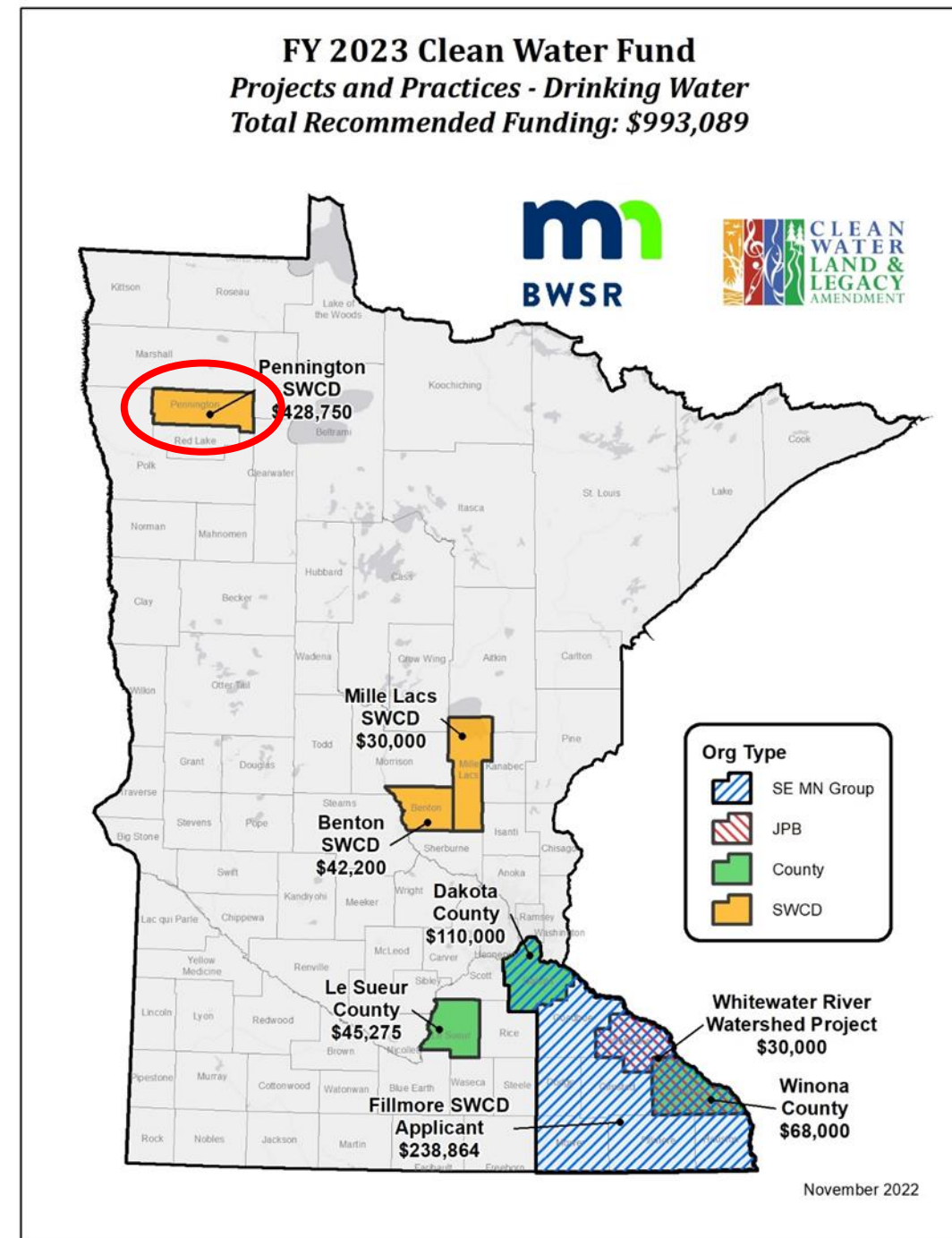
This map is a compilation of data from various sources and is provided "as is" without warranty of any representation of accuracy, timeliness, or completeness. The user acknowledges and accepts the limitations of the data, including the fact that the data is dynamic and in a constant state of maintenance, correction, and update.

FY 2023 Projects and Practices- Drinking Water

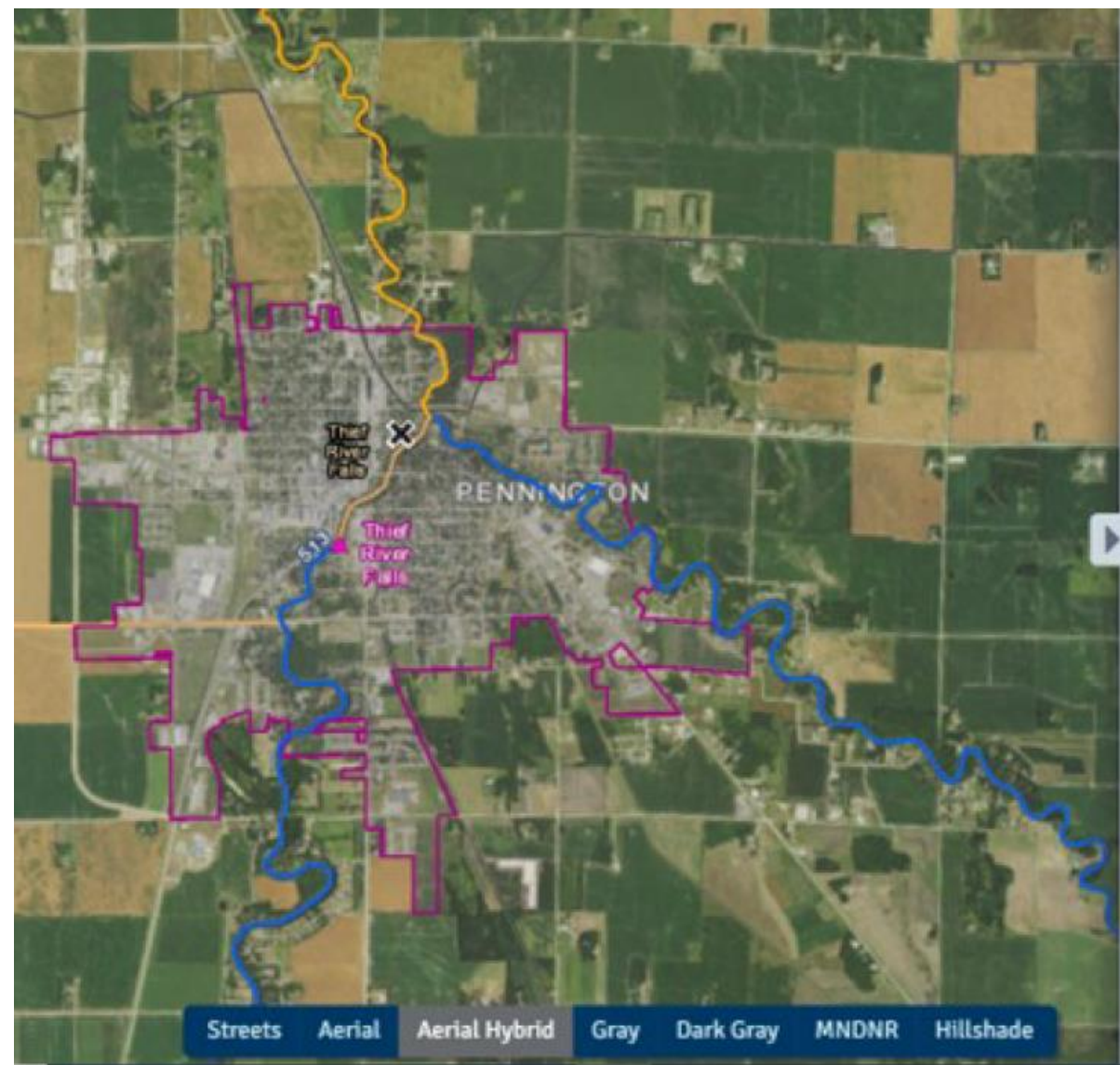
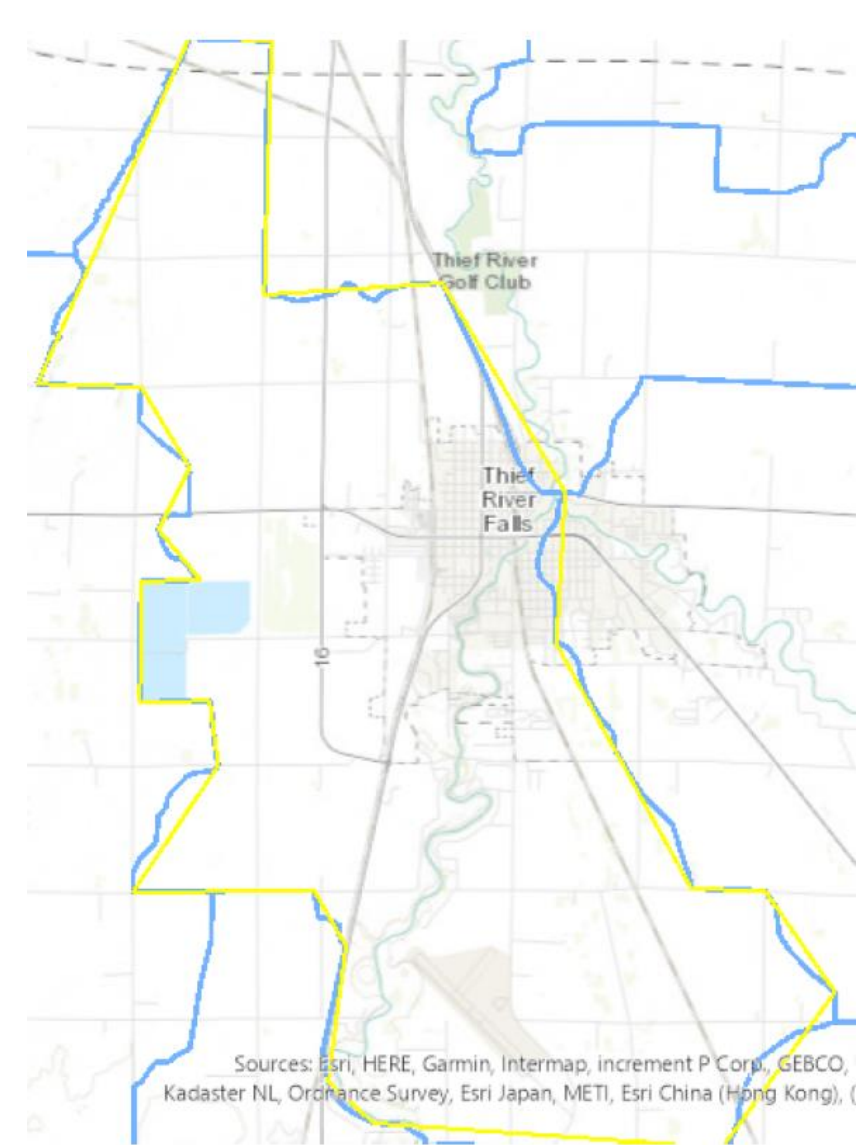
8 applications funded

\$993,089 awarded

\$993,089 requested



Chief's Coulee Stormwater Project, Pennington SWCD

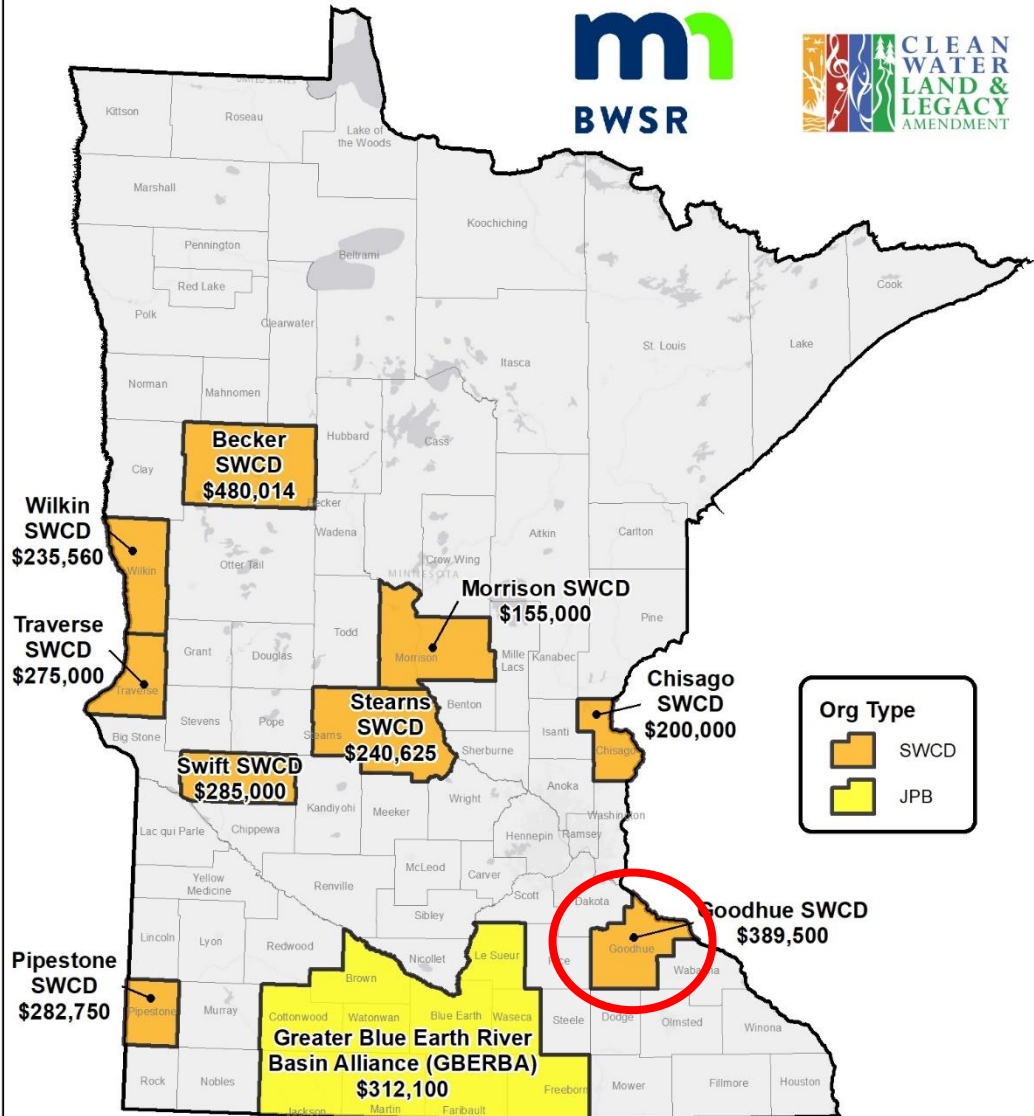


Legend

- Inventory of Dams
 - ▲
- Surface Water DWSMAs (DWSMA-SV) Priority Areas A & B
 - A
 - B
- Stream Protection Priorities for WRA
 - Stream Protection Priority Class
 - A - Highest
 - B - Higher
 - C - High
 - Tiered Aquatic Life Use (TALU) Class
 - Exceptional
 - General (no map symbol)
 - Modified
- Impaired Streams by Affected Use, 2020
 - Affected Use - Drinking Water
 - Not in tribal reservation
 - Partially in tribal reservation
 - Wholly in tribal reservation
- Impaired Streams by Impairment Parameter, 2020
 - Impairment Parameter - Turbidity Total Suspended Solids (TSS)
 - Not in tribal reservation

Streets Aerial Aerial Hybrid Gray Dark Gray MNDNR Hillshade

**FY 2023 Clean Water Fund
Soil Health Grant**
Total Recommended Funding: \$2,855,549



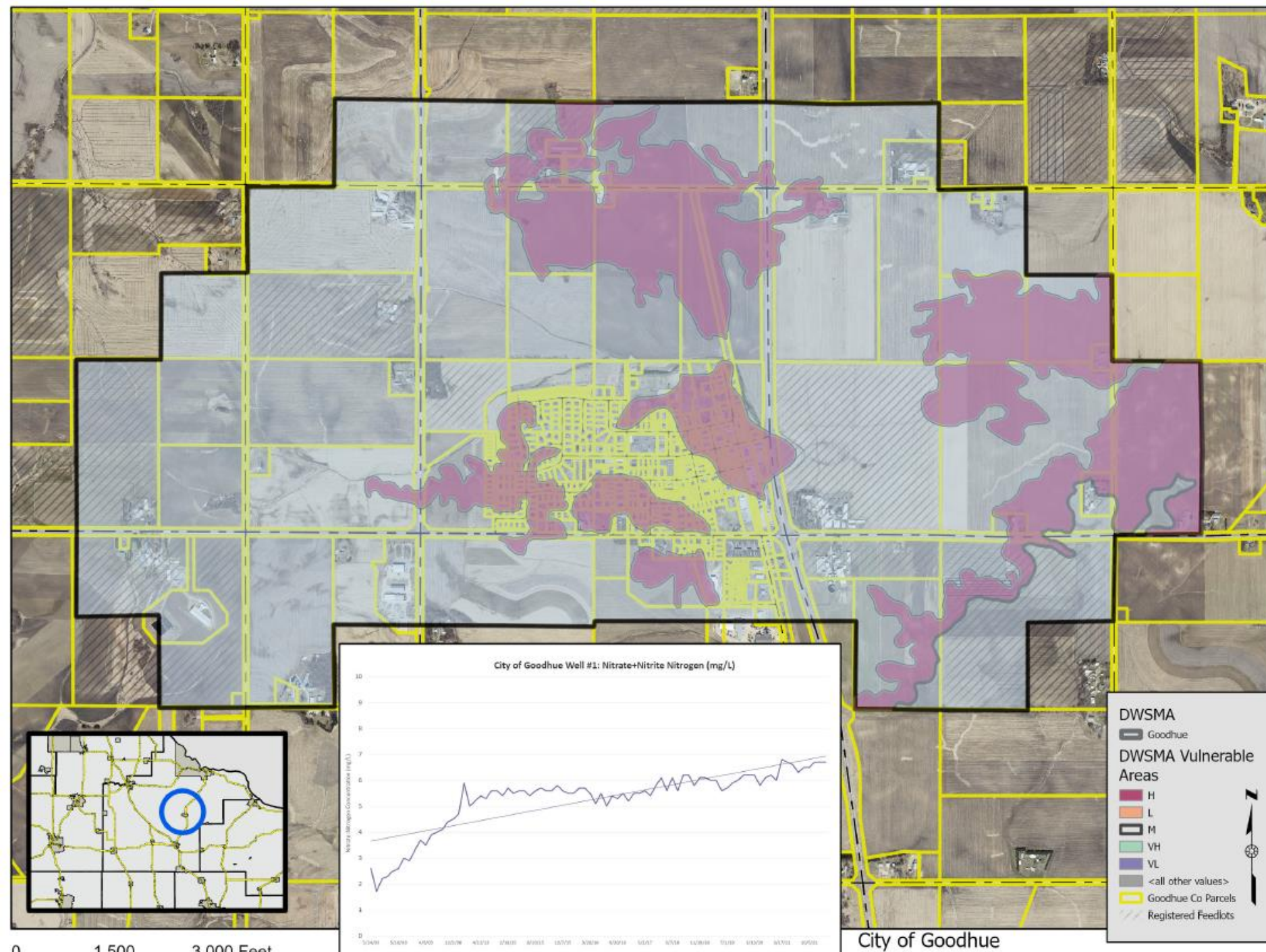
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November 2022

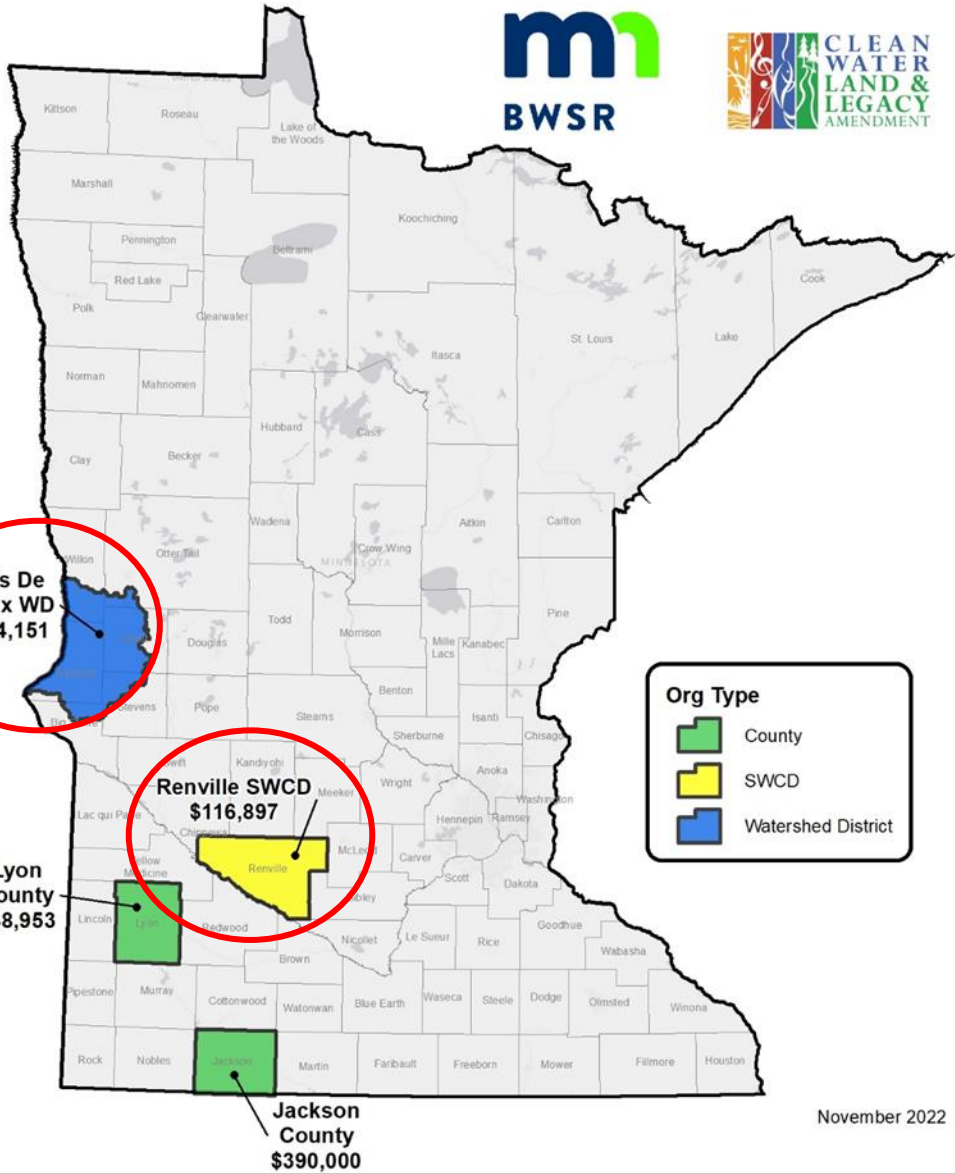
FY 2023 Soil Health

10 applications funded
\$2.8M awarded
\$2.8M requested

Goodhue DWSMA - Nitrate Protection Initiative



**FY 2023 Clean Water Fund
Multipurpose Drainage Management Grant
Total Recommended Funding: \$800,000**



November 2022

FY 2023 Multipurpose Drainage Management



4 applications funded

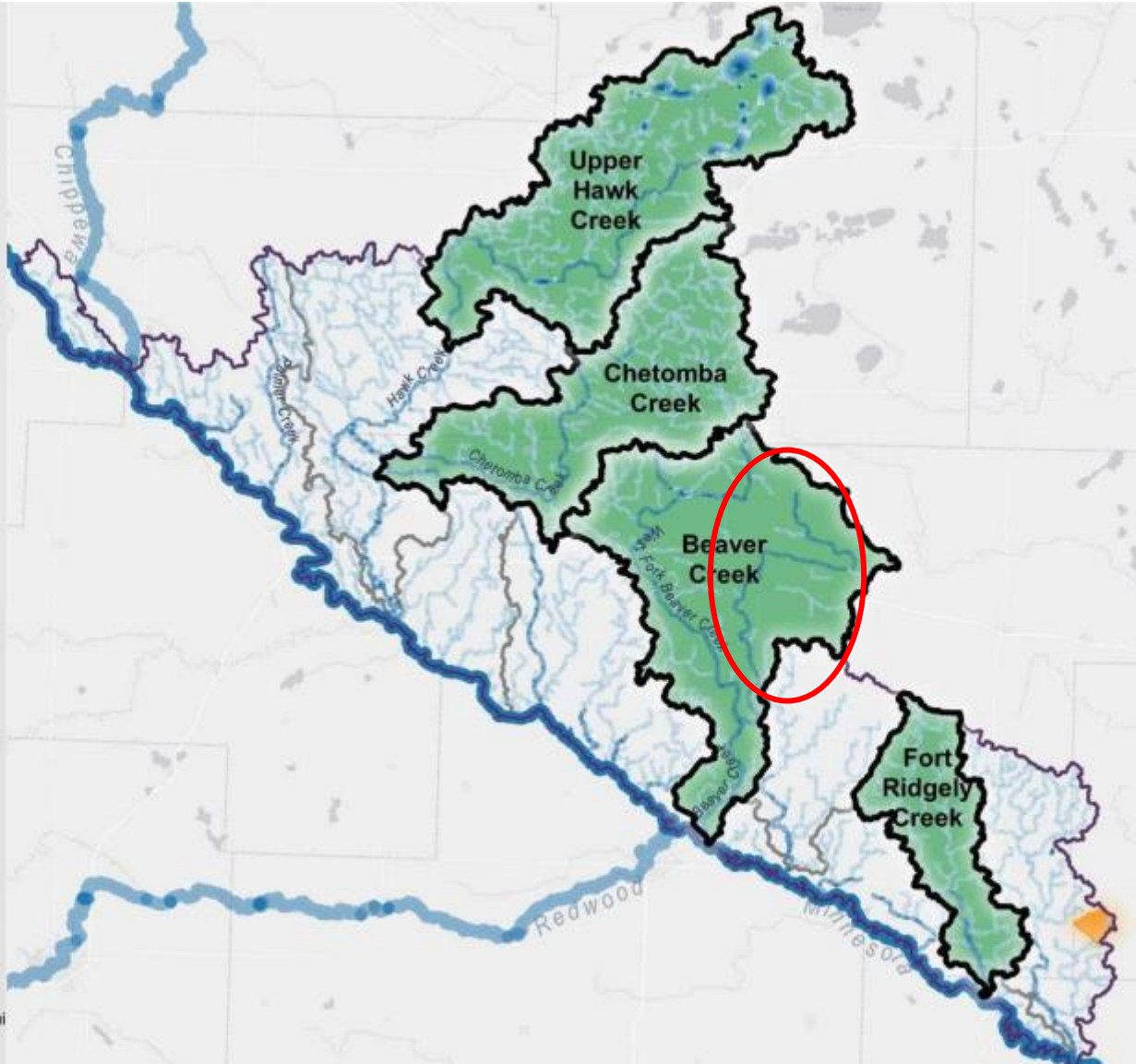
\$800,000 awarded

\$1,170,040 requested

Improving Water Quality for Beaver Creek – Renville SWCD

Priority Areas for the HCMM CWMP

-  Priority HUC-10 Watershed
-  Swan Lake Watershed (priority resource)



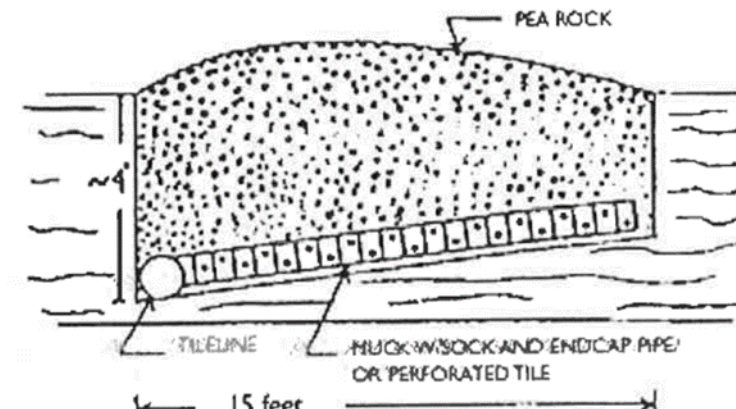
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Alternative Intakes

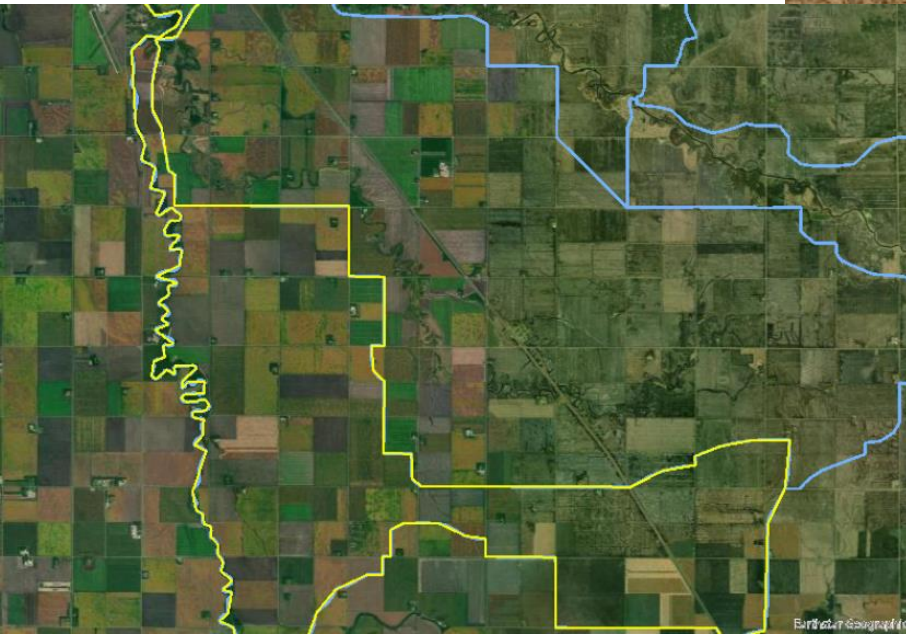
Benefits:

- Convenient
- Cleaner water
- Reduces soil loss
- Eliminates suction voids
- Eliminates crop residue in tile line

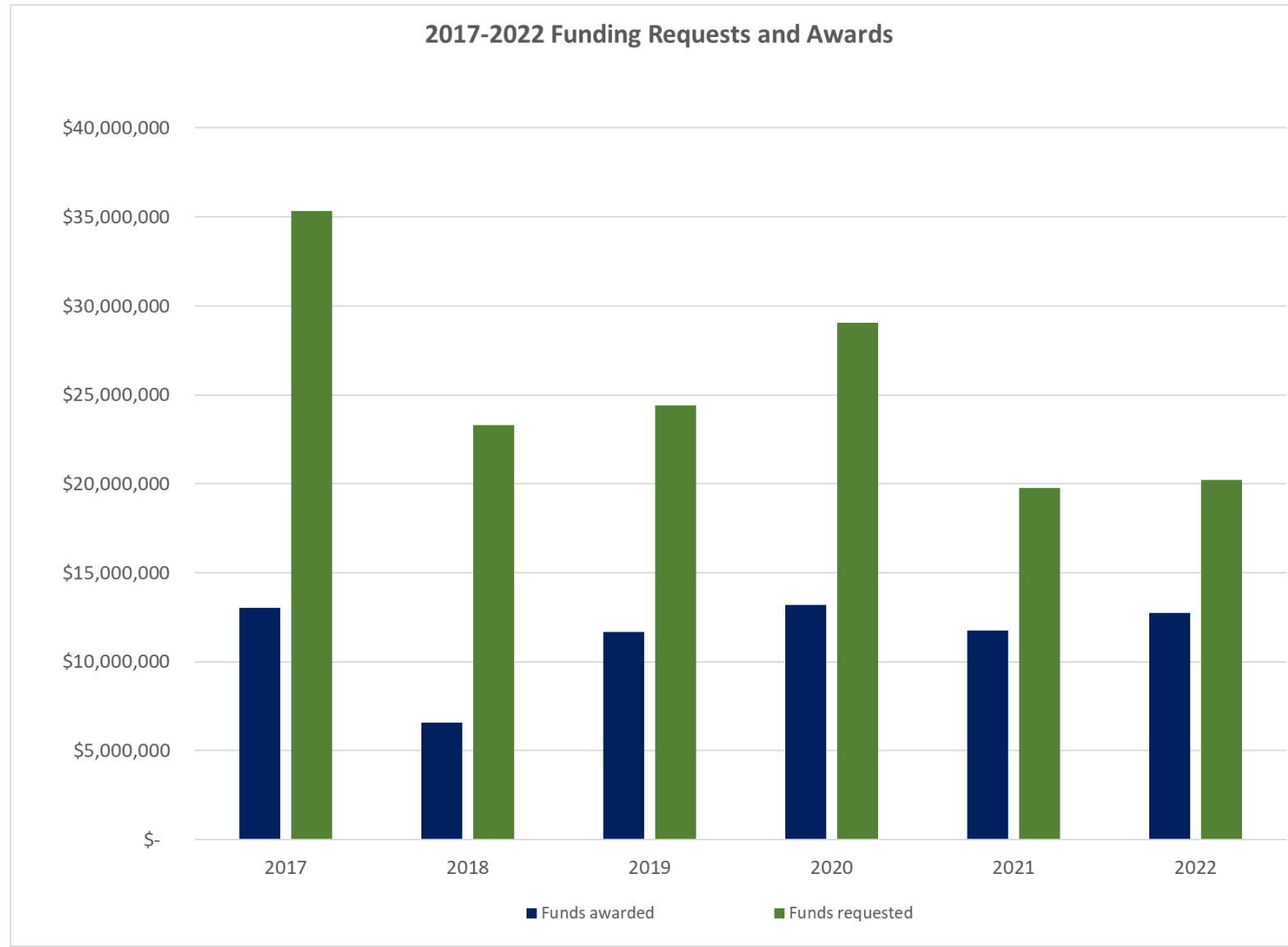
ROCK INLET DESIGN AND SPECIFICATION



Wilkin County Ditch Sub-1 Water Quality Retrofit– Bois de Sioux WD



Historical Summary: Clean Water Fund Competitive Grants



Clean Water Fund Grant Recipients

- Grants Administration Manual
- eLINK
- Grant Programs
 - Clean Water Fund Programs
 - CWF Grant Recipients
 - Accelerated Implementation
 - Buffer Implementation Supplemental
 - Multipurpose Drainage Management
 - CWF Soil Health
 - Projects and Practices
 - Soil Erosion and Drainage Law Compliance Program
 - One Watershed One Plan Planning Grant
 - Targeted Watershed
 - One Watershed One Plan Mid-Point Grant
 - Technical Training Acceleration
 - Watershed-Based Implementation Funding Grant Profile
 - Watershed-based Implementation Funding Program
 - Well Sealing
 - County Grants
 - SWCD Grants
 - TSA Grants
 - Disaster Recovery Assistance Program
 - Other Grant Programs
- Grant Program Policies
- Grant Reporting

Clean Water Fund Recipients

FISCAL YEAR 2023	▼
FISCAL YEAR 2022	▼
FISCAL YEAR 2021	▼
FISCAL YEAR 2020	▼
FISCAL YEAR 2019	▼
FISCAL YEAR 2018	▼
FISCAL YEAR 2017	▼
FISCAL YEAR 2016	▼
FISCAL YEAR 2015	▼
FISCAL YEAR 2014	▼
FISCAL YEAR 2013	▼
FISCAL YEAR 2012	▼
FISCAL YEAR 2011	▼
FISCAL YEAR 2010	▼

Questions