

**Clean Water Council
Budget and Outcomes Committee (BOC) Meeting Agenda
Friday, July 12, 2024 9:30 a.m. to 2:00 p.m.**

Hybrid Meeting: In person at 520 Lafayette Road, St. Paul, MN 55155 and on Webex

2023 BOC Members: Steve Besser (BOC Chair), Dick Brainerd (BOC Vice-Chair), Gary Burdorf, Steve Christensen, Warren Formo, Brad Gausman, Holly Hatlewick, Annie Knight

9:30 Regular Business

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

9:45 Update on Unspent Clean Water Funds through FY23

10:15 Review of ICT Deliberations on Funding Requests

10:45 Break

11:00 Clean Water Council Member Proposals for Discussion and Potential Use by the +ICT

12:00 Lunch

12:30 Continued Conversation on Proposals to ICT

1:30 Finalize Comments for July 15th Council Meeting and ICT

1:45 Public Comment

2:00 Adjourn

Budget and Outcomes Committee Meeting Summary

Clean Water Council (Council)

June 7, 2024, 9:30 a.m. to 2:00 p.m.

Committee Members present: Steve Besser (Committee Chair), Dick Brainerd (Committee Vice Chair), Gary Burdorf, Steve Christenson, Warren Formo, Brad Gausman, Holly Hatlewick.

Members absent: Annie Knight.

Others Present: Glenn Skuta (MPCA), Jason Moeckel (DNR), Judy Sventek (Met Council), Jeff Anderson (Voyageurs Project), Carrie Raber (MDH), Annie Felix-Gerth (BWSR), Margaret Wagner (MDA), John Barten, Rich Biske, Anne Nelson (MDH), Paul Pestano (MPCA), Frieda VanQualen (MDH), Jen Kader (Met Council), Jeppe Kjaersgaard (MDA), Kim Laing (MPCA), Mitch Hunter (Forever Green), Ryan Anderson (MPCA), Kris Klos (MDH), Steve Robertson (MDH), Tannie Eshenaur (MDH), Alycia Overbo (MDH), Karin Berkholz (DNR), Brandon Montgomery (MPCA), Suzanne Bauman (MPCA), Aaron Jansen (MPCA), Brooke Asleson (MPCA), Chandi McCracken-Holm (MPCA), Britt Gangeness (MPCA), Stefan Saravia (MDH), Stephanie Drier (MDH), Jeff Freeman (PFA)

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
- Approve agenda and most recent minutes
 - Minutes and Agenda Approved (*Webex 6:29*)
- Chair and Staff update
 - Paul Gardner - \$30,000 of the CWC budget will support a contractor to fulfill part of our communications plan. It includes doing a couple of story maps to see how the programs fit together in a cohesive strategy, getting the landing page and Legislative Coordinating Commission website updated, and fact sheets on issues that would be companions to the story maps.
 - There was discussion of digitizing the information that is printed and stored in binders for Clean Water Council and subcommittees. It was determined that they would bring it to the full council before deciding one way or the other. It will be discussed on June 17, 2024.

Strategizing for Different Clean Water Fund Recommendations Scenarios for FY26-27 (*Webex 14:21*)

- Steve Christiansen- The current forecasted budget for the next biennium 2026-2027 is \$307,000,000. That is what we have to divvy up. The proposal is that we include two other things in what we produce, a 10% upside contingency in case there is extra to spend and a 10% downside in case there is a shortfall.
- Steve Besser- A worksheet that shows three tiers might be too confusing. I would lean toward just flagging things that are important to consider or projects for potential.
- Paul Gardner- There were two variables—a November and a February forecast. The November 2023 forecast was higher than thought to be last time at \$18 million extra. Then we had a broad discussion about what kind of thing we wanted to support that would be one time. Then the budget came out and it was \$25 million. We had even more because we took out the private well mitigation, so we topped off some of these programs with even more money. So, we had things that we had in our back pocket, so it was not shocking to act quickly to recommend the extra funding. Paul kept in touch with agencies and the Governor's office. It went smoother than it's ever been. (*Webex 25:30*)
- Brad Gausman- I think that we should have a contingency ready to go if more money becomes available, but I would recommend that we do recommend up to the full \$307 million. Having unspent money does

feel like an invitation for the Legislature to spend that money if we weren't to allocate it. With the upcoming election a lot of dominoes are going to fall in different places. (Webex 30:42)

- Unknown –We've got these two meetings--July 12 and August 2 where we're supposed to have a final. What do we have to do between now and August 2nd?
 - Steve Besser- Review the spreadsheet. Each of us should put an arrow up, down, or flat to indicate an increase, cut, or staying the same as part of our note taking process.

Questions, Comments, Conversation about May 20th and June 3rd Full Council presentations

The BOC will review questions posed by Council members on the presentations for the following programs. There may be no questions on some programs, or agencies may have written answers in lieu of a verbal response.

Met Council

- Metropolitan Area Water Sustainability Support (Met Council) (Webex 53:01)

Minnesota Department of Agriculture (Webex 1:03:11)

- Monitoring for Pesticides in Surface Water and Groundwater (MDA)
- Nitrate in Groundwater (MDA)
 - Are Neonicotinoids a pesticide? (Webex 1:09:16)
 - Yes, it is considered to fall under the broad definition of a pesticide and under our pesticides of concern for surface water.
 - What would you suggest we cut? (Webex 1:11:50)
 - We see reductions in our research appropriation and expanded weather stations. We have a few scalable programs that we think we could meet the demand for additional needs if funding is available.
- Research Inventory Database (MDA)
- Irrigation Water Quality Protection (MDA) (Webex 1:12:59)
 - Have we seen a decrease in ground water use by those converting to the newer technologies?
 - Not yet. We are using our five-year Regional Conservation Partnership Program grant to get technology out to irrigators and the money was spent in a year. There is a demand for the technology, and we've had 20 plus partners that are applying for a 2nd RCPP grant. (Webex1:13:21)
 - There is an average reduction in water use by 35% when this technology is used according to 2020-21 data.
- Forever Green Initiative (MDA)
- Pesticide Testing of Private Wells (MDA)
 - Brad Gausman suggested approaching the health plans about funding private well testing.
- Expand Weather Station Network (MDA)

Minnesota Pollution Control Agency (Webex 1:47:28)

- River and Lake Monitoring and Assessments (Webex 1:49:19)
 - We've got all this monitoring going on. Is the technology changing? And if it is changing, how will we adapt it? and what is the cost associated with it?
 - Yes, technology has been changing and some is still developing. It's very expensive, partially because they're new and complicated pieces of equipment. Satellite data plays a role. There are some efficiencies to provide cost savings as well.
- Watershed Restoration and Protection Strategies (including TMDLs) (Webex 2:05:09)
- Ground Water Assessment
- Wastewater/Stormwater TMDL Implementation
- Chloride Reduction Efforts

Minnesota Department of Natural Resources (*Webex 2:21:26*)

- Stream Flow Monitoring
- Lake IBI Assessment
- Fish Contamination Assessment
- Watershed Restoration and Protection Strategies
- Aquifer Monitoring for Water Supply Planning
- Buffer Map Maintenance
- County Geologic Atlases Part B

Board of Water and Soil Resources

- One Watershed One Plan (*Webex 2:22:54*)

MDH

- Drinking Water Contaminants of Emerging Concern (MDH) (*Webex 3:30:59*)
 - What is a Health-Based Value? (*Webex 3:38:15*)
 - It is the concentration of a contaminant in water that will cause little to no health effects for people drinking the water. They look at sensitive populations when they make that number so everyone is protected.
 - Steve Christiansen noted the global impact of Minnesota's work.
- Private Well Initiative (MDH) (*Webex 3:49:23*)
- Source Water Protection (MDH) (*Webex 4:05:34*)
- Groundwater Restoration and Protection Strategies (MDH) (*Webex 4:12:51*)
- Future of Drinking Water (MDH)

University of Minnesota

- County Geologic Atlases Part A (UMN) (*Webex 3:11:16*)
 - Paul Gardner – There are a couple of programs where the CWF is one of several funding sources. How do you decide what goes for what?
 - Barb Lusardi - Different funding sources have different restrictions and ways we can use them. Some are easier than others. Our biggest source of funding is from the Environmental Natural Resources Trust Fund. We tend to most work under than umbrella and we can divide that into subawards. Clean Water Funds have a longer duration. I can parse them out in a longer time frame. Some funds end earlier than other so I spend those out first. Clean Water Funds are very handy because I don't have a specific budget.
 - Paul Gardner—So a county atlas takes five years to complete, and the ENRTF grants only last three years. Is the CWF providing backup to help complete these atlases initially funded by the ENRTF because of the budget constraints on LCCMR recommendations?
 - Barb Lusardi—Yes.

PFA

- Point Source Implementation Grant (PSIG) Program (PFA) (*Webex 4:19:47*)
- Small Community Wastewater Treatment Program (PFA) (*Webex 4:25:33*)

Public Comment

Adjourn (*Webex 4:42:41*)

Summary of Unspent Clean Water Funds through FY23 as of 17 June 2024				
			Pre FY24-25	Agency
Program Name (in accounting system)	Program Name (as described in CWC Recommendations)	Notes	Funds Available	Totals
NOTE: These programs are in the same order as legislative appropriations in various Legacy Finance bills				
MDA				
Pesticide Monitoring Lab	Monitoring for Pesticides in Surface Water and Groundwater		-	
Nitrate in Groundwater	Nitrate in Groundwater		641,482	
AgBMP Loan Program Admin	AgBMP Loan Program		-	
Technical Assistance	Technical Assistance		207,644	
MN Water Res Digital Library	MN Water Research Digital Library [aka Research Inventory Database]		-	
MN Ag Water Qual Cert-MAWQCP	MN Agricultural Water Quality Certification Program		681,476	
Irrigation Water Quality Spec	Irrigation Water Quality Protection		-	
Forever Green Initiative	Forever Green Agricultural Initiative (U of MN)		-	
Private Well Pesticide Testing	Pesticide Testing in Private Wells		318,360	
Conservation Equip Assistance	Conservation Equipment Assistance		-	
Exp Weather Station Network	Expand MN Ag Weather Station Network		-	
Grants for Research	Agricultural Research/Evaluation		-	
Total MDA				\$ 1,848,963
MPCA				
Accelerated Implementation	NPDES wastewater/stormwater point-source implementation (combined from 2 previous programs)		57,214	
WQ Assessment	River and Lake Monitoring and Assessment		670,621	
TMDL Development	Watershed Restoration & Protection Strategies (includes TMDL development)		1,090,687	
Drinking Water Protection	Groundwater Monitoring and Assessment?	FY20-23--renamed Groundwater Assessment?	278,257	
Groundwater Assessment	Groundwater Monitoring and Assessment		-	
St. Louis Harbor Restoration	St. Louis River AOC		988,285	
NPDES Waste/Stormwater TMDL	NPDES wastewater/stormwater point-source implementation (combined from 2 previous programs)		85,978	
Drinking/Ground Water-SSTS	Enhanced County inspections/SSTS corrective actions		75,849	
Chloride Reduction Efforts	Chloride Reduction		40,735	

Clean Water Council	Clean Water Council	\$30K just encumbered for comms plan	54,542	
Voyageurs National Park	National Park Water Quality Protection Program		-	
N/A	Nitrate Sensors	FY24-25 appropriation	-	
N/A	River Watch for Friends of the MN Valley	FY24-25 appropriation	-	
				\$ 3,342,169
DNR				
StreamFlowMonitor	Stream Flow Monitoring Program		30,936	
Lake IBI Aessmnt	Lake Index of Biological Integrity		67.64	
Mercury Contam	Fish Contamination Assessment		-	
Wtrshd Restor Strat	Watershed Restoration and Protection Strategies-DNR Portion		40,382	
Aquifer Monitoring	Aquifer Monitoring for Water Supply Planning		104,343	
Nonpoint Source	Non-point Source Restoration and Implementation		30,260	
Applied ResrchTools	Tool Development and Evaluation [Formerly Applied Research and Tools]		77,306	
Buffer Map Maintenance	Buffer Map Maintenance		25,000	
	County Geologic Atlas Part B		-	
Native Mussel Prod	Freshwater Mussel Restoration		-	
Water Storage	Water Storage		-	
Modern Culverts	Culvert Replacement Cost Share		-	
				\$ 308,294
BWSR				
CWF Watershed Base Implementat	Watershed Based Implementation Funding		55	
CWF Projects and Practices	Surface and Drinking Water Protection/Restoration Grants		148,623	
CWF Accelerated Implementation	Accelerated Implementation		3,481,693	
CWF Administration	Not sure--Measures, Results and Accountability??		65,911	
CWF Assistance	Not sure--Measures, Results and Accountability??		1,324,003	
CWF Oversight	Not sure--Measures, Results and Accountability??		132,165	
CWF Riparian Buffer Compliance	Buffer Law Implementation		175,057	
CWF Working Lands Floodplain	Working Lands Floodplain Easements		3,748,128	
CWF Wellhead Protection	Targeted Wellhead/Drinking Water Source Protection		6,381,486	
CWF Restoration TEP	Technical Evaluation [restoration evaluation]		95	
CWF One Watershed One Plan	One Watershed One Plan		1,432,708	

CWF Conservation Drainage Prog	Conservation Drainage Management and Assistance		517,810	
CWF Threatened Shorelands	Critical Shoreland Protection-Permanent Conservation Easements		2,571,414	
CWF Erosion Transects	Tillage, Cover Crop and Erosion Evaluation		78,218	
CWF Water Legacy Program	Watershed Partners Legacy Grants		-	
CWF Conservation Partners	N/A	FY14-15 version of Watershed Partners Legacy	86,440	
CWF Protect/Restore Wetlands	Wetland Restoration Easements		1,453,667	
CWF Enhance Adopt Cover Crops	Enhancing Soil Health and Landowner Adoption of Cover Crops for Drinking Water & Groundwater Protection		197,551	
CWF Admin Easements	Not sure what kind of easements these are?		657,779	
CWF Buffer Easements	N/A	Now Working Lands Floodplain Easements	8,214,477	
CWF CREP Easements	N/A	CREP no longer funded by CWF	6,472,497	
CWF Performance Base Watershed	N/A	FY20-21	85,361	
CWF Selected Sub Watersheds	N/A	FY16-17 appropriation	291,405	
CWF SWCD Capacity	N/A	SWCD capacity no longer funded by CWF	154,598	
				\$37,671,141
MDH				
Contaminants of Concern	Contaminants of Emerging Concern		22,615	
Private Wells	Private Well Initiative		58,288	
Drinking Water Sources	Source Water Protection		120,917	
Groundwater Restoration	Groundwater Restoration and Protection Strategies		93,882	
Future of Drinking Water	Future of Drinking Water (formerly Drinking Water Protection)		-	
Safe Drinking Water	Future of Drinking Water (formerly Drinking Water Protection)		251,299	
Recreational Water Portal	Recreational Water Portal	FY24-25 appropriation	-	
Source Water Protection	Nitrate response in SE Minnesota	FY24-25 appropriation	-	
Water Reuse	N/A		22,107	
				\$ 569,107
Met Council				
Clean Water Supply	Metropolitan Area Water Sustainability Support Program		-	
Clean Water Demand Reduction	Water Demand Reduction- Efficiency - Grant Program		-	
				\$ -

University of Minnesota				
County Geologic Atlas	County Geologic Atlas Part A		-	
Stormwater BMP Performance Eva	Stormwater Research and Technology Transfer Program		-	
				\$ -
Legislative Coordinating Commission				
Clean Water Website	Legislative Coordinating Commission Website		11,344	
				\$ 11,344
Public Facilities Authority				
CWL PSIG	Point Source Implementation Grant		-	
CWL SCWW	Small Community Wastewater Treatment Program		235,747	
				\$ 235,747
TOTAL				\$43,986,765

Clean Water Fund Appropriations

as of 7/10/2024

leg	#	Agency	Title	Request	FY26-27	FY24-25 supple- mental	FY24-25	FY22-23	FY20-21	FY18-19	FY16-17	FY14-15	FY12-13	FY10-11
1	4	MDA	Monitoring for Pesticides in Surface Water and Groundwater	same			700	700	700	700	700	700	700	675
2	15	MDA	Nitrate in Groundwater	up		1,000	6,000	5,170	5,170	4,171	5,171	5,000	1,700	1,125
3	34	MDA	AgBMP Loan Program	up		3,402	9,598	150	150	150	150	400	9,000	4,500
4	32	MDA	Technical Assistance	same			3,000	3,000	3,000	2,250	2,250	3,000	1,550	2,665
5	56	MDA	MN Water Research Digital Library [aka Research Inventory Database]	same			80	80	100	100	100	250	350	-
6	33	MDA	MN Agricultural Water Quality Certification Program	same			7,000	6,000	6,000	5,000	5,000	3,000	-	-
7	17	MDA	Irrigation Water Quality Protection	same			300	270	300	220	220	220		
8	81	MDA	Forever Green Agricultural Initiative (U of MN)	same			6,000	4,000	4,300	1,500	1,000	-	-	-
9	307	MDA	Pesticide Testing in Private Wells	same			1,000	870	2,000	2,000	-	-	-	-
10	NEW	MDA	Conservation Equipment Assistance	up			3,500	-	-	-	-	-	-	-
11	NEW	MDA	Expand MN Ag Weather Station Network	down			3,000	-	-	-	-	-	-	-
12	56	MDA	Agricultural Research/Evaluation	down			1,500	-	-	1,325	1,575	2,100	2,100	-
13	10	MPCA	River and Lake Monitoring and Assessment	same		326	18,100	14,832	16,300	16,550	16,700	15,200	15,000	15,000
14	9	MPCA	Watershed Restoration & Protection Strategies (includes TMDL development)	same			12,700	13,451	15,100	19,000	20,200	18,800	18,800	18,000
15	11	MPCA	Groundwater Monitoring and Assessment	same			2,000	1,900	2,364	2,363	2,364	2,250	2,250	2,250
16		MPCA	St. Louis River AOC	down			1,500							
17	37	MPCA	NPDES wastewater/stormwater point-source implementation (combined from 2 previous programs)	same			3,000	2,200	2,200	2,250	2,350	1,800	-	-
18	43	MPCA	Enhanced County inspections/SSTS corrective actions	same		1,950	7,100	5,824	6,750	6,870	7,245	6,900	-	-
19	38	MPCA	Chloride Reduction	same		1,000	1,300	520	500	-	-	-	-	-
20	62	MPCA	Clean Water Council	same			675	600	220	100	100	73	-	-
21	92A	MPCA	National Park Water Quality Protection Program	same			2,000	1,400	1,550	2,000	-	3,500	-	-
22	NEW	MPCA	Nitrate Sensors			2,000	-	-	-	-	-	-	-	-
23		MPCA	River Watch for Friends of the MN Valley			50	-							
24	5	DNR	Stream Flow Monitoring Program	same			5,100	4,000	4,000	3,900	4,000	4,000	3,700	1,500
25	6	DNR	Lake Index of Biological Integrity	same			2,900	2,000	2,500	2,500	2,600	2,600	2,300	1,320
26	6	DNR	Fish Contamination Assessment	up		90	910	350	270	270	270	270	270	270
27	10	DNR	Watershed Restoration and Protection Strategies-DNR Portion	same			4,300	3,800	3,800	3,772	3,880	3,700	3,500	2,100
28	18	DNR	Aquifer Monitoring for Water Supply Planning	same			4,000	3,700	4,150	2,750	2,750	2,750	3,000	1,100

Clean Water Fund Appropriations

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29	34	DNR	Non-point Source Restoration and Implementation	same			3,200	2,500	2,000	1,900	2,000	2,000	2,400	500
30	57	DNR	Tool Development and Evaluation [Formerly Applied Research and Tools]	same			1,300	1,065	1,400	1,350	1,350	1,350	790	550
31	76	DNR	Buffer Map Maintenance	same			50	50	200	200	650	-	-	-
32	59	DNR	County Geologic Atlas Part B	same			200	-	300	250	500	1,200	-	1,000
33	NEW	DNR	Freshwater Mussel Restoration	same			600	-	-	-	-	-	-	-
34	NEW	DNR	Water Storage	?			1,000	-	-	-	-	-	-	-
35	NEW	DNR	Culvert Replacement Cost Share	up			2,000	-	-	-	-	-	-	-
36	17	BWSR	Grants to Watersheds with Approved Comprehensive Watershed Plans (Watershed-based Implementation Funding)	up			79,000	43,564	26,966	9,750	-	-	-	-
37	26	BWSR	Surface and Drinking Water Protection/Restoration Grants: (Projects and Practices)	same			17,000	22,266	32,000	19,500	20,380	21,400	29,100	6,000
38	18	BWSR	Accelerated Implementation	up			11,000	9,682	8,000	7,600	12,000	8,000	6,600	-
39	23	BWSR	Measures, Results and Accountability	same			2,500	2,500	2,000	1,900	1,900	1,900	2,100	590
40	24	BWSR	Buffer Law Implementation	same			4,000	3,872	5,000	5,000	5,000	-	-	-
41	25	BWSR	Working Lands Floodplain Easements [formerly Riparian Buffer-Permanent Conservation Easements]	up		3,434	5,000	3,872	9,500	9,750	9,750	13,000	12,000	6,900
42	37	BWSR	Targeted Wellhead/Drinking Water Source Protection	up		1,000	5,000	5,000	4,000	3,500	3,500	2,600	3,600	2,300
43	43	BWSR	Technical Evaluation [restoration evaluation]	same			200	84	168	168	168	168	168	-
44	16	BWSR	Watershed Management Transition (One Watershed, One Plan)	down			3,500	5,808	4,000	3,990	4,200	900	-	-
45	19	BWSR	Conservation Drainage Management and Assistance	same			2,000	1,700	1,700	1,500	1,500	-	-	-
46	21	BWSR	Critical Shoreland Protection-Permanent Conservation Easements	same		4,000	3,000	2,468	2,550	2,000	2,000	-	-	-
47	80	BWSR	Tillage, Cover Crop and Erosion Evaluation	same			850	723	850	850	1,000			
48	27	BWSR	Watershed Partners Legacy (WPL) Grants	up		2,000	1,000	1,000	-	-	1,500	3,000	3,000	-
49	NEW	BWSR	Wetland Restoration Easements	up			10,000	5,660	-	-	-	-	-	-
50	28	BWSR	Enhancing Soil Health and Landowner Adoption of Cover Crops for Drinking Water & Groundwater Protection	up			12,077	4,200	-	-	-	-	-	-
51	NEW	BWSR	Great Lakes Restoration LAMP	same		1,000	-	-	-	-	-	-	-	-
52	23	MDH	Contaminants of Emerging Concern	up		384	10,100	2,400	3,400	2,200	2,200	2,300	2,040	1,300
53	9	MDH	Private Well Initiative	up			3,000	-	1,500	800	650	650	-	-
54	24	MDH	Source Water Protection	same			7,500	7,884	5,494	5,470	3,800	3,230	2,830	2,400
55	74	MDH	Groundwater Restoration and Protection Strategies	up			1,500	1,126	1,100	400	250	300	-	-
56	40	MDH	Future of Drinking Water (formerly Drinking Water Protection)	same			500	500	500	300	-	-	-	-

Clean Water Fund Appropriations

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57	NEW	MDH	Recreational Water Portal	same			600	-	-	-	-	-	-	-
58	new	MDH	Nitrate response in SE Minnesota**	moving		2,790	-	-	-	-	-	-	-	-
59	42	MC	Metropolitan Area Water Sustainability Support Program	up			2,250	1,838	2,000	1,900	1,950	2,000	1,000	800
60	35	MC	Water Demand Reduction- Efficiency - Grant Program	same			1,500	1,250	750	-	500	-	-	-
61	61	UMN	County Geologic Atlas Part A	same			1,000	900	500	250	-	1,230	-	305
62	82B	UMN	Stormwater Research and Technology Transfer Program	same		1,000	2,000	1,500	1,500	1,500	550	-	-	-
63	63	LCC	Legislative Coordinating Commission Website	same			6	8	9	15	-	30	13	25
64	7	PFA	Point Source Implementation Grant (PSIG) Program	up			16,500	15,936	18,000	15,750	18,000	18,000	30,920	30,200
65	41	PFA	Small Community Wastewater Treatment Program	same			200	200	250	250	500	4,000	2,500	2,500

\$25,426 \$318,396

FY24-25 base budget	\$ 318,396
plus supplemental FY24-25 that has tails (in red above)	\$ 4,590
minus completed St. Louis River AOC (in blue above)	\$ (1,500)
FY24-25 base budget (revised)	\$ 321,486
MMB revenue estimate for FY26-27	\$ 307,422
Difference between FY24-25 revised base and FY26-27 estimate	\$ 14,064

4.4%

* in 1st column = order of programs in appropriations bills

** SE MN Nitrate Response to be combined in FY26-27 with Private Well Initiative

**Preliminary Framework For Developing FY26-27 Clean Water Fund Budget
Recommendations - Prepared by Steve Christenson for July 12 BOC Meeting**

To begin planning for delivering a budget proposal, this preliminary framework is a step toward developing a budget recommendation from BOC that aligns with the **\$307M** forecasted revenues for FY26-27. The cuts or increases listed below are from the FY24-25 allocation to the relevant program. All other items would be held “flat” for FY26-27 compared to FY24-25, subject to inflation adjustments for selected programs.

Item #	Title	Cut or Increase	Rationale
3	AgBMP Loan Program	-\$3M	Partially off-set by \$3.4M supplemental appropriation in FY24-25. Does the loan repayment schedule enable this program to become more self-funding without further investments?
8	Forever Green	-\$2M	Revert to same spending levels as FY20-21 and FY22-23
16	St. Louis River AOC	-\$1.5M	Project is done
17	NPDES wastewater/ stormwater point-source implementation	-\$0.5M	Consider increasing NPDES permit fees? May not be politically feasible or equitable to local government permittees?
20	Clean Water Council	+\$0.175M	Add 1 FTE to support communications and Strat Plan Vision #4: All Minnesotans value water and take actions to sustain and protect it, per Minn. Stat. 114D.35, subd. 3: “The Clean Water Council must develop strategies for informing, educating, and encouraging the participation of citizens, stakeholders, and others regarding this chapter.”
21	National Park Water Quality Protection Program	-\$0.5M	Revert to same spending levels as FY22-23. Is this investment within Minn. Stat. 114D.50 authorization that funds “may be spent only to protect, enhance, and restore water?” Or, does this investment primarily foster economic development?
29	Non-point Source Restoration & Implementation	-\$0.7M	Revert to same spending levels as FY22-23
34	Water Storage	-\$0.5M	

35	Culvert Replacement Cost Share	-\$0.5M	
38	Accelerated Implementation	-\$3M	Partially off-set by \$3M of “unspent” funds from prior appropriations; reverts program to FY20-21 spending level
36, 37, 38, 50	WBIF, Grants, Accelerated Implementation, Soil Health/Cover Crops	TBD	Investments increased from \$79M in FY22-23 to \$120M in F&24-25. Should there be reductions for overlapping areas or in competitive grant programs to offset this increase?
44	Watershed Management Transition (1W1P)	-\$1.5M	
49	Wetland Restoration Easements	-\$5M	Revert to same spending levels as FY22-23; re-balances easement investments to prioritize protection over restoration
50	Enhancing Soil Health & Cover Crops	TBD	Because there are general fund and multiple funding sources for this program, should we reduce CWF funding for this program?
61	County Geologic Atlas Part A	-\$1M	Is this investment within Minn. Stat. 114D.50 authorization that funds “may be spent only to protect, enhance, and restore water?”
	Unspent appropriations	TBD	Approximately \$43.9M of unspent Clean Water Funds remain from all previous years of appropriations. How should unspent appropriations impact future CWF recommendations?
	Inflation adjustments	TBD	What programs should be selected to receive adjustments to cover inflation?
	Total reduction	\$19.525M	Note, additional reductions may be needed to accommodate inflationary increases in programs otherwise held “flat.”

This is a preliminary framework, subject to further feedback from the agencies and discussions at upcoming meetings. If available funds exceed \$307M, the following options would be high priorities for additional investments.

Item #	Title/Topic	Increase	Rationale
	Chloride reduction & mitigation	TBD	Largest cause of newly impaired waters in urban areas of Minnesota. Investment in chloride prevention could avoid \$MM in problems by 2034.
	Mercury in fish	TBD	Largest cause of existing impaired waters across Minnesota. MN invested \$1B+ to reduce mercury emissions to air, with little impact on fish. What could be done to break the mercury cycle in MN lakes?
	Water quantity supply & irrigation alternatives	TBD	Water shortages are growing. Investment in long-term better management of water supply could avoid \$MM in problems by 2034.
	CECs (including pharmaceuticals in ground & surface water)	TBD	Increased measurement of chemicals in groundwater and surface water is identifying more issues. Investment to get ahead of these drinking water supply concerns could avoid \$MM in problems by 2034.
	Upper Mississippi River crown jewel protection – e.g., Critical Shoreland Protection	TBD	Support CWF Strat Plan Goal to protect 100,000 acres and restore 100,000 acres in the Upper Mississippi River headwaters basin by 2034.
41	Working Lands Floodplain Easements	TBD	Investments deliver water quantity and quality benefits durable beyond 2034. Yet, BWSR easement programs appear to have \$10M+ in unspent appropriations from prior years?
	See programs cut above		