Clean Water Council
Budget and Outcomes Committee (BOC) Meeting Agenda
Friday, September 11, 2026, 9:00 a.m. to 2:00 p.m.

Hybrid – Webex and Online

2026 BOC Members: Steve Besser, Dick Brainerd, Steve Christenson (BOC Chair), Brad Gausman (BOC Vice-Chair), Holly Hatlewick, Annie Knight, Fran Miron

9:00 Remembering Warren Formo
Longtime Council Member Warren Formo passed away suddenly at the end of August. We will take a little time in the beginning to remember and honor our friend and colleague.

Regular Business
- Introductions
- Approve agenda
- Chair and Staff update

9:35 Public Comment
Any member of the public wishing to address the Council regarding something not on the agenda is invited to do so as a part of this agenda item.

9:50 (DISCUSSION AND ACTION ITEM) Discussion of next steps for the Minnesota Agricultural Water Quality Certification Program (MAWQCP) monitoring proposal
The monitoring proposal reviewed at the BOC meeting in August was met with mixed reaction at the Council meeting. Given the potential for budgetary implications, this matter needs to be resolved prior to setting preliminary budget recommendations.

10:15 Break

10:30 (DISCUSSION AND ACTION ITEM) Watershed-based Implementation Fund (WBIF)
Following the August BOC meeting, Board of Water and Soil Resources staff developed an estimate for what would be needed financially to support the proposal they shared regarding enhancements to standardized reporting for WBIF. We will review the estimate and determine how to proceed.

11:00 Feedback from stakeholders and Interagency Coordinating Team (ICT)
Prior to entering into setting the final draft numbers, we will take some time to reflect on input submitted since the Council meeting and hear from the ICT.

11:15 (DISCUSSION) Draft preliminary recommendations for FY28-29
Following the release of draft budget numbers from the ICT in July, BOC members were able to offer suggested changes. In the last Council meeting, proposers to changes could offer their rationale, and program representatives could share whether the changes were feasible or what the impacts would be for each program where a change was suggested. Since then, Council members submitted updated responses, taking the input into account. We will review the outcomes from the homework, offer the mean average as a starting point for continued conversation, and then work our way to a refined budget.

(Agenda continues on the next page)

12:00 Lunch

12:30 (DISCUSSION) Draft preliminary recommendations for FY28-29 continued
We will pick up the conversation from where we left off before lunch, with the intent to do our best to get to a proposed preliminary budget for Clean Water Council consideration.

2:00 Adjourn

*The **Local Government Water Roundtable** is an affiliation of three of Minnesota's key local government entities in the planning and wise use of our state's water resources*

August 31, 2026

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Clean Water Council Chair Barten, BOC Chair Christensen, and Administrator Kader,

On behalf of the state associations of counties, Soil and Water Conservation Districts, and Watersheds – the Local Government Water Roundtable - we would like to thank the Council for the thoughtful steps you've taken over the past several months to establish a deliberate review, prioritization, and decision-making process for your recommendations for FY28-29 Clean Water Fund appropriations.

We appreciate the opportunity to reflect on the outcome of that process, particularly as it relates to the Watershed-Based Implementation Funding (WBIF) program.

The Board of Water and Soil Resources (BWSR) recognized that inflation was an important consideration in its deliberations. The WBIF program received a 9 percent increase, which falls within the inflationary factor considered in the process. However, a 9 percent increase does not represent a meaningful increase in program capacity or outcomes. Rather, it essentially allows the program to **hold steady** in the face of inflation and rising implementation costs.

At the same time, the WBIF program was identified as the **second highest-rated program** in the prioritization process. It was also identified as a **high-priority program**, with recommendations supporting an increase in funding. These outcomes demonstrate that the program has significant merit and is aligned with the priorities established through the Council's own review process.

For this reason, the Roundtable is concerned by the recommendation to make budget shifts that would reduce the funding level recommended by the Interagency Coordinating Team (ICT). It is unclear why the Council would consider reductions to a program that its own process has identified as a high priority. The Roundtable is concerned that such an action may not honor the prioritization process that the Council has worked so diligently to establish.

Summary from Council homework

September 4, 2026

At the August 24, 2026 Clean Water Council meeting several programs, which had been identified by Council members as ones that could be increased or decreased, were discussed. Council members who had suggested the changes had an opportunity to share their rationale, and program representatives then had an opportunity to respond and note the implications or feasibility of the change.

Following the meeting, Council members were invited to amend their suggestions for changes based on what they had heard at the meeting. 12 of 15 possible responses were submitted, with some suggesting no changes from previously proposed amounts, and others identifying multiple possible changes.

To aid in the discussion, statistical information (range, mean, median, mode) about responses for each of the 16 programs still being discussed is included in the table below. The table also includes information about whether programs are flexible (can handle adjustments without structural impacts), FY26-27 funding amounts, rubric score, Council direction, and FY28-29 proposed amounts. Some high level notes to consider before reviewing the table:

- **Amount of funding available:**
    - The Interagency Coordinating Team (ICT) put forward a budget for agency programs based on Council discussion and guidance since February that totaled $337.967M. The Budget and Outcomes Committee (BOC) suggested $1.925M for non-agency programs. Together, this equals $339.892M.
    - While the BOC had suggested using $340M as the target, follow-up conversations with Minnesota Management and Budget staff (who develop the budget forecasts) noted that sales tax revenues are still tracking with forecasts. While they can’t confirm what the forecast will show, their information increased confidence that the Council could use the $342M number as a target instead.
    - <u>This means the Council could choose to increase from current recommendations by $2.108M without making any cuts to current proposed amounts. If further increases are desired, reductions from proposed amounts would be needed.</u>
- **How current suggested changes pan out**
    - If you use the mean averages, the overall total change is $1.3M more than what is currently in the budget, which is within the available $2.108M.
    - If you use the median averages, the overall total change is $1.6M, still within the $2.108.
    - If you use the mode averages, the overall total change is $3.8M, which falls outside of the $2.108.

This is not to suggest that the best course of action is to go with one of the averages, rather that the averages can help serve as a useful starting point for the discussion that will take place on Friday, September 11. Budget and Outcomes Committee members are encouraged to review the table to determine which final changes to propose to the Council for adoption.

Questions to ask yourself as you review could include:

1) What have we heard (through public input and in discussion with agencies) about programs for which changes have been suggested, and about the proposed changes?
2) Where does the homework suggest we could find quick agreement, and where does it suggest we focus our attention?
3) How *could* the $2.108 additional funding be allocated without making any reductions to proposals?
4) Where is additional increase still meaningfully needed for this biennium (vs a future biennium), and by how much?
5) Where are reductions possible without causing structural or programmatic impacts to a line item?

Org	Program Name	Flexible?	FY26-27 Amount	Rubric score mean	Council direction	FY28-29 proposal	CWC HW Range	HW Mean (Diff)	HW Median (Diff)	HW Mode (Diff)
BWSR	Critical Shoreland Easements	Yes	$1M	40.1	H, T1 increase	$2M	$2-4M	$2.829M (+$.829M)	$2.6M (+$0.6M)	$2M ($0)
BWSR	Watershed Partners Legacy Grants	Yes	$1M	43.1	H, T1 increase	$2M	$1.5-4M	$3.031M (+$1.031M)	$3.08M (+$1.08M)	$4M (+$2M)
MDA	MAWQCP	**No**	$7M	41.5	H, T2 increase	$7.47M	$7.250-7.5M	$7.454M (-$0.016M)	$7.47M ($0)	$7.47M ($0)
MPFA	PSIG	Yes	$16.44 M	41	H, T2 increase	$18M	$18-20M	$18.208M (+$0.208M)	$18M ($0)	$18M ($0)
MDA	Forever Green	Yes	$5M	43.3	H, T1 increase	$6.66M	$6.66-10M	$8.015M (+$1.355M)	$8M (+$1.34M)	$8M (+$1.34M)
UMN	Stormwater Research	Yes	$1.6M	42.3	H, T1 increase	$2M	$2-2.5M	$2.229M (+$0.229M)	$2.125M (+$0.125M)	$2M ($0)
VNP	Voyageurs National Park	Yes	$1.5M	36.6	H, T2 increase	$1.5M	$0-3M	$2.208M (+$0.208M)	$2.750M (+$0.75M)	$3M (+$1.5M)
MPCA	River & Lake Monitor & Assess	**No**	$18.9M	42.3	H, T2 increase	$20.9M	$19.5-21.5M	$20.442M (-$0.458M)	$20.45M (-$0.45M)	$20.9M ($0)
MDH	Private Well Initiative	Yes	$6M	42.6	H, T1 increase	$10M	$9-10M	$9.542M (-$0.458M)	$9.5M (-$0.5M)	$10M ($0)
BWSR	Watershed Based Implementation Fund	Yes*	$88.1M	43.6	H, T1 increase	$96M	$94.235-98M	$95.445M (-$0.555M)	$95M (-$1M)	$95M (-$1M)
BWSR	Conservation Drainage	Yes	$2M	42.3	H, T1 increase	$3M	$2.4-3M	$2.709M (-$0.291M)	$2.75M (-$0.25M)	$3M ($0)
BWSR	Wetland Restoration Easements	Yes	$5M	40.3	H, T1 increase	$8M	$7-8M	$7.576M (-$0.424M)	$7.705 (-$0.295M)	$8M ($0)
MDA	Nitrate in Groundwater	**No**	$6.2M	41.9	H, T2 increase	$7.2M	$6.5-7.2M	$7.027M (-$0.173M)	$7.2M ($0)	$7.2M ($0)
BWSR	Riparian Aid	**No**	$4M	38.4	M, reduce	$3.5M	$2.5-3.5M	$3.108M (-$0.392M)	$3.275M (-$0.225M)	$3.5M ($0)
Met C	Demand Reduction / Efficiency Grants	Yes	$1.4M	36.7	M, hold steady	$1.4M	$0-1.4M	$1.142M (-$0.258M)	$1.3M (-$0.1M)	$1.4M ($0)
Fr.MN Valley	Minnesota Valley River Watch	**No***	$0	34.3	H, T1 increase	$.075M	$0-0.15M	$0.063M (-$0.013M)	$0.075M ($0)	$0.075M ($0)

We understand that adjusting a larger program may provide a means to make budget space available for other programs. However, respectfully, we strongly believe that budget decisions should be based primarily on the **merit and priority of each program**, rather than on the relative size of a program. When a program has been highly ranked and identified for increased investment, reducing that program raises questions about how the established priorities are ultimately being applied.

The Roundtable also recognizes that the Council has asked BWSR to develop a framework for describing program outcomes. We support this effort and understand the importance of being able to clearly demonstrate the outcomes achieved through WBIF. However, if funding for this effort comes from the WBIF allocation, that expenditure will further reduce the resources available for on-the-ground projects that directly advance the outcomes we all seek. We believe this is an important consideration as the Council evaluates the overall impact of its budget decisions.

There is also potential for this issue to become more significant if a forecast adjustment occurs later this year. Should the forecast result in a lower projection, the Council may be required to make additional budget adjustments. At this point, it is uncertain how deeply programs may be affected by such adjustments. Further reductions to WBIF could significantly limit the ability of locally led partnerships to implement projects and make measurable progress toward Minnesota's water and natural resource goals.

The Roundtable sincerely appreciates the many steps the Council has taken to shape a thoughtful and transparent budget process. We value having a clearly established decision-making framework that we can explain and communicate to our elected and appointed members and to the local partners who participate in implementation.

When the final budget recommendations move away from the priorities identified through that process, however, and funding is shifted away from programs that have been identified as high priorities, the process becomes less transparent and more difficult for local partners to understand.

We respectfully ask the Council to consider the results of its own prioritization process as it makes final budget decisions regarding WBIF. Maintaining the recommended funding level would demonstrate consistency with the priorities established through the Council's review and would preserve the capacity of locally led partnerships to continue implementing projects that produce meaningful outcomes for Minnesota's waters.

Thank you for your continued support of WBIF and, importantly, for your commitment to a **locally led delivery system**. We appreciate the Council's partnership and its continued investment in the local organizations, communities, and partnerships working to improve Minnesota's water and natural resources.

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COALITION OF GREATER MN CITIES

DEDICATED TO A STRONG GREATER MINNESOTA

August 24, 2026

Dear members of the Clean Water Council,

I am writing on behalf of the Coalition of Greater Minnesota Cities (CGMC), an organization of more than 100 cities located outside the Twin Cities metropolitan area. Our cities play an essential role in protecting, enhancing, and restoring water quality in Minnesota's lakes, rivers, and streams through our wastewater and stormwater systems. We want to emphasize our strong support for three specific projects that have been proposed for funding through the Clean Water Fund: the Point Source Implementation Grant program, Chloride Reduction Efforts, and Wastewater/Stormwater Implementation. All these programs will help make demonstrable improvements in the state's water quality.

Point Source Implementation Grants

Few programs have as direct an impact on cleaning up Minnesota's waters as the Point Source Implementation Grant (PSIG) program. The PSIG program provides grants to local governments for water and wastewater projects so that they can achieve waste load reductions under Total Maximum Daily Load (TMDL) plans, as well as reduce phosphorus, nitrogen, and other pollutant discharge that would otherwise flow into Minnesota's waters. Without this program, communities may have to delay construction or scale back their plans for reducing pollution because the costs may be prohibitive.

As more cities look to upgrade their facilities and inflation continues to drive up the cost, the demand far exceeds the funds available for the PSIG program, which lacks a dedicated funding source. Although general obligation bonds have supplemented the program in the past, the amount has rarely met the stated need for the program. Currently there are more than $160 million worth of projects that are outside the fundable range for this program.

When the initial term of the Legacy Act expires, we all want to look back and point to the demonstrable impacts we have made on Minnesota's water quality. By helping construct facilities and systems that remove pollutants from our waters through the PSIG program, you can make visible, tangible improvements to our state's impaired waters. We urge you to fully fund the Public Facilities Authority's (PFA) request for $18 million for the PSIG program.

Chloride Reduction Grants

Although salt, a.k.a. sodium chloride, may be essential to human life, too much of it is toxic to aquatic plants and animals. Minnesota has a growing chloride pollution problem, with more waters near or at impairment. Battling chloride pollution is a challenge. However, once it is in our waters, it is often not technologically and economically feasible nor environmentally responsible to remove. Therefore, reducing chloride at the source is essential to prevent further degradation of our waters.

Still, source reduction is not easy, which is why programs such as the MPCA's chloride reduction efforts are needed. We support dedicating $2.6 million to continue these efforts.

Wastewater/Stormwater TMDL Implementation

To clean up and protect Minnesota's waters, we will need to do more in addition to constructing new stormwater and wastewater systems. Local governments and the MPCA must work together to innovate as we implement TMDLs for stormwater and wastewater through pollutant trading programs and other tools to reduce pollutant loads.

Again, we urge support for the MPCA's request for $3.4 million to fund wastewater and stormwater TMDL implementation. This funding will allow the agency to better work with our communities to develop and implement the steps needed to accelerate lake and stream protection.

Local governments may not be direct recipients of Clean Water Funds, but our role in protecting and enhancing Minnesota's waters cannot be understated. These three programs will help not only the requesting agencies but also the efforts of our communities across the state. We urge that you recommend full funding for all three of these programs.

Thank you for your time and consideration.

Richard W. Blake

Rick Blake, Grand Rapids City Councilor
President, Coalition of Greater Minnesota Cities