

# RIM Reserve Long-Term Land Management Analysis

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## I. RIM Reserve Program Overview

### A. Background

In 1986, the Reinvest in Minnesota Resources Act (M.S. 103F.505) was enacted to restore certain marginal and environmental sensitive agricultural land to protect soil and water quality and support fish and wildlife habitat. To-date over \$200 million state dollars has resulted in approximately 6,400 easements over 231,494 acres. (Approximately 15% of these easements were limited in duration and have expired.) The program currently focuses on permanent wetland restoration and adjacent native grassland wildlife habitat complexes and permanent riparian buffers.

### B. Program Description

The Board of Water and Soil Resources' (BWSR) Reinvest in Minnesota (RIM) Reserve program is a critical component of the state's efforts to improve water quality by reducing soil erosion, and phosphorus and nitrogen loading, and improving wildlife habitat and flood attenuation on private lands. RIM Reserve is implemented in cooperation with county Soil and Water Conservation Districts (SWCDs).

The RIM Reserve program compensates landowners for granting conservation easements and establishing native vegetation habitat on economically marginal, flood-prone, environmentally sensitive or highly erodible lands. It protects the state's water and soil resources by restoring drained wetland and associated buffers.

### C. Program Operations

The RIM Reserve program provides BWSR with the authority to acquire, on behalf of the state, conservation easements to permanently protect, restore and manage critical natural resources without owning the land outright. The land remains in private ownership and the landowner retains responsibility for maintenance and paying applicable real estate taxes and assessments. Because the state does not hold fee title to the property, conservation easements are often the most cost-effective tool for the protection and restoration of natural resources on private lands.

The conservation easement program is implemented at the local level by county SWCDs. BWSR provides statewide program coordination and administration such as developing easement eligibility criteria for SWCDs to conduct sign-ups with landowners who have land that meets the eligibility criteria established by the board and is consistent with the requirements of M.S. 103F.505. SWCDs send their completed applications to BWSR for funding selection. BWSR provides funding to SWCDs for acquisition and technical assistance required to secure these perpetual easements and to install the required conservation practices.

BWSR staff provides the necessary administrative, legal, and engineering duties to secure the conservation easements and restore wetlands and riparian areas through the SWCDs. BWSR duties include:

#### 103F.505 PURPOSE AND POLICY.

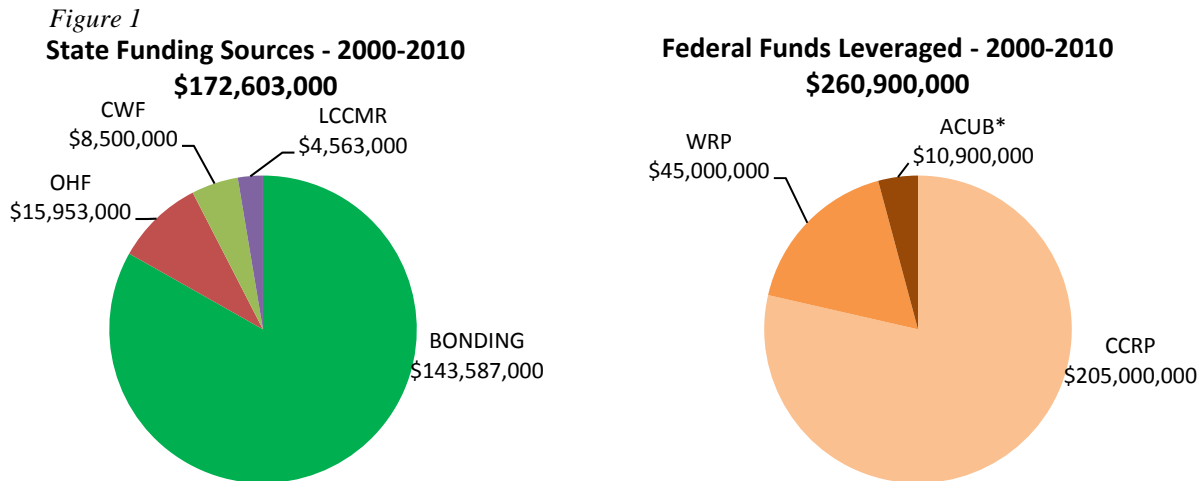
It is the purpose of sections [103F.505](#) to [103F.531](#) to restore certain marginal agricultural land and protect environmentally sensitive areas to enhance soil and water quality, minimize damage to flood-prone areas, sequester carbon, and support native plant, fish, and wildlife habitats. It is state policy to encourage the restoration of wetlands and riparian lands and promote the retirement of marginal, highly erodible land, particularly land adjacent to public waters, drainage systems, wetlands, and locally designated priority waters.

- ◆ developing and administering eligibility and ranking criteria;
- ◆ determining payment rates that ensure both program success as well as fiscal responsibility;
- ◆ technical feasibility and project design;
- ◆ verifying land ownership;
- ◆ identifying and resolving title issues to ensure the state's interest is sufficiently secured;
- ◆ developing a legal description and map of the easement area;
- ◆ reviewing and approving conservation plans developed by local partners;
- ◆ encumbering and paying associated costs for acquisition;
- ◆ construction management of easement sites; and
- ◆ coordinating and conducting inspections and compliance procedures.

### D. Federal Leveraging

The RIM Reserve program is the primary land acquisition program for state-held conservation easements and restoration of wetlands and native grasslands on privately owned land in Minnesota. This program partners with public and private landowners, state, federal and local government entities, non-profit organization and the citizens of Minnesota. Many of our partners seek the RIM Reserve program out as a vehicle by which they can realize their own goals and priorities.

Since 2000, the RIM Reserve program has successfully partnered with the United States Department of Agriculture's (USDA) programs that are compatible with the RIM Reserve program. Partnerships with the USDA's Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) has resulted in over \$260 million federal dollars leveraged into the State of Minnesota via the RIM Reserve program.



\*Army Compatible Use Buffer (ACUB) project associated with the Camp Ripley National Guard installation near Little Falls. Thus far, BWSR, with local assistance from county SWCDs, has acquired over 62 conservation easements utilizing \$10.9 million federal dollars.

### E. Current Activity Description

The goal of this activity is to meet state objectives for clean water, productive soil, and abundant fish and wildlife habitat through partnerships through securing permanent conservation easements in partnership with local organizations and private landowners. Currently, much of the focus of this activity is the Reinvest in Minnesota (RIM) Reserve – Wetlands Reserve Program (WRP) Partnership, the premier private lands wetland restoration program in the nation. This is a local-state-federal partnership developed only in Minnesota via an agreement between the Natural Resources Conservation Service (NRCS), the Soil and Water Conservation Districts (SWCDs) and the Board of Water and Soil Resources (BWSR). Additional program priorities include protecting surface and groundwater through acquiring

buffers in sensitive landscapes and reducing flooding potential by expanding flood retention areas along rivers.

## F. Recent Findings

1. In 2010, the Office of Legislative Auditor (OLA) released an Evaluation Report on Natural Resource Land that included a section on conservation easements. In this report, the OLA concluded that the “BWSR has a comprehensive easement management program.”

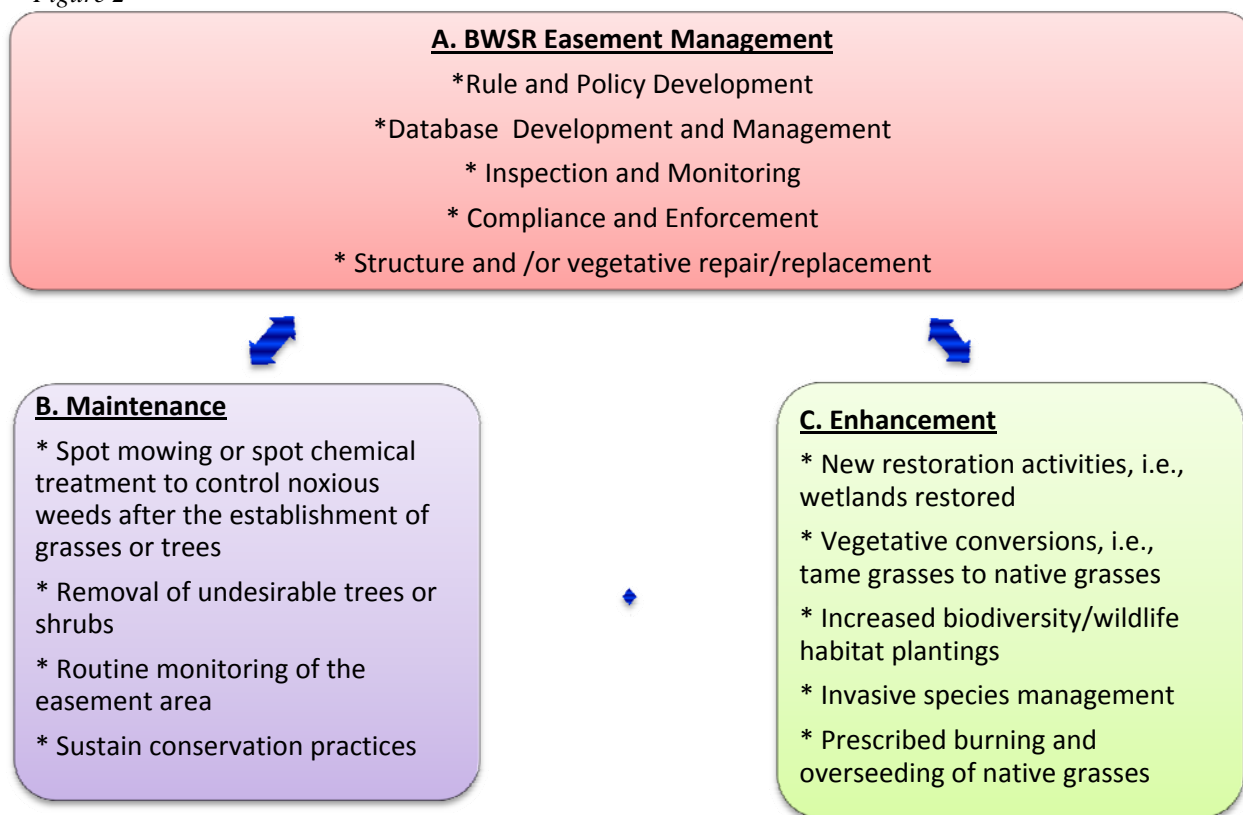
The full report can be found at <http://www.auditor.leg.state.mn.us/ped/2010/nrland.htm>.

2. An expanded RIM quality assurance effort was completed by BWSR staff in 2010. An in-depth look at the sample of easement sites in six counties was evaluated with program recommendations included.

The full report can be found at [http://www.bwsr.state.mn.us/easements/RIM\\_Quality\\_Assurance.pdf](http://www.bwsr.state.mn.us/easements/RIM_Quality_Assurance.pdf).

## II. Program Management

Figure 2



### A. Overview

BWSR has formal agency rules (Chapter 8400) and policies governing many aspects of the management of RIM easements, and a comprehensive management program to safeguard the public's investment in conservation easements on private natural resources lands.

Effective easement management requires baseline reports at the time of acquisition and ongoing monitoring to ensure compliance. Baseline measurement and monitoring data is currently captured in BWSR's *RIM Reserve Conservation Easement Database*. Monitoring components include property monitoring as well as easement enforcement, alternation and termination. The BWSR partners with

SWCDs to carry-out oversight monitoring and inspection of its conservation easements. Easements are inspected for the first five consecutive years beginning in the year after the easement is recorded. Thereafter, on-site inspections are performed every three years and compliance checks are performed in the other two years. SWCDs report to BWSR on each site inspection conducted. A non-compliance procedure is implemented when potential violations or problems are identified.

Geospatial easement data is available on the BWSR website using an online mapping interface. This web-based application (<http://maps.bwsr.state.mn.us/BWSRRIM>), displays easement boundary data, conservation practice data and associated tabular data that is also available for download in a GIS format. An additional application that incorporates current GIS capabilities for monitoring and field data collection is being developed. If funding is made available, this system will be used statewide for SWCDs to further enhance monitoring and management of easements.

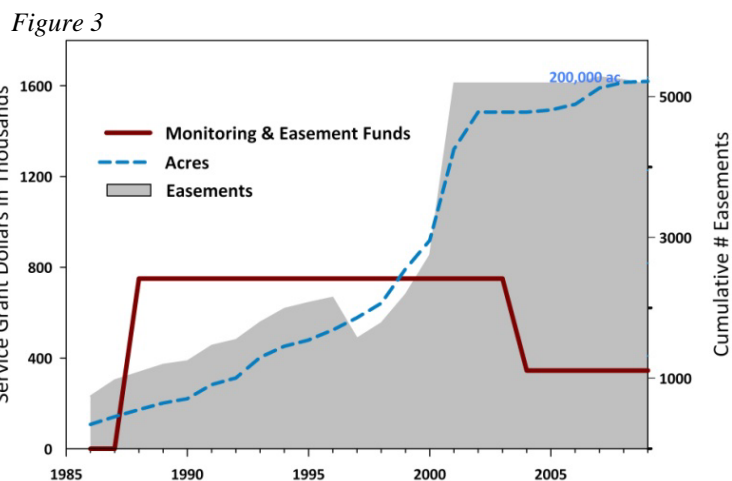
## B. Conservation Easement Compliance Activities – Inspection & Monitoring

Insuring the long-term integrity of the state’s \$200M investment in permanent conservation easement programs to-date is a critical component of the BWSR mission. Landowners are responsible for maintaining the easement in the conditions agreed upon in their conservation plan. The state inspects, monitors, and compels compliance in order to have assurances that easements remain intact and the restoration is of high quality.

RIM easements are inspected annually for the first five years of establishment and then once every three years thereafter. Inspections, compliance efforts, and reporting are conducted by SWCD staff.

RIM Reserve Service Grants currently provide approximately \$56/easement per year to each SWCD for the inspection and maintenance of RIM Reserve easements in their district. This level of funding has eroded from over \$200/easement in the late 1990s and places a cost burden for implementing this program on the SWCD.

To more adequately reflect the costs necessary for this program, a recommendation to return to \$200/easement per year (annual increase of \$718,000 from the general fund) to monitor current easements funded through traditional sources such as bonding and \$40,000 per year each from Outdoor Heritage Funds and the Clean Water Fund to address easements acquired with those funding sources.



## C. Landowner Maintenance Responsibilities

Landowners must establish and maintain vegetative cover and structural practices in accordance with the Conservation Plan on file at the SWCD or BWSR. Conservation plan maintenance includes any necessary replanting of vegetative cover and repair of structures. Amendments to the conservation plan must be agreed to by the landowner, the SWCD and the State.

Establishing the conservation practices identified in the Conservation Plan is arguably the single most important component of the easement process. The care taken to ensure the conservation practices are properly installed and maintained will provide healthy vigorous stands of vegetation and properly functioning engineering practices.

Any willful action by the landowner that is not in compliance with the Conservation Plan is considered a direct violation of the conservation easement.

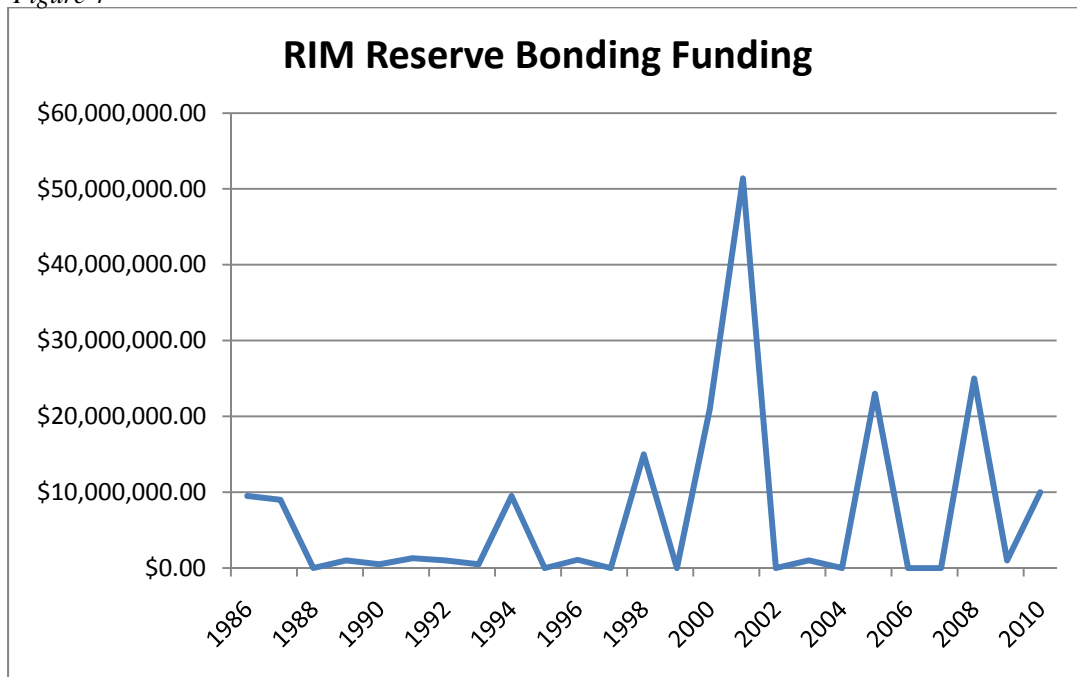
Maintenance activities are very important in keeping each conservation practice identified on the easement area in good condition. Maintenance begins after successful development of the conservation practice and continues for the duration of the practice. Maintenance activities are the responsibility of the landowner.

### III. Funding - Past, Present and Future - for Acquisition and Management

#### A. Past

Historically, the RIM Reserve program has been primarily funded from state bonding and has received over \$200 million since 1986. RIM Reserve is expected to receive bonding appropriations to acquire conservation easements to address the state's critical water quality, continued flood attenuation and wildlife habitat needs.

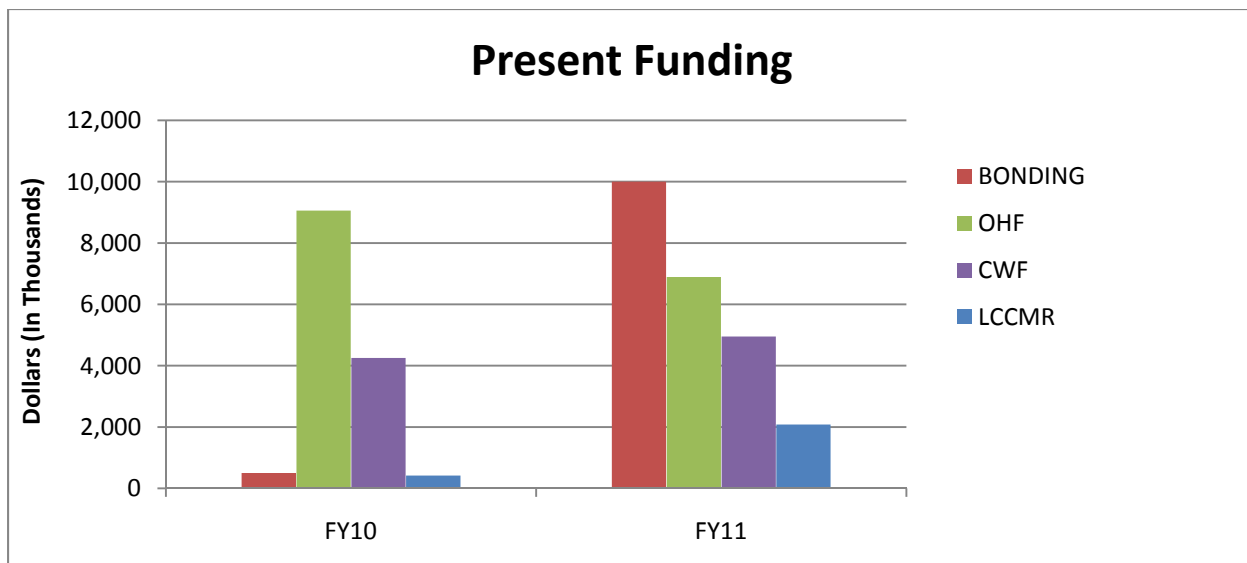
Figure 4



#### B. Present

In addition, beginning in 2008, Minnesota voters approved a proposed Clean Water, Land and Legacy Amendment for the next twenty-three years. Targeted RIM appropriations have been a significant part of accomplishing the conservation and clean water goals of the Legacy Amendment.

Figure 5



### C. Future

Based on recommendations in the Minnesota DNR Long-Range Duck Recovery Plan, the Minnesota DNR Long-Range Plan for the Ring Necked Pheasant in Minnesota, the Minnesota Conservation and Preservation Plan, the Wetland Restoration Strategy, the Clean Water Framework, the Outdoor Heritage Fund 25-year Framework and other state-wide analyses, the Reinvest in Minnesota (RIM) Reserve conservation easement program is expected to be a prime recipient of bonding and both Outdoor Heritage Funds and Clean Water Funds over the next 23 years.

Table 1

#### RIM RESERVE FUNDING PROJECTIONS (In Millions)

Funding Source	-----Actual-----							
	FY10	FY11	FY12	FY13	FY14-15	FY16-17	FY18-19	FY20-21
Bonding		10.0	?	25	25	25	25	25
Outdoor Heritage	9.058	6.895	*13	10-15	25	25	25	25
Clean Water	4.25	4.95	5-10	5-10	20	20	20	20

\*L-SOHC recommendation

### D. Gap Analysis

The required long-term cost items are listed in Figure 2, Box A. Maintenance is the responsibility of the landowner and enhancement is optional (but desirable).

The RIM Reserve conservation easement program is expected to continue to be a major recipient of bond funds into the future. The last 10 years have averaged \$10M in bonding per year. In addition, it is expected that the RIM Reserve program will receive both Outdoor Heritage and Clean Water funds over the next 22-23 years of appropriations. Using the first three years of Outdoor Heritage and the first two years of Clean Water appropriations as an indicator, we anticipate total appropriations from these sources and bonding to be \$25-\$35 million per year. At this rate of funding, we could expect to enroll an average of 150-250 easements per year resulting in an additional \$30,000-\$50,000 per year needed for BWSR's management of these newly acquired easements.

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