



# BWSR Update

July 21, 2011

## Special Session: Budget, Legacy, and Bonding Bills

Legislators met for a Special Session on July 19 and 20 and the Environment and Natural Resources (ENR) Omnibus Bill and the Legacy Bill were among the budget bills approved by the legislature and signed by the Governor on July 20. Overall, BWSR's general fund appropriations are much improved over the bill that was vetoed by the Governor at the end of the regular session with the total reduction of 10.1% rather than 26%. BWSR appropriations in the Legacy Bill remained the same as the final bill of the regular session, which was never passed by the legislature. The Bonding Bill was finalized after the start of the special session and included \$22.6M in appropriations to BWSR. Highlights to the bills are provided below.

**General Fund Appropriations:** BWSR worked with legislators and the Governor's staff to reduce impacts to the conservation delivery system including county environmental funding, SWCD funding, engineering and technical service area staff, and BWSR program operations. All these programs have sustained significant cuts over the last decade. By necessity and ingenuity, BWSR and our local government conservation partners have already implemented many cost-savings and efficiency measures during that time period. Several Wetland Conservation Act programs, including funds for required replacement wetland monitoring, were eliminated and there was a major cut to the SWCD cost share program. However, this was necessary in order to maintain critical capacity for delivering state and federal conservation programs such as those funded by the Legacy Amendment.

BWSR General Fund Budget <i>(all numbers in thousands)</i>	Original Projection 2012-13				% change from projected base
		2012	2013	Total	
Total Appropriations	27,960	12,562	12,562	25,124	-10.1%
Cost Share Grants	4,556	1,560	1,560	3,120	-31.5%
Conservation Delivery SWCD Grants	6,370	3,116	3,116	6,232	-2.2%
Red River Basin Commission	168	100	100	200	19.0%
Area II Joint Powers Board	240	120	120	240	0.0%
MN River Joint Powers Board	168	42	42	84	-50.0%
County Natural Resource Block Grants	7,052	3,423	3,423	6,846	-2.9%
WCA BWSR Operations	908	386	386	772	-15.0%
WCA Replacement Wetland Monitoring	120			0	-100.0%
WCA DNR Enforcement Pass through	200			0	-100.0%
WCA 11 County Metro Enforcement	200			0	-100.0%
Drainage Assist Operations	390	166	166	332	-14.9%
Admin/Operations/Board	7,558	3,649	3,649	7,298	-3.4%

**Environment and Natural Resource Trust Fund (ENRTF) Appropriations:** The ENRTF appropriations are from lottery fund proceeds and are recommended by the LCCMR to the legislature. BWSR has seven direct appropriations from this fund for a total of \$3.7M:

- Completion of the Statewide Digital Soil Survey: \$500K
- Measuring Conservation Practice Outcomes – verifying current/developing new pollution reduction estimators: \$340K
- Conservation-Based Approach for Assessing Public Drainage Benefits: \$150K
- Acceleration of Minnesota Conservation Assistance/Farm Bill Assistance in cooperation with SWCDs: \$625K
- Northeast Minnesota White Cedar Plant Community Restoration: \$250K
- Minnesota Conservation Apprentice Academy: \$200K
- RIM/WRP – Special Projects: \$1.645M

**Clean Water Fund Appropriations:** BWSRs total Clean Water Fund appropriation is \$55.068M for the biennium. The majority of the first four funds listed below will be distributed to eligible local governments through an annual competitive process. The long term water quality protection programs (RIM) are implemented using a landowner sign-up. Please visit our website at [www.bwsr.state.mn.us](http://www.bwsr.state.mn.us) regularly for more information on grant and easement enrollment programs.

- **\$27.5M for Clean Water Assistance Grants.** The funds are to protect, enhance, and restore water quality in lakes, rivers and streams and to protect groundwater and drinking water. Grants will be targeted toward priorities identified in local water plans, and local capacity for on-the-ground implementation will be increased through technical and engineering assistance. These funds will be used for keeping water on the land, protecting and restoring streams, groundwater, surface water, and upgrading feedlots and SSTS Imminent Health Threat systems.
- **\$6M for Clean Water Accelerated Implementation Grants.** These grants are for non-structural practices and activities that will enhance local efforts to develop and implement, on a local or regional basis, water resource protection and management measures or initiatives that go beyond state minimum standards for water quality. GIS and related tools and models will be used to optimize project effectiveness based on multiple benefits analysis with a minimum of \$3.0M for county SSTS program implementation.
- **\$2.0M for Conservation Drainage Management and Assistance.** Funds are for pilot projects to retrofit existing drainage management systems with water quality improvement and retention practices, evaluate outcomes and provide outreach to landowners, public drainage authorities, drainage engineers, contractors and others.
- **\$3M for Citizen and Community Participation Program.** These funds are to be used for community partners within a LGUs jurisdiction to implement structural and vegetative practices to reduce stormwater runoff and retain water on the land to reduce the movement of sediment, nutrients and pollutants. LGUs will be the primary applicant and provide sub-grants to community partners who are implementing practices to accomplish restoration, protection or enhancement of water quality.
- **\$14.6M for Long-Term Water Quality Protection through the RIM Reserve Easement Program.**
  - **\$12.6 M for riparian buffers:** purchase and restore permanent conservation easements on riparian buffers adjacent to public waters excluding wetlands. These easements will keep water on the land to reduce sediment, pollutant and nutrient transport, reduce hydrologic impacts to surface water and increase infiltration for groundwater recharge
  - **\$2.0 M for wellhead protection:** for permanent conservation easements in wellhead protection areas on land with high or very high vulnerability of drinking water supply contamination.
- **\$1.8M for Measures, Results and Accountability.** Quality assurance for CWF projects by providing oversight, assessment, assistance and reporting of outcomes using standardized, scientific evaluation of resource indicators (such as soil erosion and pollutant migration studies). A mentoring, training and certification program will be developed and implemented to build capacity for future conservation program results.
- **\$84K for Restoration Evaluations** on projects as required by MS114.50

**Outdoor Heritage Funds:** These funds are appropriated on an annual basis rather than a biennial basis, as are most of the other funds. BWSRs total Outdoor Heritage Fund appropriation for 2012 is \$17.14M. Please visit our website at [www.bwsr.state.mn.us](http://www.bwsr.state.mn.us) regularly for more information on opportunities to enroll in easement programs.

- **\$2.25M for the Riparian Buffers:** this program will complement the Clean Water Fund riparian buffers by expanding buffer widths to enhance wildlife habitat. This program will be implemented in cooperation with Pheasants Forever.
- **\$13.0M for Wetland Restoration:** this is Phase III of this program utilizing Outdoor Heritage Funds. Funding will be used to restore wetlands and associated upland for the purposes of enhancing and restoring habitat. The program is implemented through a partnership with the Natural Resources Conservation Service (NRCS) Wetland Restoration Program (WRP) which leverages approximately \$1.6 in federal funding for every state dollar invested.
- **\$1.89M for Wild Rice Shoreland Protection:** this is a Ducks Unlimited partnership project with a goal to permanently protect sensitive wild rice lake shoreland habitat in northern lakes.

**Bond Funds:** BWSR has three appropriations in the bonding bill for a total of \$22.6M in funding, the majority of these (\$20.0M) funds go the RIM Reserve program. Much of this appropriation will be used for flood mitigation as well as leveraging the NRCS Mississippi River Basin Initiative program funds, and allows implementation of other matching and leveraging opportunities. There has been a tremendous wellspring of support for this program, from legislators to stakeholder groups, for the last two years leading up to the 25<sup>th</sup> Anniversary of the program. The other bond funds include: 1) \$1.0M for the MN River Area II Board to acquire, design and construct floodwater retention systems; and 2) \$1.614M to complete the Grass Lake restoration in Kandiyohi County.

## New Statute and Policy

**Environment Policy Bill, SF1115, Chapter 107** ([Chpt 107 PDF](#)): This bill was passed during the regular legislative session and contains a number of environment and natural resource policy provisions, including aquatic invasive species (AIS) provisions, Wetland Conservation Act changes, and changes and updates to the Clean Water Partnership program.

**Wetland Conservation Act** changes include:

- Defining “electronic transmission” for the purpose of the Wetland Conservation Act (WCA).
- Allowing contractors to submit information electronically to a local government unit on draining or filling wetlands.
- Providing that wetland replacement ratios under a permit to mine will be based on the Great Lakes and Rainy River watersheds being considered as a single watershed.
- Clarifying and simplifying the siting requirements for wetlands and allows wetlands in the 50 to 80 percent of the presettlement wetlands area intact to be replaced in an area with less than 50 percent of the presettlement wetlands intact. Also directs applicants and local government units to rely on any comprehensive inventories when determining available wetland replacement opportunities.
- Providing for appeals of local government unit delegated staff decisions to go directly to BWSR and provides that boundary or type determinations are valid for five years.
- Allowing local government unit sequencing decisions to be appealed to BWSR.
- Allowing BWSR to establish wetland banking fees for single-user or other dedicated wetland banking accounts.
- Removing the requirement that a wetland subject to a conservation easement must be owned by the state or a local government unit. This section also provides that this section does not apply to wetlands subject to a conservation easement that was paid for with public money.

**AIS provisions** include for the broadening and increase in AIS control, inspection, and enforcement. Highlights include:

- Broadening AIS control requirements to all water-related equipment.
- Providing greater authorization for inspectors to inspect all water-related equipment, including requiring decontamination and prohibits launching of contaminated water-related equipment.
- Allowing conservation officers or licensed peace officers to inspect watercraft stopped at a water access site or at a check station.
- Training and appointing additional inspectors who are not licensed peace officers.
- Requiring a service provider permit for individuals who install or remove water-related equipment for hire.
- Requiring an AIS rule decal to be attached to all watercraft.

**Clean Water Partnership (CWP) Program** was changed and updated by the MPCA. Highlights include:

- Removing some specific purposes for the Clean Water Partnership (CWP) Program. The remaining purposes for the program are to control water pollution and to implement federal laws controlling nonpoint source pollution.
- Amending the definition of “project” to broaden the term for the purposes of the CWP program to include the identification of water pollution and its causes, and to protect and improve water quality.
- Increasing the cap on use of the state revolving fund for CWP loans to \$50 million.
- Broadening the eligibility for the CWP program to include approved projects identified in total maximum daily load (TMDL) plans and watershed protection and restoration strategy implementation plans.
- Broadening the local involvement requirements for a proposal to include any local stakeholders and removes the requirement that the proposal is consistent with statewide water quality management plans.

**Special Session ENR Policy:** There were a number of policy changes that were included in the Omnibus ENR Finance Bill that was passed during the special session. A number of provisions to the Game and Fish bill were also included. Some water and conservation related highlights include:

- NPDES Feedlot permitting only as required by federal law.
- Definition of pasture expanded to include cropping areas used by livestock during the winter for grazing.
- MPCA coordination with Wisconsin on phosphorus standards for Lake Pepin.
- MPCA wild rice rulemaking and research.
- MPCA to evaluate water-related statutes, rules and governing structures in conjunction with other water agencies and the U of M to streamline, strengthen and improve sustainable water management.
- DNR to develop a report on recommended changes to the payment in lieu of taxes program (PILT).
- After consulting with the DNR Wildlife Division and BWSR, road authorities may implement a beaver control program, including implementing bounties, when beaver dams threaten to damage roads.
- BWSR authorities expanded to allow for increased opportunities to implement conservation and habitat programs, such as the Walk-In Access program.

## Clean Water Fund Request for Proposals

The FY2012 Clean Water Fund Request for Proposals (RFP) that was scheduled to be announced on August 1 is pushed back to **August 8**. Applications will be accepted until **September 20**. An outreach webinar will be held on August 10. Additional webinars will be scheduled. Details on these webinars and the FY2012 Clean Water Fund Grants will be made available prior to August 8. Please visit our website at [www.bwsr.state.mn.us](http://www.bwsr.state.mn.us) regularly for more information on the Clean Water Fund RFP and outreach announcements.

## FY 2012 County NRBG, SWCD Services, Cost Share, and NPEA Grants

These grants typically are approved annually at the June board meeting. The state government shutdown and lack of an approved budget has delayed all these grants. The recommended grant allocations and supporting resolutions will be presented to the BWSR Board at their August 25 board meeting. Upon approval, grant agreements will be sent out as soon as possible. We ask for your patience as there will be a back-log of grants to process.

## RIM 25<sup>th</sup> Anniversary Celebration – Postponed

The celebration event which was scheduled for July 21 has been postponed due to the state government shutdown. A tentative date has been set for September 21 at the same location at the Steele County Fairgrounds in Owatonna. Please check the BWSR website at [www.bwsr.state.mn.us](http://www.bwsr.state.mn.us) for more updates.

In addition to celebrating past accomplishments with all our program partners, we will be looking ahead to future successes. The Special Session bonding bill included \$20M for the RIM Reserve Program and the Outdoor Heritage Fund included \$13M for the RIM/WRP partnership in 2012!

The Minnesota Board of Water & Soil Resources (BWSR) Reinvest in Minnesota (RIM) Reserve program is a critical component of the state's efforts to protect and restore wildlife habitat on private lands, protect and improve our state's water quality and address persistent flooding problems. Since 1986, the state has appropriated nearly \$170 million for conservation easements and the BWSR, along with local SWCDs, has acquired over 6,400 easements totaling more than 230,000 acres. Since 1998, RIM Reserve has leveraged an additional \$260 million from the United States Department of Agriculture through the Natural Resources Conservation Service Wetland Restoration program.



### A BIG THANK YOU TO OUR 25th ANNIVERSARY CELEBRATION SPONSORS!



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