

**BOARD OF WATER AND SOIL RESOURCES
COMFORT SUITES AND CONFERENCE CENTER – OCHEDA HALL
1447 PRAIRIE DRIVE
WORTHINGTON, MINNESOTA 56187
THURSDAY, AUGUST 23, 2018**

BOARD MEMBERS PRESENT:

Jill Crafton, Jack Ditmore, Kathryn Kelly, Tom Loveall, Nathan Redalen, Tom Schulz, Steve Sunderland, Harvey Kruger, Gerald Van Amburg, Paige Winebarger, Shannon Lotthammer, MPCA; Chris Elvrum, MDH; Duane Willenbring; Rich Sve, Joe Collins, Neil Peterson, Joel Larson, U of M Extension

BOARD MEMBERS ABSENT:

Susan Stokes, MDA; Tom Landwehr, DNR; Patty Acomb

STAFF PRESENT:

John Jaschke, Angie Becker Kudelka, Hannah Pallmeyer, Al Kean, Doug Thomas, Ed Lenz, Tabor Hoek, Dusty Van Thuyne, Jason Beckler, Douglas Goodrich, Mark Hiles

OTHERS PRESENT:

Jeffrey Berg, MDA
LeAnn Buck, MASWCD
Emily Javens, MAWD
Greg Mikkelson
Jamie Beyer
Paige Beyer

Chair Gerald Van Amburg called the meeting to order at 8:40 AM

PLEDGE OF ALLEGIANCE

**** 18-43 ADOPTION OF AGENDA** - Moved by Jill Crafton, seconded by Duane Willenbring to adopt the agenda as presented. *Motion passed on a voice vote.*

**** 18-44 MINUTES OF THE JUNE 27, 2018 BOARD MEETING** – Moved by Nathan Redalen, seconded by Neil Peterson, to approve the minutes of June 27, 2018, as amended with minor edits. *Motion passed on a voice vote.*

PUBLIC ACCESS FORUM

No members of the public provided comments to the board.

CONFLICT OF INTEREST DECLARATION

Chair Van Amburg read the statement:

“A conflict of interest, whether actual, potential, or perceived, occurs when someone in a position of trust has competing professional or personal interests and these competing interests make it difficult to fulfill professional duties impartially. At this time, members are requested to declare conflicts of interest they may have regarding today’s business.”

INTRODUCTION OF NEW BOARD MEMBERS

Chair Van Amburg introduced and welcomed Joel Larson from the University of Minnesota Extension and Harvey Kruger from the Heron Lake Watershed District. Harvey Kruger and Joel Larson introduced themselves to the board.

REPORTS

Chair & Administrative Advisory Committee – Chair Gerald Van Amburg reported that the Administrative Advisory Committee met before the board meeting and discussed two items on the agenda. Chair Van Amburg has attended various Environmental Quality Board (EQB) meetings since the last BWSR board meeting. One meeting addressed Wild Rice issues. A report is due to the Governor by December 2018. There also is an Environment and Energy Report Card that the EQB is putting together. More information can be found on the website of the EQB. Land use is one part of the report. For example, the report highlighted the importance of the protection of Worthington’s wells, which is timely given the tour visiting Worthington’s wellheads yesterday.

Audit and Oversight Committee – Chair Gerald Van Amburg reported that a letter was sent out to the Legislative Audit Commission, the Lessard-Sams Outdoor Heritage Council (LSOHC) and the Legislative-Citizen Commission on Minnesota’s Resources (LCCMR). The letter was provided to board members.

Executive Director’s Report - John Jaschke thanked BWSR and LGU staff who assisted in putting together yesterday’s annual tour. John reviewed the packet of information provided to board members. He reminded board members about how mileage reimbursement claims should be submitted. John Jaschke reviewed the “Snapshots” which can be found on the BWSR website. Kathryn Kelly expressed her appreciation for “Snapshots” and the importance of highlighting local programs and issues. She thanked BWSR Communications staff for their work putting together this publication and Chair Van

Amburg thanked staff for promoting these stories on social media. John Jaschke also passed out a map showing where CREP applications are coming from and an update on One Watershed, One Plan. John Jaschke mentioned that there are new chairs for a few BWSR Committees: Nathan Redalen is the Chair of the Southern Region Committee, Tom Loveall is the RIM Reserve Committee Chair, and Rich Sve is the Northern Region Committee Chair. Chair Van Amburg added that there was a CREP recognition ceremony in West Otter Tail in July. Chair Van Amburg also thanked local staff for their assistance putting together the tour yesterday.

Dispute Resolution Committee – No report was provided as there were no active appeals pending.

Grants Program & Policy Committee - Steve Sunderland reported that the Grants Program and Policy committee met on August 7, 2018 and has a few agenda items for today's meeting. The Grants Committee had an overview of grants status. The total grant amount processed was over \$44 million for 2018. 1185 grants were processed in 2018. There are about 3500 open grants that BWSR is tracking.

RIM Reserve Committee – Tom Loveall reported that the committee has not met since the last board meeting.

Water Management & Strategic Planning Committee - Jack Ditmore reported that the committee has not met since the last board meeting.

Wetland Conservation Committee - Tom Schulz reported that the committee has not met since the last board meeting. John Jaschke mentioned that the Waters of the United States is still being considered by the U.S. Environmental Protection Agency. The U.S. Army Corps of Engineers is reconsidering their approach to assumable waters.

Buffers, Soils & Drainage Committee - Kathryn Kelly reported that the committee has not met since the last board meeting.

Drainage Work Group (DWG) - Tom Loveall reported that the DWG met on July 12 and August 9, 2018. The DWG Prioritized list was accepted at the August meeting. The DWG is working on an internal charter. The DWG is continuing to accelerate drainage system acquisition of buffer strips. There is currently not full consensus for these recommendations. There are also recommendations for the runoff and sediment delivery options for repair cost apportionment, but there is not full consensus for these recommendations. There are discussions about how the DWG can move forward with decision making and recommendations. The DWG also discussed the reestablishment of drainage system records. The DNR presented to the DWG in August about concerns that they have about some drainage records reestablishment projects.

Al Kean talked about the Legislative Water Commission (LWC) meeting in early August about keeping water on the land. Jim Stark is the Executive Director for the LWC. The DWG gave recommendations to the Clean Water Council (CWC) about water storage. The One Watershed, One Plan legislation includes water storage goals. The DWG recommended having some funding for water storage to the CWC and they have shared that with the LWC. The MN Viewers Association and the MN Association of Drainage Inspectors had a joint meeting in August and invited BWSR to present about runoff and sediment delivery. Al Kean has worked to update some of the recommendations for the legislature for the upcoming legislative session. The DWG did not have consensus during the last legislative session. If there is no consensus, it may make sense to have a different process. The charter that Al Kean is

working on would help define the process and help with staffing transitions and new members. One option could be that there would be a majority report and a minority report. What defines a majority or minority may depend on the issue. Al Kean and Duane Willenbring also discussed the reestablishment of drainage system records and the DNR concerns. There was additional discussion about the challenges working within the current DWG process.

COMMITTEE RECOMMENDATIONS

Grants Program and Policy Committee

Fiscal Year 2019 Technical Service Area Grants Authorization – Doug Thomas presented the grants authorization. The purpose of this agenda item is to allocate Technical Service Area (TSA) Grants. The recommended grants are consistent with the previous year except for the equipment funds have been rotated on the pre-established schedule agreed to with the TSAs. The Grants Program & Policy Committee reviewed the recommendations at their August 7, 2018 meeting and recommended approval of the order to the board.

Steve Sunderland commented that the presentation by a local TSA staff at the tour yesterday was very informative and helped to explain the projects that TSAs may assist with. There was a conversation about the grants provided to host/fiscal agent SWCD. Some TSAs have offices in two locations and so may receive \$10,000 instead of \$5,000.

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18-45 Moved by Steve Sunderland, seconded by Neil Peterson, to approve the FY2019 Technical Service Area Grants Authorization. ***Motion passed on a voice vote.***

One Watershed, One Plan Planning Grants Authorization – Doug Thomas presented the policy. The calendar year 2018 One Watershed, One Plan Planning Grants request for proposal (RFP) period opened on April 2, 2018 and closed on July 2, 2018. Staff screened the nine applications against the RFP selection criteria and received feedback from the Interagency WRAPS Implementation Team. Members of Senior Management Team reviewed staff recommendations on August 6, 2018 and recommended moving forward with funding all nine applications. The Grants Program and Policy Committee reviewed this recommendation on August 7, 2018 and recommends the attached resolution to the board.

Funds for these planning grants are from the 2018-2019 biennium, Laws of Minnesota 2017, Chapter 91, Article 2, Section 7(i) for assistance, oversight, and grants to local governments to transition local water management plans to a watershed approach and remaining unspent dollars from the 2016-2017 biennium, Laws of Minnesota 2015, 1st Special Session, Chapter 2, Article 2, Sec. 7(j).

The board discussed how the nine grants were chosen and the amounts for the grants. Doug Thomas discussed the methodology for deciding the grant levels and how a One Watershed, One Plan project may determine what a plan may cost. There was an inquiry from board members about how much of those unspent funds would be spent, and Doug Thomas confirmed that BWSR has the appropriate amount of unspent funds to cover the costs for the grants.

John Jaschke noted that no members of the board have declared an actual, perceived, or potential conflict for any agenda items on today's agenda and so no members will be abstaining from votes due to conflicts of interests.

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18-46 Moved by Steve Sunderland, seconded by Kathryn Kelly, to approve the One Watershed, One Plan Planning Grants Authorization. ***Motion passed on a voice vote.***

Jack Ditmore requested that staff prepare and share a table showing the differences between the planning expectations for One Watershed, One Plan and what the current situation is.

Chair Van Amburg recessed the meeting at 10:13am and resumed the meeting at 10:33am.

Farm Bill Assistance & CREP Outreach Program Policy Authorization – Tabor Hoek presented the new policy. The purpose of this agenda item is to adopt the Farm Bill Assistance & CREP Outreach Program Policy. This is a new policy, created to bring the Farm Bill Assistance & CREP Outreach Program into uniformity with other BWSR grant programs and to provide clear and consistent direction for grantees and potential grantees. The policy was drafted by grants staff and reviewed by Senior Management Team before being presented to the Grants Program and Policy Committee (GP&P) on August 7, 2018. GP&P recommended approval of the policy to the board.

The board discussed where the funding comes from. CREP funding comes from 3 year funding from the the LCCMR trust fund. Farm Bill Assistance funding comes from a variety of funding sources, including Pheasants Forever, NRCS, DNR, Clean Water Fund, and LSOHC. Board and staff discussed the match required for Clean Water Funds for this and other grants.

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18-47 Moved by Steve Sunderland, seconded by Jill Crafton, to approve the Farm Bill Assistance and CREP Outreach Program Policy authorization. ***Motion passed on a voice vote.***

Fiscal Year 2019 Farm Bill Assistance Program Authorization – Tabor Hoek presented the grants program. The purpose of this action is to authorize and allocate the Farm Bill Assistance Program and Grants. The recommended grants are consistent with the process from the previous year. Senior Management Team reviewed the recommendations and recommended approval to the Grants Program and Policy Committee (GP&P). The GP&P reviewed the recommendations at their August 7, 2018 meeting and recommended approval of the order to the board.

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18-48 Moved by Kathryn Kelly, seconded by Duane Willenbring to approve the board order authorizing the FY19 Farm Bill Assistance Program Authorization. ***Motion passed on a voice vote.***

Southern Region Committee

Area II Minnesota River Basin Projects Biennial Plan – FY 2018 & 2019 and Grant – Ed Lenz presented the Biennial Plan and Grant information. The funding provided to the Area II Board via specific legislation is targeted at administration of this nine-county joint powers board. For Fiscal Year 2019 this amount is \$140,000. This grant requires a 25% local match.

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18-49 Moved by Kathryn Kelly, seconded by Chris Elvrum, to approve the Area II Minnesota River Basin Projects Biennial Plan – FY 2018 & FY 2019 and Grant. ***Motion passed on a voice vote.***

Area II Minnesota River Basin Projects Bonding Work Plan and Grant – Jason Beckler presented the Biennial Plan and Grant information. Legislative appropriation (Bonding) to Area II Minnesota River

Basins Project for grants to local governments in Area II of the Minnesota River Basin to acquire, design, and construct floodwater management projects; oversight is provided by BWSR.

Jill Crafton mentioned that upland issues are very important, as the tour yesterday showed.

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18-50 Moved by Kathryn Kelly, seconded by Nathan Redalen, to approve the Area II Minnesota River Basin Projects Bonding Work Plan and Grant. ***Motion passed on a voice vote.***

NEW BUSINESS

BWSR Board Bylaws proposed amendment and Per Diem/Expense Policy – John Jaschke presented the proposed changes to the bylaws and per diem/expense policy. In response to the recent audit conducted by the Office of the Legislative auditor, staff recommend that BWSR bylaws be amended to update the conflict of interest policy to explicitly indicate that if a board member has an actual conflict of interest that they will not be able to vote on the agenda item for which they have a conflict of interest. Other proposed language changes clarify and streamline various bylaws to ensure transparency and clarity about how board business is conducted. The board also discussed what parts of BWSR’s bylaws and expense policy are set in statute and which are determined by BWSR board members.

Vice Chair Election –

Neil Peterson nominated Tom Schulz and seconded by Rich Sve. Jill Crafton nominated Steve Sunderland. Although Steve Sunderland appreciated the nomination, he declined it. Jack Ditmore moved that the nomination period be closed and that Tom Schulz be nominated unanimously. That motion was seconded by Duane Willenbring and passed. Tom Schulz will continue to serve as the vice chair of the BWSR Board.

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18-51

AGENCY REPORTS

Minnesota Department of Agriculture – Jeff Berg reported that comments closed yesterday on the Groundwater Protection rule and that the next step will be taken by an Administrative Law Judge. There are innovative cropping practices happening and a presentation will be taking place this afternoon in southwestern Minnesota about Kernza. The board discussed a national rule that may impact chlorpyrifos which has been detected in drinking water.

Minnesota Department of Natural Resources – No report was provided.

Minnesota Department of Health – Chris Elvrum talked about the value of the tour yesterday and appreciated the highlight on drinking water. MDH works with BWSR, the Department of Agriculture, Minnesota Rural Water and other partners on wellhead protection.

University of Minnesota Extension Service – Joel Larson mentioned that on October 16-17 the annual Water Resources Conference will be held in St. Paul. There will be a Wetlands track at the conference. There will be an emphasis on soil health in the plenary. There will be a Climate Adaptation conference held in St. Paul on November 14. There are three new staff at the University that will be doing research and outreach, including the new Soil Health Specialist, Anna Cates.

Minnesota Pollution Control Agency – Shannon Lotthammer also thanked the organizers of yesterday’s tour. MPCA recently updated their strategic plan, from 2017-2022. This looks at areas that MPCA wants

to make progress on in the upcoming four years. Three goals address water. One of those goals is to accelerate prioritized and targeted reductions in nutrient pollution by integrating strategies with local watersheds. Another goal, relating to the U of M Climate Adaptation conference, is to act on opportunities to increase resilience of communities and the environment to climate change impacts. The full strategic plan is available on the MPCA website.

In 2014, the state developed a nutrient reduction strategy that BWSR signed on to. MPCA is in the process of updating this strategy and will connect with various agencies to do a progress report and any necessary updates. MPCA wants to ensure collective ownership of this strategy. Shannon Lotthammer will be attending a national hypoxia taskforce meeting in September and will plan to report back on that meeting at the next BWSR board meeting.

ADVISORY COMMENTS

Minnesota Association of Soil and Water Conservation Districts – LeAnn Buck discussed Best Management Practices for landowners and local government units. She appreciated the tour that addressed some of those issues. MASWCD is putting on locally led trainings about how to best work with landowners. There are important partnerships with federal partners and citizen engagement. There was recently an 80th Anniversary event for the first SWCD in Minnesota in Winona.

Minnesota Association of Townships – Nathan Redalen reported that a new Executive Director should be hired shortly for the Minnesota Association of Townships. There are 13 directors, and there are some changes to the directors. Nathan Redalen also mentioned that there will be a short Southern Committee meeting directly following the adjournment of the BWSR board meeting.

Minnesota Association of Watershed Districts – Emily Javens appreciated the tour and the opportunity to meet with a few of the local watershed districts. MAWD has formed a governance committee to review governing documents. There are some proposed changes to the bylaws, and one change could allow WMOs to join MAWD as voting members. A vote is planned for the annual meeting in December. MAWD reviewed BWSR's per diem procedures to make some proposed updates to their per diem policies. MAWD has recently evaluated the 2016-2019 strategic plan and have either accomplished all of the goals or are on track to accomplish all of the goals, and are excited to see where the next three years will take them.

Minnesota Association of Conservation District Employees – no report was provided.

Association of Minnesota Counties – no report was provided.

Natural Resources Conservation Service – no report was provided.

UPCOMING MEETINGS

- Next BWSR Meeting is on September 26th at 9:00AM. The lower level board room at the MPCA/BWSR St. Paul office is closed for renovations through the end of the year, so the September, October, and December board meetings will be held off-site. This information will be provided to board members and posted on the BWSR website when it is available.

Chair Van Amburg adjourned the meeting at 11:31 AM.

Respectfully submitted,

A handwritten signature in blue ink that reads "Gerald Van Amburg". The signature is written in a cursive style with a large, looping initial 'G'.

Gerald Van Amburg
Chair