

**BOARD OF WATER AND SOIL RESOURCES  
520 LAFAYETTE ROAD N.  
LOWER LEVEL BOARD ROOM  
ST. PAUL, MINNESOTA 55155  
WEDNESDAY, MAY 23, 2018**

**BOARD MEMBERS PRESENT:**

Gerald Van Amburg, chair; Jack Ditmore, Sarah Strommen, DNR; Rich Sve, Shannon Lotthammer, MPCA, Joe Collins, Chris Elvrum, MDH;

**BOARD MEMBERS PRESENT BY PHONE:**

Jill Crafton, Patty Acomb, Kathryn Kelly, Neil Peterson, Tom Schulz, Susan Stokes, Steve Sunderland, Gene Tiedemann, Duane Willenbring, Paige Winebarger

**BOARD MEMBERS ABSENT:**

Tom Loveall, Nathan Redalen

**STAFF PRESENT:**

John Jaschke, Angie Becker Kudelka, Hannah Pallmeyer, Al Kean

**OTHERS PRESENT:**

Emily Javens, Minnesota Association of Watershed Districts  
Jason Garms, Department of Natural Resources  
Amanda Bilek, Minnesota Corn Growers Association  
Jennifer Berquam, Association of Minnesota Counties  
Amber Hanson, MN Farm Bureau Federation  
Bruce Kleven

**Chair Gerald VanAmburg called the meeting to order at 9:05 AM**

**Board members discussed upcoming meetings.**

**NEW BUSINESS**

**Legislative Update** – John Jaschke and Angie Becker Kudelka presented a legislative update to the board. The legislature adjourned on Sunday, May 20<sup>th</sup>. The first year of the biennium was a budget year, and this was a bonding year. Governor Dayton has 14 days after bill passage to decide whether or not to sign bills. Unless otherwise indicated below, no actions have been taken on the following bills.

Omnibus bill

This year, there was a large omnibus bill that had many different sections, including environment. Some of the items in the omnibus bill were:

- **Buffers and Soil Loss:** The conference committee removed all buffer law related changes that had been proposed earlier in the session.
- **Clean Water Coordination:** The bill included language to improve Clean Water coordination between state agencies and local governments
- **Drainage Work Group:** The Drainage Work Group (a BWSR-facilitated state-wide work group with participation from nonprofits/local government/state government/agriculture sector/other stakeholders) reached consensus-based policy recommendations, some of which remained in the final version of the bill.
- **BWSR Operating Adjustments** were requested but ultimately not included in the final bill.
- **Pass-through:** The bill included \$25,000 one-time general funds to the Red River Basin Commission.

Angie Becker Kudelka clarified that the governor can line-item veto financial items but not policy items. The board discussed proposals regarding the soil loss ordinance. The legislation in front of the governor keeps everything as it was for soil loss. An ordinance is not required. A landowner could file a complaint, go through a resolution process, and be offered cost-share dollars.

Legacy bill

The House and Senate differed this year on their approach to Legacy Funds. The House passed a full Legacy bill (all four funds), the Senate passed a bill only for Outdoor Heritage Funds. On the last night of session both House and Senate passed stand-alone legislation appropriating Outdoor Heritage Funds.

Outdoor Heritage Fund

<b><i>OHF</i></b>	<b>House</b>	<b>Senate</b>	<b>Bill Passed/sent to Gov</b>
Wetland Easements	\$10 million	\$10 million	\$10 million
Buffer Easements	\$ 5 million	\$ 5 million	\$ 5 million
<b>Total</b>	<b>\$15 million</b>	<b>\$15 million</b>	<b>\$15 million</b>

Clean Water Fund

<b><i>CWF</i></b>	<b>Gov's Rec</b>	<b>House</b>	<b>Senate</b>	<b>Bill Passed/sent to Gov</b>
MN CREP (via BWSR)	\$15 million	\$ 10 million	NA	

Local implementation practices for drinking water (via BWSR)	\$ 5 million	\$ 3.5 million	NA	\$0
Forests for the Future (via DNR)	\$ 1 million	\$ 1 million	NA	
1W1P implementation (via BWSR)	\$ 4.422 million	\$ 4.3 million	NA	
Irrigation Management Assistance (via BWSR)	-	\$ 0.5 million	NA	
Buffer Cost Share (via BWSR)	-	\$ 5 million	NA	
Estimating CWF return on investment (via University of MN)	\$ 0.343 million	\$ 0.343 million	NA	
<b>Total</b>	\$25.675 million	\$24.673 million	NA	<b>\$0</b>

There was an inquiry if the Clean Water Fund money that was not allocated this year could be added to the Clean Water Fund for next year. Angie believes that is the case. The Clean Water Fund money is usually allocated on a biennial basis but there was a provision from last year's session that more money could be appropriated if there was a surplus. The \$22 million was transferred from the General Fund to the Clean Water Fund. The Senate put language in the tax bill to indicate that this was a one-time appropriation by striking the language after the payment was returned to the fund. Even if the tax bill is vetoed, it is still only a one-time appropriation.

Bonding

The final bonding bill included the following BWSR-related appropriations:

General Obligation Bonds

	Gov Rec	House	Senate	Bill Passed/sent to Gov
CREP	\$30 million	\$10 million	\$10 million	\$ 0
Local Roads Wetlands	\$ 5 million	\$ 5 million	\$ 5 million	\$ 6.7 million
Seidl's Lake (Pass-Thru)	-	\$ 0.781 million	-	\$ 0
Area II (Pass-Thru)	-	-		\$ 0.7 million
<b>Total</b>	\$35 million	\$15.781 million	\$15 million	<b>\$ 7.4 million</b>

Legislators also amended the LCCMR appropriations to this bill. While BWSR did not have any LCCMR recommended projects this session, the final bill shifted several projects, including the Conservation Reserve Enhancement Program (CREP) recommendations, from General Obligation Bonds to Appropriation bonds. The bill directed debt service payment from the Environment and Natural Resources Trust Fund over the next 20 years.

The board discussed that the Local Roads Wetland provision in the bonding bill was not allocated to any specific wetland banking areas. Applications are placed into a queue. BWSR is prohibited from closing wetland banking areas, even if they have zero credits. A priority for BWSR is to find credits in wetland banking areas with zero credits, and this may take several years.

Appropriation Bond Funds

	Gov Rec	House	Senate	Bill Passed/sent to Gov
CREP	--	--	--	\$ 10 million

The board discussed the funding status for CREP. The legislature passed \$15 million from the Outdoor Heritage Fund and \$10 million from bonding to fund CREP.

#### Ramsey Conservation District

On May 19, 2018, Governor Dayton signed into law a bill that will discontinue the Ramsey SWCD and transfer its duties to Ramsey County effective the day after both the county board to adopts a resolution by majority vote to approve of this change, and the clerical officer submits the proper paperwork to the Secretary of State. The board discussed that no further BWSR action would be required, if the Ramsey County Commissioners vote to approve the change.

#### Agriculture Policy Bill

On May 21, Governor Dayton vetoed the Agriculture Policy Bill, which included a soil loss provision that reversed language from the 2015 legislative session.

#### Buffer Tax Credit

A bill authored by Rep. Paul Anderson, that would create a \$50/acre credit for agricultural land converted to buffers, had two hearings in the House but was not included in any bills passed this session. Governor Dayton supported the idea of having a buffer tax credit.

#### What's Next

Governor Dayton has 14 days after bills are presented to take action. An update will be provided to the board once those decision have been announced.

#### **UPCOMING MEETINGS**

- RIM Reserve Committee is scheduled to meet immediately following the May 23 board meeting (approximately 10:00am) in the Stearns County Soil and Water Conservation District Large Conference Room (110 Second Street South, Suite 128, Waite Park) and via phone
- Grants Program and Policy Committee is scheduled to meet on June 5, 2018, at 9:00am in Room 113 in BWSR's St. Cloud Office (110 Second Street South, Waite Park)
- Next BWSR Meeting is scheduled for June 27, 2018 at 9:00am in the Lower Level Board Room
- The summer tour is scheduled for August 22 in southwestern Minnesota. The board meeting will be on August 23, also in southwestern Minnesota.

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18-25

Motion by Joe Collins, seconded by Chris Elvrum, to adjourn the meeting. Motion passed. Chair Van Amburg adjourned the meeting at 9:38 AM.

Respectfully submitted,



Gerald VanAmburg, Chair