2024 Nonpoint Priority Funding Plan

BOARD OF WATER AND SOIL RESOURCES

{DATE}

Developed in collaboration with

Minnesota Department of Agriculture
Minnesota Department of Health
Minnesota Department of Natural Resources
Minnesota Pollution Control Agency
Metropolitan Council

Scope, Purpose, and Use

The 2024 Nonpoint Priority Funding Plan (NPFP) represents a shared vision for Minnesota state agency use of Clean Water Funds for nonpoint source implementation, consistent with the Clean Water Legacy Act (CWLA; M.S. §114D).

Scope. The 2024 NPFP* refers to nonpoint source implementation and the resources (information, assistance, funding) that support implementation. The NPFP guides work supported by Minnesota's Clean Water Fund, described in the Clean Water Legacy Act (M.S. §114D). The agencies that receive clean water funds and commit to the use of this plan are: The Minnesota Board of Water and Soil Resources (BWSR), Minnesota Department of Natural Resources (DNR), Minnesota Department of Agriculture (MDA), Minnesota Department of Health (MDH), Minnesota Pollution Control Agency (MPCA), and Met Council (collectively, "Minnesota water agencies").

Purpose. With the NPFP, Minnesota water agencies:

- **Articulate clear priorities** for use of Clean Water Funds
- **Maintain a commitment** to optimize implementation at the major watershed scale
- **Signal a vision** for a resilient future, with a continuous improvement mindset

Use. Agencies can use this plan to guide interagency coordination and alignment, develop new programs, and improve existing programs. Implementing partners (local and tribal governments, NGOs, and others) can use this plan to understand and align with the state's priorities and future vision.

Agency Use. {Note to reviewers: this section is still under development; all agencies have not committed to these items. Comments on agency use of the NPFP are welcome.}

Agencies will select from the following options as appropriate to ensure the NPFP guides the use of Clean Water Funds:

- **Budget Development.** Agencies will use the NPFP to inform their Clean Water Fund budget requests for nonpoint implementation work.
- **Inform Program Requirements.** Agencies will incorporate the principles of the NPFP into BWSR programs as appropriate.
- **Incorporate in Grant Funding Requests and Work Plans.** Agencies will include a question in competitive grants request for proposals that asks the applicant to address how their proposed project addresses the priorities in the NPFP; and/or require grantees to include information in their work plan describing how their proposed activities addresses the priorities in the NPFP.
- **Evaluate Accomplishments.** Agencies will use the NPFP to evaluate the extent to which programs carried out NPFP elements.

**See appendix A for a summary of previous versions of the NPFP.*

Background

Since the 2014 NPFP†, Minnesota has made significant progress in carrying out the Clean Water Legacy Act, which provides a framework for working on a watershed basis:

- **More and better data and information.** Agencies collect and analyze data and compile it into information to guide implementation. Watershed Restoration and Protection Strategies (WRAPS) are complete for all major watersheds and WRAPS Updates are underway; Groundwater Restoration and Protection Strategies, along with other watershed-based reports, models, and tools (e.g., Watershed Health Assessment Framework, Evaluation of Hydrologic Change, Landscape Stewardship Plans,) support and inform local choices about where to work.
- **Fewer and better local water plans.††** The transition from county-based local planning to multi-jurisdictional comprehensive watershed management plans is nearly complete. These plans are local commitments for prioritized, targeted, and measurable implementation, aligned with state priorities and strategies.
- **More and better partnerships at and among all levels of government.** Agencies work together to ensure programs are coordinated and supportive of local, tribal, and other partners. Local governments have formed beneficial partnerships to cooperate at the major watershed scale.
- **More funding.** Noncompetitive funding to implement watershed plans is a game-changer for local implementation. Together with additional general fund investments (e.g., state support for soil and water conservation districts, big investments in soil health) and large influxes of federal funding, the current keys to successful nonpoint source implementation have less to do with finding money and more to do with using available funds effectively and having knowledgeable local staff to lead the work.

†See appendix A for a summary of previous versions of the NPFP.

††In this document, "local water plan" refers to any plan developed under Minnesota Statutes §103B, §103C, or §103D.

High-Level State Priorities

In 2014, state water agencies set three high level priorities in the original NPFP. The 2014 NPFP priorities emphasized the concept of "nearly and barely impaired waters" as well as drinking water:

- Restore those impaired waters that are closest to meeting state water quality standards.
- Protect those high-quality unimpaired waters at greatest risk of becoming impaired.
- Restore and protect water resources for public use and public health, including drinking water.

The 2024 NPFP incorporates and builds on the original three high level priorities. The revision acknowledges that more data is available to refine and clarify how water resources can be prioritized and it recognizes other values for our nonpoint implementation work. The state's high-level priorities are:

- Protect **vulnerable drinking water** sources.
- Protect and restore 1) waters closest to the **impairment threshold**; 2) waters with declining water quality and increasing use **trends**; 3) waters with **high sensitivity** to nutrient loading; and 4) high-quality waters at **greatest risk** based on watershed and near-shore land use.
- Protect and restore water resources that have **cultural or community significance**.
- **Enhance** ecosystem function, watershed resilience and respond to climate change as described in state plans and frameworks.

See Table 1 for more information on each of the High-Level State Priorities.

Table 1. Supporting Information for the High-Level State Priorities

Protect **vulnerable drinking water** sources		
Lead	**Definition**	**Supporting Information and Other Factors**
MDH	**Vulnerable sources of drinking water** ■ All State approved WHP (groundwater) Drinking Water Supply Management Areas (DWSMAs) or portions of DWSMAs designated as high- vulnerable to land use contaminants. ■ State approved surface water DWSMAs that encompass an 8-hour Emergency Response Area and a 24-hour Spill Management Area. ■ MDH delineated watershed Source Water Assessment areas for the remaining community surface water systems. (This includes existing SWAs or future updated versions by MDH.) ■ Vulnerable townships identified by MDA for private well protections. ■ MDH does not have regulatory oversight over tribal public water supplies; tribal water supplies may be vulnerable according to the criteria above or other Environmental Protection Agency criteria.	■ For public water systems: Source Water Protection Web Map Viewer ■ For private wells: Minnesota Well Index (MWI) - MN Dept. of Health ■ For groundwater: WHAF GRAPS tools ■ Natural susceptibility, sensitivity or vulnerability to nonpoint pollutants is an important factor in prioritizing implementation. For example, some aquifers are more vulnerable than others due to sandy soils, karst topography or aquifer depth. See WHAF GRAPS tools, especially the pollution sensitivity of near-surface materials layer. ■ Private wells at higher risk should be prioritized for protection. This includes shallow wells that lack a confining layer and well construction factors such as pre-code wells or wells that are cracked/broken or need repair.
Protect and restore 1) waters closest to the **impairment threshold**; 2) waters with declining water quality and increasing use **trends**; 3) waters with **high sensitivity** to nutrient loading; and 4) high-quality waters at **greatest risk** based on watershed and near-shore land use.		
Lead	**Definition**	**Supporting Information and Other Factors**
MPCA with DNR	■ Individual WRAPS reports and WRAPS Update reports contain recommended priorities for protection and restoration. ■ MPCA's Water Quality Assessment Results Data Viewer provides state recommended priorities for lakes (aquatic recreation) and unimpaired streams (aquatic recreation and aquatic life) based on water quality assessment results plus the following resource-specific factors relevant to the four sub-items in this priority:	■ Additional information about designated uses and impairments is available in MPCA's Impaired Waters Assessment Viewer ■ DNR's Watershed Health Assessment Framework (WHAF) stream protection layer and WHAF-Lakes Tool (includes cost-benefit analysis) ■ Proximity to the impairment threshold ("nearly impaired" or "barely impaired") is an important consideration for

	■ Lists of "nearly" and "barely" impaired lakes and streams (#1) ■ Water clarity trends (#2) ■ Lakes of phosphorus sensitivity (#3) ■ Watershed land disturbance (lakes and streams) and risk posed from near shore areas and existing protection (streams) (#4) ■ Vulnerable waters are waters that meet the standard but have a higher potential to become impaired, based on confidence intervals, trends, watershed use, individual parameter results, biological indicator scores, and/or a combination of multiple factors. (#1, #2, #3, #4)	prioritizing implementation efforts to accelerate progress toward reducing the number of impaired waters and to maximize return on investment. ■ Risk of future impairment is an important consideration for minimizing costs to restore degraded or impaired waters. ■ Local values can act as a "filter" for additional prioritization.
Protect and restore water resources that have **community or cultural significance**		
Lead	**Definition**	**Supporting Information and Other Factors**
	Waters identified in local water plans as priorities.	In the local planning process, priority waters are identified using the best available science (see the above section in this table) together with local importance informed by recreational, economic, or aesthetic values.
	Species and habitats important to Tribal Nations or other communities for economic, cultural, nutritional and ecological benefits*; these may not be reflected in a local water plan. Culturally significant wild rice, aquatic species, and others that support subsistence lifeways.**	■ Tribal knowledge may be represented in a variety of formats and venues, including consultation and coordination with Tribal natural resource departments and technical staff, oral histories, published papers and reports, white papers, blogs, works of art, historical documents, undergraduate and graduate research reports, and more.* ■ Tribal partners are being invited to provide tribal knowledge into WRAPS Update reports and local water planning. **(Language from Minnesota State Water Plan, EQB)* ***(Language from State Climate Action Framework)*
DNR, MPCA	Designated Trout waters Wild rice waters State and Nationally designated parks and waterways Regionally Significant Natural Resource Areas (DNR)	National Park Service Wild and Scenic Rivers (MN DNR) National Water Trails

Enhance ecosystem function, watershed resilience, and respond to climate change as described in state plans and frameworks.		
Lead	**Definition**	**Supporting Information and Other Factors**
BWSR, MDA, DNR	The resources in this section contain lists of activities which provide multiple benefits that contribute to this priority. ■ NRCS Conservation Practice Physical Effects ■ NRCS Climate Smart Mitigation Activities ■ Groundwater/Drinking Water Protection Practices for Agricultural Lands ■ Practices that Improve Soil Health (MOSH) ■ Water Storage: A Planning and Decision Framework {table 3, p 17-19} ■ Ag BMP Handbook	The elements of these plans as they relate to nonpoint source pollution describe Minnesota's approach to this priority. ■ Minnesota Climate Action Framework ■ State Soil Health Action Framework (MN) ■ MN Nutrient Reduction Strategy ■ State Water Plan (EQB) ■ Groundwater Protection Rule

Strategies to Optimize Outcomes

Minnesota has invested heavily in adaptive water management at the major watershed scale by:

- providing data, information, and strategies
- supporting the transition from county-based to watershed-based local water planning
- increasing availability of funding to implement local plans

Protecting this investment is critical to optimizing prioritized, targeted, and measurable implementation that achieves water quality outcomes*. The following strategies support ongoing watershed-scale implementation:

- **Continue the Commitment**. The value of the watershed transition will have staying power if the state continues to invest in implementing local plans. Based on the idea that they will continue to receive funding for implementing their plans, partnerships are building effective systems for collaboratively working towards plan goals and measuring their progress.
- **Increase the Momentum.** Noncompetitive funding allows partnerships to act quickly and think bigger. This creates a positive feedback loop that builds confidence to do more. Making funding available quickly and streamlining administrative requirements (while maintaining accountability) will allow implementers to focus on growing their capacity.

- **Support the Partnerships.** Implementers working together across jurisdictional boundaries has benefits beyond contributing to shared natural resource goals. Partners support one another, share expertise and ideas, and hold one another accountable for doing prioritized, targeted, and measurable work.

- **Build and Support Local Capacity.** Nonpoint implementation relies on local governments and their partners, including non-governmental organizations, tribal nations, businesses, and state and federal agencies. Success depends on capable local government staff to develop, prioritize, and target projects.

  Timely investments `in local capacity through training and other support for staff and elected and appointed leaders as well as funding for projects are key.

- **Leverage Non-State Funding.*** Increasing capacity can position implementers to use Clean Water Fund money to leverage other sources of nonpoint implementation funding, such as federal Farm Bill conservation programs.

  BWSR Clean Water Fund grant programs for nonpoint implementation will continue to require grantees to demonstrate leveraged investments (e.g., additional grant funds, local funds, landowner contributions, staff time, etc.; see also "Agency Use" section).

- **Apply the Science.** Minnesota has more and better data, models, and tools than ever before, and the body of water resources knowledge continues to grow. MPCA surveys consistently find that implementing partnerships value when agencies consolidate data into science-based priorities, goals, and strategies for watershed protection and restoration.

  WRAPS and WRAPS Updates, GRAPS, landscape stewardship plans, evaluation of hydrologic change, and other agency efforts to synthesize data into useful information to guide implementation are essential elements in building and maintaining prioritized, targeted, and measurable watershed plans.

- **Use Funds Wisely and Equitably.*** M.S. §114D.50 subd.4 states: "(a)… A project receiving funding from the clean water fund shall include … an assessment of whether the funding celebrates cultural diversity or reaches diverse communities in Minnesota, including reaching low- and moderate-income households (b) Money from the clean water fund shall be expended to balance the benefits across all regions and residents of the state." BWSR's Watershed Based Implementation Program uses a funding formula to ensure equitable distribution of those funds among watersheds with eligible plans.

  *Cost effectiveness**: Applying the available science to decisions about where and how to focus implementation is critical to making cost-effective investments. For example, a new lake prioritization tools incorporates return on investment.

  *Landowner Financial Need**: Use of environmental justice tools can help agencies and implementers direct programs to ensure funding is distributed equitably, with an emphasis on historically underserved communities.

- **Measure Results at the Watershed Scale.** Because watershed plans, which are designed to produce measurable results, have unique structures and goals, measuring results is best achieved at the watershed scale.
- **Celebrate Success.** Minnesotans value water. Continued support for the Clean Water Fund will only be possible if the public sees the Clean Water Fund at work through stories, videos, field days, awards, and other means. Sharing success stories both with the public and with fellow implementers creates a positive feedback loop that motivates and inspires more action and spreads creativity and innovation.
- **Support Changes to Cropping Systems.** Achieving clean water goals can't happen without changes to cropping systems to achieve dramatic increases in adoption of soil health practices and increase strategically placed water storage. Examples of reward-driven and market-driven and approaches include payments for nonstructural land management practices (cover crops, tillage, grazing); water quality credit trading; carbon marketplaces that incentivize practices which also benefit water quality; creation of new markets to promote crops for continuous living cover; and the Minnesota Agricultural Water Quality Certification Program.
- **Integrate Hydrologic Management into Watershed Plans.** Increased runoff volumes and rates due to altered hydrology contribute significantly to water quality problems. Water storage, wetland restoration, practices that increase infiltration, and drainage water management are important strategies restoring a watershed's ecological functions. Minnesota has made significant advances in spatial models and tools to identify and prioritize water storage areas.
- **Emphasize Adaptive Management.** Periodic evaluation of plan progress and adaptation to incorporate new data and new approaches will help implementers refine their priorities, goals, and cost estimates. Leveraging models and tools will improve prioritization and targeting as well as measuring outcomes.

  Strong partnerships between implementers and state agencies will ensure a feedback loop to help agencies understand data gaps or other barriers to local implementation where the state can help, and to ensure data and tools are useful and used for prioritized, targeted, and measurable implementation.

**Required by the NPFP statute: "The plan must take into account the following factors: water quality outcomes, cost-effectiveness, landowner financial need, and leverage of nonstate funding sources." (See Appendix A)*

Guiding Principles: A Vision for Progress

In addition to optimizing implementation within our current system, Minnesota will commit to improving these systems to continue leading the nation in water management. These aspirational principles will guide the work of agencies and partners into the future.

- **Plan for a Changing Climate.** Ensuring state programs and local plans keep climate change front of mind is critical. Incorporating climate change into local plans or plan amendments and connecting programs work to the climate adaptation framework and hazard mitigation planning.
- **Implement for Resilience.** Selecting implementation practices that will endure a changing climate and that contribute to the overall resilience of the watershed and its ecosystem (e.g., soil health, water storage).
- **Lead in Diversity, Equity, and Inclusion.** Emphasize importance of expanding program delivery beyond traditional conservation audiences to all communities served by conservation organizations.
- **Engage Multiple Ways of Knowing.** Engage with people from multiple cultures to incorporate ecological knowledge into planning and implementation processes.
- **Foster Environmental Justice.** Understand the impacts of government decisions on populations that have historically not had a voice and suffered disproportionate impacts of prior decisions, and ensure funding is available for conservation work in these communities.
- **Be Agile and Flexible.** Be prepared to anticipate and pivot to water issues that have not had a major focus (e.g., PFAS, microplastics), new opportunities (e.g., large influx of $ for soil health or climate smart ag), or known issues that get elevated in public discourse (e.g., nitrates in groundwater).
- **Address Critical Data Gaps.** Understand where enhanced data collection efforts will yield the most benefits.
- **Improve Data Organization and Delivery.** Leverage technology to improve how agencies package and deliver data, including leveraging communication expertise to deliver information and recommended strategies so implementers can easily understand and apply the science.
- **Clarify Outcomes and Communicate Impacts.** Leverage technology to develop state-of-the art tracking systems that easily relate implementation actions to local priorities and goals as well as statewide needs. Ensure the most appropriate tools are used to estimate outcomes from implementation, and that the public can easily understand the positive impacts of the Clean Water Fund.

One Page Summary: NPFP

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Strategies to Optimize Implementation

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- Increase the Momentum
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- Apply the Science
- Use Funds Wisely and Equitably
- Measure Results at the Watershed Scale
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- Address Critical Data Gaps
- Improve Data Organization and Delivery
- Clarify Outcomes and Communicate Impacts

Appendix A –NPFP Legislation and Plan Version Summary

In 2013, the legislature passed the Clean Water Accountability Act which modified the Clean Water Legacy Act, including a requirement for the Board of Water and Soil Resources to prepare a nonpoint Priority Funding Plan (M.L. 2013, Chapter 137, Article 2, Section 14):

M.S. §114D.50, Subd. 3a. Nonpoint priority funding plan.

(a) Beginning July 1, 2014, and every other year thereafter, the Board of Water and Soil Resources shall prepare and post on its website a priority funding plan to prioritize potential nonpoint restoration and protection actions based on available WRAPSs, TMDLs, and local water plans. The plan must take into account the following factors: water quality outcomes, cost-effectiveness, landowner financial need, and leverage of nonstate funding sources. The plan shall include an estimated range of costs for the prioritized actions.

(b) Consistent with the priorities listed in section 114D.20, state agencies allocating money from the clean water fund for nonpoint restoration and protection strategies shall target the money according to the priorities identified for on the nonpoint priority funding plan. The allocation of money from the clean water fund to projects eligible for financial assistance under section 116.182 is not governed by the nonpoint priority funding plan.

In 2019, a bill known as "Coordinated Watershed Management" allowed BWSR to establish alternative content and timelines for the NPFP (M.L. 2019, Sp1, Chapter 4, Article 5, Section 20):

M.S. §114D.47, Subd. 3a. Nonpoint priority funding plan.

Notwithstanding section 114D.50, subdivision 3a, the Board of Water and Soil Resources may, by board order, establish alternative timelines or content for the priority funding plan for nonpoint sources under section 114D.50, subdivision 3a, and may use information from comprehensive watershed management plans or comprehensive local water management plans to estimate or summarize costs.

Version	Description	Main Elements	Comments
2014	Original NPFP; a criteria-based approach	■ High level priorities (3) ■ Keys to implementation ■ Criteria for use of CWF ■ Cost estimates	Included extensive background and context
2016	NPFP required updates	Case studies demonstrating how agencies applied the main elements of the 2014 plan in their programs; Cost estimates updated	Except cost estimates, main elements did not change
2018			
2024	NPFP Revision; a shared vision for future success	■ High level priorities (4; revised) ■ Strategies to Optimize Implementation ■ Guiding Principles: A Vision for Progress	Cost estimates not included (found in individual CWMPs)