State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5313

04/08/2024 Authored by Hussein, Lillie and Finke
The bill was read for the first time and referred to the Committee on Legacy Finance

A bill for an act

relating to legacy; modifying prior appropriations from clean water fund; appropriating money; amending Laws 2023, chapter 40, article 2, sections 2, subdivision 1; 3; 4; 5; 6; 7; 9.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Laws 2023, chapter 40, article 2, section 2, subdivision 1, is amended to read:

				~~**159,499,000**~~
Subdivision 1. **Total Appropriation**	**$**	**158,897,000**	**$**	**184,925,000**

This appropriation is from the clean water fund. The amounts that may be spent for each purpose are specified in the following sections.

Sec. 2. Laws 2023, chapter 40, article 2, section 3, is amended to read:

				~~**20,839,000**~~
Sec. 3. **DEPARTMENT OF AGRICULTURE**	**$**	**20,839,000**	**$**	**25,241,000**

(a) $350,000 the first year and $350,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices. This appropriation is available until June 30, 2028.

(b) $3,000,000 the first year and ~~$3,000,000~~ $4,000,000 the second year are for monitoring

and evaluating trends in the concentration of nitrate in groundwater; promoting, developing, and evaluating regional and crop-specific nutrient best management practices, cover crops, and other vegetative cover; assessing adoption of best management practices and other recommended practices; education and technical support from University of Minnesota Extension; grants to support agricultural demonstration and implementation activities, including research activities at the Rosholt Research Farm; and other actions to protect groundwater from degradation from nitrate. This appropriation is available until June 30, 2028.

(c) $4,799,000 the first year and ~~$4,799,000~~ $8,201,000 the second year are for the agriculture best management practices loan program. Any unencumbered balance at the end of the second year must be added to the corpus of the loan fund.

(d) $1,500,000 the first year and $1,500,000 the second year are for technical assistance; research, demonstration, and promotion projects on properly implementing best management practices and vegetative cover; and more-precise information on nonpoint contributions to impaired waters and for grants to support on-farm demonstration of agricultural practices. This appropriation is available until June 30, 2028.

(e) $40,000 the first year and $40,000 the second year are for maintenance of the Minnesota Water Research Digital Library. Costs for information technology development

or support for the digital library may be paid to the Office of MN.IT Services. This appropriation is available until June 30, 2028.

(f) $3,500,000 the first year and $3,500,000 the second year are to implement the Minnesota agricultural water quality certification program statewide. This appropriation is available until June 30, 2028.

(g) $150,000 the first year and $150,000 the second year are for a regional irrigation water quality specialist through University of Minnesota Extension. This appropriation is available until June 30, 2028.

(h) $3,000,000 the first year and $3,000,000 the second year are for grants to the Board of Regents of the University of Minnesota to fund the Forever Green agriculture initiative and to protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. This appropriation is available until June 30, 2028.

(i) $500,000 the first year and $500,000 the second year are for testing drinking-water wells for pesticides and establishing a mitigation program for water treatment of contaminated wells. This appropriation is available until June 30, 2028.

(j) $1,750,000 the first year and $1,750,000 the second year are for conservation equipment assistance grants to purchase equipment or items to retrofit existing equipment that has climate and water quality

benefits. This appropriation is available until June 30, 2028.

(k) $1,500,000 the first year and $1,500,000 the second year are for expanding the existing state weather station and soil temperature network to provide accurate and timely weather data to optimize the timing of irrigation, fertilizer, pesticide, and manure applications and support land management decisions. This appropriation is available until June 30, 2028.

(l) $750,000 the first year and $750,000 the second year are for grants for research and demonstration sites and projects to evaluate, develop, demonstrate, and promote regional and animal-specific recommendations for manure crediting and to develop or revise manure best management practices through University of Minnesota Extension. This appropriation is available until June 30, 2028.

Sec. 3. Laws 2023, chapter 40, article 2, section 4, is amended to read:

				~~**24,188,000**~~
Sec. 4. **POLLUTION CONTROL AGENCY**	**$**	**24,187,000**	**$**	**29,514,000**

(a) $9,050,000 the first year and ~~$9,050,000~~ $9,376,000 the second year are for completing needed statewide assessments of surface water quality and trends according to Minnesota Statutes, chapter 114D. Of this amount, $163,000 the first year and $163,000 the second year are for grants to the Red River Watershed Management Board to enhance and expand the existing water quality and watershed monitoring river watch activities in schools in the Red River of the North

watershed. By February 15, 2025, the Red River Watershed Management Board must provide a report to the commissioner and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund on the expenditure of this appropriation.

(b) $6,350,000 the first year and $6,350,000 the second year are to update watershed restoration and protection strategies, which include total maximum daily load (TMDL) studies and TMDL implementation plans according to Minnesota Statutes, chapter 114D, for waters on the impaired waters list approved by the United States Environmental Protection Agency.

(c) $1,000,000 the first year and $1,000,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, evaluating trends.

(d) $750,000 the first year and $750,000 the second year are for implementing the St. Louis River System Area of Concern remedial action plan.

(e) $1,500,000 the first year and $1,500,000 the second year are for national pollutant discharge elimination system wastewater and stormwater TMDL implementation efforts.

(f) $3,550,000 the first year and ~~$3,550,000~~ $5,550,000 the second year are for enhancing the county-level delivery systems for

subsurface sewage treatment system (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protecting groundwater. This appropriation includes base grants for all counties with SSTS programs. Counties that receive base grants must report the number of properties with noncompliant systems upgraded through an SSTS replacement, connection to a centralized sewer system, or other means, including property abandonment or buyout. Counties also must report the number of existing SSTS compliance inspections conducted in areas under county jurisdiction. The required reports must be part of the established annual reporting for SSTS programs. Of this amount, at least $900,000 each year is available to counties for grants to low-income landowners to address systems that pose an imminent threat to public health or safety or fail to protect groundwater. A county receiving a grant under this paragraph must submit a report to the agency listing the projects funded, including an account of the expenditures.

(g) $650,000 the first year and ~~$650,000~~ $1,650,000 the second year are for activities and grants that reduce chloride pollution.

(h) $337,000 the first year and $338,000 the second year are to support activities of the Clean Water Council according to Minnesota Statutes, section 114D.30, subdivision 1.

(i) $1,000,000 the first year and $1,000,000 the second year are for a grant program for sanitary sewer projects that are included in the draft or any updated *Voyageurs National Park*

Clean Water Project Comprehensive Plan to restore the water quality of waters in Voyageurs National Park. Grants must be awarded to local government units for projects approved by the Voyageurs National Park Clean Water Joint Powers Board and must be matched by at least 25 percent from sources other than the clean water fund.

(j) $2,000,000 the second year is for designing and installing a network of nitrate sensors for the continuous real-time monitoring of nitrates in major watershed and basin pour points.

~~(j)~~ (k) Any unencumbered grant balances in the first year do not cancel but are available for grants in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations in this section are available until June 30, 2028.

Sec. 4. Laws 2023, chapter 40, article 2, section 5, is amended to read:

Sec. 5. **DEPARTMENT OF NATURAL RESOURCES**	**$**	**12,780,000**	**$** ~~**12,780,000**~~ **12,870,000**

(a) $2,550,000 the first year and $2,550,000 the second year are for streamflow monitoring.

(b) $1,450,000 the first year and $1,450,000 the second year are for lake Index of Biological Integrity (IBI) assessments.

(c) $455,000 the first year and ~~$455,000~~ $545,000 the second year are for assessing mercury and other fish contaminants, including PFAS compounds, and monitoring to track the status of impaired waters over time.

(d) $2,150,000 the first year and $2,150,000 the second year are for developing targeted, science-based watershed restoration and protection strategies and for technical assistance for local governments.

(e) $2,000,000 the first year and $2,000,000 the second year are for water-supply planning, aquifer protection, and monitoring activities and analysis.

(f) $1,600,000 the first year and $1,600,000 the second year are for technical assistance to support local implementation of nonpoint source restoration and protection activities and targeted forest stewardship for water quality.

(g) $650,000 the first year and $650,000 the second year are for applied research and tools, including maintaining and updating spatial data for watershed boundaries, streams, and water bodies and integrating high-resolution digital elevation data and for assessing the effectiveness of forestry best management practices for water quality.

(h) $25,000 the first year and $25,000 the second year are for maintaining and updating buffer maps and for technical guidance on interpreting buffer maps for local units of government implementing buffer requirements. Maps must be provided to local units of government and made available to landowners on the Department of Natural Resources website.

(i) $100,000 the first year and $100,000 the second year are for accelerating completion of or updates to county geologic atlases and

supplementing water chemistry or chemical movement studies.

(j) $300,000 the first year and $300,000 the second year are for increasing native freshwater mussel production capacity and restoring and monitoring freshwater mussel restoration efforts.

(k) $500,000 the first year and $500,000 the second year are for implementing water storage projects on state-administered land to enhance water quality and ecological benefits.

(l) $1,000,000 the first year and $1,000,000 the second year are for providing technical and financial assistance for county and local governments to replace failing or ineffective culverts using modern designs that restore floodplain connectivity, biological connectivity, and channel stability. This appropriation is available for up to two additional years.

Sec. 5. Laws 2023, chapter 40, article 2, section 6, is amended to read:

Sec. 6. **BOARD OF WATER AND SOIL**			~~**78,063,000**~~
RESOURCES	**$**	**78,064,000**	**$** **89,497,000**

(a) $39,500,000 the first year and $39,500,000 the second year are for grants to implement state-approved watershed-based plans. The grants may be used to implement projects or programs that protect, enhance, and restore surface water quality in lakes, rivers, and streams; protect groundwater from degradation; and protect drinking water sources. Projects must be identified in a comprehensive watershed plan developed under the One Watershed, One Plan program

and seven-county metropolitan groundwater or surface water management frameworks as provided for in Minnesota Statutes, chapters 103B, 103C, 103D, and 114D. Grant recipients must identify a nonstate match and may use other legacy funds to supplement projects funded under this paragraph. This appropriation may be used for:

(1) implementing state-approved plans, including within the following watershed planning areas: Bois de Sioux - Mustinka, Buffalo-Red River, Cannon River, Cedar - Wapsipinicon, Chippewa River, Clearwater River, Cottonwood-Middle Minnesota, Crow Wing River, Des Moines River, Greater Zumbro River, Hawk Creek - Middle Minnesota, Kettle and Upper St. Croix, Lac qui Parle-Yellow Bank, Lake of the Woods, Lake Superior North, Le Sueur River, Leech Lake River, Long Prairie River, Lower Minnesota River East, Lower Minnesota River West, Lower St. Croix River, Middle-Snake-Tamarac Rivers, Mississippi River Brainerd, Mississippi River Headwaters, Mississippi River St. Cloud, Mississippi River Winona/La Crescent, Missouri River Basin, Nemadji River, North Fork Crow River, Otter Tail, Pine River, Pomme de Terre River, Rainy-Rapid River, Rainy River Headwaters - Vermilion River, Rainy River-Rainy Lake/Lower Rainy River, Red Lake River, Redeye River, Root River, Roseau River, Rum River, Sand Hill River, Sauk River, Shell Rock and Winnebago River, Snake River, South Fork of the Crow River, St. Louis River, Thief River, Two Rivers Plus, Upper and Lower Red

Lake, Upper Minnesota River, Upper Mississippi - Grand Rapids, Watonwan River, Wild Rice - Marsh, and Yellow Medicine River;

(2) seven-county metropolitan groundwater or surface water management frameworks; and

(3) other comprehensive watershed management plan planning areas that have a board-approved and local-government-adopted plan as authorized in Minnesota Statutes, section 103B.801.

The board must establish eligibility criteria and determine whether a planning area is ready to proceed and has the nonstate match committed.

(b) $8,500,000 the first year and $8,500,000 the second year are for grants to local government units to protect and restore surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system projects and stream bank, stream channel, shoreline restoration, and ravine stabilization projects. The projects must use practices demonstrated to be effective, be of long-lasting public benefit, include a match, and be consistent with total maximum daily load (TMDL) implementation plans, watershed restoration and protection strategies (WRAPS), or local water management plans or their equivalents. Up to 20 percent of this appropriation is available

for land-treatment projects and practices that benefit drinking water.

(c) $5,500,000 the first year and $5,500,000 the second year are for accelerated implementation, local resource protection, enhancement grants, statewide analytical targeting or technology tools that fill an identified gap, program enhancements for technical assistance, citizen and community outreach, compliance, and training and certification.

(d) $1,250,000 the first year and $1,250,000 the second year are:

(1) to provide state oversight and accountability, evaluate and communicate results, provide implementation tools, and measure the value of conservation program implementation by local governments; and

(2) to prepare, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, and submit to the legislature by March 1 each even-numbered year a biennial report detailing the recipients and projects funded and the results accomplished under this section.

(e) $2,000,000 the first year and $2,000,000 the second year are to provide assistance, oversight, and grants for supporting local governments in implementing and complying with riparian protection and excessive soil loss requirements.

(f) $2,500,000 the first year and ~~$2,500,000~~ $5,934,000 the second year are for a working lands floodplain program and to purchase,

restore, or preserve riparian land and floodplains adjacent to lakes, rivers, streams, and tributaries, by conservation easements or contracts to keep water on the land, to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase protection and recharge for groundwater. Up to ~~$200,000~~ $425,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(g) $2,500,000 the first year and ~~$2,500,000~~ $3,500,000 the second year are for ~~permanent~~ conservation easements ~~on wellhead protection areas~~ acquired under Minnesota Statutes, ~~section 103F.515, subdivision 2, paragraph (d)~~ sections 103F.501 to 103F.535, or for grants or contracts to local units of government or Tribal governments, including for fee title acquisition ~~to permanently protect groundwater supply sources on wellhead protection areas~~ or for ~~otherwise ensuring~~ long-term protection of groundwater supply sources ~~as described under~~. Consideration must be given to drinking water supply management areas and alternative management tools in the Department of Agriculture *Minnesota Nitrogen Fertilizer Management Plan*, including using low-nitrogen cropping systems or implementing nitrogen fertilizer best management practices. Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health, where drinking water protection plans

have identified specific activities that will achieve long-term protection, and on lands with expiring conservation ~~reserve program~~ contracts. Up to ~~$200,000~~ $250,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(h) $100,000 the first year and $100,000 the second year are for a technical evaluation panel to conduct restoration evaluations under Minnesota Statutes, section 114D.50, subdivision 6.

(i) $1,750,000 the first year and $1,750,000 the second year are for assistance, oversight, and grants to local governments to transition local water management plans to a watershed approach as provided for in Minnesota Statutes, section 103B.801.

(j) $1,000,000 the first year and $1,000,000 the second year are for technical assistance and grants for the conservation drainage program, in consultation with the Drainage Work Group, coordinated under Minnesota Statutes, section 103B.101, subdivision 13, and including projects to improve multipurpose water management under Minnesota Statutes, section 103E.015.

(k) $1,500,000 the first year and ~~$1,500,000~~ $5,500,000 the second year are to purchase permanent conservation easements to protect lands adjacent to public waters that have good water quality but that are threatened with degradation. Up to ~~$150,000~~ $350,000 is for deposit in a conservation easement

stewardship account established according to Minnesota Statutes, section 103B.103.

(l) $425,000 the first year and $425,000 the second year are for grants or contracts for a program to systematically collect data and produce county, watershed, and statewide estimates of soil erosion caused by water and wind, along with tracking adoption of conservation measures, including cover crops, to address erosion. This appropriation may be used for grants to or contracts with the University of Minnesota to complete this work.

(m) $500,000 the first year and ~~$500,000~~ $2,500,000 the second year are for developing and implementing a water legacy grant program to expand partnerships for clean water.

(n) $5,000,000 the first year and $5,000,000 the second year are for permanent conservation easements to protect and restore wetlands and associated uplands. Up to $300,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(o) $6,039,000 the first year and $6,038,000 the second year are for financial and technical assistance to enhance adoption of cover crops and other soil health practices to achieve water quality or drinking water benefits. The board may use grants to local governments and agreements with the United States Department of Agriculture, AgCentric at Minnesota State Center for Excellence, and other practitioners

and partners to accomplish this work. Up to $450,000 is for an agreement with the University of Minnesota Office for Soil Health for applied research and education on Minnesota's agroecosystems and soil health management systems. This appropriation may be extended to leverage available federal funds.

(p) $1,000,000 the second year is to provide support to soil and water conservation districts and other local governments and partner organizations in the Lake Superior basin in leveraging resources of the Great Lakes Restoration Initiative or other federal Great Lakes funding to implement prioritized clean water activities.

~~(p)~~ (q) The board must contract for delivery of services with Conservation Corps Minnesota for restoration, maintenance, training, and other activities under this section for up to $850,000 the first year and up to $850,000 the second year.

~~(q)~~ (r) The board may shift grant, implementation, or easement funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address oversight responsibilities or high-priority activities identified by the board consistent with local water management plans.

~~(r)~~ (s) The board must require grantees to specify the outcomes that will be achieved by the grants.

~~(s)~~ (t) The appropriations in this section are available until June 30, 2028, except grant or easement funds are available for five years after the date a grant or other agreement is executed. Returned grant funds must be regranted consistent with the purposes of this section.

Sec. 6. Laws 2023, chapter 40, article 2, section 7, is amended to read:

				~~11,904,000~~
Sec. 7. **DEPARTMENT OF HEALTH**	**$**	**11,296,000**	**$**	**15,078,000**

(a) $4,746,000 the first year and ~~$5,354,000~~ $5,738,000 the second year are for developing health risk limits for contaminants found or anticipated to be found in Minnesota drinking water, to certify private laboratories to conduct analyses for these contaminants, ~~and~~ to increase the capacity of the department's laboratory to analyze for these contaminants, and to increase data analysis, public education, and development of fish consumption advice.

(b) $1,500,000 the first year and $1,500,000 the second year are for ensuring safe drinking water for private well users, including studying the occurrence and magnitude of contaminants in private wells; developing guidance and conducting outreach and education about well testing and mitigation; awarding grants to local governments; and designing voluntary interventions to reduce health risks to private well owners.

(c) $3,750,000 the first year and $3,750,000 the second year are for protecting sources of drinking water, including planning, implementation, and surveillance activities

and grants to local governments and public water systems.

(d) $750,000 the first year and $750,000 the second year are to develop and deliver groundwater restoration and protection strategies on a watershed scale for use in local comprehensive water planning efforts, to provide resources to local governments for activities that protect sources of drinking water, and to enhance approaches that improve the capacity of local governmental units to protect and restore groundwater resources.

(e) $250,000 the first year and $250,000 the second year are to develop public health policies and an action plan to address threats to safe drinking water, including development of a statewide plan for protecting drinking water that incorporates select recommendations from the University of Minnesota's *Future of Drinking Water* report.

(f) $300,000 the first year and $300,000 the second year are for developing a statewide recreational water portal that includes an inventory of public beaches and information about local monitoring results and closures and that provides information about preventing illness and recreational water stewardship.

(g) $2,790,000 the second year is for managing a voluntary program in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha and Winona Counties to conduct an inventory of private wells, provide testing for nitrates, develop education and outreach for private well owners and users,

and develop a dashboard to communicate testing results and report on progress.

~~(g)~~ (h) Unless otherwise specified, the appropriations in this section are available until June 30, 2027.

Sec. 7. Laws 2023, chapter 40, article 2, section 9, is amended to read:

				~~**1,500,000**~~
Sec. 9. **UNIVERSITY OF MINNESOTA**	**$**	**1,500,000**	**$**	**2,500,000**

(a) $500,000 the first year and $500,000 the second year are for developing Part A of county geologic atlases. This appropriation is available until June 30, 2030.

(b) $1,000,000 the first year and ~~$1,000,000~~ $2,000,000 the second year are for a program to evaluate performance and technology transfer for stormwater best management practices, to evaluate best management performance and effectiveness to support meeting total maximum daily loads, to develop standards and incorporate state-of-the-art guidance using minimal impact design standards as the model, and to implement a system to transfer knowledge and technology across local government, industry, and regulatory sectors. This appropriation is available until June 30, 2030.