SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 2262

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DATE	D-PG	OFFICIAL STATUS
03/11/2019	765	Introduction and first reading Referred to Environment and Natural Resources Policy and Legacy Finance

A bill for an act

relating to clean water; appropriating money from the clean water fund.

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

Section 1. **CLEAN WATER FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the clean water fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2020" and "2021" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021. The appropriations in this act are onetime.

	APPROPRIATIONS Available for the Year Ending June 30	
	2020	**2021**
Sec. 2. **CLEAN WATER**		
Subdivision 1. **Total Appropriation**	**$ 134,113,000**	**$ 128,596,000**

The amounts that may be spent for each purpose are specified in the following sections.

Subd. 2. **Availability of Appropriation**

Money appropriated in this act may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this act must be spent in accordance with Minnesota Management and Budget's Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this act, fiscal year 2020 appropriations are available until June 30, 2021, and fiscal year 2021 appropriations are available until June 30, 2022. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. **Disability Access**

Where appropriate, grant recipients of clean water funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing people with disabilities greater access to programs, print publications, and digital media related to the programs the recipient funds using appropriations made in this act.

Sec. 3. **DEPARTMENT OF AGRICULTURE** **$ 11,458,000 $ 11,457,000**

(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.

(b) $2,585,000 the first year and $2,585,000 the second year are for monitoring and

evaluating trends in the concentration of nitrate in groundwater in areas vulnerable to groundwater degradation; promoting, developing, and evaluating regional and crop-specific nutrient best management practices; assessing best management practice adoption; education and technical support from University of Minnesota Extension; grants to support agricultural demonstration and implementation activities; and other actions to protect groundwater from degradation from nitrate. This appropriation is available until June 30, 2024.

(c) $75,000 the first year and $75,000 the second year are for administering clean water funds managed through 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) $1,625,000 the first year and $1,625,000 the second year are for technical assistance, research, and demonstration projects on proper implementation of best management practices 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, 2024.

(e) $663,000 the first year and $662,000 the second year are for research to quantify and reduce agricultural contributions to impaired waters and for developing and evaluating best management practices to protect and restore

water resources. This appropriation is available until June 30, 2024.

(f) $50,000 the first year and $50,000 the second year are for a research inventory database containing water-related research activities. Costs for information technology development or support for this research inventory database may be paid to the Office of MN.IT Services. This appropriation is available until June 30, 2024.

(g) $3,000,000 the first year and $3,000,000 the second year are to implement the Minnesota agricultural water quality certification program statewide. Funds appropriated in this paragraph are available until June 30, 2024.

(h) $385,000 the first year and $385,000 the second year are to provide funding for a regional irrigation water quality specialist through University of Minnesota Extension, development and statewide expansion of the Irrigation Management Assistant tool, irrigation education and outreach, and the Agricultural Weather Station Network.

(i) $1,650,000 the first year and $1,650,000 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. Of this amount, $1,400,000 each year is for grants for research and establishing an Agricultural

Diversification Steering Council and Network and $250,000 each year is for grants to implement Forever Green crops or cropping systems. This appropriation is available until June 30, 2024.

(j) $1,000,000 the first year and $1,000,000 the second year are for testing private wells for pesticides where nitrate is detected as part of the township testing program. This appropriation is available until June 30, 2024.

(k) $75,000 the first year and $75,000 the second year are to evaluate market opportunities and develop markets for crops that can be profitable for farmers and beneficial for water quality and soil health. This appropriation is available until June 30, 2024.

(l) A portion of the money in this section may be used for programs to train state and local outreach staff in the intersection between agricultural economics and agricultural conservation.

Sec. 4. **PUBLIC FACILITIES AUTHORITY** **$ 9,125,000** **$ 9,125,000**

(a) $9,000,000 the first year and $9,000,000 the second year are for the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation is available until June 30, 2024.

(b) $125,000 the first year and $125,000 the second year are for small community wastewater treatment grants and loans under Minnesota Statutes, section 446A.075. This appropriation is available until June 30, 2024.

(c) If there is any uncommitted money at the end of each fiscal year under paragraph (a) or (b), the Public Facilities Authority may transfer the remaining funds to eligible projects under any of the programs listed in this section according to a project's priority rank on the Pollution Control Agency's project priority list.

Sec. 5. **POLLUTION CONTROL AGENCY** **$ 24,480,000** **$ 24,480,000**

(a) $8,000,000 the first year and $8,000,000 the second year are for completing needed statewide assessments of surface water quality and trends according to Minnesota Statutes, chapter 114D.

(b) $8,050,000 the first year and $8,050,000 the second year are to develop watershed restoration and protection strategies (WRAPS), 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. The agency must complete an average of ten percent of the TMDLs each year over the biennium.

(c) $1,182,000 the first year and $1,182,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, evaluating trends, and reassessing groundwater that was assessed ten to 15 years ago and found to be contaminated.

(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) $900,000 the first year and $900,000 the second year are for national pollutant discharge elimination system wastewater and storm water TMDL implementation efforts.

(f) $3,938,000 the first year and $3,938,000 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, including base grants for all counties with SSTS programs and competitive grants to counties with specific plans to significantly reduce water pollution by reducing the number of systems that are an imminent threat to public health or safety or are otherwise failing. Counties that receive base grants must report the number of sewage noncompliant properties upgraded through SSTS replacement, connection to a centralized sewer system, or other means, including property abandonment or buy-out. Counties also must report the number of existing SSTS compliance inspections conducted in areas under county jurisdiction. These required reports are to be part of established annual reporting for SSTS programs. Counties that conduct SSTS inventories or those with an ordinance in place that requires an SSTS to be inspected as a condition of transferring property or as a condition of obtaining a local permit must be given priority for competitive grants under this paragraph. Of this amount,

$1,500,000 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 grant awarded under this paragraph may not exceed $40,000 for the biennium. 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) $225,000 the first year and $225,000 the second year are for accelerated implementation of MS4 permit requirements, including additional technical assistance to municipalities experiencing difficulties understanding and implementing the basic requirements of the municipal storm water program.

(h) $775,000 the first year and $775,000 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.

(i) $300,000 the first year and $300,000 the second year are for activities, training, and grants that reduce chloride pollution. Of this amount, $100,000 each year is for grants for upgrading or removing water-softener units.

This appropriation is available until June 30, 2023. Any unencumbered grant balances in the first year do not cancel but are available for grants in the second year.

(j) $110,000 the first year and $110,000 the second year are to support activities of the Clean Water Council according to Minnesota Statutes, section 114D.30, subdivision 1.

(k) $250,000 the first year and $250,000 the second year are to support a public information campaign carried out by the Clean Water Council. The campaign will provide public education, engagement, and outreach throughout the state on the use of the clean water fund.

(l) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations in this section are available until June 30, 2024.

Sec. 6. **DEPARTMENT OF NATURAL RESOURCES** **$ 11,151,000 $ 11,151,000**

(a) $2,200,000 the first year and $2,200,000 the second year are for stream flow monitoring.

(b) $1,250,000 the first year and $1,250,000 the second year are for lake Index of Biological Integrity (IBI) assessments.

(c) $135,000 the first year and $135,000 the second year are for assessing mercury and other fish contaminants, including monitoring to track the status of impaired waters over time.

(d) $2,016,000 the first year and $2,016,000 the second year are for developing targeted,

science-based watershed restoration and protection strategies.

(e) $2,325,000 the first year and $2,325,000 the second year are for water-supply planning, aquifer protection, and monitoring activities.

(f) $1,200,000 the first year and $1,200,000 the second year are for technical assistance to support local implementation of nonpoint source restoration and protection activities.

(g) $700,000 the first year and $700,000 the second year are for applied research and tools, including watershed hydrologic modeling; maintaining and updating spatial data for watershed boundaries, streams, and water bodies and integrating high-resolution digital elevation data; and assessing effectiveness of forestry best management practices for water quality.

(h) $150,000 the first year and $150,000 the second year are for developing county geologic atlases.

(i) $100,000 the first year and $100,000 the second year are for maintenance and updates to 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.

(j) $325,000 the first year and $325,000 the second year are for collection and analysis using color infrared imagery.

(k) $750,000 the first year and $750,000 the second year are for the Minnesota forests for the future program under Minnesota Statutes, section 84.66.

Sec. 7. **BOARD OF WATER AND SOIL RESOURCES** **$ 67,840,000 $ 62,340,000**

(a) $14,711,000 the first year and $14,711,000 the second year are for performance-based grants with multiyear implementation plans to local government units. The grants may be used to implement projects 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 or metropolitan surface water management frameworks or groundwater plans. Grant recipients must identify a nonstate match and may use other legacy funds to supplement projects funded under this paragraph.

(b) $16,300,000 the first year and $16,300,000 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. A portion of this money may be used to seek administrative efficiencies through shared resources by multiple local governmental units. Up to 20 percent of this appropriation is available for land-treatment projects and practices that benefit drinking water.

(c) $6,050,000 the first year and $6,050,000 the second year are for local resource protection and enhancement grants and statewide program enhancements for technical assistance, citizen and community outreach, compliance, and training and certification.

(d) $1,000,000 the first year and $1,000,000 the second year are to provide state oversight and accountability, evaluate and communicate results, provide implementation tools, and measure the value of conservation program implementation by local governments, including submitting to the legislature by March 1 each even-numbered year a biennial report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients, the projects funded under this section, and the amount of pollution reduced.

(e) $2,500,000 the first year and $2,500,000 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) $4,875,000 the first year and $4,875,000 the second year are to purchase, restore, or preserve riparian land adjacent to lakes, rivers, streams, and tributaries, by easements or contracts, to keep water on the land to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. Up to $507,000 is for deposit in a monitoring and enforcement account.

(g) $2,375,000 the first year and $2,375,000 the second year are for permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d), or for grants to local units of government 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 alternative management tools in the Department of Agriculture's Nitrogen Fertilizer Management Plan, including 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 $182,000 is for deposit in a monitoring and enforcement account.

(h) $84,000 the first year and $84,000 the second year are for a technical evaluation panel to conduct ten restoration evaluations under Minnesota Statutes, section 114D.50, subdivision 6.

(i) $2,270,000 the first year and $2,270,000 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, chapters 103B, 103C, 103D, and 114D.

(j) $1,500,000 the first year and $1,500,000 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, that includes projects to improve multipurpose water management under Minnesota Statutes, section 103E.015.

(k) $12,500,000 the first year and $7,500,000 the second year are to purchase and restore permanent conservation sites via easements or contracts to treat and store water on the land for water quality improvement purposes and related technical assistance. This work may be done in cooperation with the United States Department of Agriculture with a first-priority use to accomplish a conservation reserve enhancement program, or equivalent, in the state. Up to $397,000 is for deposit in a monitoring and enforcement account.

(l) $1,750,000 the first year and $1,750,000 the second year are to purchase permanent conservation easements to protect lands adjacent to public waters with good water quality but threatened with degradation. Up to $338,000 is for deposit in a monitoring and enforcement account.

(m) $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. Up to $700,000 is available for grants to or contracts with the University of Minnesota to complete this work.

(n) $1,000,000 the first year and $1,000,000 the second year are for grants or contracts to local, regional, or tribal government and nongovernmental organizations to increase citizen participation in implementing water quality projects and programs to increase long-term sustainability of water resources.

(o) $500,000 the first year is for grants to enhance landowner adoption of cover crops in areas with direct benefits to public water supplies.

(p) The board must contract for delivery of services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for up to $500,000 the first year and up to $500,000 the second year.

(q) The board may shift grant or cost-share 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 needs identified in local water management plans.

(r) The board must require grantees to specify the outcomes that will be achieved by the grants before any grant awards.

(s) The appropriations in this section are available until June 30, 2024, except grant funds are available for five years after the date a grant is executed, unless the commissioner of administration determines that a longer duration is in the best interest of the state according to Minnesota Statutes, section 16B.98. Returned grant funds must be regranted consistent with the purposes of this section.

Sec. 8. **DEPARTMENT OF HEALTH** **$ 6,872,000 $ 6,872,000**

(a) $1,500,000 the first year and $1,500,000 the second year are for addressing public health concerns related to contaminants found in Minnesota drinking water for which no health-based drinking water standards exist, for improving the department's capacity to monitor the water quality of drinking water sources and to develop interventions to improve water quality, and for the department's laboratory to analyze unregulated contaminants.

(b) $2,747,000 the first year and $2,747,000 the second year are for protecting drinking water sources.

(c) $250,000 the first year and $250,000 the second year are for cost-share assistance to public and private well owners for up to 50 percent of the cost of sealing unused wells.

(d) $650,000 the first year and $650,000 the second year are to develop and deliver groundwater restoration and protection strategies for use 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) $850,000 the first year and $850,000 the second year are for studying the occurrence and magnitude of contaminants in private wells and developing guidance, outreach, and interventions to reduce risks to private-well owners.

(f) $250,000 the first year and $250,000 the second year are for evaluating and addressing the risks from viruses, bacteria, and protozoa in groundwater supplies and for evaluating land uses that may contribute to contamination of public water systems with these pathogens.

(g) $350,000 the first year and $350,000 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.

(h) $275,000 the first year and $275,000 the second year are to create a road map for water reuse implementation in Minnesota and to address research gaps by studying Minnesota water reuse systems.

(i) Unless otherwise specified, the appropriations in this section are available until June 30, 2023.

Sec. 9. **METROPOLITAN COUNCIL** **$ 1,500,000 $ 1,500,000**

(a) $1,000,000 the first year and $1,000,000 the second year are to implement projects that address emerging threats to the drinking water supply, provide cost-effective regional solutions, leverage interjurisdictional coordination, support local implementation of water supply reliability projects, and prevent degradation of groundwater resources in the metropolitan area. These projects will provide communities with:

(1) potential solutions to leverage regional water use by using surface water, storm water, wastewater, and groundwater;

(2) an analysis of infrastructure requirements for different alternatives;

(3) development of planning-level cost estimates, including capital costs and operating costs;

(4) identification of funding mechanisms and an equitable cost-sharing structure for regionally beneficial water supply development projects; and

(5) development of subregional groundwater models.

(b) $500,000 the first year and $500,000 the second year are for the water demand reduction grant program to encourage municipalities in the metropolitan area to implement measures to reduce water demand to ensure the reliability and protection of drinking water supplies.

Sec. 10. **UNIVERSITY OF MINNESOTA** **$ 1,672,000 $ 1,671,000**

(a) $500,000 the first year and $500,000 the second year are for developing county geologic atlases. This appropriation is available until June 30, 2026.

(b) $750,000 the first year and $750,000 the second year are for a program to evaluate performance and technology transfer for storm water 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, 2026.

(c) $172,000 the first year and $171,000 the second year are to provide guidance and tools in support of the Clean Water Council's efforts to measure progress, evaluate outcomes, and promote transparency in clean water fund investments. The research will assist the

council in communicating the public benefits of the clean water fund and making more-strategic decisions that protect and improve water quality and human well-being.

(d) $250,000 the first year and $250,000 the second year are to increase the efficacy and cost-effectiveness of nutrient reduction strategies by developing comprehensive carp management programs and documenting their effectiveness.

Sec. 11. **LEGISLATURE** **$ 15,000 $ -0-**

$15,000 the first year is for the Legislative Coordinating Commission for the website required under Minnesota Statutes, section 3.303, subdivision 10.