

Minnesota Board of Water and Soil Resources. Minutes.

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Version 3
August 20, 2018

MINUTES OF THE JANUARY 27, 1988 MEETING
OF THE
BOARD OF WATER AND SOIL RESOURCES

Appointed Members in Attendance

Don Ogaard, Chairman
John Williamson
John Boulton
Don Warner
Eugene Kalmes
Douglas Bade
Lowell Moen
James Hoese
Natalie Haas-Steffen
John Brooks, Jr.
Loni Kemp
Howard Peterson
Jack Graba
William Cofell
Loren Harste
Ken Schellack

Others in Attendance

Steve Thorne, Minnesota Department of Natural Resources
Michael Finn, Minnesota Department of Health
Mike Roberton, Minnesota Pollution Control Agency
Allen Dornfeld and Warren Wallgren, Minnesota Association of Watershed Districts
Mary Peterson, Minnesota Association of Soil & Water Conservation Districts
Gary Nordstrom, Soil Conservation Service
Mike Rhyner, Association of Minnesota Counties
Bill Larson, University of Minnesota, Soil Science Department
Marlyn Libbescmeier and Franklin Den, Minnesota Association of Townships
Craig Sallstrom, Minnesota Food & Plant Chemicals Association
Ron Nargang, Ron Harnack, Laurel Reeves, DNR/Divison of Waters
Brad Sielaff, Wayne Anderson, Gretchen Sabel, MPCA
Tim Kelly, Dakota County SWCD
Earl Stoeckel, Laurence Collin, Chris Hanson, Isanti SWCD

Staff in Attendance

Jim Birkholz
Mel Sinn
Dan Steward
Mark Nelson
Greg Larson
Dennis Pond
Kim Benson
Denice DeFrates
Mary Jo Anderson

Call Meeting to Order - Chairman Ogaard called the meeting to order at 9:05 a.m., in Conference Room A of the Department of Agriculture Building, St. Paul, Minnesota.

Adopt Agenda - Chairman Ogaard asked that an additional item be added to the
88-33 agenda: 11a. regarding Lincoln/Yellow Medicine Project. Moved by Warner, seconded by Hoese, to adopt the agenda as presented. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Haas-Steffen, Brooks, Harste, Graba, Kemp, and Cofell. Opposed: None. Carried.

Approval of Minutes from December 23, 1987 - Eugene Kalmes stated that he voted in opposition to Motion #87-26, page five, regarding the Board approval
88-34 to the cost-share rollover allocations as recommended by staff. Moved by Moen, seconded by Warner, to approve the minutes of December 23, 1987 as amended. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Steffen, Brooks, Harste, Graba, Kemp, and Cofell. Opposed: None. Carried.

Chairman's Report - Chairman Ogaard reported that the Rabbit-Mustinka Watershed District Hearing on January 11th in Wheaton started at 2:00 p.m. He stated that the law judge who was scheduled to be at the hearing was hurt in a car accident and the hearing had to be postponed until another law judge could arrive. Don Ogaard, in the meantime, held an informational meeting. He stated that the recommendation on this hearing will be presented to the Board at the February meeting.

Chairman Ogaard attended a meeting in Thief River Falls on January 19th with the Soil and Water Conservation Districts and the Watershed Districts. He also chaired the Metro Association of Soil and Water Conservation Districts Board of Directors meeting on January 20th. The Watershed District Managers will be holding a meeting at a future date. Chairman Ogaard attended the EQB Meeting on January 21st. He attended the Governor's Task Force Meeting on Rivers Clean-Up at the DNR Building on January 22nd. This program could possibly be implemented using volunteer-labor or a jail work-release program. Chairman Ogaard recommended publicity through newsletters on this. Chairman Ogaard also attended the Dispute Resolutions Committee meeting on January 26th. The committee heard the Ditch No. 58 (Coon Creek Watershed District) Appeal. There was a law judge present at this hearing. Paul Strandberg will be working on the appeal process. On the afternoon of January 26th, Chairman Ogaard attended the Minnesota Association of Soil and Water Conservation Districts meeting.

Update on Executive Director Status - Chairman Ogaard reported that the Executive Director position has been advertised nationwide. Applications will be accepted until February 29. The Personnel Committee will then meet after the closing date select five applicants to interview. It was felt that by looking at resumes, and holding interviews, the Personnel Committee would recommend one person to the full Board.

Retreat Preparation - The Board/Staff Retreat has been scheduled for February 24-25. A tentative agenda was enclosed in the Board members packets. The location of the retreat will be in the Twins Cities area. Specific details will be sent at a later date.

Consideration of Proposed Logo - Denice DeFrates, Information Officer, presented a proposed logo to the Board. Discussion followed. It was suggested that a "tip" needs to be placed on the top of Minnesota, and also add a more rolling-like slope, and eliminate one "shark fin". The Board would like to see a final draft at the February meeting.

Proposed Munger Resolution - Copies of the proposed resolution were distributed for the Board's review. The Minnesota Board of Water and Soil Resources extends its appreciation and gratitude to Representative Willard Munger for his contributions to Minnesota's conservation efforts and his work in protecting
88-35 and enhancing Minnesota's natural resources for future generations. Moved by Haas-Steffen, seconded by Kalmes, to accept the resolution as presented. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Haas-Steffen, Brooks, Harste, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried. It was noted that the MASWCD took similar action on this at their meeting yesterday.

Chairman Ogaard distributed a copy of the Wheaton newspaper article on the proposed Rabbit-Mustinka Watershed District hearing for the Board's information.

Legislation - Board Funding Needs - Jim Birkholz distributed copies of the 1988 Funding Needs for the BWSR. The staff has completed their workload analysis for funding requirements. The funding needs are staff recommendations to carry out statutory responsibilities. The staffing needs for Comprehensive Local Water Planning is five positions: one Senior Engineer, two Hydrologists, one Planner Principal, and one Research Analysis Specialist. The staff recommended two options available for the Board regarding the Board operating expenses. Ken Schellack felt that Option #1 is very conservative. Discussion followed. Additional resources are needed. It was stated that the Association of Minnesota Counties, Department of Natural Resources, Pollution Control Agency, Minnesota Association of Soil & Water Conservation Districts, Minnesota Association of Watershed Districts, are all in support of supplemental funding for the Board. The DNR, MPCA, and MDH also have staffing needs related to
88-36 comprehensive local water planning. Moved by Warner, seconded by Bade, that the Board approve Option #2 and pursue supplemental funding. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Haas-Steffen, Brooks, Harste, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

Environmental Trust Fund - Jim Birkholz gave a brief overview. He stated that there are two versions: 1) the Governor's bill developed by the State Planning Agency and 2) Representative Munger's bill. Haas-Steffen felt that these two proposals are quite vague. Cofell felt that things need to be spelled out in more detail. Staff will monitor the development of the ETF and alert the Board to needed input.

DNR/Division of Waters - Minn. Statutes 106A Amendments - Ron Nargang distributed handouts regarding the 106A Drainage Code. He stated that a drainage manual will be developed with three chapters: 1) technical chapter; 2) administrative chapter; and 3) viewers chapter. This manual will provide
88-37 guidance on the drainage code. Moved by Cofell, seconded by Graba, that the BWSR send a memo to DNR supporting implementation of the 1987 amendments to the Drainage Code (MS 106A). Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Haas-Steffen, Brooks, Harste, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

Chairman Ogaard called a ten-minute recess at 11:00. The meeting reconvened at 11:10 a.m.

Environmental Quality Board/Water Resources Committee Report - Loni Kemp reported that the EQB/WRC met on January 7th. As a result of the Federal Clean Water Act, the Pollution Control Agency is developing a groundwater protection strategy and a nonpoint source strategy to be completed this summer. They are now looking for agency input for the Water Resources Committee meeting in February. A 15-member citizen committee will do an in-depth analysis of the strategy. Gretchen Sabel, PCA, stated that the staff-level recommendations on the groundwater strategy are organized under five topics: a) water quality protection by regulation; b) water quantity protection by regulation; c) more information on groundwater; d) better coordination of groundwater programs; and e) better public information and education. The BWSR divided into three small groups to discuss selected groundwater topics. After the small-group discussions were held, a reporter from each group reported the following recommendations on the three topics:

Topic 1) Draft Recommendation: "Funds should be made available to encourage those counties not currently developing county water plans to do so. Implementation funds should be made available for those counties which have completed their county water plans. Review of county water plans should include acquifer-specific protection measures which cross county lines."

Questions to Consider:

A) Will additional funding motivate counties to start planning, if they haven't begun already? **Additional funding is a motivation factor. But where to get the additional funding? Possibly LCMR.**
B) How can the state best insure implementation of completed county water plans? **Motivate individuals to become involved and concerned.**
C) Will BWSR take the lead in the review process to ensure that aquifer which cross county lines get similar protection? **Get expertise when reviewing plans. Make sure adjoining plans are consistent.**

Topic 2) Draft Recommendation: "Local SWCDs should be encouraged to allow cost-share money to be used for feedlot upgrade."

Questions to Consider:

A) What is the status of PCA feedlot regulations and enforcement? **It is the SWCDs role to work with feedlots. PCA has partially handled this since 1971. This is not yet a comprehensive program, as half receive permits. More counties to implement, more education, problems with applications.**
B) Should SWCDs have a role in groundwater protection? **There is a strong feeling that SWCDs need to become involved, play a key role. SWCDs should sign-off at the local level.**
C) What other groundwater protection practices should qualify for SWCD cost-share money? **Water testing, identify abandoned wells, help farmers do soil and manure testing, (feedlot upgrade is allowed already).**

Topic 3) Draft Recommendation: "A mechanism should be established which would facilitate forming a committee of local government reps which would be used to provide input and comment to developing state and federal groundwater programs. This could possibly be done through the BWSR."

Questions to Consider:

A) What federal and state groundwater programs are likely to develop in the next few years? **Groundwater standards set, cooperation with EPA, Geological Service, coordinate and understand complexity.**
B) Should BWSR itself be the conduit for local input on groundwater? **BWSR should be the parent agency and should process and review and pass on to other agencies.**
C) Should BWSR set up outside advisory committees to funnel input to the state and federal government on groundwater? **Set up a conference with local level to meet with state level for coordination and implementation.**

Loni Kemp stated that Jim Birkholz and Mel Sinn will be meeting with the Water Resources Committee to brief them on this process. Mike Robertson, PCA, stated that he liked working in this small-group format to discuss ideas.

Chairman Ogaard adjourned the meeting for lunch at 12:20 p.m. The meeting reconvened at 1:15 p.m.

Board Action on Isanti SWCD Action Plan - Jim Birkholz and Dennis Pond gave an overview of the problems that existed in the Isanti SWCD. Earle Stoeckel, Chairman; Laurence Collin, Secretary; and Chris Hanson, Administrative Assistant were introduced. Isanti SWCD has submitted a written action plan. Chairman Stoeckel has been working closely with staff to correct the problems in the Isanti SWCD and it appears that the Isanti Board is doing their best to follow their action plan as written. The staff recommendation is to release the FY88 RIM service grant to Isanti SWCD, with staff to work with the Isanti SWCD and monitor their actions over the next five months to make determinations
88-38 for FY89 grants. Moved by John Brooks, Jr., seconded by Warner, that the Board accept the staff recommendation. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Brooks, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried. Dennis Pond stated that the Isanti SWCD has made concerted efforts to improve and it is apparent that they are working hard to solve their problems. Chairman Ogaard expressed appreciation to the representatives from Isanti SWCD for attending this portion of the meeting.

Board Action on SWCD Appeals - Dennis Pond reported that the authority of the Board in dealing with rule or contract violations was recently clarified by the Attorney General. Their authority is as follows: Violations of Rules - Since rules have the same authority as law, any violation involving the expenditure of funds should result in the return of funds. The Board has the authority to determine whether a rule violation has occurred and the method of repayment to the State. Violations of Contractual Agreements - When a violation of a contractual agreement occurs, the Board has the authority to amend a contract if they believe there was just cause for the violation to have been committed. Dennis reported that the Lyon SWCD entered into a cost-sharing contract for a terrace system. Construction of the terraces began four days prior to the SWCD approval, the Lyon SWCD Supervisors were aware of this situation. The Cost-Share Program rules state that "practices begun prior to district approval are ineligible for financial assistance." Dennis Pond reported that the Lyon SWCD is no longer challenging the decision for the return of the funds and requests that the $4,033 be withheld from their FY89 allocation. Staff recommendation is to withhold the funds from
88-39 the Lyon SWCD FY89 Cost-Share allocation. Moved by Boulton, seconded by Bade, to accept the staff recommendation to withhold the funds from the Lyon SWCD

FY89 cost-share allocation. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Brooks, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

Dennis Pond reported that an audit of the Itasca SWCD state grants discovered that $476.13 of their FY87 TED grant remained on June 30, 1987. Provisions of the Contract Agreement require that any funds remaining unspent after the end of the fiscal year shall be returned to the agency within one month of that date. The contract was signed by the SWCD Board Chairman. The Itasca SWCD is appealing the return of the funds. Staff recommendation is to withhold
88-40 the $476.13 from their FY89 TED allocation. Moved by Schellack, seconded by Boulton, accept the staff recommendation to withhold $476.13 from the Itasca SWCD FY89 TED allocation. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Brooks, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

Dennis Pond reported that an audit of Koochiching SWCD state grants discovered that a balance of $998.93 of the General Services grant, $1,538.46 of the TED grant, and $515.50 of the Cost-Share grant for FY86 remained unspent on June 30, 1986. Provisions of the Contract Agreements require that any funds remaining unspent after the end of the fiscal year shall be returned to the agency within one month of that date. The contracts were signed by the Board Chairman. The Koochiching SWCD is appealing the return of these funds. Staff recommendation is to withhold these amounts from the Koochiching SWCD FY89
88-41 grant allocations. Discussion followed. Moved by Williamson, seconded by Boulton, to accept the staff recommendation to withhold these amounts from the Koochiching SWCD FY89 grant allocations. Moved by Kalmes, to amend the previous motion by withhold the $998.93 general services grant and the $515.50 cost-share grant, but let the Koochiching SWCD keep their TED grant of $1,538.46. There was no second to this amended motion; the motion was defeated. In going back to the original motion, the BWSR would withhold $998.93 from general services grant, $515.50 from cost-share grant, and $1,538.46 from the TED grant, from the FY89 grant allocations. Affirmative: Ogaard, Boulton, Williamson, Bade, Schellack, Moen, Hoese, Brooks, Harste, Peterson, Graba, Kemp, and Cofell. Opposed: Warner and Kalmes. Carried.

Metropolitan Erosion and Sediment Control/509 Planning Process - Mark Nelson addressed this issue as stated in a memo to the Board members. He stated that a uniform program for accomplishing development site erosion control does not exist in the Twin Cities area. The BWSR can guide the development of this program by offering leadership through policy, rules, or a legislative initiative. By guiding the process, the BWSR can help assure that erosion control sections of Water Management Organization plans will be implemented. Staff recommends the following items as options to guide development of a Metropolitan Erosion and Sediment Control Program:

1) When 509 plans are forwarded for BWSR final approval, staff completes a preliminary review. During this review, we could strongly urge adoption of the BWSR program based upon general erosion control criteria (this is closely modeled after the State of Virginia). The general criteria are as follows: 1) stabilization of denuded areas and soil stockpiles; 2) establishment of permanent vegetation; 3) protection of adjacent properties; 4) timing and stabilization of sediment trapping measures; 5) sediment basin; 6) cut and fill slopes; 7) stormwater management criteria for controlling off-site erosion; 8) stabilization of waterways and outlets;

9) storm sewer inlet protection; 10) working in or crossing waterbodies; 11) underground utility construction; 12) construction access routes; 13) disposition of temporary measures; and 14) maintenance of practices.

2) Rules could be adopted for the 509 planning process. Rules would take considerable time. The adoption of the erosion and sediment control program could be dealt with now by persuasion and then be included in the rules as a requirement for WMO plan updates.

3) Legislation could be pursued mandating an erosion and sediment control program at the WMO or county level. The board would need to secure cooperation from local entities for passage of legislation. More lead time would be involved.

Discussion followed. Mark stated that a meeting with WMO's and SWCDs will be set up by mid-March. Mark is currently working on a handbook, of which
88-42 a rough draft will be available in a month. Moved by Cofell, seconded by Hoese, that staff is instructed to proceed in the development of Option #1 in coordination with WMOs, WSDs, and SWCDs. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Brooks, Harste, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

Stockton-Rollingstone-Minnesota City Overall Plan - Mel Sinn stated that he has been in contact with Lloyd Haxton, President of the Stockton-Rollingstone-Minnesota City Watershed District regarding postponement of the prescription of the Stockton-Rollingstone-Minnesota City Watershed District revised Overall Plan. Staff recommendation is to postpone prescription of the revised Overall Plan and strongly encourage the Stockton-Rollingstone-Minnesota City Watershed District to become actively involved in the comprehensive local water planning process now going on in Winona County. It was noted that the watershed district needs an overall
88-43 plan regardless of the outcome of the county water planning process. Moved by Kalmes, seconded by Kemp, to accept the staff recommendation to postpone prescription and approve the draft letter addressed to Mr. Haxton for the Chairman's signature. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Brooks, Harste, Peterson, Graba, Kemp, Cofell. Opposed: None. Carried.

Gary Nordstrom, State Conservationist, Soil Conservation Service, reported that the next CRP sign-up begins on Monday, February 1st, and closes on February 19th. There are a few new changes for this CRP program, which are different from the five previous sign-ups: a) to promote more tree planting on a national basis, a field, if planted to trees, is eligible of only 1/3 of it is erodible rather than 2/3; and a minimum of 2T rather than 3T; and b) to promote protection of lakes and streams cropland adjacent to these waters may be enrolled regardless of erosion rate if 66 to 99 feet side filter strips are established. Gary reported that a GS9 District Conservationist position is available in Faribault SWCD but the SWCD would like it upgraded to a GS11. Representative Henry Kalis has been inquiring about this situation. Gary Nordstrom will be meeting with Representative Kalis in the near future to discuss the issue. Nordstrom stated that the problem is that it is hard to get people to apply for this GS9 position. Moreover, an evaluation and documentation is needed to justify a higher classification. It is currently difficult to justify the case for a GS11. To meet SWCD concerns, Nordstrom would like to hire at a GS9 level, with the hopes of the person developing potential in one-year, then after an audit, properly classify the position at a GS11.

Lincoln/Yellow Medicine Project - Jim Birkholz explained that the Lincoln and Yellow Medicine SWCDs would like an extension for an SLR Project funded from the cost-share special project fund. The project was funded with the stipulation that if all necessary permits were not received by February 15, 1988, the money would then revert to the Yellow Medicine SWCD for streambank stabilization on the Yellow Medicine River. John Boulton felt confident that permits would be received on time, after talking to Ron Harnack, DNR/Waters. DNR said that the permits are being processed and will be out shortly. Discussion followed. Boulton felt that a six-month extension would be
88-44 reasonable. Moved by Haas-Steffen, seconded by Boulton, that the Lincoln/Yellow Medicine SWCDs receive an extension to May 1, 1988. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Haas-Steffen, Brooks, Harste, Peterson, Graba, Kemp, Cofell. Opposed: None. Carried.

Minnesota Rural Finance Administration - Beginning Farmer Program/RIM Easement Program - Greg Larson informed the Board that he has been working with the staff from the Minnesota Rural Finance Administration in setting up the conservation requirements for farmers seeking to participate in the beginning farmer program. Greg will be meeting with Senator Chuck Davis on January 29th to discuss the changes regarding marginal land definitions in the law. These changes are necessary if the beginning farmer program is to attract interest.Greg will keep the Board advised of this program as it progresses.

Clean Water Partnership Rules Status - Greg Larson stated that the draft rules are out, with the document to be presented to the PCA Board next month. The rules will hopefully be effective this summer, with formal implementation this fall. Staff will continue to be involved in this program. Chairman Ogaard asked that the districts are made aware of this.

Upcoming Meeting/Hearings

- BWSR Meeting and Retreat, February 24-25
- Conference on Minnesota Water: 1988 The Statewide Conference on Water Resources Issues in Minnesota, February 15-16, 1988
- National Association of Conservation Districts Convention, January 31-February 4, 1988, Little Rock, Arkansas. Jim Birkholz and Lowell Moen will be attending.

Eugene Kalmes asked when the Winona County container recycling system could be presented before the Board. Chairman Ogaard asked from a presentation, background, etc. It was stated that the EQB may possibly have something on this already. Chairman Ogaard stated that this item could possibly be on the March agenda.

Allen Dornfield asked that additional copies of materials that are distributed at the meeting be made available also to others who are attending the meeting. Copies will be made available.

88-45 Moved by Warner, seconded by Graba, to adjourn the meeting at 3:20 p.m. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Haas-Steffen, Brooks, Harste, Peterson, Graba, Kemp, Cofell. Opposed: None. Carried.

Respectfully submitted,

Donald Ogaard

Donald Ogaard
Chairman

BOARD OF WATER AND SOIL RESOURCES
Conference Room A
90 West Plato Boulevard
St. Paul, Minnesota 55107
January 27, 1988

AGENDA

9:00 a.m.

1. Call Meeting to Order - Chairman Ogaard
2. Adopt Agenda
3. Approval of Minutes of December 23, 1987 Meeting
4. Chairman's Report
   a. Comments
   b. Update on Executive Director Status
   c. Retreat Preparation
   d. Consideration of Proposed Logo
   e. Proposed Munger Resolution
5. Legislation - Jim Birkholz
   a. Board Funding Needs
   b. Environmental Trust Fund
6. DNR/Division of Waters - Minn. Statutes 106A Amendments - Ron Nargang

11:00 a.m. Identification photos taken

7. Environmental Quality Board/Water Resources Committee Report - Loni Kemp
   a. Groundwater Protection Strategy
   b. Pest and Nutrient Management Strategy

Noon Lunch

1:00 p.m.

8. Metropolitan Erosion and Sediment Control/509 Planning Process - Mark Nelson
9. Stockton-Rollingstone-Minnesota City Overall Plan - Mel Sinn
10. Board Action on SWCD Appeals - Dennis Pond
11. Board Action on Isanti SWCD Action Plan - Dennis Pond
12. Minnesota Rural Finance Administration - Beginning Farmer Program/RIM Easement Requirement - Greg Larson
13. Clean Water Partnership Rules Status
14. Additional Agenda Items and Discussion
15. Upcoming Meetings/Hearings
    a. BWSR Meeting and Retreat, February 24-25
    b. Conference on Minnesota Water: 1988
       The Statewide Conference on Water Resources Issues in Minnesota, February 15-16, St. Paul
    c. National Association of Conservation Districts Convention, January 31-February 4, Little Rock, AR

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BOARD OF WATER AND SOIL RESOURCES

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January 19, 1988

TO: Board of Water & Soil Resources Members and Advisors

FROM: Jim Birkholz, Office Manager

SUBJECT: January 27, 1988 Board Meeting

Attached is an agenda and informational material for the January 27th meeting. The meeting will start at 9:00 a.m. in Conference Room A of the Department of Agriculture Building, 90 W. Plato Boulevard, St. Paul.

Following is some information relevant to the agenda items.

- BWSR Retreat - Last month the board committed to a two-day retreat to revolve around the regular February meeting date. Arrangements are currently being made for a two-day retreat on February 24-25. The retreat would start with a regular board meeting on the morning of the 24th. The afternoon of the 24th would involve board members and staff working together on an examination of all the programs which the board is currently responsible for. On February 25th, Professor James Connolly from the University of Minnesota would facilitate the session on the defining the mission of the board and defining the board and staff relationship. Finally, the retreat would end with a session looking forward to where we as an organization are headed. The tentative agenda will be available at the board meeting for discussion.

- BWSR Funding Needs - Over the past few months, the board has discusssed the issue of funding needs to adequately carry out its activities. At the meeting, staff will have available a summary of the overall funding needs both for board operation and to carry out organizational responsibilities related to water planning. Discussion is needed to obtain board direction on this issue.

AN EQUAL OPPORTUNITY EMPLOYER

- EQB/Water Resources Committee - Excerpts from the draft groundwater protection strategy are included for your review. There is an opportunity for input from the board, particularly in the local role in groundwater protection on page 4. Also to be discussed are the pest and nutrient management strategy, coordination and integration issue.

- DNR/Division of Waters Chapter 106 Amendments. This item is a carry over from the November meeting when Division Director Ron Nargang identified several issues for BWSR policy consideration. The issue for this meeting entails board review and policy support for implementation of changes to Minnesota Drainage Law made during the last legislative session.

- Metropolitan Erosion and Sediment Control/509 Implementation - This issue is a continuation of the discussion from the December board meeting. The Association of Metropolitan Soil and Water Conservation Districts will meet with Chairman Ogaard on this issue on January 20. It is hoped that the Metro Association's position can be presented at the board meeting and that the board can examine how it may most effectively provide leadership in this issue area.

- Stockton-Rollingstone-Minnesota City Revised Overall Plan - Staff has drafted a formal response from the board to the watershed district on their overall plan. Representatives from the watershed district may be at the board meeting to respond to the board's decision at that time. The specific issue is whether or not the plan is adequate to meet the overall needs of that watershed district.

- Isanti SWCD Action Plan - Board action is needed to approve or disapprove the action plan presented by the Isanti SWCD to correct administrative problems and grant administration. Staff is analyzing the action plan and will present a recommendation to the board at the board meeting. Action is required to allow the district to continue to receive state grant funds.

If you have any additional agenda items please forward them to the board office as soon as possible.

JB:mja
Enc.

MINUTES OF THE DECEMBER 23, 1987 MEETING
OF THE
BOARD OF WATER AND SOIL RESOURCES

Appointed Members in Attendance

Don Ogaard, Chairman
John Williamson
John Boulton
Don Warner
Eugene Kalmes
Douglas Bade
Lowell Moen
James Hoese
Natalie Haas-Steffen
John Brooks, Jr.
Loni Kemp
Howard Peterson
Jack Graba
William Cofell

Appointed Members Absent

Ken Schellack
Loren Harste

Others in Attendance

Rollin Dennistoun, Minnesota Department of Agriculture
Mike Finn, Minnesota Department of Health
Bruce Gerbig, sitting in for Steve Thorne, Minnesota Department of Natural Resources
Wayne Anderson, sitting in for Mike Robertson, Minnesota Pollution Control Agency
Dwain Otte, Minnesota Association of Soil and Water Conservation Districts
Allen Dornfeld, Minnesota Association of Watershed Districts
Mike Rhyner, Association of Minnesota Counties
Bill Larson, University of Minnesota, Soil Science Department
Gary Nordstrom, Soil Conservation Service
Marlyn Libbescmeier and Franklin Denn, Minnesota Association of Townships
John Wells, State Planning Agency

Staff in Attendance

Jim Birkholz
Mel Sinn
Mark Nelson
Dennis Pond
Kim Benson
Dan Steward
Denice DeFrates
Mary Jo Anderson

Call Meeting to Order - Chairman Ogaard called the meeting to order at 9:00 a.m., in Conference Room A of the Department of Agriculture Building, St. Paul, Minnesota.

87-22 **Adopt Agenda** - Moved by Warner, seconded by Williamson, to adopt the agenda as circulated. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Moen, Hoese, Brooks, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

87-23 **Approval of Minutes from November 25, 1987** - Moved by Cofell, seconded by Kalmes, to adopt and approve the minutes of November 25, 1987. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Moen, Hoese, Brooks, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

Development of Logo for BWSR - The Board suggested that staff develop various options and samples for a logo that the Board could choose from.

87-24 Moved by Boulton, seconded by Peterson, that staff develop a logo with options that the Board can choose from. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Moen, Hoese, Brooks, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

Proposed Retreat for BWSR - The Board decided that a retreat is necessary to address specific issues, and to develop and define policies. The Board would invite resource people to help address these issues.

87-25 Moved by Moen, seconded by Williamson, that Chairman Ogaard and staff work together on setting a date in February for the retreat. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Moen, Hoese, Brooks, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

Chairman's Report - Chairman Ogaard reported that he attended the Minnesota Association of Watershed Districts Convention in Fargo/Moorhead on December 4-5, and the Minnesota Association of Soil and Water Conservation Districts Convention in Brainerd on December 6-9. He stated that both had record-breaking attendance, and were very good conventions. Chairman Ogaard also attended the Iowa Association of Counties supervisors' meeting in Ames, Iowa. The Iowa Association paid his expenses. He will be attending the MASWCD Metro Meeting in January.

Agency Issues and Input

University of Minnesota - Dr. Bill Larson reported on the University of Minnesota and the Extension Service. There are three colleges within the Institute of Agriculture, Forestry and Home Economics: forestry, agriculture, and home economics. There are ten departments within the college of agriculture. The Extension Service relates to each college and has an office in each county. The mission of the university is research and education. The Extension Service current programs involve: water quality, soil survey, waste management, tillage and soil erosion, cost cutting production, RIM, climatology, and the Agricultural Research Service. Future efforts include: water quality, waste management, cost cutting production, and land management and allocation. Proposed 1988-89 legislative requests for Extension Service include water quality and community and economic development. Proposed 1988-89 legislative requests for the Experiment Station include: agricultural product

utilization technologies alter native crops and products, and computer-assisted dairy health, and production management. Various informational brochures were distributed to the Board. Dr. Larson stated that the university programs cooperate with other agencies and services.

Agricultural Stabilization and Conservation Service (ASCS), Greg Anderson reported that ASCS administers the federal farm programs such as: ACP, Rural Clean Water Program, Emergency Conservation Program, Forestry Improvement Program, and the Water Bank Program. ASCS annually allocates money through county committees. The annual budget for ACP was $4 million, with $1 million of that turned back in 1987. Mr. Anderson stated that approximately 1.5 million acres are enrolled in the CRP program in Minnesota. Another sign-up for the CRP program will be held in February. Informational brochures were distributed to the Board.

Soil Conservation Service (SCS), Gary Nordstrom reported that SCS will be co-sponsoring two-day interagency FSA training sessions with the Minnesota Extension Service, ASCS, BWSR and U.S. Fish & Wildlife Service. The training sessions will consist of two parts. The first day will provide an overview of the entire program, and the second day will be for the individual agencies to hold their own training session. Gary Nordstrom invited Board members to attend. The training sessions will be held as follows:

Rochester - January 5-6
St. Cloud - Janaury 7-8
Alexandria - January 11-12
Marshall - January 13-14
Thief River Falls - January 25-26
Mankato - January 27-28

Gary Nordstrom stated that all of the FSA required conservation plans for individual farmers must be done by 1990. 65% of those plans must be completed by 1989 to stay on schedule. 40-45% are complete. The overall budget reduction estimate is 2% for 1988. The accelerated soil survey looks reasonably good, committed to be complete by 1990. SCS has been working with the U of M and the Minnesota Pollution Control Agency on water quality best management practices (BMPs). SCS will hold a water resource workshop in January on water quality.

Association of Minnesota Counties (AMC) - Mike Ryhner reported that AMC was a strong supporter of the merged board. There are 35 county commissioners that sit on the AMC Board who work on legislative issues. AMC has participated heavily in: water planning legislation, RIM, cost-share, water quality. Rhyner stated that county officials are concerned about soil and water issues, land and water resources. AMC priorities related to BWSR include: local water management planning, technical assistance and implementation, assistance of local water management planning, interface with county government. Rhyner felt that strategic planning and the retreat for the Board is necessary. Plan review and implementation should be on the priority list for BWSR, and that AMC is willing to assist wherever possible in that implementation process. Mr. Rhyner is very delighted to attend all BWSR meetings.

Chairman Ogaard called a ten-minute recess. The meeting reconvened at 11:05 a.m.

Chairman Ogaard introduced other advisors that were present at the meeting. Marlyn Libbescmeier and Franklin Denn, Minnesota Association of Townships; Allen Dornfeld, President, Minnesota Association of Watershed Districts; Dwain Otte, Vice-President, Minnesota Association of Soil and Water Conservation Districts; Bruce Gerbig, sitting for Steve Thorne, Department of Natural Resources.

Water Planning Update - Kim Benson, Land Use Specialist, gave a brief update on 110B, and distributed a map showing counties that are involved in the local comprehensive water management planning. John Wells, State Planning Agency, distributed for the Board's information "The Handbook for Comprehensive Local Water Planning Under Minnesota Statutes Chapter 110B" prepared by the Minnesota State Planning Agency. John Wells stated that 1500 copies of the handbook were printed and will be sent to Soil and Water Conservation Districts, Watershed Districts, zoning people, etc. for their information. Mel Sinn reviewed a memo that was included in the Board members' packet regarding the need to report to the Legislative Commission on Minnesota Resources by January 15, 1988 on the status of Chapter 110B implementation. He invited the Board members to comment on the ideas in the memo and to suggest other issues to include in the Board's LCMR report.

509 Planning - Dan Steward, Hydrologist, reported on the status of the Metropolitan Water Management Act. Since the Act passed in 1982, 33 joint powers agreements have been formed. When added to the three joint powers agreements and 10 watershed districts that were already in existence when the law passed, there are a total of 46 watershed management organizations (WMOs) preparing water plans in the metro area. The responsibility for the final review and approval rests with the MBWSR after reviews by the local units of government, the Metropolitan Council, the DNR, and the PCA. The Water Resources Board approved four 509 plans which leaves a total of 42 WMO plans yet to be reviewed and approved. The review of the remaining 509 plans represents a very considerable workload for MBWSR staff. Dan Steward also briefly discussed the status of the Pioneer-Sarah Creek 509 plan review. He hopes to meet with representatives of the WMO to discuss the plan before the January Board meeting. Mel Sinn reviewed a memo that was included in the Board members' packet regarding procedures and policies for review of metropolitan watershed management plans. He invited the Board members to comment on the preliminary draft of 509 plan review procedures and policies, and said they would be further refined and brought back to the Board for action at a future meeting.

Chairman Ogaard adjourned the meeting for lunch at 12:10 p.m. The meeting reconvened at 1:10 p.m.

Metropolitan Erosion and Sediment Control Issue/509 Planning Process - Mark Nelson, Board Representative, gave a slide presentation on conservation practices used around the metro area. Three main obstacles in the metro area are: 1) cost to implement practices; 2) the variety of Regulatory Governmental Units; and 3) lack of education and training. To overcome the obstacles the following is needed: 1) policy direction; or 2) legislative direction; or 3) rules for WMO process. The staff will be working closely with PCA on this. Staff needs policy from the Board.

Environmental Quality Board/Water Resources Committee Report - Loni Kemp reported that the committee met on December 3rd. The committee discussed forming an advisory committee to review the state groundwater and pesticide/nutrient management strategies. The suggested composition included two representatives from ag groups, representatives from business and environmental groups, two representatives from government groups, and a city representative. The Board should contact Loni or John Wells with suggestions on advisory committee members. Issues discussed at the meeting were groundwater and pest and nutrient management strategies. The EQB/WRC draft recommendations on these issues included: adequate funding for 110B; implementation funds for approved 110B plans; broaden ACP to include well abandonment; encourage SWCDs to cost-share feedlot upgrades; require county water plans to address aquifer-specific problems; and develop mechanism to facilitate local input into state and federal groundwater rules. The WRC also discussed container problems; risk assessment; aquatic use of herbicides; and local controls. Natalie Haas-Steffen stated that there is a need to recognize where the money for new programs will be coming from. Loni Kemp stated that a coordinated and integrated approach is needed to sponsor training workshops on pesticide and nutrients. The EQB/WRC hopes to have a 20-page draft strategies document for the Board's review within two months. John Brooks, Jr., stated that he was happy to hear that BWSR issues and concerns that were discussed at the BWSR's November meeting were also discussed at the EQB/WRC meeting. The Board felt that the containers issue needs to be addressed in the legislature this session. Chairman Ogaard expressed appreciation for Loni Kemp's efforts on the EQB/WRC.

Programs

Cost-Share Rollover Allocations - Dennis Pond stated that $488,550 has been requested from seventeen SWCDs for the 233,000 of rollover funds available to be re-allocated. Priority is given to SWCDs whose original allocation is low, their funds are encumbered and projects are ready for encumbrance. Discussion followed.

87-26 Moved by Boulton, seconded by Bade, that the Board approve the cost-share rollover allocations as recommended by staff. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Moen, Hoese, Haas-Steffen, Brooks, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

Chairman Ogaard stated that the Executive Director position will be advertised until February 15, 1988.

Budget Status - Jim Birkholz reported that the staff is doing a comprehensive workload analysis and budget projections. The information will be available in January for the Board. He stated that the average cost per monthly regular BWSR meeting is $3,000, that's $36,000 per year. The staff will have a budget meeting with the Department of Finance and Accounting people to straighten out the budget reports the Board receives. Chairman Ogaard stated that he appreciates staff efforts on working on the budget issues.

Legislative Initiatives - It was stated that there was a bill introduced (S.F. 1543) at the end of the 1987 Session by Senator Gary DeCramer to recodify the Watershed Act. There maybe an opportunity to include certain needed language changes to Chapter 112 in that bill. The staff is initiating ideas on how the BWSR can participate in the Environmental Trust Fund.

Status of SWCD Appeals - Dennis Pond stated that he has been in contact with the Attorney General's office on the SWCD appeals. There are three appeals at present: one cost-share violation, and two that are appealing use of the administrative grants. The Attorney General's feeling is that the Board has the authority to grant an extension to a contract where the required work has not been completed. In the cases where there are violations of rules, the Board cannot grant an appeal. They can only make a determination on whether a violation has occurred and payback provisions. The Board decided that the SWCDs appealing be given proper notification and this issue be brought up again at the January meeting.

Sauk River and Coon Creek Watershed District Boundary Change Orders - Mel Sinn stated that both of these draft boundary change orders were non-controversial. The proposed Sauk River Watershed District boundary change was needed to correct an obvious error in the location of the original boundary. The Coon Creek order was needed simply to correct technical errors in a previous boundary change order.

87-27 Moved by Graba, seconded by Haas-Steffe, to approve the Sauk River Watershed District boundary change order. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Moen, Hoese, Haas-Steffen, Brooks, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

87-28 Moved by Haas-Steffen, seconded by Warner, to approve the Coon Creek Watershed District boundary change order. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Moen, Hoese, Haas-Steffen, Brooks, Peterson, Graba, Kemp, Cofell. Opposed: None. Carried.

Mel Sinn reported that the Stockton-Rollingstone-Minnesota City Watershed District in Winona County was established in 1958. The Water Resources Board had encouraged the watershed district to revise their overall plan because it was over 20 years and also because it was not a very active watershed district. A draft revised plan was submitted and a public hearing was held on it in November of 1986. Mel said the plan's narrative lacks clarity, the charts and maps are unclear, it does include a water management strategy, and does not commit the District to become more active and vital. Mel said he discussed the plan with Chairman Ogaard, and they agreed to recommend that the BWSR not prescribe it, but instead urge the District to become involved with developing Winona County's 110B plan. There is no urgent need at present for a revised overall plan. It was felt that a letter implementing the recommendation should be drafted for consideration at the January meeting, and that the District be notified of their opportunity to address the Board on the issue at the January meeting.

87-29 Moved by Cofell, seconded by Warner, to direct staff to draft a letter to the Board of Managers informing them of the BWSR's decision not to prescribe for consideration at the January meeting. Affirmative: Ogaard, Boulton, Williamson, Warner Kalmes, Bade, Moen, Hoese, Haas-Steffen, Brooks, Peterson, Graba, Kemp, Cofe Opposed: None. Carried.

Isanti SWCD olations Action Plan Status - Jim Birkholz reported that he received today an action plan submitted by the Isanti SWCD. The Isanti SWCD has been working with the county attorney on this issue. The Isanti SWCD indicates that they have addressed concerns over administration of state grants and the problems are being resolved locally. Staff will update the BWSR on this issue and any needed Board action at the January meeting.

Chairman Ogaard stated that the Dispute Resolution Committee (DRC) met on December 22 with Paul Strandberg, Attorney General and Mel Sinn, and suggested three options for ensuring Board member attendance at hearings on the formation of watershed districts: 1) that the entire Board or delegation be present; 2) a nucleus group plus additional adhoc members; and 3) the DRC alone. Discussion followed. For the Rabbit-Mustinka Watershed District Hearing on January 11, 1988, in Wheaton, a proper delegation will attend the hearing.

87-30 Moved by Peterson, seconded by Moen, that option #2 be followed, meaning a nucleus group comprising the Dispute Resolution Committee plus additional adhoc members, with at least five people to be in attendance. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Moen, Hoese, Haas-Steffen, Brooks, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried. Chairman Ogaard will make sure that there will be at least five people in attendance at that hearing.

A Resolution for Change of District Name was submitted by the East Agassiz Soil and Water Conservation District. They request their district name be changed to Norman County Soil and Water Conservation District.

87-31 Moved by Moen, seconded by Haas-Steffen, to accept and approve the Resolution for Change of District Name from East Agassiz to Norman County Soil and Water Conservation District. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Moen, Hoese, Haas-Steffen, Brooks, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

Newsletter Discussion - It was suggested that a consolidated newsletter be published with the Minnesota Association of Watershed Districts, the Minnesota Association of Soil and Water Conservation Districts, and the Board of Water and Soil Resources. The Board decided that the staff come before the BWSR with a format, financial status, and staffing possibilities. It was also suggested that the Association of Minnesota Counties be invited to submit guest editorials and articles.

87-32 Moved by Kalmes, seconded by Haas-Steffen, that the two newsletters be consolidated, and that staff notify the two Associations of this, and staff to report back to the BWSR on the various possibilities. Affirmative: Ogaard, Boulton, Williamson, Warner, Kalmes, Bade, Moen, Hoese, Haas-Steffen, Brooks, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

Open Discussion - It was suggested by Natalie Haas-Steffen that a legislative committee be considered.

William Cofell suggested the following policy statements/issues that are needed: appeals; containers; relationships staff/BWSR; operations in other areas. He also suggested that a strategic plan and development of policy statements be issues at the retreat.

Eugene Kalmes stated that Winona County has coordinated a container recycling system. This item will be an item on the January agenda.

Upcoming Meetings/Hearings

- Rabbit-Mustinka Watershed District Hearing, January 11, Wheaton
- Ditch No. 58 Appeal - Coon Creek Watershed District, January 26, St. Paul
- National Association of Conservation Districts Convention, January 31 - February 4, Little Rock, Arkansas
- Conference on Minnesota Water: 1988 A Statewide Conference on Water Resources Issues in Minnesota, February 15-16, St. Paul
- Association of Minnesota Counties Annual Conference, January 31 - February 2, Bloomington
- Soil Conservation Society of America Annual Meeting, January 22, St. Cloud

Chairman Ogaard adjourned the meeting at 3:30 p.m.

Respectfully submitted,

Donald Ogaard
Chairman

From DNR 11-25-87

POLICY ACTIONS REQUIRING BWSR ATTENTION

Action	Tentative Timeframe
1) Permit Program -Deregulation of selected activities (fact sheets) -Delegation of authority to Area Hydrologists (need standard conditions for permits) -Determination of standard permit conditions and waiver of review period	*March-April '88
2) Drainage -Support implementation of 106 Amendments (would like letter from BWSR) -Encourage ditch authority compliance -Support training program	*December-Jan. '87-'88
3) Local Water Planning -Coordination of agency review of plans and response to local requests	*ASAP
4) Precipitation Network -Update agency agreement	*non-critical
5) Stream and Lake Gauging -Explore opportunities for joint programming	*April-May '88
6) Observation Wells -Update agency agreement	*Prior to July 1, '88
7) Dam Safety -Finalize funding arrangements for Pickwick Mill Project	*December 1987
8) Flood Control -Agency agreement developed for Study Area II funds	*Dependent on construction schedule.
9) MN Forestry Improvement Program -Update agency agreement	*Dec.-Jan. '87-'88

Donald Ogaard

STATE OF MINNESOTA

Office Memorandum

DEPARTMENT : POLLUTION CONTROL AGENCY

DATE : January 12, 1988

TO : See Distribution List

FROM : Michael Robertson MR
Deputy Commissioner

PHONE : 296-7303

SUBJECT : REVIEW OF THE DRAFT GROUND WATER PROTECTION STRATEGY

Attached is the first review draft of the Minnesota Ground Water Protection Strategy, along with summaries of supporting information. The draft is the same as the one distributed to the Water Resources Committee (WRC) in preparation for the January 7 meeting, but the WRC packet did not include the summary pages. This draft was prepared by the Ground Water Protection Strategy work group, which included representation from your agency. Your work group member has received this packet, plus the longer versions of the supporting documents (issue papers) which have been prepared. Some of the issue papers are incomplete, and will be sent to all the work group members as they are completed in January.

Even though the issue papers are not complete, it is important that agency review of the draft Strategy take place in January. Please remember that this Strategy has not undergone any "pre-review" here at the Minnesota Pollution Control Agency, so all agencies get their first chance at it at the same time this January. Each agency should get their comments together for the February WRC meeting, scheduled for February 4, 1988. Those agencies not represented on the WRC should prepare their comments in time for the Ground Water Protection Strategy work group meeting on February 9. These comments should reflect the views of staff and management, and be the product of detailed discussions. Changes made subsequent to this review will be incorporated into the version which is reviewed by the Environmental Quality Board's Ground Water Citizen's Advisory Task Force, as well as by the public in the public meetings to be held in March.

Your prompt attention to this review process will be of great assistance to the development of the Ground Water Protection Strategy. Thank you.

MR:dd

Attachments

cc: See Attached List

cc: Gerald Willet, Commissioner

Distribution List:

Joe Alexander, Commissioner, Minnesota Department of Natural Resources
(cc: Eric Mohring, Division of Waters)
Sister Mary Madonna Ashton, Commissioner, Minnesota Department of Health
(cc: Tom Klaseus, Environmental Health Division)
Jim Nichols, Commissioner, Minnesota Department of Agriculture
(cc: Greg Buzicky, Agronomy Services)
Donald Ogaard, Chair, Board of Water and Soil Resources
(cc: Jim Birkholz, Mel Sinn)
Donald Albin, Chief, U.S. Geological Survey
(cc: Lee Trotta)
Priscilla Grew, Director, Minnesota Geological Survey
(cc: Roman Kanivetsky)
Lani Kawamura, Commissioner, State Planning Agency
(cc: Deb Pile)
Len Levine, Commissioner, Minnesota Department of Transportation
(cc: Nancy Radle, Lannette Zaiger, Fred Campbell)
Steve Keefe, Chair, Metropolitan Council
(cc: Gary Oberts)
Joe Pavelich, Chair, Waste Management Board
(cc: John Betcher, John Morley)
Hubert H. Humphrey III, Attorney General
(cc: Lee Paddock)

Minnesota Ground Water Protection Strategy
December 16, 1987

(This is the first draft prepared of Minnesota's Comprehensive Ground Water Protection Strategy.)

This Strategy will serve as the blueprint for future ground water management activities at the state level, and also help define the local role in ground water management and protection. It is important to remember that the Strategy is built on the strong regulatory framework which the state has established. State agencies already have statutory authority to establish ground water standards and regulate pollution sources (MPCA), to monitor and protect drinking water supplies (MDH), to regulate water appropriation (MDNR) and to regulate sale and use of agricultural chemicals which may impact ground water quality (MDA). These agencies' water related functions are coordinated through the Water Resources Committee of the Environmental Quality Board, a board composed of the top executive officers of the major environmental agencies along with citizen members.

The greatest needs for legislation identified in this Strategy relate to funding. Programs to define and monitor ground water, as well as those designed to protect water quality and quantity, must have consistent, adequate funding in order to meet their goals. Ground water is an invaluable state resource which is increasingly threatened by a variety of contamination sources and competing uses. The state must provide the necessary type and scope of programs to ensure the safety and adequacy of the resource now and in the future.

The Strategy has been structured around five major initiatives.

The five initiatives are:

I. To protect ground water quality now and for the future; ensure safe drinking water supplies and effectively regulate sources of ground water pollution.

II. To ensure adequate water supplies and regulate water appropriation and use to protect highest priority users.

III. To enhance the current body of knowledge on Minnesota's ground water resource, delineating problem areas and providing information needed to effectively manage the resource.

IV. To better coordinate state ground water responsibilities and programs; and to coordinate with federal and local levels of government.

V. To provide the public with the necessary information and education for making environmentally sound decisions in areas which may impact ground water.

DRAFT

Initiative I. To protect ground water quality now and for the future; ensure safe drinking water supplies and effectively regulate sources of ground water pollution. (Continued)

Part Three: Local Role in Ground Water Protection:

Issues: Local governments have available tools which can be used to regulate land use and protect public health, and the local role is critical to adequate and comprehensive ground water management. Options available to local governments include land use regulation through zoning, operation of water supply utilities, waste treatment and disposal system planning and operation, and possible regulation of water well construction. Incentives and means should be provided to local governments to expand their ground water protection efforts. The state should take measures to ensure that ground water protection measures do not vary widely between counties, especially those which share borders or overlie common aquifers.

Recommendations: Funds should be made available to encourage those counties not currently developing county water plans to do so. Implementation funds should be made available for those counties which have completed their county water plans.

The feasibility of developing a program to facilitate testing of private water supplies for pesticides, volatile organic compounds, etc. should be investigated.

Funds should be made available to encourage counties to take on the water well construction and abandonment program.

Local SWCD's should be encouraged to allow cost-share money to be used for feedlot upgrade.

The fund currently established which is being used for upgrade of individual on-site wastewater treatment systems should be re-allocated to allow PCA to use it for providing technical assistance to small communities with their wastewater treatment needs.

Review of county water plans should include aquifer-specific protection measures which cross county lines.

A mechanism should be established which would facilitate forming a committee of local government reps which would be used to provide input and comment to developing state and federal ground water programs. This could possibly be done through the BOWSR.

Groups discussing issues of data gathering and managment coordination should include local gov'ts as well as state reps.

Mechanism should be provided to help public water suppliers meet the increased cost of testing under the new SDWA requirements.

PEST AND NUTRIENT MANAGEMENT
COORDINATION/INTEGRATION

BASIC QUESTIONS:

How can we integrate pest and nutrient management into existing state and federal programs?

What water related programs and regulations are appropriate to have a pest and nutrient component?

How should the state address areas sensitive to ground water contamination?

ISSUES:

The USDA Nonpoint Source Water Quality Policy (#9500-7) states that USDA Agencies will "(u)se the nonpoint management strategies that contribute to the achievement of defined state water quality management objectives over realistic timeframes through the use of best management practices within defined drainage areas or ground water basins." Can the state put together a specific enough water quality management plan to direct the technical advice of SCS and the Cooperative Extension Service?

The federal conservation programs have more funding than state programs. How can the state ensure that it provides USDA with state direction for these programs to ensure that they address broad water quality concerns?

Most funds for state and federal cost shared practices are spent in a random manner with little or no consideration of the surface or ground water systems. How can the state ensure that ground water quality protection is considered when determining what practices are to be installed?

Special programs, especially CRP and RIM, are taking large amounts of SWCD and SCS staff time, possibly reducing opportunities to refocur their efforts toward pest and nutrient concerns. What can the state do to minimize this problem?

Opportunities are being missed in the development of farm plans now underway through the Federal Farm Security Act of 1985. The Act requires that farm plans address erosion problems, but they do not have to address water quality. In addition, SCS does not have any standards and specifications in their technical guide for chemical use. SCS staff indicate that water quality problems will not be directly addressed in the farm planning that is to be completed by 1990. Can the state intervene in some way to avoid missing these opportunities?

There are a number of groups involved in pest and nutrient programs and regulations. How can coordination be made the ongoing effort needed to effectively impact water quality?

Jim Birkholz notes

Information about contamination from chemicals needs to get to local field staff so they can understand it and communicate it (through news articles, etc). There are many local groups that could disseminate information, such as SWCDs, local health departments, the Cooperative Extension Service, and ASCS. How can the optimal role of each be defined and developed?

OPTIONS:

CWPP encourages locals to take initiatives

The state develop a water quality management plan that identifies priority areas, needs within those areas, nutrient and pest management needs, and the role of the federal, state and local governments in carrying out the water quality needs.

Some of this happens accelerate

The state and the Cooperative Extension Service sponsor joint training workshops (periodically) on pest and nutrient management to ensure that field staff from all relevant agencies are providing the most up-to date information to clients.

The state build nutrient and pest management programs into new and ongoing programs, such as the Clean Water Partnership, the Community Health Services program, and the Wellhead Protection program.

All local units

Tie to comp local water plans

SWCDs be required to develop plans based on surface and ground water systems and show there is a strategy to protect water quality in order to receive state funds for erosion and water quality cost sharing and RIM. → could expand

The state could require nutrient and pest management (cross compliance) when using state programs, such as RIM and Cost sharinge. (This means that in order to receive state funds the land occupier would agree to using a specified pest and nutrient management plan.) Would rather have as part of overall cons plan

RIM and the state erosion and water quality cost sharing program could add measures for pest and nutrient management and ground water protection. Yes but acknowledge that we already have some & need more funding so practices can be added.

Pest and nutrient and ground water components could be added to feedlot evaluations and other ongoing training/certification efforts.

Minnesota could influence the requirements of federal programs, such as ACP and CPR, so they better protect ground water.

USDA develop nutrient & pest mgmt & groundwater protection planning standards for use by ~~field~~ technicians. If standards cannot be prepared, USDA should accept MN standards

~~[redacted]~~ Coordinate agency info for introduction to landowners thru their info sources (eg) Ag publications, implement dealers

ITASCA COUNTY SOIL AND WATER
CONSERVATION DISTRICT

516 C Pokegama Ave. So
Grand Rapids, MN 55744
Phone 218-326-6595

**MINNESOTA
SOIL AND WATER CONSERVATION DISTRICTS**

October 14, 1987

Kenneth Tow, Director
Minnesota SWCB
90 West Plato Boulevard
St. Paul, MN 55107

RE: Appeal of 9-17-87 Request to Return FY 86 TED Funds

Dear Mr. Tow:

Following the State Board's evaluation of the Itasca SWCD, we received your comments, dated September 17, 1987, regarding how we might improve various aspects of our District's program. In the portion of said comments titled Bookkeeping Procedures and Grants, the issue of an unspent part of the FY 86 TED grant totaling $476.13 is addressed.

The reason for that amount being unspent at the end of FY 86 is because the District intended it to be spent hosting a State Board retreat during FY 86.

In July, 1985, District Manager Loren Gelle wrote to Wayne Haglin inviting the State Board to hold their fall, 1985 annual retreat in Itasca County. In late August, 1985 Ron Nargang responded, stating that:

> "Given our current schedule, I believe November would be the earliest we could meet in Itasca County. Depending on your objectives for such a meeting, it might be preferable to delay until next spring, if weather would restrict some activities."

In April of 1986 the State Board postponed meeting in Itasca County until "a later date". Not until the June 10th, 1986 State Board meeting, was the decision made to meet in Grand Rapids in August.

This meeting allowed the Itasca SWCD the opportunity to show some of the resource concerns of northeast Minnesota. In so doing, the Itasca SWCD spent over $2000.00. The outstanding $476.13 in the FY 86 TED grant was used to help pay these expenses. Because the Itasca SWCD had fully intended to use the TED funds in May of 1986 to host the State Board meeting, we are appealing your request to return that amount.

Again, we appreciate your comments regarding steps we need to take to operate more effectively, and are moving to implement them.

Sincerely,

E. Robert Amborn, Chairman

Itasca County Soil and Water Conservation District

cc: Chris Hofstede, Board Rep.

ERA:jmr

STATE OF MINNESOTA
SOIL AND WATER CONSERVATION BOARD
DEPARTMENT OF AGRICULTURE
90 W. Plato Blvd.
St. Paul, MN 55107
Telephone: (612) 296-3767

September 17, 1987

Regional Offices

Northwest Region
1819 Bemidji Ave.
Bemidji, MN 56601
218-755-3963

North east Region
Government Service Center
320 W. 2nd Street
Room 603
Duluth, MN 55802
218-723-4752

West Central Region
611 Iowa Avenue
Staples, MN 56479
218-894-1692

South Central Region
Box 756
New Ulm, MN 56073
507-354-2196

Southeast Region
Friedell Bldg., Room 140
1200 S. Broadway
Rochester, MN 55904
507-285-7458

Southwest Region
Box 111
1400 E. Lyon Street
Marshall, MN 56258
507-537-7260

East Central Region
90 W. Plato Blvd.
St. Paul, MN 55107
612-296-3767

Mr. E. Robert Amborn, Chairman
Itasca SWCD
516 Pokegama Ave., S.
Grand Rapids, MN 55744

Dear Chairman Amborn:

Thank you and your fellow supervisors for the opportunity to conduct an evaluation in your District. The comments we received on state programs are invaluable in refining our role in assisting local districts. We welcome and would appreciate any suggestions you may have for improving our assistance to districts.

The following comments relate specifically to the evaluation conducted August 18, 1987. We hope these comments will help you carry Itasca SWCD forward as effectively and efficiently as possible. Chris Hofstede is looking forward to working with you on making the recommended changes.

Cost-Share

The following specific recommendations and legislative requirements for the Cost-Share Program are laid out in Section "E" of the Operational Handbook. There are a few cost-share requirements that are not being met by your District. The following recommendations relate to those deficiencies.

Cost-share contracts are legal and binding contracts once signed by the landowner and the District, for that reason all portions of the contract (ie: dollar amount encumbered, starting and completion dates, project life span, technical sign-off, etc.) must be completed.

At the present time the Soil Conservation Service has technical responsibility for all practices that are found in their technical field guide. Cost-share rules specifically state that a qualified SCS person make needs determination before the Board approves the cost-share contract. Before the Board takes action to make payment on the finished practice, a qualified SCS person completes a certificate of completion. Program log and disbursement journal entries should be kept separate by fiscal year as well as by log versus journal. Cost-share files should be kept for each fiscal year including original cost-share contract, a record of District monitoring and other supporting documentation as indicated in Section "E" of your Operational Handbook. Minutes reflecting Board

action taken on cost-share contract and approvals should include contract numbers, landowners name, dollar amount and technical recommendation.

Universal soil loss calculations are required to be in cost-share file for determination of the lands meeting the definitions of high priority erosion or water quality problems.

Bookkeeping Procedures and Grants

Bookkeeping procedures appear to comply with the recommended format.

The handling of grants can be found in Section "B" of your Operational Handbook. Funds received from the State must be encumbered and (excluding the cost-share project money and SLR funds) are to be spent by the end of the fiscal year. This requirement is stated on the contract agreement signed by the District and the State.

Our review discovered that $476.13 of the FY86 TED grant was unspent on June 30, 1987. This amount should have been returned to the State within 30 days of the end of the fiscal year. Please remit this amount to the State Treasurer before October 30, 1987. If you feel that these were extraordinary circumstances for this money not being returned, you have the right to appeal this decision to the State Board. The appeal must be in writing and be received by October 30, 1987.

Plans and Reports

Plans and reports should be used by the District as a means of evaluating and directing future direction. There are certain legislatively required issues that should be included. Those are listed in "L" and "R" sections of your Operational Handbook. It should also be noted that in order to receive cost-sharing there must be a definition of high priority, erosion and water quality problems. The District should seek as much in-put as possible from other agencies and groups, both for defining measurable objectives as well as building ownership.

Although the planning process is required by state statute, it does not have to be a non-productive chore. A properly developed comprehensive plan should give the district the baisc criterion for development of:

1) Annual Plan
2) Personnel Annual Plan
3) A roadmap for District accomplishments
4) Workload analysis and staffing needs
5) A sound criterion for evaluation of yearly activities

(Sections "R" and "G" of the District Operational Handbook).

Employee Policies

The District has a very good Employee Policy Handbook, however, it should be updated on a regular basis.

District supervisors are employers and as such should take a strong role in the development of:

AG-00928-01

AGREEMENT

TECHNICAL ASSISTANCE, EDUCATION and DEMONSTRATIONS of CONSERVATION TILLAGE

Trn.No.	Account LD.	Organization		Requisition No.	Vendor No.	Type	Terms	Cost Code 5	C.CO 1	C.CO 2	C.CO 3
A4	2376101	04411	61	29102	0510910-004	V					

Cost Code 4	Amount	Suffix	Object	
	1,675.00	01	7781	SEND

TYPE OF TRANSACTION [X] A40 [ ] A41 [ ] A44 [ ] A45 [ ] A46

Date	Number	Entered by
071885	09540	mdm
8-29-85	3370	

Soil and Water Conservation District: Otasca

Fiscal Year: July 1, 1985 to June 30, 1986

Agreement Date:

Agreement Effective Date: 7-1-85

Agreement Ending Date: 6-30-86

THIS AGREEMENT, made on the date as specified herein, by and between the Minnesota Department of Agriculture and the Soil and Water Conservation Board (hereinafter referred to collectively as the "Agency") and the Soil and Water Conservation District indicated above (hereinafter referred to as the "District").

WHEREAS, the District has submitted to the Agency its Annual Report (hereinafter referred to as the "Report") for the fiscal year previous to the fiscal year indicated above, its Annual Plan of Work (hereinafter referred to as the "Work Plan") for the fiscal year indicated above and its Comprehensive Plan (hereinafter referred to as the "Plan") in accordance with Agency guidelines; and

WHEREAS, the District requests a grant-in-aid for the work, material and other eligible expenses of the District when providing technical assistance to land occupiers, educational programs to the public, and demonstrating conservation tillage measures, and all items necessary in carrying out the Work Plan (hereinafter referred to as T.E.D.); and

WHEREAS, the Agency has reviewed and approved the outline of T.E.D. which is by reference made a part hereof as though expressly written herein; and

WHEREAS, funds for grants to Districts are available for disbursement and the Agency is authorized to disburse those funds pursuant to the provisions of Minn. Stat. 40.03, subd. 4; and

WHEREAS, the Agency has made a determination regarding the amount of the grant to the District for the work and services in the Work Plan pertinent to T.E.D.

NOW, THEREFORE, it is agreed between the parties hereto:

I. T.E.D.

The District shall proceed with the steps set forth in the T.E.D. outline.

(a) The District shall prepare a summary of the accomplishments of the T.E.D. grant. This summary shall be included in the annual report for the fiscal year indicated above except that the Agency may request a report on the accomplished T.E.D. items at any time during the term of this Agreement.

II. TERM

This Agreement shall be effective on the date indicated herein, or upon such date as it is executed as to the encumbrance by the Commissioner of Finance whichever occurs later, and shall remain in effect until the date indicated herein, or until obligations set forth in this Agreement have been satisfactorily fulfilled whichever occurs first.

III. GRANT

The Agency shall grant the District the total sum of money indicated as reasonably possible after the funds are encumbered under this Agreement for the T.E.D. work and as soon as the District has submitted its Report, Work Plan and Plan whichever occurs later. The amount indicated will be reduced five percent if the Report, Work Plan and Plan are submitted after August 15th of the current year with an additional five percent reduction for each month thereafter. If the Report, Work Plan and Plan are submitted after November 15th of the current year, the Agency may elect to terminate this Agreement.

The District shall comply with fiscal year end close out procedures and shall not spend grant funds after the end of the fiscal year specified on this Agreement.

It is understood between the parties hereto that the Agency has the sole discretion to determine whether the District, its agents, or the ultimate recipient of the monies granted herein have been used, or are being used for eligible expenses within the terms and intent of this Agreement. All monies granted herein determined by the Agency to be used for ineligible expenses must be reimbursed to the Agency, when requested.

Any funds of this grant remaining unspent after the end of the fiscal year indicated shall be returned to the Agency within one month of that date. Checks should be made payable to the State of Minnesota Treasurer.

IV. TERMINATION

The Agency may terminate this Agreement for "just cause". "Just cause" shall mean that the District is not disbursing funds in accordance with established Agency and State procedures or has otherwise breached a term of this Agreement. In the event of such cancellation, the District shall have seven (7) days' prior written notice. The District shall have until the date of termination to "demonstrate" why the Agreement should not be terminated. If it is determined by the State that the District's default was beyond its control or it was not otherwise in default, the Agreement shall not be terminated. The District may terminate the Agreement with or without cause. In the event of such termination by the Agency or District, all unencumbered funds shall be returned to the Agency.

V. AUDIT

The books, records, documents and accounting procedures and practices of the District relevant to this Agreement shall be subject to examination by the Agency and State Auditor.

VI. INDEMNIFICATION

The District agrees to indemnify and save and hold the Agency, its agents and employees harmless from any and all claims and causes of action arising from the performance of this Agreement by District or District's agents or employees. This clause shall not be construed to bar any legal remedies the District may have for the Agency's failure to fulfill its obligations pursuant to this Agreement.

SOIL AND WATER CONSERVATION DISTRICT

Authorized Signature: E. Robert Anderson

Date: 8-1-85

SOIL AND WATER CONSERVATION BOARD

Authorized Signature: Ronald Nargang

Date: 8/12/85

COMMISSIONER OF AGRICULTURE

Authorized Signature: Wm M Dennis

Date: 8-20-85

ATTORNEY GENERAL

Authorized Signature: [illegible]

Date: 8/30/85

ORIGINAL SIGNED BY

COMMISSIONER OF ADMINISTRATION

Authorized Signature: AUG 22 1985

Date:

COMMISSIONER OF FINANCE

ENCUMBERED

DEPARTMENT OF FINANCE

Authorized Signature: Original Signed by JAN HOFER

Date: SEP - 5 1985

KOOCHICHING SOIL AND WATER
CONSERVATION DISTRICT

Koochiching County Courthouse
International Falls, Minnesota 56649

MINNESOTA
SOIL AND WATER CONSERVATION DISTRICTS

October 7, 1987

Minnesota Board of Water & Soil Resources
90 West Plato Boulevard
St. Paul, MN 55107

State Board Members:

The Koochiching Soil and Water Conservation District (KSWCD) wishes to appeal the decision made by the state board requiring the return of FY86 Cost Share Service grant, TED grant, and General Service grant funds in the amount of $3,052.89 (three thousand, fifty two dollars and eighty nine cents). The following reasons are given for this appeal:

The district employee was hired on September 25, 1985, mid fiscal year. Being unfamiliar with SWCD bookkeeping requirements and procedures, it was not until after the year end bookkeeping session was completed that she realized there is to be a zero balance in the above mentioned accounts. Not knowing what to do, the employee unfortunately did nothing. However, at no time was there any attempt to alter the books or to transfer the funds after the fact to other accounts. The employee is now fully aware of the requirements and is using correct procedures for these funds.

Also, she did not know at that time that funds from each of these grants could be used for; training sessions, state and national convention expenses, salary for field work, compensation for supervisors, postage, office supplies and phone; therefore money was taken from the county allocation to pay for these expenditures.

Since this is the first and only infraction in handling these grants by the KSWCD, we wish to appeal the decision made by the state board. Paying this amount, over $3,000, would present a financial hardship to the district. Our combined total yearly allocations from county and state sources was $23,788 in FY86 and $23,733 in FY87.

Thank you for considering our appeal.

Sincerely,

Tom Ollikkala

Tom Ollikkala
Chairman, KSWCD

cc: Chris Hofstede

AN EQUAL OPPORTUNITY EMPLOYER

STATE OF MINNESOTA
SOIL AND WATER CONSERVATION BOARD
DEPARTMENT OF AGRICULTURE
90 W. Plato Blvd.
St. Paul, MN 55107
Telephone: (612) 296-3767

Regional Offices

Northwest Region
1819 Bemidji Ave.
Bemidji, MN 56601
218-755-3963

Northeast Region
Government Service Center
320 W. 2nd Street
Room 603
Duluth, MN 55802
218-723-4752

West Central Region
611 Iowa Avenue
Staples, MN 56479
218-894-1692

South Central Region
Box 756
New Ulm, MN 56073
507-354-2196

Southeast Region
Friedell Bldg., Room 140
1200 S. Broadway
Rochester, MN 55904
507-285-7458

Southwest Region
Box 111
1400 E. Lyon Street
Marshall, MN 56258
507-537-7260

East Central Region
90 W. Plato Blvd.
St. Paul, MN 55107
612-296-3767

September 17, 1987

Mr. Tom Ollikkala, Chairman
Koochiching SWCD
County Courthouse
International Falls, MN 56649

Dear Tom:

Thank you and your fellow supervisors for the opportunity to conduct an evaluation in your District. The comments we received on state programs are invaluable in refining our role in assisting local Districts. We welcome and would appreciate any suggestions you may have for improving our assistance to Districts.

The following comments relate specifically to the evaluation conducted August 17, 1987. We hope these comments will help you carry Koochiching SWCD forward as effectively and efficiently as possible. Chris Hofstede is looking forward to working with you on making the recommended changes.

Cost-Share

The following specific recommendations and legislative requirements for the Cost-Share Program are laid out in Section "E" of the Operational Handbook. There are a few cost-share requirements that are not being met by your District. The following recommendations relate to those deficiencies.

Cost-share contracts are legal and binding contracts once signed by the landowner and the District, for that reason all portions of the contract (ie: dollar amount encumbered, starting and completion dates, project life span, technical sign-off, etc.) must be completed.

At the present time the Soil Conservation Service has technical responsibility for all practices that are found in their technical field guide. Cost-share rules specifically state that a qualified SCS person make needs determination before the Board approves the cost-share contract. Before the Board takes action to make payment on the finished practice a qualified SCS person completes a certificate of completion. Program log and disbursement journal entries should be kept separate by fiscal year as well as by log versus journal. Cost-share files should be kept for each fiscal year including

original cost-share contract, a record of District monitoring and other supporting documentation as indicated in Section "E" of your Operational Handbook. Minutes reflecting Board action taken on cost-share contract and approvals should include contract numbers, landowners name, dollar amount and technical recommendation.

Universal soil loss calculations are required to be in the cost-share file for determination of the lands meeting the definition of high priority erosion or water quality problems.

SLR

The SLR guidelines should be reviewed. The above cost-share recommendations will also apply to the SLR program.

Grants

Funds received from the State must be encumbered and (excluding the cost-share project money and SLR funds) are to be spent by the end of the fiscal year. The handling of these grants can be found in Section "B" of the Operational Handbook. This requirement is also stated on the contract agreement signed by the District and the State Board.

Our review discovered that some of the FY86 grants were not spent by the end of the fiscal year. On June 30, 1986, a balance of $998.93 of the General Services Grant, $1,538.46 of the TED Grant, and $515.50 of the Cost-Share Services Grant remained unspent. These amounts should have been returned to the State within 30 days of the end of the fiscal year. Please remit these amounts to the State Treasurer prior to October 30, 1987. A separate check will be needed for each grant. If you feel there were extraordinary circumstances for the funds not being returned, you have the right to appeal this decision to the State Board. The appeal must in writing and received prior to October 30, 1987.

Plans and Reports

Plans and reports should be used by the District as a means of evaluating and directing future direction. There are certain legislatively required issues that should be included. Those are listed in the "L" and "R" Sections of your Operational Handbook. It should also be noted that in order to receive cost-sharing there must be a definition of high priority, erosion and water quality problems. The District should seek as much in-put as possible from other agencies and groups, both for defining measurable objectives, as well as building ownership.

Although the planning process is required by state statute, it does not have to be a non-productive chore. A properly developed comprehensive plan should give the District the basic criterion for development of:

1) Annual Plan
2) Personnel Annual Plan
3) A roadmap for District accomplishments
4) Workload analysis and staffing needs
5) A sound criterion for evaluating yearly activities

(Sections "R" and "G" of the District Operational Handbook).

AG-00926-01

AGREEMENT

EROSION, SEDIMENT CONTROL OR WATER QUALITY IMPROVEMENT WORK

Trn.No.	Account I.D.	Organization	F.Y.	Requisition No.	Vendor No.	Type	Terms	Cost Code 5	C.CO 1	C.CO 2	C.CO 3
A4	240150	04411	6	28902	0751810-004	V					

Cost Code 4	Amount	Suffix	Object	
	3,000.00	01	778	$END

TYPE OF TRANSACTION ☒ A40 ☐ A41 ☐ A44 ☐ A45 ☐ A46

Date	Number	Entered by:
071985	07711	mtm
8-29-85	3591	

Soil and Water Conservation District:		Fiscal Year:
Koochiching		July 1, 1985 to June 30, 1986
Agreement Date:	Agreement Effective Date: 7-1-85	Agreement Ending Date: 6-30-86

THIS AGREEMENT, made on the date as specified herein, by and between the Minnesota Department of Agriculture and the Soil and Water Conservation Board (hereinafter referred to collectively as the "Agency") and the Soil and Water Conservation District indicated above (hereinafter referred to as the "District").

WHEREAS, the District has submitted to the Agency its Comprehensive Plan (hereinafter referred to as the "Plan") and its Annual Report (hereinafter referred to as the "Report") for the fiscal year previous to the fiscal year indicated above and its Annual Plan of Work (hereinafter referred to as the "Work Plan") for the fiscal year indicated above and in accordance with Agency guidelines; and

WHEREAS, the District requests a grant-in-aid for the work, material and other eligible expenses of land occupiers who will, in the District's determination, satisfactorily perform erosion, sediment control or water quality improvement work (hereinafter referred to as the "Work") and for other eligible expenses of the District when providing technical assistance to land occupiers and administrative services to carry out the Work (hereinafter referred to as the "Services"); and

WHEREAS, the Agency has reviewed and approved the outline of the Work which is by reference made a part hereof as though expressly written herein; and

WHEREAS, funds for grants to Districts are available for disbursement and the Agency is authorized to disburse those funds pursuant to the provisions of Minn. Stat. 40.03, subd. 4; and

WHEREAS, the Agency has made a determination as to the grant to the District for the work in the Work Plan pertinent to the Work.

NOW, THEREFORE, it is agreed between the parties hereto:

I. WORK

The District shall proceed with the Work pertinent to this grant.

(a) The District shall prepare a summary of the Work accomplished. This summary shall be included in the annual report for the fiscal year indicated above except that the Agency may request a report on the Work accomplished at any time during the term of this Agreement.

II. TERM

This Agreement shall be effective on the date indicated herein, or upon such date as it is executed as to encumbrance by the Commissioner of Finance whichever occurs later, and shall remain in effect until the date indicated herein, or until obligations set forth in this Agreement have been satisfactorily fulfilled whichever occurs first.

III. GRANT

The Agency shall grant the District the total sum of money indicated as reasonably possible after the funds are encumbered under this Agreement for the T.E.D. work and as soon as the District has submitted its Report, Work Plan and Plan whichever occurs later. The amount indicated will be reduced five percent if the Report, Work Plan and Plan are submitted after August 15th of the current year with an additional five percent reduction for each month thereafter. If the Report, Work Plan and Plan are submitted after November 15th of the current year, the Agency may elect to terminate this Agreement.

The District shall comply with fiscal year end close out procedures and shall not spend grant funds after the end of the fiscal year specified on this Agreement.

It is understood between the parties hereto that the Agency has the sole discretion to determine whether the District, its agents, or the ultimate recipient of the monies granted herein have been used, or are being used for eligible expenses within the terms and intent of this Agreement. All monies granted herein determined by the Agency to be used for ineligible expenses must be reimbursed to the Agency, when requested.

Any funds of this grant remaining unspent after the end of the fiscal year indicated shall be returned to the Agency within one month of that date. Checks should be made payable to the State of Minnesota Treasurer.

IV. TERMINATION

The Agency may terminate this Agreement for "just cause". "Just cause" shall mean that the District is not disbursing funds in accordance with established Agency and State procedures or has otherwise breached a term of this Agreement. In the event of such cancellation, the District shall have seven (7) days' prior written notice. The District shall have until the date of termination to "demonstrate" why the Agreement should not be terminated. If it is determined by the State that the District's default was beyond its control or it was not otherwise in default, the Agreement shall not be terminated. The District may terminate the Agreement with or without cause. In the event of such termination by the Agency or District, all unencumbered funds shall be returned to the Agency.

V. AUDIT

The books, records, documents and accounting procedures and practices of the District relevant to this Agreement shall be subject to examination by the Agency and State Auditor.

VI. INDEMNIFICATION

The District agrees to indemnify and save and hold the Agency, its agents and employees harmless from any and all claims and causes of action arising from the performance of this Agreement by District or District's agents or employees. This clause shall not be construed to bar any legal remedies the District may have for the Agency's failure to fulfill its obligations pursuant to this Agreement.

SOIL AND WATER CONSERVATION DISTRICT

Authorized Signature: Perry A. Peterson

Date: 8-6-85

SOIL AND WATER CONSERVATION BOARD

Authorized Signature: Ronald Nargang

Date: 8/15/85

COMMISSIONER OF AGRICULTURE

Authorized Signature: Allen W. Dennis

Date: 8-20-85

ATTORNEY GENERAL

Authorized Signature: [signature]

Date: 8/20/85

COMMISSIONER OF ADMINISTRATION

ORIGINAL SIGNED BY

Authorized Signature

Date: AUG 22 1985

DOROTHY LOVEJOY

COMMISSIONER OF FINANCE

ENCUMBERED

DEPARTMENT OF FINANCE

Authorized Signature: Original Signed by JAN HOFER

Date: SEP - 5 1985

AG-00927-01

AGREEMENT

GENERAL SERVICES

Trn.No.	Account LD.	Organization	F.Y.	Requisition No.	Vendor No.	Type	Terms	Cost Code 5	C.CO 1	C.CO 2	C.CO 3
A4	2384771	04411	61	2901211	0751810-004	V1					

Cost Code 4	Amount	Suffix	Object	
	6,000.00	1111 01	778	SEND

TYPE OF TRANSACTION [X] A40 [ ] A41 [ ] A44 [ ] A45 [ ] A46

Date	Number	Entered by
071985	02912	mtm
8-29-85	3474	

Soil and Water Conservation District:		Fiscal Year:
Koochiching		July 1, 1985 to June 30, 1986
Agreement Date:	Agreement Effective Date: 7-1-85	Agreement Ending Date: 6-30-86

THIS AGREEMENT, made on the date as specified herein, by and between the Minnesota Department of Agriculture and the Soil and Water Conservation Board (hereinafter referred to collectively as the "Agency") and the Soil and Water Conservation District indicated above (hereinafter referred to as the "District").

WHEREAS, the District has submitted to the Agency its Annual Report (hereinafter referred to as the "Report") for the fiscal year previous to the fiscal year indicated above, its Annual Plan of Work (hereinafter referred to as the "Work Plan") for the fiscal year indicated above and its Comprehensive Plan (hereinafter referred to as the "Plan") in accordance with Agency guidelines; and

WHEREAS, the District requests a grant-in-aid for work, material, and other eligible expenses of the district when providing technical assistance to land occupiers and administrative services to carry out the Work Plan (hereinafter referred to as the "Services"); and

WHEREAS, the Agency has reviewed and approved the outline of the Services which is by reference made a part hereof as though expressly written herein; and

WHEREAS, funds for grants to Districts are available for disbursement and the Agency is authorized to disburse those funds pursuant to the provisions of Minn. Stat. 40.03, subd. 4; and

WHEREAS, the Agency has made a determination as to the grant to the District for work in the Work Plan pertinent to the Services.

NOW, THEREFORE, it is agreed between the parties hereto:

I. SERVICES

The District shall proceed with the steps set forth in the "Services" outline.

(a) The District shall prepare a summary of the Work accomplished for the Services. This summary shall be included in the annual report for the fiscal year indicated above except that the Agency may request a report on the accomplished Services at any time during the term of this Agreement.

II. TERM

This Agreement shall be effective on the date indicated herein, or upon such date as it is executed as to encumbrance by the Commissioner of Finance whichever occurs later, and shall remain in effect until the date indicated herein, or until obligations set forth in this Agreement have been satisfactorily fulfilled whichever occurs first.

III. GRANT

The Agency shall grant the District the total sum of money indicated as reasonably possible after the funds are encumbered under this Agreement for the Services and as soon as the District has submitted its Report, Work Plan and Plan whichever occurs later. The amount indicated will be reduced five percent if the Report, Work Plan and Plan are submitted after August 15th of the current year with an additional five percent reduction for each month thereafter. If the Report, Work Plan and Plan are submitted after November 15th of the current year, the Agency may elect to terminate this Agreement.

The District shall comply with fiscal year end close out procedures and shall not spend grant funds after the end of the fiscal year specified on this Agreement.

It is understood between the parties hereto that the Agency has the sole discretion to determine whether the District, its agents, or the ultimate recipient of the monies granted herein have been used, or are being used for eligible expenses within the terms and intent of this Agreement. All monies granted herein determined by the Agency to be used for ineligible expenses must be reimbursed to the Agency when requested.

Any funds of this grant remaining unspent after the end of the fiscal year indicated shall be returned to the Agency within one month of that date. Checks should be made payable to the State of Minnesota Treasurer.

IV. TERMINATION

The Agency may terminate this Agreement for "just cause". "Just cause" shall mean that the District is not disbursing funds in accordance with established Agency and State procedures or has otherwise breached a term of this Agreement. In the event of such cancellation, the District shall have seven (7) days' prior written notice. The District shall have euntil the date of termination to "demonstrate" why the Agreement should not be terminated. If it is determined by the State that the District's default was beyond its control or it was not otherwise in default, the Agreement shall not be terminated. The District may terminate the Agreement with or without cause. In the event of such termination by the Agency or District, all unencumbered funds shall be returned to the Agency.

V. AUDIT

The books, records, documents and accounting procedures and practices of the District relevant to this Agreement shall be subject to examination by the Agency and State Auditor.

VI. INDEMNIFICATION

The District agrees to indemnify and save and hold the Agency, its agents and employees harmless from any and all claims or causes of action arising from the performance of this Agreement by District or District's agents or employees. This clause shall not be construed to bar any legal remedies the District may have for the Agency's failure to fulfill its obligations pursuant to this Agreement.

SOIL AND WATER CONSERVATION DISTRICT

Authorized Signature: Terry R. Atkinson

Date: 8-6-85

SOIL AND WATER CONSERVATION BOARD

Authorized Signature: Ronald Nargang

Date: 8/15/85

COMMISSIONER OF AGRICULTURE

Authorized Signature: Wallace G. Dennis

Date: 8-20-85

ATTORNEY GENERAL

Authorized Signature: [signature]

Date: 8/20/85

COMMISSIONER OF ADMINISTRATION

ORIGINAL SIGNED BY

Authorized Signature

DOROTHY LOVEJOY

AUG 22 1985

Date

COMMISSIONER OF FINANCE

ENCUMBERED

DEPARTMENT OF FINANCE

Authorized Signature

Original Signed by

JAN HOFER

Date

SEP - 5 1985

AG-00928-01

AGREEMENT

TECHNICAL ASSISTANCE, EDUCATION and DEMONSTRATIONS of CONSERVATION TILLAGE

Trn.No.	Account LD.	Organization		Requisition No.	Vendor No.	Type	Terms	Cost Code 5	C.CO 1	C.CO 2	C.CO 3
A4	2376101	04411	6	29107	0751810-004	V					

Cost Code 4	Amount	Suffix	Object	
	1,670.00	01	778	SEND

TYPE OF TRANSACTION [X] A40 [ ] A41 [ ] A44 [ ] A46 [ ] A48

Date	Number	Entered by
071885	09629	mtm
8-29-85	3699	

Soil and Water Conservation District:	Fiscal Year:
Koochiching	July 1, 1985 to June 30, 1986
Agreement Date:	**Agreement Effective Date:** 7-1-85 / **Agreement Ending Date:** 6-30-86

THIS AGREEMENT, made on the date as specified herein, by and between the Minnesota Department of Agriculture and the Soil and Water Conservation Board (hereinafter referred to collectively as the "Agency") and the Soil and Water Conservation District indicated above (hereinafter referred to as the "District").

WHEREAS, the District has submitted to the Agency its Annual Report (hereinafter referred to as the "Report") for the fiscal year previous to the fiscal year indicated above, its Annual Plan of Work (hereinafter referred to as the "Work Plan") for the fiscal year indicated above and its Comprehensive Plan (hereinafter referred to as the "Plan") in accordance with Agency guidelines; and

WHEREAS, the District requests a grant-in-aid for the work, material and other eligible expenses of the District when providing technical assistance to land occupiers, educational programs to the public, and demonstrating conservation tillage measures, and all items necessary in carrying out the Work Plan (hereinafter referred to as T.E.D.); and

WHEREAS, the Agency has reviewed and approved the outline of T.E.D. which is by reference made a part hereof as though expressly written herein; and

WHEREAS, funds for grants to Districts are available for disbursement and the Agency is authorized to disburse those funds pursuant to the provisions of Minn. Stat. 40.03, subd. 4; and

WHEREAS, the Agency has made a determination regarding the amount of the grant to the District for the work and services in the Work Plan pertinent to T.E.D.

NOW, THEREFORE, it is agreed between the parties hereto:

I. T.E.D.

The District shall proceed with the steps set forth in the T.E.D. outline.

(a) The District shall prepare a summary of the accomplishments of the T.E.D. grant. This summary shall be included in the annual report for the fiscal year indicated above except that the Agency may request a report on the accomplished T.E.D. items at any time during the term of this Agreement.

II. TERM

This Agreement shall be effective on the date indicated herein, or upon such date as it is executed as to the encumbrance by the Commissioner of Finance whichever occurs later, and shall remain in effect until the date indicated herein, or until obligations set forth in this Agreement have been satisfactorily fulfilled whichever occurs first.

III. GRANT

The Agency shall grant the District the total sum of money indicated as reasonably possible after the funds are encumbered under this Agreement for the T.E.O. work and as soon as the District has submitted its Report, Work Plan and Plan whichever occurs later. The amount indicated will be reduced five percent if the Report, Work Plan and Plan are submitted after August 15th of the current year with an additional five percent reduction for each month thereafter. If the Report, Work Plan and Plan are submitted after November 15th of the current year, the Agency may elect to terminate this Agreement.

The District shall comply with fiscal year end close out procedures and shall not spend grant funds after the end of the fiscal year specified on this Agreement.

It is understood between the parties hereto that the Agency has the sole discretion to determine whether the District, its agents, or the ultimate recipient of the monies granted herein have been used, or are being used for eligible expenses within the terms and intent of this Agreement. All monies granted herein determined by the Agency to be used for ineligible expenses must be reimbursed to the Agency, when requested.

Any funds of this grant remaining unspent after the end of the fiscal year indicated shall be returned to the Agency within one month of that date. Checks should be made payable to the State of Minnesota Treasurer.

IV. TERMINATION

The Agency may terminate this Agreement for "just cause". "Just cause" shall mean that the District is not disbursing funds in accordance with established Agency and State procedures or has otherwise breached a term of this Agreement. In the event of such cancellation, the District shall have seven (7) days' prior written notice. The District shall have until the date of termination to "demonstrate" why the Agreement should not be terminated. If it is determined by the State that the District's default was beyond its control or it was not otherwise in default, the Agreement shall not be terminated. The District may terminate the Agreement with or without cause. In the event of such termination by the Agency or District, all unencumbered funds shall be returned to the Agency.

V. AUDIT

The books, records, documents and accounting procedures and practices of the District relevant to this Agreement shall be subject to examination by the Agency and State Auditor.

VI. INDEMNIFICATION

The District agrees to indemnify and save and hold the Agency, its agents and employees harmless from any and all claims and causes of action arising from the performance of this Agreement by District or District's agents or employees. This clause shall not be construed to bar any legal remedies the District may have for the Agency's failure to fulfill its obligations pursuant to this Agreement.

SOIL AND WATER CONSERVATION DISTRICT

Authorized Signature: Perry N. Atkinson

Date: 8-6-85

ATTORNEY GENERAL

Authorized Signature: [signature]

Date: 8/20/85

ORIGINAL SIGNED BY

SOIL AND WATER CONSERVATION BOARD

Authorized Signature: Ronald Nargang

Date: 8/15/85

COMMISSIONER OF ADMINISTRATION

Authorized Signature

Date

COMMISSIONER OF AGRICULTURE

Authorized Signature: Wallace M Dennis

Date: 8-20-85

COMMISSIONER OF FINANCE
ENCUMBERED
DEPARTMENT OF FINANCE

Authorized Signature: Original Signed HOFER

Date: SEP - 5 1985

NA-03103-01

AUDIT CERTIFICATION

(COST-SHARE PROGRAM)

SOIL AND WATER CONSERVATION DISTRICT	Fiscal Year
Lyon	85

On behalf of the Soil and Water Conservation Board, I have reviewed the Cost-Share Program accounts for your district and find the information reported:

☐ CORRECT AS REPORTED

☐ CORRECT AS AMENDED

☒ IN NEED OF FURTHER REVIEW (Explain) Violation contract # 11-85

Signature of Board Representative	Date
Ronald G Shelito	8/21/87

DISTRIBUTION OF COPIES: WHITE - State Board Office GREEN - District CANARY - Board Representative

Violation on contract # 11-85 Joe Van Uden. Work was began on 4/19/85, contract was not approved until 4/23/85. A total of $4,033 was paid and should be returned to the State.

Other Administrative Items

1. Starting and Completion dates should not be the same. If the project is not completed by the deadline date, an ammendment must be filed to extend the completion date. (contract 6-85)
2. 5 ammendments to increase cost-share amount were used. 3 of these ammendments did not have reasons (3-85, 13-85, 11-85). Reasons for ammendments should always be stated on the ammendment form. The district is reminde to use ammendments only when absolutely necessary.
3. Several contracts had changes made to them by crossing o or whiting out original entries. These changes should be lin and should be recorded in the minutes since the cs contract a legal document.
4. The contract # should be recorded in the minutes with the name

such as fencing of water impoundment structures. If the district board determines that supplemental practices are necessary, it shall authorize cost-sharing for their installation.

D. The requested practice must be consistent with district plans and priorities.

E. The practice must be maintained by the land occupier, who is responsible for operation and maintenance of practices applied under this program.

F. Priority consideration shall be given to land occupiers or groups of land occupiers who demonstrate the ability to meet matching requirements. Cost-share funds may not be used for repair of practices installed solely with private or federal cost-sharing funds.

G. The practice must comply with the technical requirements of the Field Office Technical Guide. For practices not included in the Field Office Technical Guide, other recognized technical procedures may be used to design, install, and certify practices.

8400.1400 DISTRICT APPROVAL.

Subpart 1. General. After completion of a priority determination and cost estimate, the district board shall either approve or deny the application. If it is approved, the district board shall instruct the chairman or acting chairman to sign the application. Once it is signed, the application becomes the contract between the district and land occupier and serves as the authorization for work to proceed on the practice. Practices begun prior to district approval are ineligible for financial assistance. If it is denied, the district board shall notify the land occupier in writing within 30 days after board action of the reason for denial of the application. Changes in any provisions of the contract are subject to review and approval by the district board.

Subp. 2. High priority problems. In order to ensure compliance with part 8400.0600, subpart 4, the district board shall approve only those applications that involve the high priority problems for which they received funds.

AG-00913-01 (10/82)

MINNESOTA SOIL AND WATER CONSERVATION BOARD
COST-SHARE ASSISTANCE CONTRACT

Contract No.	Individual or Group Contract	Priority Contract No.	Signed with ASCS
11-85	(Individual) Group Contract	NA	Yes

TO: Supervisors of LYON Soil and Water Conservation District

FROM: * Land Occupier: Joe Van Uden | Address: ~~XXXXXXXX~~ Minneota, MN 56264

Cooperators Agreement: [X] Yes [ ] No Date Signed: 2-29-54 320 acres

Practice Location: 113N Town 42W Range 16 Section S½ SE¼ ¼ Section Westerheim Township

I (we), the undersigned, do hereby request cost-share assistance to help defray the cost of installing the Soil Conservation practices as listed below. **It is understood that:**

1. Cost-Share **Practices Installed with Cost-Share Assistance Shall Be Properly Maintained. If the project is removed, or modified, during their minimum effective life (10 years) without consent of the Soil and Water Conservation District, the land occupier shall be liable for monetary damages, not to exceed the amount of financial assistance received from the district. If title to this land is transferred to another party before expiration of the aforementioned effective life, it shall be the responsibility of the land occupier who signed this contract to advise the new owner that this contract is in force.**
2. Practices must be planned and installed in accordance with technical standards and specifications of USDA-Technical Guide.
3. USDA-Soil Conservation Service technician must make prior determination that the practices are needed on the site where they are to be installed, and that they are properly planned and installed.
4. Items of cost for which reimbursement is claimed on form SWCB-6 are to be supported by invoices for payments and are to be verified by the district board as practical and reasonable.
5. An increase in the practice units and/or cost must be approved by the district as a condition to increases in cost-share payments.
6. This contract, when approved by the Soil and Water Conservation District, will remain in effect unless cancelled by mutual agreement, except that if installations of practices covered by this contract have not been started by September 1, 1985 (date), this contract will be automatically terminated on that date.
7. Practices will be installed by September 1, 1985 (date) unless this contract is amended by mutual consent to reschedule the work and funding.

The Cost-Share Practice for which cost-share assistance is requested is as follows:

	Practice	Type Requested	Amount Requested	Cost Estimate
(1)	Terrace		1500'	$5,000.00

	Date	Land Occupier's Signature	Address
(2)			
	4-17-85	Joseph A. Van Uden	Minneota Minn

Technician's Certification—Need and Estimate of Cost

I have viewed the site where the above listed practices are to be installed and find that they are needed and that the estimated quantities and costs are practical and reasonable. 1005ft. 3700.00

Practice: Terrace Type Needed: _____ Amount Needed: ~~1500 ft~~ Cost Estimate: ~~$5500.00~~

(Other comments may be included on attached sheets.)

	Date	Technician's Signature
(3)	April 18, 1985	Larry A. Schmidt

(4) SWCD action on cost-sharing not to exceed $ ~~2,750.00~~ ($2,650.00) on the basis of 75 %.

(5) Approved by: Walter L. Nygaard Jr. (Chairman, Soil and Water Conservation District) April 23 1985 (Date)

(6) From SWCB-6: $ 4033.00 Authorized for payment

(7) Approved by: Walter L. Nygaard Jr. (Chairman, Soil and Water Conservation District) May 28, 1985 (Date)

*If a group contract, this must be filed and signed by group spokesperson as designated in the group agreement.

White District Yellow: Land Occupier

K. A. THOMPSON & SONS
Drainage Contractors
COTTONWOOD, MN. 56229
(507) 423-6611 or (507) 872-6536

Customer's Order No. _____ Date April + May 1985

Name Joe Van Uden

Address Minneota, Minn.

SOLD BY	CASH	C.O.D.	CHARGE	ON ACCT.	MDSE. RETD	PAID OUT	

QUAN.	DESCRIPTION	PRICE	AMOUNT
	West Terrace		
April 19	Terr. Dozer 7hr		
" 20	" " 10		
" 25	" " 11½		
" 26	" " 10½		
" 27	" " 9		
" 29	" " 2		
	50 hr @ 45¢		3250.00
April 20	Towed Scraper 7hr.		
" 26	" " 8		
" 27	" " 7		
	22 hr @ 65¢		1430.00
			4680.00
	Pd. in full 5-7-85 Kenneth Thompson		

All claims and returned goods MUST be accompanied by this bill.

001349 Received By

TAX

TOTAL

(Envelo) GS-202-3

" 29	"	"	11		
" 30	"	"	4		
			18½ hr. @ 65¢ →		1202.00 ~~143.~~
					3965.00

All claims and returned goods MUST be accompanied by this bill.

001350 Received By

TAX

TOTAL

Envelo GS-202-3

FIELD WINDBREAK PROGRAM

As there is a numerous amount of trees to plant this year due to the tree windbreak program the District Technician will need help planting the trees. A motion was made by Raymond Traen; second by Chauncey Muedeking to give the District Technician, Harold Mellenthin, $.12¢ to plant a tree as he will be providing the tractor and the extra manpower; and if he can not find the needed help, the amount will go back to $.7¢ a tree for planting. Affirmative: Traen, Muedeking, and Nyquist. Opposed: None. Motion Carried.

Supervisor, Kevin Gregoire, entered the meeting at this time.

STATE COST-SHARE APPLICATION APPROVED

A State Cost-Share Application for 1985 funds for a terrace for Joe Van Uden, Westerheim Township, Section 16, was presented. The project has been started and has run over the ACP funds and the other part of the practice that is needed but has not been started will be located in Section 16 of Westerheim Township. A motion was made by Raymond Traen; second by Chauncey Muedeking to encumber an amount of $2,650.00 for the terrace. Affirmative: Traen, Muedeking, Gregoire, and Nyquist. Opposed: None. Motion Carried.

STATE COST-SHARE APPLICATION CANCELED

A motion was made by Raymond Traen; second by Chauncey Muedeking to cancel the State Cost-Share Contract Number 9-85 for Peter Peterson for a terrace in Section 7 of Island Lake Township as the project has been signed up for cost-share under the ACP Program. Affirmative: Traen, Muedeking, Gregoire, and Nyquist. Opposed: None. Motion Carried.

STATE COST-SHARE APPLICATION APPROVED FOR PAYMENT

An application for State Cost-Share to be approved for payment is listed as follows:

Francis De May (No. 4-85)	Waterway	2,250.00

A motion was made by Raymond Traen; second by Chauncey Muedeking to approve the payment on this contract. Affirmative: Traen, Muedeking, Gregoire, and Nyquist. Opposed: None. Motion Carried.

DISTRICT COOPERATOR AGREEMENT CANCELED

Motion was made by Raymond Traen; second by Kevin Gregoire to cancel the District Cooperator Agreement for Hubert Van Uden for Vallers Township as he has passed away. Affirmative: Traen, Gregoire, Muedeking, and Nyquist. Opposed: None. Motion Carried.

SOUTHWEST ENVIRONMENTAL EDUCATION COUNCIL SCHOLARSHIP

The District has been contacted by the Southwest Environmental Education Council, which is a branch of the Minnesota Department of Natural Resources, to sponsor two Lyon County students for a scholarship to the Long Lake Conservation Leadership School. Information will be sent by the Education Council to the District on this program and they will also contact the two students who will be sponsored. A motion was made by Kevin Gregoire; second by Raymond Traen to sponsor these two local students for $100.00 at $50.00 a student. Affirmative: Gregoire, Traen, Muedeking, and Nyquist. Opposed: None. Motion Carried.

B. Loan terms on properties owned by the State of Minnesota:

- Any size loan is possible, however, the RFA portion of any loan is limited to 25% up to a maximum of $25,000.
- A down payment of 10% of the purchase price.
- An initial interest rate of 7.75% on the RFA portion of the loan, which may be adjusted after five years to reflect the RFA's cost of funds. The interest rate on the FCS portion of the loan will be the lowest rate for which the beginning farmer would otherwise qualify, and will be adjustable over the life of the loan.
- The loan will have a 25 year loan repayment schedule with a balloon payment due after 10 years.



In addition to Farm Credit Services, many other commercial lenders have shown interest in the Beginning Farmer Program. The RFA is currently working with these lenders to develop a program similar to the one described above. Once agreement is reached with these lenders, a second phase of the program will begin that will involve any farm real estate that lenders are willing to finance. However, loan terms offered by other lenders may be different than those currently offered.



HOW DO I GET STARTED?

Starting your farming efforts with a sound business plan, using your management skills, and working the land within its limits will always be in your best interests. Therefore, the RFA recommends that you begin by asking a Farm Business Management Instructor, County Extension Agent or banker to assist you in developing a business plan for your future farm. Farm Management Instructors can also help you to identify your personal management strengths and weakness, and enroll in approved farm management educational programs.

These people are very knowledgeable and can help you develop a solid business plan that will demonstrate the potential profitability and the credit worthiness of your future business. This plan is a key factor in your lender's decision whether to make a loan to you.

Beginning farmers must implement a soil and water conservation plan in order to qualify for RFA assistance. Your local Soil and Water Conservation District Office will help you establish this management and implementation plan, and identify marginal lands that should be placed in a permanent easement and not used for agricultural purposes.



WHERE CAN I GET AN APPLICATION?

You may obtain an RFA Application directly from participating lenders, local Farm Management Instructors, County Extension Agents, or the RFA. For additional information, you may write to the RFA at the following address.

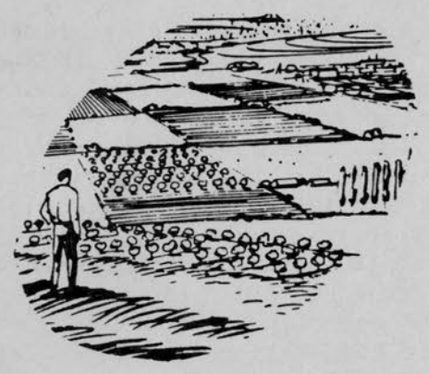
Rural Finance Authority

309 State Administration Building

St. Paul, Minn 55155

MINNESOTA

RURAL FINANCE AUTHORITY



BEGINNING FARMER PROGRAM

PHASE ONE

A COOPERATIVE RFA/LENDER PROGRAM

TO HELP FIRST-TIME FARMERS

PURCHASE THEIR FIRST FARMING UNIT



WHAT IS THE RFA AND WHY DOES IT EXIST?

The State of Minnesota Rural Finance Authority (RFA) is a unit of state government that was created to help Minnesota farmers by providing low cost real estate loans in cooperation with local lending institutions. Working through these local area lenders, the RFA provides low cost state funds for farm real estate loans. RFA programs do not replace bank lending functions, they work in cooperation with local lenders who voluntarily participate in this joint effort.

WHY A BEGINNING FARMER PROGRAM NOW?

Farm land prices are at their lowest levels in many years, and some people consider this to be a good time for beginning farmers, with adequate experience or training, to purchase their first farm. However, buying a farm is probably the largest financial commitment most farmers will ever undertake. The RFA, in cooperation with a local lender, can help those people who are interested in buying their first farm, by arranging reasonable mortgage financing with a minimal down payment and low interest rates.

WHO IS ELIGIBLE FOR THE BEGINNING FARMER PROGRAM?

Anyone who has experience working on a farm or formal training may qualify for a RFA Beginning Farmer loan. Experienced farmers who are currently renting land may be especially interested in this opportunity. To be eligible, you must be a Minnesota resident who has never owned a farm of more than 40 acres, be credit worthy, and meet the following criteria.

- Have sufficient education, training, or experience to succeed in the type of farming you intend to undertake.
- Have a total net worth of less than $100,000, including the assets and liabilities of your spouse and dependents.
- Have the financial need for a loan and the ability to repay it.
- Intend to be the principal operator of the farm and make farming your principal occupation.
- Agree to participate in an approved farm business management program.
- Agree to implement an approved soil and water conservation plan on your farm.
- Agree to place all marginal land, which is unsuitable for farming, in a permanent conservation easement.



YOU MUST APPLY THROUGH A PARTICIPATING LENDER

The RFA can not make loans directly to individuals, or make loans on contract for deed purchases. The RFA can only make first mortgage real estate loans in cooperation with institutional lenders such as Farm Credit Services, commercial banks, and saving & loans. By working together, the RFA and commercial lenders can work out a very attractive loan for beginning farmers.

However, lenders are not required to make joint loans with the RFA, and only do so voluntarily. Therefore, if you are considering the purchase of a farm and want RFA assistance, you must work with a local lender who participates in the RFA program.

WHAT ARE THE TERMS OF AN RFA LOAN?

In the first phase of this Beginning Farmer program, the RFA is participating with Farm Credit Services (FCS), the states largest farm real estate lender. All FCS associations in Minnesota will be participating. This phase of the program will involve only those farms acquired by FCS and those acquired by the State of Minnesota under the Family Farm Security Act which are for sale on the open market.

A. Loan terms on properties currently owned by Farm Credit Services:

- Any size loan is possible, however, the RFA portion of any loan is limited to 25% up to a maximum of $25,000.
- A down payment of 10% of the purchase price.
- An initial interest rate of 7.75%, which may be adjusted after five years to reflect RFA's and FCS's cost of funds.
- The loan will have a 25 year loan repayment schedule with a balloon payment due after 10 years.
- Loans are eligible for the FCS "Land Values Guaranteed" program.



MINNESOTA GROWN
DEPARTMENT OF AGRICULTURE
90 WEST PLATO BOULEVARD
SAINT PAUL MINN 55107

News Release

FOR IMMEDIATE RELEASE
MONDAY, NOVEMBER 23, 1987

CONTACT: (612) 297-1551

BEGINNING FARMERS OFFERED BELOW MARKET FINANCING

Minnesota Commissioner of Agriculture Jim Nichols described the agreement that permits beginning farmers below market financing as a landmark accord in efforts to boost the State's farm economy.

Under an agreement signed Monday (November 23) at the State Capitol, beginning farmers will be eligible for a mortgage interest rate of 7.75 percent with only 10 percent down payment on property held by Farm Credit Services. The State's Rural Finance Authority will guarantee 25 percent of the loan. A similar below market interest rate package will be available on farmland held by the State.

"What really makes this program different from most lending programs is that the benefits to both participants and Minnesota will go on long after the program ends," Nichols said.

"I applaud Farm Credit Services for agreeing to provide reasonable down payment rates and interest rates and the State to assume 25 percent of the risk. It gives the beginning farmers the tools needed to acquire a farmland base. It gives them an economic incentive to practice good soil and water conservation," the Commissioner said. "And, through their participation in a Farm Management Program, they will be able to improve their management abilities. This improves their chances to succeed and prosper."

This Beginning Farmer program will make it possible for farmers to better compete for available land, explained Tom Triplett, chairman, Rural Finance Authority (RFA) and Larry Buegler, president and chief executive officer, Farm Credit Services, St. Paul (FCS), as they signed the agreement.

"Today's land prices are at a very attractive level for prospective farmers, but it is still a difficult financial hurdle for a beginning farmer to face," said Triplett. "This program will help them make that first big step."

- more -

BELOW MARKET FINANCING
ADD-1

"We have accepted offers on more than 320,000 acres in Minnesota in the past 11 months, but most of them are from established farmers able to expand their operations," said Buegler. "It is very difficult for a beginning farmer to compete with a buyer able to offer 30 or 40 percent down on a parcel of land. The participation of the state in this program makes it possible for us to accept a down payment of 10 percent and provide the beginning farmer with a below market interest rate."

Under the Beginning Farmer program, the State of Minnesota will participate in up to 25 percent of an FCS loan to a maximum of $25,000. The Rural Finance Authority developed the Beginning Farmer program at the direction of the 1987 Minnesota Legislature. The first phase of the program deals with financing the sale of farmland held by FCS and the State of Minnesota. The second phase will involve financing for the sale of property by other lenders to Beginning Farmers.

"We are kicking this program off with an agreement with Farm Credit Services, the state's largest farm mortgage lender, as it represented the quickest way to reach the greatest number of prospective Beginning Farmers," said Triplett. "They have agreed to provide financing for state owned farmland as well as their own under this program."

Under the terms of the agreement, beginning farmers making a 10 percent down payment will receive a mortgage with a 25 year loan payment schedule and a balloon payment at the end of 10 years. On land purchased from Farm Credit Services, the interest rate for the first five years of the mortgage, will be 7.75 percent. The rate may be adjusted after five years to reflect RFA's and FCS cost of funds.

On properties owned by the State of Minnesota, an initial interest rate of 7.75 percent will be available on the RFA portion of the loan and the lowest variable interest rate currently available from FCS, for which the beginning farmer would otherwise qualify. That rate would be adjusted over the life of the loan while the RFA rate will be adjusted at the end of the first five years to reflect the RFA's cost of funds.

To be eligible for the special financing under the Beginning Farmer program, a participant must have a net worth of less than $100,000, and agree to follow

- more -

specific conservation guidelines. An approved soil and water conservation plan must be implemented and marginal agricultural land must be placed in a permanent conservation easement as provided for under the 1986 Reinvest In Minnesota program.

The beginning farmer must also agree to participate in a Farm Management Program approved by the Commissioner of Agriculture, for at least the first eight years of the loan.

Information and application forms for the Minnesota Beginning Farmer program will be available from the Rural Finance Authority, Department of Finance, 309 Administration Building, St. Paul, MN 55155, (612) 297-4397 and local Farm Credit Services offices.

DRAFT MINNESOTA GROUNDWATER PROTECTION STRATEGY

BWSR Small Group Discussions for January 27, 1988 Meeting

Because they deal most closely with possible BWSR roles in groundwater protection, the following proposed recommendations were selected from the stragegy as topics for small group policy discussions.

1. Draft Recommendation: "Funds should be made available to encourage those counties not currently developing county water plans to do so. Implementation funds should be made available for those counties which have completed their county water plans. Review of county water plans should include aquifer-specific protection measures which cross county lines."

   Questions to Consider:

   A. Will additional funding motiviate counties to start planning, if they haven't begun already?

   B. How can the state best insure implementation of completed county water plans?

   C. Will BWSR take the lead in the review process to ensure that aquifer which cross county lines get similiar protection?

2. Draft Recommendation: "Local SWCDs should be encouraged to allow cost-share money to be used for feedlot upgrade."

   Questions to Consider:

   A. What is the status of PCA feedlot regulations and enforcement?

   B. Should SWCDs have a role in groundwater protection?

   C. What other groundwater protection practices should qualify for SWCD cost-share money?

3. Draft Recommendation: "A mechanism should be established which would facilitate forming a committee of local government reps which would be used to provide input and comment to developing state and federal groundwater programs. This could possibly be done through the BWSR."

   Questions to Consider:

   A. What federal and state groundwater programs are likely to develop in the next few years?

   B. Should BWSR itself be the conduit for local input on groundwater?

   C. Should BWSR set up outside advisory committees to funnel input to the state and federal government on ground water?

Loni Kemp
1/21/88

STATE OF MINNESOTA
BOARD OF WATER AND SOIL RESOURCES

90 W. Plato Blvd.
St. Paul, Minnesota 55107
Telephone: (612) 296-3767

January 27, 1988

Regional Offices

Northwest Region
1819 Bemidji Ave.
Bemidji, MN 56601
218-755-3963

Northeast Region
Government Service Center
320 W. 2nd Street
Room 603
Duluth, MN 55802
218-723-4752

West Central Region
611 Iowa Avenue
Staples, MN 56479
218-894-1692

South Central Region
Box 756
New Ulm, MN 56073
507-354-2196

Southeast Region
Friedell Bldg., Room 140
1200 S. Broadway
Rochester, MN 55904
507-285-7458

Southwest Region
Box 111
1400 E. Lyon Street
Marshall, MN 56258
507-537-7260

East Central Region
90 W. Plato Blvd.
St. Paul, MN 55107
612-296-3767

To: BWSR Members

From: Mark Nelson, Board Representative

Subject: Metropolitan Erosion and Sediment Control Issue/509 Process

At the December 23 meeting, I presented a slide show on development site erosion control. Currently, in the Twin Cities area, a uniform program for accomplishing development site erosion control does not exist.

The BWSR can guide the development of this program by offering leadership through policy and rules or legislative directiion. By guiding the process the BWSR can assure that erosion control sections of Water Management Organization plans will be implemented. Clear direction from the BWSR can clarify roles for development erosion control, i.e., who is responsible?

Staff recommends the following items as options to guide development of a Metropolitan Erosion and Sediment Control Program:

1. When 509 plans are forwarded for BWSR final approval, staff completes a preliminary review. During this review, we can strongly urge adoption of the BWSR program which is based upon general criteria. They are as follows:

   GC - 1: Stablization of Denuded Areas and Soil Stockpiles.
   GC - 2: Establishment of Permanent Vegetation.
   GC - 3: Protection of Adjacent Properties.
   GC - 4: Timing and Stabilization of Sediment Trapping Measures.
   GC - 5: Sediment Basin.
   GC - 6: Cut and Fill Slopes:
   GC - 7: Stormwater Management Criteria for Controlling Off-Site Erosion.
   GC - 8: Stabilization of Waterways and Outlets.
   GC - 9: Storm Sewer Inlet Protection.
   GC - 10: Working in or Crossing Waterbodies.
   GC - 11: Underground Utility Construction.
   GC - 12: Construction Access Routes.
   GC - 13: Disposition of Temporary Measures.
   GC - 14: Maintenance of Practices.

Staff can make this information available to WMOs now.

AN EQUAL OPPORTUNITY EMPLOYER

2. Rules can be adopted for the 509 planning process. Rules take time. The adoption of the E & S Control Program can be dealt with now by persuasion and then be included in the rules as a requirement for WMO plan updates.

3. Legislation could be pursued mandating an E & S Control Program at the WMO or county level. The board will need to secure cooperation from local entities for passage of legislation. More lead time would be involved.

Inherent in any of the options will be the need for the BWSR to have communications with all affected parties. Meetings between WMOs and SWCDs are in the preliminary stages of planning and will be a good forum to discuss this issue.

At this meeting Board discussion is needed to develop direction on how to proceed. Staff then can develop resolutions for consideration at the next meeting.

MN:lb

2-16-88

FUNDING NEEDS OF THE MINNESOTA BOARD OF WATER AND SOIL RESOURCES

INTRODUCTION

The Board of Water and Soil Resources (BWSR) was created by State law during the 1987 legislative session (MS Ch. 1108). The Board came into existence on October 1, 1987. The Board inherits the responsibilities formerly carried out by the Soil and Water Conservation Board, the Water Resources Board, and the Southern Minnesota Rivers Basin Council. In addition, it has broad responsibilities for encouraging and coordinating intergovernmental cooperation for the management of our state's water and soil resources.

The Board has specific responsibilities under the statewide and metropolitan comprehensive Water Planning Acts (MS Ch. 1108 and MS Ch. 473.875 - .881, respectively) to provide direct technical and coordinative assistance to local governments doing planning, to coordinate other state agency involvement in assisting local governments prepare plans and ultimately to review and approve local water plans. Comrehensive local water plans tie together all aspects of a community's water and related land resources with the choices which that community has to make about the present and future use of those resources. Currently in the Twin Cities Metropolitan area, 46 Watershed Management Organizations are in various stages of plan development. Forty-two of these plans remain to be reviewed by the BWSR. In greater Minnesota, the 80 counties are responsible for preparing comprehensive local water plans. Fifty-four counties have initiated plan development with seed grants obtained from the Legislative Commission on Minnesota Resources. Because future participation in state grant programs such as the Clean Water Partnership and the Statewide Flood Damage Reduction Program will depend on the adoption of comprehensive local water plans, it is anticipated that the remaining 26 counties will initiate plan development in the near future. This analysis addresses the funding needs of the BWSR. The budgetary needs of the DNR, MPCA and MDH related to their water planning responsibilities also need to be addressed.

Also of critical importance to the success of the new Board of Water and Soil Resources is adequate funding for the members of the Board itself to meet and carry out their statutory responsibilities. The Board is currently underfunded. The reasons are: administrative budget cuts to the former Soil and Water Conservation Board which carried over to a lower base budget for the new Board, the membership of the BWSR is larger than that accounted for in the FY 88-89 biennial budget document, and the cummulative responsibilities of the new Board exceed the sum responsibilities of the former boards which requires more overall Board activity. If formulation of responsible state policy related to local government implementation of water and soil resource management efforts is to be achieved, funding for Board member per diem, travel, expenses and support services such as policy analysis, printing and copying must be provided.

COMPREHENSIVE LOCAL WATER PLANNING FUNDING REQUIREMENTS

Positions Requested: (5)

Classification	Begin Date	Salary	Fringe	Total
Senior Engineer	7/1/88	37187 (21%)	7809	44,996
Hydrologist 3	7/1/88	37208 (21%)	7813	45,021
Hydrologist 3 (groundwater)	7/1/88	37208 (21%)	7813	45,021
Planner Principal	7/1/88	33450 (21%)	7024	40,474
Research Analysis Specalist	7/1/88	30046 (21%)	6310	36,356
				211,868

Position Responsibilities:

Planner-Principal
- Lead staff person for BWSR water planning activities
- Provide technical support to local government for land use regulations and ordinance development
- Policy development support to BWSR
- Coordinate state agency assistance to local governments

Civil Engineer, Senior
- Provide technical staff leadership commensurate with staff capability of local government clientele.
- Work directly with engineers representing local government
- Develop, adapt and implement computer modelling approaches to plan development and review

Hydrologist 3 (2)
- Provide direct assistance to local governments in preparing for, developing and implementing local water plans
- Both surface and groundwater expertise would be provided
- Plan review and recommendations

Research Analysis Specialist
- Manage and provide water planning data to local government
- Coordinate data management with other agencies
- Coordinate with LMIC to create a statewide water management data base

Water Planning Budget Explanation:

Object Code	Explanation	FY 88	FY 89
01	Personnel Services (five technical staff positions)	$ 0	$211,868
10	Rents and Leases Office space for staff)	0	10,000
14	Printing and Binding (An Information and Education Program is mandated in MS Ch. 110B. These costs are associated with such a program)	5,000	12,000
16	Professional/Technical Services (Needed expertise in computers and engineering applications which will be provided by outside contractors. Clerical assistance contracts for six regional offices)	5,000	25,000
18	Purchased Services (Support for meetings, training sessions and conferences)		2,000
20	Communications (Telephone and related communications)		10,000
21	Travel, In-State (Vehicle expenses, mileage, expenses commensurate with need to work closely with local governments)		25,000
22	Travel, Out-State (Training sessions/professional conferences)		1,000
30	Supplies and Materials		4,000
40	Equipment (FY 88 includes purchase of necessary computer capability in central and regional offices to accommodate greatly expanded data base and user needs. FY 89 includes office and technical equipment for additional staff positions)	45,000	15,000
		$55,000	$315,868

BOARD OPERATING EXPENSES FUNDING REQUIREMENTS

Object Code	Explanation	FY 88	FY 89
08	Miscellaneous Payroll (BWSR member per diems)	8,880	17,760
21	Travel/Expenses, In-state	19,710	39,420
22	Travel/Expenses, Out-state	1,200	2,400
TOTAL ADMINISTRATIVE INCREASE		29,790	59,580

Assumptions:

- Past reductions to administrative budgets have eliminated available transfers from other accounts to fund the board operation. The $29,600 from State Planning Agency which was the Southern Minnesota Rivers Basin portion of the merger went to make up a salary deficit carried over from the former Soil and Water Conservation Board.
- Per diem raises to $75/meeting
- Each Board member averages 1.5 related meetings per month
- Chairman attends seven related meetings/month
- Despute Resolution Committee meets average of once per month
- One of the subcommittees of the Board meets each month

BUDGET SUMMARY

Item	FY 88	FY 89
Personnel Services (5 positions and fringe)	0	211,868
Operational Budget	10,000	89,000
Equipment	45,000	15,000
BWSR Member Operational Budget	29,790	59,580
TOTAL	$84,790	$375,448

Tuesday, Feb. 23, 1988 Pioneer Press

Cigarette tax linked to environment fund

Plan would shift revenue

By Bruce Orwall
Staff Writer

Legislative backers of a proposed $1 billion environmental trust fund said Monday that Minnesota voters should be given a chance to dedicate existing cigarette tax revenues to the fund.

Senate Majority Leader Roger Moe, DFL-Erskine, and Rep. Willard Munger, DFL-Duluth, said they also want half of the revenue from a proposed state lottery to feed into the trust fund — as Gov. Rudy Perpich has proposed.

Moe, however, only wants the lottery funds dedicated by law, while Munger and Perpich would like the money guaranteed in the state Constitution to protect it from future legislative raids.

The trust fund is designed as a long-term source of dollars for environmental programs that will protect the state's natural resources.

Moe said that about $8 million a year could be raised by shifting 2 cents of cigarette tax revenues away from the Legislative Commission on Minnesota Resource and into the trust fund. The public would get to vote on a Constitutional amendment to keep the cigarette tax money in the hands of environmental programs.

But, Moe added, a significantly greater amount of annual revenue would be needed to build a trust fund of $1 billion by the year 2015, the goal of the trust fund backers. Moe and others hope that money will come from the proposed state lottery.

Citizens also would be able to make gifts of cash or land to the trust fund. Although the proposed legislation would limit state contributions to $1 billion over the next 27 years, donations could continue to build the fund.

Moe said the trust fund would be "a demonstration of our sincerity about being good stewards of the natural resources of this state."

Money from the trust fund would be distributed via a process that would begin with public hearings by an "environmental congress." That, Munger said, would give Minnesota residents a chance to voice their preferences.

Cash from the fund could be used for environmental research projects, public awareness programs, and fish and wildlife programs.

Sponsors of the legislation — including Munger; Sen. Steven Novak, DFL-New Brighton; and Rep. John Rose, IR-Roseville — said the trust fund is a necessity if the state is serious about protecting its resources. They criticized state funding of environmental programs as inadequate responses to crises, with little effort to get ahead of problems.

"I think we are in bad shape," Munger said.

Moe said that if the Legislature dedicates half the lottery money for the trust fund and half for the Greater Minnesota Corp., as Perpich has proposed, it will have reached the limit of state funds that can be safely earmarked for specific programs.

HOUSE RESEARCH

Bill Summary

H.F. To be introduced **S.F.** _____

SUBJECT: Establishing an environmental and natural resources trust fund.

AUTHORS: Munger, Norton, Redalen, G. Anderson, Rose

COMMITTEE: Environment and Natural Resources **DATE:** 2-19-88

Section 1 proposes an amendment to the Minnesota Constitution, in a ballot question submitted to the public at the 1988 general election. The ballot question is:

> *Shall the Minnesota Constitution be amended to establish a Minnesota Environmental and Natural Resources Trust Fund financed by state appropriations, including two cents per pack from taxes on cigarettes, until the year 2015 and the total contribution to the fund from these sources reaches $1,000,000?*

Section 2 contains legislative findings that all citizens share the responsibility to take care of the state's environment and natural resources for this and future generations.

Section 3 contains definitions.

Section 4 states the purpose and intent of the trust fund, stating that it is to be used primarily to support longterm activities.

Section 5 creates the new trust fund (assuming it passes on the ballot) as an account in the state treasury, with the assurance that the trust fund will be invested according to law.

Subdivision 3 allows gifts and donations to be made to the trust fund.

Section 6 creates a 16-member Minnesota future resources commission to develop a budget plan for expenditures from the trust fund.

Section 7 creates a 15-member advisory committee, consisting of eight state officials and seven citizens, with at least four outside of the metropolitan area.

Section 8 requires the advisory committee to convene a public resources congress once every biennium for public input to develop a trust fund strategic plan.

Section 9

Subdivision 1 allows trust fund expenditures to be spent for research, data collection and analysis, public education, RIM purposes, certain capital projects, and activities that preserve endangered natural resources.

Legislative Analyst: John Helland, 296-5039

Research Department . Minnesota House of Representatives . 600 State Office Building

Subdivision 2 states that no trust fund expenditures may be used for cleanup of hazardous waste sites, municipal water pollution control, or decommissioning of nuclear plants.

Subdivision 3 requires the future resources commission to adopt a strategic plan every two years identifying priority areas for expenditures from the fund.

Subdivision 4 requires the development of a biennial budget plan by the advisory committee and future resources commission. Expenditures from the trust fund must be approved through the legislative appropriations process and approved by the governor.

Subdivision 5 requires public meetings by the advisory committee and commission.

Subdivision 6 requires research proposals requesting money from the trust fund to be first reviewed by a peer review panel for appropriate comments.

Subdivision 7 requires the peer review panel to be knowledgeable in environmental or general research, with membership ranging from 5 to 11.

Section 10

Subdivision 1 provides for personnel and staff support.

Subdivision 2 authorizes administrative expenses for the board and commission.

Subdivision 3 prohibits any financial or potential conflict of interest by anyone associated with the trust fund.

Subdivision 4 requires biennial expenditure reports by the commission on the trust fund to be given to the governor, the legislature and the general public.

Section 11 states that a royalty, copyright of patent regulating from a project supported by the trust fund remains the property of the trust fund.

Section 12 states that the legislature may annually expend only certain amounts of money from the trust fund:

(a) Interest earned in the preceding year; and
(b) Twenty-five percent of revenue deposited during the first year and five percent less in each of the following four years.

Section 13 allows a below market rate interest loan program for emergency environmental protection to local governmental units, if the board elects to and after the trust fund principal reaches $250,000,000.

Section 14 makes the bill effective upon approval of the constitutional amendment.

SF 2000 R. Moe, Steve Novak
HF ____ W. Munger, John Rose

A bill for an act

proposing an amendment to the Minnesota Constitution by adding a section to article XI; establishing a Minnesota environment and natural resources trust fund; providing implementing legislation; creating a legislation commission and an advisory committee; proposing coding for new law as Minnesota Statutes, chapter 115C.

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

Section 1. [CONSTITUTIONAL AMENDMENT PROPOSED.]

Subdivision 1. [AMENDMENT.] The following amendment to the Minnesota Constitution, adding a section to article XI, is proposed to the people. If the amendment is adopted, the section will read as follows:

Sec. 14. A Minnesota environment and natural resources trust fund is established that annually shall receive state appropriations, including two cents per pack from taxes on cigarettes, [redacted] until the year 2015, at which time state appropriations to the fund must cease. State contributions to the fund may not exceed $1,000,000,000.

Subd. 2. [SUBMISSION TO VOTERS.] The proposed amendment must be submitted to the people at the 1988 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to establish a

Minnesota environment and natural resources trust fund that shall receive state appropriations until the year 2015?

Yes .....

No ....."

Sec. 2. [115C.01] [FINDINGS.]

The legislature finds that all Minnesotans share the responsibility to ensure wise stewardship of the state's environment and natural resources for the benefit of current citizens and future generations. Proper management of the state's environment and natural resources includes and requires foresight, planning, and long-term activities that allow the state to preserve its high quality environment and provides for wise use of its natural resources. The legislature also finds that to undertake such activities properly, a long-term, consistent, and stable source of funding must be provided.

Sec. 3. [115C.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 13.

Subd. 2. [ADVISORY COMMITTEE.] "Advisory committee" means the advisory committee created in section 7.

Subd. 3. [COMMISSION.] "Commission" means the Minnesota future resources commission created in section 6.

Subd. 4. [TRUST FUND.] "Trust fund" means the Minnesota environment and natural resources trust fund.

Sec. 4. [115C.03] [PURPOSE AND INTENT OF TRUST FUND.]

Subdivision 1. [PURPOSE.] The purpose of the Minnesota environment and natural resources trust fund is to ensure that the environment and natural resources of the state will be protected, conserved, preserved and enhanced for current citizens and for future generations. Expenditures from the trust fund must be made only for activities that provide or contribute to long-term protection, conservation, preservation, or enhancement of the state's air, water, land, fish, wildlife, native vegetation, and other natural resources.

Subd. 2. [INTENT.] It is the intent of the legislature that the trust fund not be used as a substitute for traditional

sources of funding environmental and natural resources activities, but that the trust fund supplement those traditional sources, including those sources used to support the categories established in section 9, subdivision 1. The trust fund must be used to primarily support activities whose benefits become available only over an extended period of time.

Sec. 5. [115C.04] [TRUST FUND ACCOUNT.]

Subdivision 1. [ESTABLISHMENT OF ACCOUNT AND INVESTMENT.] A Minnesota environment and natural resources trust fund, under article XI, section 14, of the Minnesota Constitution, if approved by the voters in the 1988 general election, is established as an account in the state treasury. The commissioner of finance shall credit to the trust fund all amounts authorized under section 1 and shall ensure that trust fund money is invested under section 11A.24. All money earned by the trust fund must be credited to the trust fund. The principal of the trust fund and any unexpended interest must be invested and reinvested by the state board of investment. The trust fund earns its proportionate share of the total annual state investment income.

Subd. 2. [REVENUE.] Revenue collected in accordance with this section must be deposited monthly in the trust fund account. Nothing in sections 1 to 14 limit the source of contributions to the trust fund.

Subd. 3. [GIFTS AND DONATIONS.] Gifts and donations, including land or interests in land, may be made to the trust fund. Gifts and donations must be disposed of for cash as soon as the board prudently can maximize the value of the gift or donation. Gifts and donations of marketable securities may remain in their present form or be disposed of for cash at the option of the board. The cash receipts of gifts and donations of cash or capital assets and marketable securities turned into cash must be credited immediately to the principal of the trust fund. The present value of marketable securities obtained as gifts and donations must be considered as part of the trust fund and any earnings generated must be treated as an earning of the

trust fund.

Subd. 4. [AUDITS REQUIRED.] (a) The Minnesota future resources commission shall select a certified public accountant to annually audit the trust fund. The audit must be given to the governor and the legislature and be available to the public.

(b) The legislative audit commission shall audit trust fund expenditures to ensure that the money is spent for the purposes provided in the commission's budget plan.

Sec. 6. [115C.05] [MINNESOTA FUTURE RESOURCES COMMISSION.]

A Minnesota future resources commission of 16 members, consisting of the chairs of the house and senate committees on environment and natural resources, the chairs of the house appropriations and senate finance committees, six members of the senate appointed by the majority leader and six members of the house appointed by the speaker, shall develop a budget plan for expenditures from the trust fund and shall adopt a strategic plan as provided in section 9. At least two members from the senate and two members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.

Sec. 7. [115C.06] [ADVISORY COMMITTEE.]

An advisory committee of 15 members, consisting of the commissioners of natural resources, the pollution control agency, the department of health, and the state planning agency; the chairs of the waste management board, the environmental quality board, and the board of water and soil resources; a representative of the University of Minnesota or the state university system appointed by the governor; and seven citizen members appointed by the governor, with not more than three from the seven-county metropolitan area, shall advise the Minnesota future resources commission on project proposals to receive funding from the trust fund and the development of a budget and strategic plans. Citizen members shall be appointed so that the following interests are represented:

(1) environment;

(2) fish and wildlife;

(3) labor;

(4) business; and

(5) agriculture.

The governor's appointees must be confirmed by the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575. Notwithstanding section 15.06, subdivision 6, members of the advisory committee may not delegate their responsibilities to any other person.

Sec. 8. [115C.07] [RESOURCES CONGRESS.]

The advisory committee must convene a resources congress once every biennium. The congress must be open to all interested individuals. The purpose of the congress is to collect public input necessary to allow the Minnesota future resources commission, with the advice of the advisory committee, to develop a strategic plan to guide expenditures from the trust fund.

Sec. 9. [115C.08] [STRATEGIC AND BUDGET PLANS.]

Subdivision 1. [TRUST FUND EXPENDITURES.] Money in the trust fund may be spent for:

(1) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;

(2) collection and analysis of information that assists in developing the state's environmental and natural resources policies;

(3) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, fish, wildlife, and other natural resources;

(4) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;

(5) capital projects for the preservation and protection of unique natural resources; and

(6) activities that preserve or enhance fish, wildlife, and

other natural resources that otherwise may be lost forever to the citizens of Minnesota.

Subd. 2. [EXCEPTIONS.] No expenditure from the trust fund may be made for:

(1) purposes of environmental compensation and liability under chapter 115B;

(2) purposes of municipal water pollution control under the authority of chapters 115 and 116, including combined sewer overflow under section 116.162; or

(3) costs associated with the decommissioning of nuclear power plants.

Subd. 3. [STRATEGIC PLAN REQUIRED.] (a) The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. The strategic plan must be updated every two years. Project proposals inconsistent with the strategic plan are not eligible for funding from the trust fund.

(b) The advisory committee shall develop the initial outline of the plan, taking into consideration the categories established in subdivision 1. The advisory committee shall place an outline of the strategic plan before the resources congress for review and comment and develop a draft strategic plan based on comments made by the resources congress before submitting it to the commission for approval.

(c) The commission may accept or modify the draft of the strategic plan submitted to it by the advisory committee before voting on the plan's adoption.

Subd. 4. [BUDGET PLAN.] (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) Projects submitted to the commission for funding must be referred to the advisory committee for recommendation, except that research proposals first must be reviewed by the peer review panel created in this section. The advisory committee must review all project proposals for funding and make recommendations to the commission on whether:

(1) the projects meet the standards and funding categories set forth in sections 2 to 13;

(2) the projects duplicate existing federal, state, or local projects being conducted within the state; and

(3) the projects are consistent with the most recent strategic plan adopted by the commission.

(c) The commission must adopt a budget plan to make expenditures from the trust fund for the purposes provided in subdivision 1. The budget plan must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(d) Expenditures from the trust fund are subject to approval by the legislative appropriations process and approval by the governor, except that individual projects must be approved or not approved in their entirety and new projects may not be added. Funding for any project not approved by the governor and the legislature must be returned to the trust fund account.

Subd. 5. [PUBLIC MEETINGS.] All advisory committee and commission meetings must be open to the public. The commission shall attempt to meet at least once in each of the state's congressional districts during each biennium.

Subd. 6. [PEER REVIEW.] (a) Research proposals must include a stated purpose, timeline, potential outcomes and an explanation of the need for the research. All research proposals must be reviewed by a peer review panel before receiving an appropriation from the trust fund.

In conducting these reviews, the peer review panel shall:

(1) comment on the methodology proposed and whether it can be expected to yield appropriate and useful information and data;

(2) comment on the need for the research and about similar existing information available, if any;

(3) comment on whether the research proposed meets the categories of subdivision 1; and

(4) report to the commission and advisory committee on clauses (1) to (3).

(b) The peer review panel also must review completed research proposals that have received an appropriation from the trust fund and comment and report upon whether the project reached the intended goals.

Subd. 7. [PEER REVIEW PANEL MEMBERSHIP.] (a) The peer review panel must consist of at least five but not more than 11 members who are knowledgeable in general research methods, including but not limited to the areas of air quality research, water research, fish and wildlife management research, environmental health research, and soil conservation research.

(b) Members of the peer review panel shall be selected by the commission and serve four-year staggered terms according to section 15.059. Members of the peer review panel shall elect a chair every two years, who shall be responsible for convening meetings of the panel as often as is necessary to fulfill its duties as prescribed in this section. Compensation of panel members is governed by section 15.059, subdivision 3.

Sec. 10. [115C.09] [ADMINISTRATION.]

Subdivision 1. [ADMINISTRATIVE AUTHORITY.] The commission may appoint legal and other personnel and consultants necessary to carry out their functions and duties as well as those of the advisory committee. In addition, the commission and the advisory committee may request staff assistance from any other agency of state government as needed for the execution of the responsibilities of the commission and advisory committee.

Subd. 2. [ADMINISTRATIVE EXPENSE.] (a) The administrative expenses of the commission and advisory committee shall be paid from the general fund until June 30, 1990.

(b) The expenses of the commission and advisory committee combined may not exceed an amount equal to two percent of the total interest earned by the trust fund in the preceding fiscal year.

(c) The commission and the advisory committee must include their administrative expense in the budget plan submitted to the governor or the legislature.

Subd. 3. [CONFLICT OF INTEREST.] A commission member,

advisory committee member, peer review panelist, or an employee of the commission, may not participate in or vote on a decision of the commission, advisory committee, or peer review panel relating to an organization in which the member, panelist, or employee has either a direct or indirect financial interest. While serving on the legislative commission, advisory committee, or peer review panel, or being an employee of the commission, a person shall avoid any potential conflict of interest.

Subd. 4. [REPORTS REQUIRED.] The commission shall, by July 1 of each even-numbered year, submit a report to the governor, the chairs of the house appropriations and senate finance committees and the chairs of the house and senate committees on environment and natural resources. Copies of the report must be available to the public. The report must include:

(1) a copy of the current strategic plan;

(2) a description of each project receiving money from the trust fund during the preceding two years;

(3) a summary of any research project completed in the preceding two years;

(4) to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund during the next two years;

(5) the source and amount of all revenues collected and distributed by the commission, including all administrative and other expenses;

(6) a description of the trust fund's assets and liabilities;

(7) a list of all gifts and donations with a value over $1,000; and

(8) a copy of the most recent certified financial and compliance audit.

Sec. 11. [115C.10] [ROYALTIES, COPYRIGHTS, PATENTS.]

The trust fund owns and shall take title to that percentage of a royalty, copyright, or patent resulting from a project supported by the trust fund equal to the percentage of its total funding provided by the trust fund. Cash receipts resulting

from a royalty, copyright, or patent, or the sale of the trust fund's rights to a royalty, copyright, or patent, must be immediately deposited in the principal of the trust fund. At its discretion, the commission may vote to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the trust fund to the project's proposer after the time as the amount of the original grant or loan, plus interest, has been repaid to the trust fund. This must be done before including the project in the budget plan submitted to the legislature and the governor under section 9.

Sec. 12. [115C.11] [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

The following sums are annually available from the Minnesota environment and natural resources trust fund for the budget plan developed by the commission, subject to legislative appropriation as provided in section 9, subdivision 4:

(1) interest earnings from the trust fund generated in the preceding year;

(2) (a) during the first fiscal year following the effective date of sections 2 to 13, up to 25 percent of the revenue deposited in the trust fund;

(b) during the second year following, up to 20 percent of the revenue deposited in the trust fund the preceding year;

(c) during the third year following, up to 15 percent of the revenue deposited in the fund the previous year;

(d) during the fourth year following, up to ten percent of the revenue deposited in the fund the previous year; and

(e) in the fifth year following, up to five percent of the revenue deposited in the fund the previous year.

Any funds not expended in the year they become available must be returned to the principal of the trust fund.

Sec. 13. [115C.12] [NATURAL RESOURCES LOAN PROGRAM.]

Subdivision 1. [LOANS AUTHORIZED.] When the principal of the trust fund equals or exceeds $250,000,000, the commission may vote to set aside not more than five percent of the principal of the trust fund in a natural resources loan account

for investment purposes. The purpose of this account is to offer below market rate interest loans to local units of government for the purposes of water system improvements or emergency environmental protection, or both including [redacted] wastewater treatment, clean-up, and other programs consistent with the criteria established by section 9. The interest on a loan shall be calculated on the declining balance at a rate four percentage points below the secondary market yield of one-year United States treasury bills calculated according to section 549.09, subdivision 1, paragraph (c). An eligible project must prove that existing federal or state loans or grants have not been adequate for the emergency purpose.

Subd. 2. [APPLICATION AND ADMINISTRATION.] The commission must adopt a [redacted] procedure for the issuance of the natural resource loans. The commission also must ensure that the loan account is administered according to its fiduciary standards and requirements.

Subd. 3. [EXCEPTION INAPPLICABLE.] The exception noted in section 9, subdivision 2, clause 2, does not apply to loans issued from the natural resources loan account.

Sec. 14. [EFFECTIVE DATE.]

Sections 2 to 13 are effective immediately upon approval by the voters of the constitutional amendment proposed by section 1.

BOARD OF WATER AND SOIL RESOURCES GENERAL ADMIN. ACCOUNT ANALYSIS (AID 957415)

Personnel	Budget	Paid To Date	Amount Obligated	Balance	Projected thru 6/30/88
*Salary and related expenses	582,272	214,033	278,262	89,977	+68,216.69
Operational Items					
Rents & Leases	18,500	2,207	32,575	-16,282	-16,282.00
Advertising	1,300	45	455	800	
Repairs	2,100	169	1,128	803	
Bonds & Insurance	0	45	5	- 50	
Printing & Binding	16,300	6,733	4,185	5,382	- 3,900.00
Consultant Services	12,900	0	0	12,900	
Prof/Tech Services	5,000	1,191	13,096	- 9,287	-16,191.00
Purchased Services	4,600	2,889	4,046	- 2,335	- 4,067.00
Communications	13,600	13,087	513	0	-26,687.00
In-State Travel	81,337	30,750	21,850	28,737	-16,793.00
Out-State Travel	6,000	2,938	3,446	- 384	
Fees	700	772	928	- 1,000	- 3,000.00
Supplies	11,000	4,208	3,792	3,000	- 1,600.00
TOTAL	755,609	279,068	364,280	112,261	-20,303.31

*Cannot be transferred to other accounts without Department of Finance approval.

Background

1. Mandated budget reductions to the former SWCB in FY87 resulted in a base reduction of the administrative budget of $21,000 for FY88.

2. The membership of the BWSR is three members larger than proposed in the approved biennial budget resulting in a twenty-three percent increase in board member expenses.

3. Budget projections are conservative and show no major expenditures for needed equipment or special projects.

1/19/88
#002

Pioneer-Sarah Water Management Organization - Dan Steward introduced Joel Settled, Hennepin SWCD Limnologist, is in attendance to answer any questions the Board members may have. Dan stated that he and Kim Benson toured the WMO and felt that this is a good plan. The Pioneer-Sarah WMO is located in the west central part of Hennepin County near the South Crow River. Staff recommends approval of the draft order. Moved by Hoese, seconded by Cofell, to accept the staff recommendation for approval of the draft order for the Pioneer-Sarah WMO Plan. Affirmative: Ogaard, Boulton, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Haas-Steffen, Brooks, Jr., Harste, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried. James Hoese commended Joel Settles and Hennepin County on the work they have done on this project. It was felt that it would be a good opportunity for BWSR to educate for implementation of these plans. Copies of the plans are available in the office if Board members are interested in reviewing them. Hopefully, staff will be able to do one plan per month for the next six months.

Jim Birkholz reported that four local amendments are needed: 1) diversity in metro area; 2) communities oppose mandated approach; 3) 509 vs soil loss limits; 4) voluntary approaches. He strongly urges uniformity and joint powers. A leadership role is needed in the 509 process. BWSR staff needs direction of promulgating 509 plans by BWSR. A meeting has been scheduled for Friday, February 26, to review Option #2, "Rules can be adopted for the 509 planning process. Rules take time. The adoption of the E & S Control Program can be dealt with now by persuasion and then be included in the rules as a requirement for WMO plan updates. Moved by Cofell, seconded by Warner, that staff is impowered to begin development of rules on Option #2 for the Board's consideration at the March 23, 1988 meeting. Affirmative: Ogaard, Boulton, Warner, Kalmes, Bade, Schellack, Moen, Hoese, Haas-Steffen, Brooks, Jr., Harste, Peterson, Graba, Kemp, and Cofell. Opposed: None. Carried.

Legislative Commission on Minnesota Resources

ROOM 65 / STATE OFFICE BUILDING • ST. PAUL, MINNESOTA 55155 • (612) 296-2406

ROBERT E. HANSEN
Executive Director

WHAT DO YOU FEEL ARE IMPORTANT MINNESOTA NATURAL RESOURCES ISSUES?

February 1988

To Friends of Minnesota's Natural Resources:

We are requesting your candid opinions concerning the issues and needs of Minnesota's natural resources. The Legislative Commission on Minnesota Resources (LCMR) will consider your opinions and ideas as it makes recommendations to the legislature for 1989 program funding.

For twenty-five years LCMR has recommended appropriations to state agencies in the general areas of fisheries, wildlife, recreation, forestry, minerals, soils and water. These have been short term programs designed to:

- Improve natural resource management through the development or acceleration of new and innovative natural resource programs
- Acquire land or develop facilities for a broad range of natural resource purposes

This request and the review of your responses marks the beginning of our biennial prioritization process. After careful consideration of the responses received, the Commission will ask for specific proposals in areas where LCMR will focus its attention. Your response should be a statement of what natural resource issues you feel deserve priority attention. It should not be a funding request. Please send us your comments by April 10, 1988. Do not worry about the format or length of your response.

Thank you for the time and effort involved in responding to this request. The LCMR members have found past responses to be thoughtful and useful. Your assistance will be valuable to the commission members as they initiate innovative natural resource programs for Minnesota.

As legislators, we value your ideas.

Sincerely yours,

Clarence Purfeerst

Senator Clarence Purfeerst, Chairman
Legislative Commission on Minnesota Resources

SEN. CLARENCE PURFEERST CHAIRMAN, FARIBAULT • REP. WILLARD MUNGER, VICE CHAIRMAN, DULUTH • SEN. EARL RENNEKE, SECRETARY, LE SUEUR • SENATORS: HOWARD KNUTSON, BURNSVILLE • WILLIAM LUTHER, BROOKLYN PARK • GENE MERRIAM, COON RAPIDS • ROGER D. MOE, ERSKINE • GERALD WILLET, PARK RAPIDS • REPRESENTATIVES: DOUGLAS CARLSON, SANDSTONE • PHYLLIS KAHN, MINNEAPOLIS • HENRY KALIS, WALTERS • KENNETH NELSON, MINNEAPOLIS • JEROME PETERSON, PRINCETON • JOHN ROSE, ROSEVILLE.

PRESENT LCMR PROGRAMS

Issue Area WATER

Pilot Comprehensive Local Water Planning	SPA/EQB	882,000
Support for Soil and Water Management	SPA/Intl.Co.	122,500
Handbooks of Best Management Practices	PCA	58,800
Nonpoint Source Pollution Model	PCA	78,400
Garvin Brook Final Evaluation	PCA	147,000
Lake Runoff Management Evaluation	PCA	385,140
Optimize Winter Lake Aeration	UofM/SAFHL	96,040
Mercury Toxicity	PCA	294,000
Gas Permeable Membrane Water Treatment	UofM/CME	171,500
Dioxins in Bleached Kraft Pulp	UofM/NRRI	294,000
Groundwater Management	DNR	588,000
Water Allocation and Conservation	DNR	392,000
Engineering Solutions to Water Problems	UofM/SAFHL	686,000
Groundwater Quality Impacts from Agriculture	UofM/SOILS	304,780
Simple Water Assay	UofM/GFBI	49,000

Issue Area SOIL AND LAND USE

Accelerated Soil Survey	UofM/AgExpSta	1,372,000
Biomass Cash Crop Nursery Establishment	UofM/Crookston	180,320
Undrained Peatlands for Short Rotation Forestry	UofM/NRRI	113,630
Compost/Co-Compost Research	UofM/SOILS	171,500
Accelerated Land Exchange	DNR	245,000

Issue area RECREATION

Marketing Department Services	DNR	264,600
Ridgeline Trail	DNR	372,400
Mississippi River Management	DNR	265,580
Brighton Beach Breakwater	DNR	460,600

Issue area FISHERIES

Gamefish Growth Enhancement	UofM/F&W	630,140

Issue area WILDLIFE

Fish and Wildlife Comprehensive Planning	DNR	254,800
Forest/Wildlife Habitat Intensification	DNR	156,800
Swan Lake Area Wildlife Project	DNR	1,911,980
County Biological Survey	DNR	171,500
Evaluation of Mosquito Control Activities on Waterfowl	UofM/F&W	117,600
Purple Loosestrife Control	DNR	196,000

Issue area AGRICULTURE

Biological Control of Pests	AG	480,200
Ash as a Lime or Fertilizer Source	UofM/Ext	68,600

Issue area MINERALS

Aeromagnetic Mapping	UofM/MGS	784,000
Glacial Drift Geochemistry	DNR	196,000
Industrial Minerals: Clay	UofM/MRRC	392,000

Issue area FORESTRY

Future Timber Supply Scheduling Techniques	UofM/FOR	143,080
Biotechnology Applications in Forestry	UofM/FOR	164,640
Regeneration Growth Inventory	DNR	49,000

Issue area GENERAL

Conservation Corps	DNR	294,000
Non-Energy Peat Development	State U Bd	98,000
Sludge Ash Pilot Project	UofM/MRRC	196,000
Historical Data Base	MHS	100,000
Environmental Oral History	MHS	45,000
Geographic Resource Marking	MHS	38,000
Heritage Trails	MHS	45,000
Indian History Grants in Aid	MHS	70,000
Farm Economy Record	MHS	45,000
LAWCON Administration		78,400

Ideas for LCMR Issues Discussion

"What natural resource issues deserve priority attention?"

Local water plan implementation

Groundwater protection

Nonpoint source pollution control

Soil conservation/water quality

Communication strategies

Information needs/technology transfer

Comprehensive lake management

Urbanizing areas erosion and sediment control

STATE COST-SHARE PROGRAM
PAYMENT RATES

1. Chapter 40 does not specify cost-share rates; the state board is directed to establish cost-share rates in program rules.

2. Program rules adopted in 1985 specify a maximum 75 percent cost-share rate for high priority problems and a maximum 50 percent rate for lower priority problems.

   A maximum rate of 75 percent was adopted because it is compatible with federal cost-share program rates and is generally accepted as a reasonable public contribution for controlling high priority problems.

3. Cost-share program rules include a variance procedure allowing the state board - with certain restrictions - to waive cost-share rule requirements. These restrictions include:

   (1) Variances may not be granted if it is in conflict with any statute;
   (2) Variances must be initiated by a district board; and
   (3) Variance requests must be specific.

   Based on this information, the BWSR could approve a request from a district board to increase the cost-share rate for a certain practice or situation.

   The issue is unfortunatley more complicated: Rule part 8400.0300 states that "changes to the list of eligible practices and cost-share rate schedule must be made pursuant to Minnesota Statutes, Chapter 14." Chapter 14 pertains to rule making.

✓ Staff recommendation

All things considered, a rule revision is the most reasonable method to increase cost-share rates. **Staff recommends that BWSR authorize a revision of the cost-share rules. The revision would remove the reference to Chapter 14. This change would allow the BWSR to consider a variance request from a district board to increase the cost-share rate for a certain practice or situation.**

February 22, 1988

Minnesota
Environmental Quality Board
100 Capitol Square Building
550 Cedar Street
St. Paul, Minnesota 55101
Phone _____

February 24, 1988

To: Jim Birkholz, Office Manager
Board of Water and Soil Resources

Fr: John Wells, Coordinator
EQB Water Resources Committee

Re: Missions of the EQB and BWSR

Thank you for the opportunity to offer our ideas about the mission of the Board of Water and Soil Resources. We believe that the steps your board is taking to come to grips with its mission are very important and we applaud these efforts.

As you know, the Commissioner of the State Planning Agency offered the Administration's view of the Board's mission in her letter to you dated October 21, 1987. I would like to take this opportunity to summarize the key points of her letter and to illustrate how the responsibilities of local program coordination (BWSR) and state policy development (EQB) come together.

Last year's Governor's budget document stated the following fundamental philosophy that might serve well as a foundation for the BWSR mission statement:

> "The state must foster a strong local-state partnership in water and soil resources management. The merged board is an important step toward accomplishing this goal."

While every state agency, including the Environmental Quality Board and its member agencies, needs to actively participate in this local-state partnership, we believe that it should be the principal job of the BWSR to promote, facilitate, and work to improve the partnership.

Last year's budget document also set forth the following closely related purposes of the new board:

> "(1) Help to unify a fragmented state approach to local government;

(2) Encourage local and state governments to work together;

(3) Provide local governments a better voice in water and soil management decisions; (and,)

(4) Improve working relationships among local water and soil management authorities."

We urge you to consider including these purposes into the Board's mission statement. They represent key goals for the BWSR in working to foster a local-state partnership in the management of water and soil resources.

We would also like to call to your attention to the mission of the Environmental Quality Board. This is relevant to your discussions about the BWSR mission, since the EQB job of state-level water agency coordination and policy development ties closely to the job of the BWSR.

The attached charts are intended to illustrate these ties. The first describes the EQB mission in terms of this year's water policy activities. The second shows, we hope, how the missions of the BWSR and EQB should complement one another.

In concert with these themes, we suggest that the BWSR include an element in its mission statement expressing its desire to work closely with the EQB Water Resources Committee to ensure development of state water policies and strategies that recognize the key role of local government in management of water and soil resources.

We would like to suggest one final item for your consideration.

The EQB Water Resources Committee has had success in stretching its staff resources by asking staff of other agencies to help prepare discussion documents for WRC deliberation.

While the BWSR clearly needs additional staff to assist in its comprehensive water planning duties, we believe that the Board should also consider as a policy of operation the use of staff contributions from other agencies. This is generally feasible in those instances where an agency has an interest in BWSR action on an issue. The State Planning Agency, for example, certainly has this interest because of its role in administration of the LCMR local water planning grants program.

Again, thank you for the opportunity to provide our suggestions as you begin development of the BWSR mission statement.

enclosures

ENVIRONMENTAL QUALITY BOARD

AND

EQB WATER RESOURCES COMMITTEE

MISSION COMPONENTS

"Coordinating State Environmental/Water Programs"

"Developing State Water-Related Policies and Strategies"

"Bringing Local, Regional, and Federal Plans into the State Strategy"

1988 WRC TASKS

1. **Develop biennial water priority recommendations report to the Governor and the Legislature.**
Identifies the top priority water-related initiatives for the biennium.

2. **Review of water-related budget requests.**
For consistency with the priority recommendations.

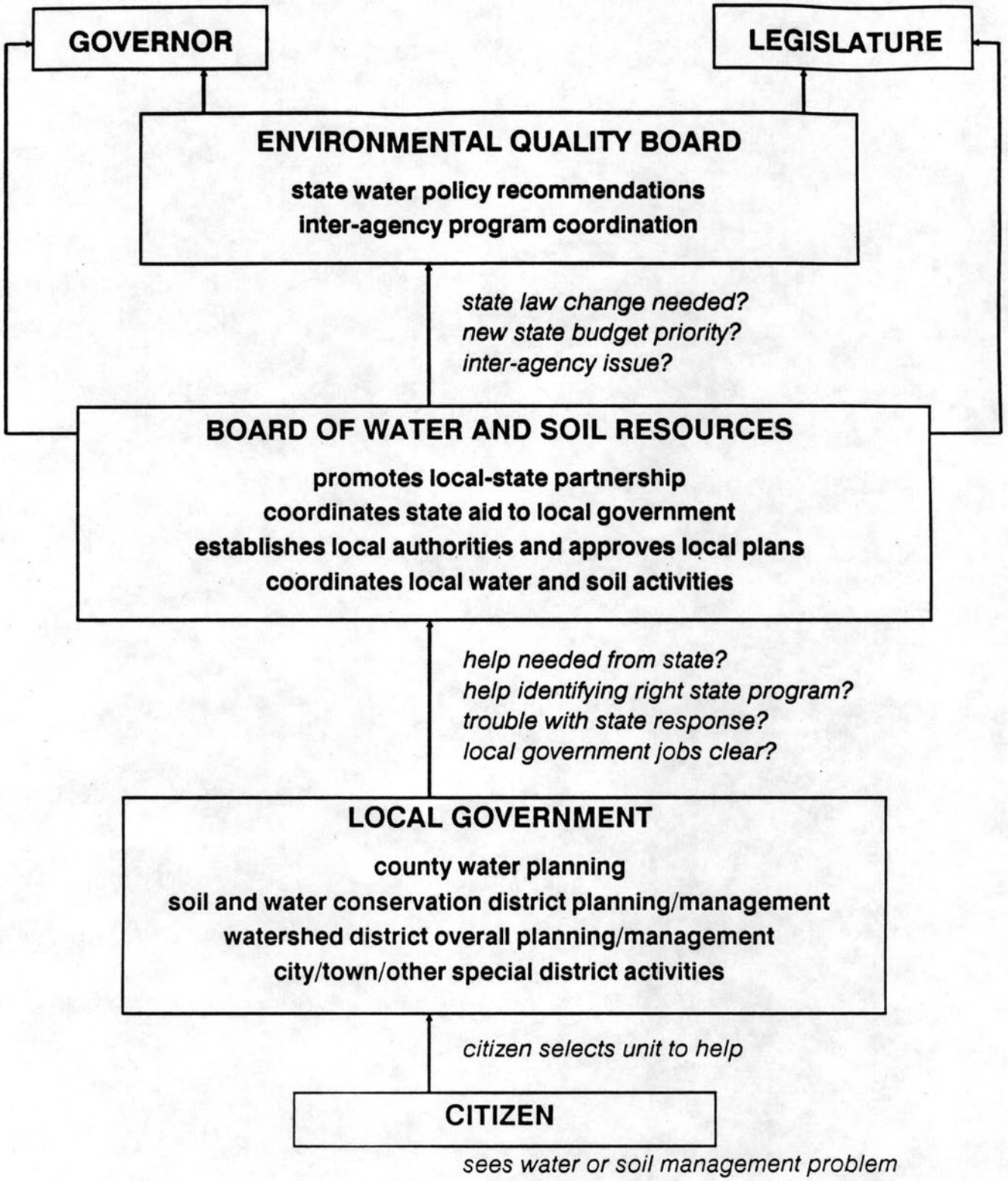
3. **Review of agency water-related legislative initiatives.**
For consistency with the priority recommendations.

4. **Develop Ten-Year Action Agenda.**
To set the framework for water program needs over next ten years.

5. **Review and approve PCA Ground Water Protection Strategy.**
To ensure that the interests of all affected agencies are fairly represented.

6. **Develop Pest and Nutrient Management Strategy.**
Ground water elements to be folded into PCA strategy.

7. **Coordinate development of other inter-agency policy studies.**
Review and approve Non-Point Source Strategy (MPCA)
Publish wetland evaluation methodology (EQB).
Develop comprehensive lake management policy (DNR).
Water communications policy (EQB).
Water data collection and management standards (SPA).
Wellhead protection strategy (MDH).



*Local-state partnership needs report

BOARD OF WATER AND SOIL RESOURCES GENERAL ADMIN. ACCOUNT ANALYSIS (AID 957415)

Personnel	Budget	Paid To Date	Amount Obligated	Balance	Projected thru 6/30/88
*Salary and related expenses	582,272	214,033	278,262	89,977	+68,216.69
Operational Items					
Rents & Leases	18,500	2,207	32,575	-16,282	-16,282.00
Advertising	1,300	45	455	800	
Repairs	2,100	169	1,128	803	
Bonds & Insurance	0	45	5	- 50	
Printing & Binding	16,300	6,733	4,185	5,382	- 3,900.00
Consultant Services	12,900	0	0	12,900	
Prof/Tech Services	5,000	1,191	13,096	- 9,287	-16,191.00
Purchased Services	4,600	2,889	4,046	- 2,335	- 4,067.00
Communications	13,600	13,087	513	0	-26,687.00
In-State Travel	81,337	30,750	21,850	28,737	-16,793.00
Out-State Travel	6,000	2,938	3,446	- 384	
Fees	700	772	928	- 1,000	- 3,000.00
Supplies	11,000	4,208	3,792	3,000	- 1,600.00
TOTAL	755,609	279,068	364,280	112,261	-20,303.31

*Cannot be transferred to other accounts without Department of Finance approval.

Background

1. Mandated budget reductions to the former SWCB in FY87 resulted in a base reduction of the administrative budget of $21,000 for FY88.

2. The membership of the BWSR is three members larger than proposed in the approved biennial budget resulting in a twenty-three percent increase in board member expenses.

3. Budget projections are conservative and show no major expenditures for needed equipment or special projects.

1/19/88
#002