



Minnesota Board of Water and Soil Resources.
Minutes.

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DATE: November 19, 1990

TO: Board of Water and Soil Resources Members,
Staff, and Advisors

FROM: Jim Birkholz, Executive Director

SUBJECT: November 28, 1990 BWSR Meeting

The November 28th BWSR meeting will begin at 9:00 a.m. in Room 112 of the State Capitol Building. Board members please note the parking permit included in the mailing. Use the same parking arrangements as you used at the October meeting. As a reminder, room reservations may be made directly at the Kelly Inn, 612-227-8711. Following is information related to the meeting agenda:

- Discussion of Erosion and Sediment Control Cost-Share Program Allocations. Greg Larson will lead this discussion which is a follow-up from the October 24th meeting. Please note Greg's briefing memo in the packet. Also enclosed for Board members are copies of the written comments we received on the preliminary draft rule update. Please come prepared to have a thorough discussion on allocation issues.
- Stearns County SWCD Sustainable Agriculture Activities. At the request of Board member Bill Cofell, Joe Fitzgerald, the Executive Director for the Stearns County SWCD, will make a presentation on their sustainable agriculture promotion and research projects. Joe's presentation should take about 20 minutes with the remaining period for questions and discussion.
- Update on Environmental Education. This agenda item is intended to update Board members on progress taking place at the Office of Environmental Education.

Board Members, Staff, and Advisors
November 19, 1990
Page Two

- Comprehensive Local Water Plans. As you can see we have six comprehensive local water plans coming before the Board for approval. Staff review of all the plans has progressed very smoothly and staff will be recommending approval of all these plans at the meeting. Briefing information will be available at that time.

If you have any questions regarding any of the agenda items or wish to add to the agenda, please call Chairman Ogaard or myself. See you on November 28th!

JB:mja
Enc.

BOARD OF WATER AND SOIL RESOURCES
SENATE HEARING ROOM 112
STATE CAPITOL BUILDING
75 CONSTITUTION AVENUE
ST. PAUL, MINNESOTA 55155
NOVEMBER 28, 1990

PRELIMINARY AGENDA

- | | |
|------------|--|
| 9:00 a.m. | 1. Call to Order |
| | 2. Adopt Agenda |
| | 3. Approval of Minutes of October 24, 1990 |
| | 4. Reports |
| | • Chairman's Report - Donald Ogaard |
| | • Executive Director's Report - Jim Birkholz |
| | • EQB/Water Resources Committee Report |
| | • Update on Francis Remerowski Appeal of
Yellow Medicine Watershed District
Decision |
| | • Metro Water Management Rules Update -
Bruce Sandstrom |
| 10:00 a.m. | 5. Discussion of Erosion and Sediment Control
Cost-Share Program Allocations - follow-up
from October 24th meeting - for discussion -
Greg Larson |
| 11:00 a.m. | 6. Stearns SWCD Sustainable Agriculture
Activities - for information and discussion -
Joe Fitzgerald, Executive Director |
| Noon | Lunch |
| 1:00 p.m. | 7. Update on Environmental Education |
| 1:30 p.m. | 8. Comprehensive Local Water Plans - for approval |
| | • Blue Earth - Chris Hughes |
| | • Jackson - Chris Hughes |
| | • Le Sueur - Chris Hughes |
| | • Yellow Medicine - Chris Hughes |
| | • Sibley - Chris Hughes |
| | • Itasca - Dan Steward |
| | 9. Minnesota Forestry Improvement Program
Tentative Allocations - Chuck Niska |
| 3:00 p.m. | Adjourn |

November 19, 1990

FISCAL YEAR 1991
MINNESOTA FORESTRY IMPROVEMENT PROGRAM
TENTATIVE ALLOCATIONS

DISTRICT	ALLOCATION
Aitkin	\$ 2,000
Becker	\$ 2,500
Beltrami	0
Carlton	\$ 1,980
Chisago	0
Clay	\$ 883
Clearwater	\$ 1,892
Crow Wing	\$ 2,875
Douglas	\$16,204
Fillmore	\$ 2,000
Goodhue	\$ 2,000
Hubbard	\$ 1,755
Isanti	0
Itasca	\$ 2,000
Koochiching	\$ 2,000
Lake	\$ 2,000
Lake-of-the-Woods	\$ 2,105
Mille Lacs	0
Morrison	\$ 2,000
Otter Tail (East)	\$ 3,523
Otter Tail (West)	0
Pine	\$ 2,000
Pope	\$13,682
Root River (Houston)	\$ 1,803
Roseau	\$ 1,901
North St. Louis	\$ 2,832
South St. Louis	\$ 1,740
Wabasha	\$ 2,000
Wadena	\$ 300
Winona	\$ 2,025
TOTAL	\$76,000

FUNDING SUMMARY:

Funds transferred from DNR:	\$80,000
BWSR Administration	\$ 4,000
SWCD Allocations	\$76,000

- 1) Cons. ~~fund~~^{reserve} program top priority
- 2) review total requests ~ \$15,000
- 3) plan down alloc., making adjustments
- 4) restored funding of Koochiching + Root River
- 5) ~~keep~~ ASCS not funding for restoring
need approval



LAND OF QUALITY FOODS

October 31, 1990

STATE OF MINNESOTA
DEPARTMENT OF AGRICULTURE

90 WEST PLATO BOULEVARD
SAINT PAUL, MINNESOTA 55107

(612) 297-3491

Doug Thomas, Hydrologist
Minnesota Board of Soil & Water Resources
155 South Wabasha Street, Suite 104
St. Paul, Minnesota 55107

RECEIVED

NOV 2 1990

BOARD
& SOIL RESOURCES

Dear Doug:

The Minnesota Department of Agriculture (MDA) is dedicated to the promotion of land and water stewardship. As a result, an office has been established within MDA whose primary function is the provision of open communication and liaison between the MDA and local units of government.

Specifically, this office will provide: coordination; technical and administrative assistance; advice regarding agricultural and urban chemicals, land use, hydrology, and water resources protection; and information regarding various MDA programs.

I have been afforded the opportunity to occupy this office. Please feel free to contact me with any questions; I am here to serve your needs.

Sincerely,

MINNESOTA DEPARTMENT OF AGRICULTURE

Mark Zabel, Hydrologist
Certification and Information Unit
Agronomy Services Division

MZ:mz/ljv



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LAKE MILTONA
PROPERTY OWNERS ASSOCIATION

Jim

P.O. Box 148
Miltona, Minnesota 56354

RECEIVED

November 3, 1990

Mel Sinn
Minnesota Board of Water and Soil Resources
155 S. Wabasha St., Suite 104
St. Paul, Mn. 55107

NOV 09 1990
BO
& SO

Re: Long Prairie Watershed (includes parts of Douglas, Todd, Morrison, Otter Tail and Wadena Counties - Approx. 800 sq. miles)

Dear Mel:

We are in the early stages of developing a Petition to create a formal District on the subject. Several Lake Associations in the Watershed and Dick Howe, Douglas County Water Management Advisory Committee have been contacted in this regard; however, a steering committee has not yet been established.

To assist us at this time, we have the following questions:

1. We need the name and address of field staff in the DNR and MPCA in our Watershed.
2. We would like a copy of The Minnesota Watershed Act.
3. Could you give us a list of engineers and attorneys experienced in the formation of a Watershed District?
4. Could you suggest any exhibits or studies which High School or Vo-Tech students could undertake for later use at Public Meetings; eg, large map of Watershed, water sample analysis and history from several creeks and the Long Prairie River, Secchi Disk reading histories where available etc.?

We want to thank you in advance for your help. Please reply to my winter vacation address below.

Orvin J. Hall
Orvin J Hall, Secretary
Lake Miliona Property Owners Assn.
9101 Business 83, #396
Harlingen, Tx. 78552
512-421-3490



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November 19, 1990

To : Board Members

From : Greg Larson

RE : Information for the November meeting

As discussed at the October meeting, I will review the cost-share allocation formula including its origin and use.

While I generally agree with the comments from the SWCD representatives at the last meeting regarding "inequities" in the method of allocating cost-share funds, I offer several reasons why, I believe, a measured response to their concerns is prudent.

- lack of consistently collected and objective data (for a formula) limits refinement of allocation methods;
- objective data like acres of a certain land use is handled quite well by a formula, subjective data such as program performance is not;
- equity cannot be achieved by any single formula due to the complexity of local resource conditions, many of which are beyond the control of the SWCD; and
- "true equity" of funding to SWCD's cannot be assessed by reviewing only the cost-share program allocation formula

Regarding this last point, of the annual BWSR funding of \$5.6 million allocated to SWCD's, cost-share program allocations of \$1.6 million represent only about 30 percent of the total. County government also contributes an additional \$4.9 million to SWCD's.

The 1989 Tax Bill provides additional justification to review the larger allocation picture as opposed to limiting a review to one program. Article 1 of the tax bill focused on STATE-LOCAL FINANCE REFORM. As indicated on the attached bill summary, many state aid programs will ultimately be examined for conformance to legislative guidelines. It is unknown whether BWSR programs will be selected for review. Nevertheless, it would be useful for us to undertake a review of our grant programs to determine if the allocation methods are germane to



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local conditions. I would ask you to consider authorizing staff to convene an ad hoc committee to review the manner by which allocations are made to SWCD's. The committee should include -at a minimum- representatives of the Association of SWCD's, SWCD employees, AMC, BWSR staff and board. I would further recommend that the group be charged with bringing a recommendation, which could be "no change", to you by the May 1991 BWSR meeting. This date coincides with the time when we traditionally discuss the upcoming fiscal year allocations. (I will present additional information at the meeting which further explains factors potentially affecting the allocation of funds to SWCD's.)

Discussion about the proposed cost-share rules has been centered on allocation of funds and not the program changes needed to make it a more effective program. While related, these issues, I feel parallel one another rather than compete. Establishment of the Ad Hoc committee could help us move the cost-share discussion away from "how much money do we get" to a more productive "how can we use the money we receive".

For your further information, we've included copies of comments from SWCD's and others regarding the proposed changes to the cost-share program. Also, former BWSR member Dr. William Larson asked me to include a report on research issues in soil erosion/productivity. You should note that the report is co-authored by Dr. George Foster.

Contact me if you have questions or need additional information.

HOUSE RESEARCH

Bill Summary

H. F. Chapter 1, 1989 Special Session
SUBJECT Omnibus Tax Bill
AUTHORS: Long, Vanasek, Rest, Welle, Olson
COMMITTEE: Taxes
ANALYST: Karen Baker (296-8959), Joel Michael (296-5057)
Pat Dalton (296-7434), Steve Hinze (296-8956)
Maureen Bellis (296-5044), Tim Strom (296-1886)
Linda Taylor (296-8961), John Williams (296-5045)

S.F. 1

DATE: 10-6-89

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ARTICLE 1
STATE-LOCAL FINANCE REFORM

SECTION 1 contains a statement of policy for state-local finance reform including a discussion on the need for reform and the process for reform.

SECTION 2 contains definitions.

- (a) Political subdivisions are counties, cities, towns, school districts and other local government jurisdictions for which the state provides state aids or imposes state mandates.
- (b) State aids are programs by which state government provides financial assistance to political subdivisions to assist them in delivering public services, to finance public facilities, or to reduce local property taxes.
- (c) State mandates are those programs and procedures required by the state through law or rule to be financed, delivered, or performed by political subdivisions. State mandates include federal programs to the extent the state elects to impose them as mandates on political subdivisions but does not include federal mandates for which there is no substantial state discretion. State mandates are more specifically described as "nonprogram mandates" and "program mandates."
- (d) Nonprogram mandates are state mandates which apply equally to private entities and political subdivisions or which relate to the basic organization and institutional operation of political subdivisions, such as requirements relating to provision of constitutionally prescribed rights and privileges, implementation of health and safety standards, holding of elections for offices other than national and state offices, etc.
- (e) Program mandates are state mandates other than nonprogram mandates.
- (f) State programs are programs operated by state agencies or authorities that are not state mandates or aids.

SECTION 3 provides the following general principles to guide state-local finance reform in Minnesota.

- (a) State resources should finance all or most of the cost of program mandates.
- (b) Political subdivision resources should finance all or most of the cost of nonprogram mandates and local programs that are not state mandates.
- (c) A combination of state and political subdivision resources should finance programs that are shared responsibilities.
- (d) The state should address wealth disparities among political subdivisions and income disparities among individuals by assisting in providing a basic level of local services at local tax levels that are not excessive.

The section also provides that preference for higher proportions of state funding should be given to program mandates having the most extensive requirements, the least local discretion and relate primarily to services for individuals rather than property.

SECTION 4 directs the commission to designate a joint legislative task force to make recommendations to the commission regarding the review of state aid programs.

SECTION 5 provides that the commission may hire an executive director and delegate any of its administrative authority to the executive director. The executive director will be appointed to a four year term by the commission chair and vice chair and is subject to removal by a majority vote of either the Senate or House of Representatives.

SECTION 6 provides for a study of state-local finance by the legislative commission on planning and fiscal policy with a recommendation to the legislature regarding local need, appropriate levels of state support, local revenue options, relationship of local taxes to individuals, ability to pay, and financial reporting.

SECTION 7 The commission will select mandates, state programs and state aids for review, giving priority to programs involving state payments to local governments. The governor is responsible for performance of these reviews which will include the following:

- (1) A complete program description;
- (2) The need the program is intended to address;
- (3) The goals and objectives of the program to meet identified needs;
- (4) Program outcomes;
- (5) Recommended changes leading to greater efficiency or effectiveness, or reduced cost; and
- (6) Additional issues requested by the commission.

The following state aids and associated state mandates will be reviewed:

- (1) Local government aid;
- (2) Homestead and agricultural credit aid;
- (3) Disparity reduction aid;
- (4) Taconite homestead credit and aids;
- (5) Tax increment financing;
- (6) Fiscal disparities;
- (7) Human services aids;
- (8) Elementary and secondary education aids; and
- (9) General government aids.

Reviews of state aids and mandates involving state financing of local government activities will include the following:

- (1) The employment status, wages, and benefits of those administering the programs;
- (2) The applicability of state procedural laws and rules;
- (3) Methods of increasing local options to provide for program costs;
- (4) Redistribution of funding responsibilities and the timing for any changes;
- (5) Opportunities for reduction of program mandates and increased local flexibility;
- (6) Comparability of treatment among local government units;
- (7) Effect on distribution of tax burdens among individuals;
- (8) Coordination of payment with other state aids;
- (9) Identification of local spending incentives;
- (10) Identification of spending patterns resulting from state aids; and
- (11) Consistency with the general principals specified in section 3.

SECTION 8 directs the governor to submit recommendations to the legislative commission on planning and fiscal policy if, after review, he determines that a state aid or mandate should be

abolished or changed in a manner that would increase, decrease or redirect the aid paid under the program. If the commission agrees with the recommendation, the governor will include the change in the next budget. If the recommendation is to eliminate or reduce the program expenditure, the amount that would have been budgeted must be reserved in a state aid account. The governor may make recommendations for expenditure from the account only for other general property tax relief or state aid programs.

SECTION 9 requires the commission, by November 15, 1990, to make recommendations to the legislature regarding changes in uniform accounting procedures and financial reporting methods necessary to assure public and legislative oversight of local government expenditures.

SECTION 10 requires the preparation of a fiscal note for any bill proposing a new or expanded mandate on a political subdivision. The fiscal note will identify the projected fiscal impact on both the state and affected political subdivisions.

SECTION 11 requires the commissioner of revenue to submit to the legislature, by January 15, 1991, his recommendations on formula revisions for state aid to local governments.

The legislative commission on planning and fiscal policy is directed, by November 15, 1990, to provide for a representative expenditure study of alternative means to assess the relative service needs of cities, counties, towns and school districts which may be used by the commissioner of revenue in preparing his recommendations..

SECTION 12 appropriates \$600,000 to the commission on planning and fiscal policy and for the 1990-91 biennium. Two positions are added to the complement of the department of finance and an appropriation of \$100,000 is made for implementing the fiscal note provisions of section 10.

SECTION 13 repeals provisions limiting the necessity for preparation of fiscal notes.

SECTION 14 provides that the article is effective the day following final enactment.

ARTICLE 2 PROPERTY TAX CLASSIFICATION

SECTIONS 1 AND 2 change the term "tax capacity rate" to "class rate." The gross tax capacity of a property is defined as the product of its market value and the appropriate gross class rate. Net tax capacity is the market value multiplied by the appropriate net class rate for that type of property.

SECTIONS 3 TO 7 modify the net class rates as shown in the table below.

Section 3 also increases the number of business days allowed for non-commercial resorts from 200 days to 225 days. This section also allows Class 1c property to be owned by a corporation or partnership if one of the shareholders homesteads the property.

	Current <u>Law</u>	1989 Special Session <u>H.F. 1</u>
Residential Homestead		
First \$68,000 Market	1.0%	1.0%
\$68,000 to \$100,000 Market	2.5	2.0
Over \$100,000 Market	3.3	3.0