



Minnesota Board of Water and Soil Resources.
Minutes.

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DATE: October 13, 1992

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

FROM: Ronald D. Harnack, Executive Director *RDH*

SUBJECT: October 21-22, 1992 BWSR Meeting and Tour

The Board of Water and Soil Resources (BWSR) will meet on Thursday, October 22, 1992 at the Best Western Midway Motor Lodge in Rochester (see attached map). The meeting will start at 8:30 a.m., and adjourn about 12:30 p.m.

A tour sponsored by the BWSR, Olmsted, Wabasha, and Winona SWCDs is scheduled for Wednesday, October 21. The tour bus will promptly depart from the Best Western Midway Motor Lodge at 8:00 a.m. and return at 8:00 p.m.; dress casual and comfortable.

A block of sleeping rooms have been reserved at the Best Western Midway Motor Lodge for Tuesday and Wednesday nights. If you do not need a sleeping room or are unable to attend the tour, please call Mary Jo Anderson as soon as possible (612-297-4290). A direct billing has been done for your sleeping room (which includes breakfast on Wednesday and Thursday); lunch and dinner on Wednesday will be provided; you are on your own for meals other than those listed.

Board Agenda Review

- **WETLANDS DELINEATION:** John Jaschke will give a presentation on the delineation and typing of wetlands. Focus will be on Circular 39 (types 1 thru 8) and Cowardin Classifications for wetlands and the relation between these classes. Functional value relationships to various components of a wetland will be reviewed. Staff is also looking to include with the tour an opportunity to stop and view a wetland, its classification and delineation. **DISCUSSION.**

- **COMMISSION ON REFORM AND EFFICIENCY, OPTIONS:** Chairman Nielsen has asked staff to look at state programs relating to local government that might be more efficiently delivered if the programs were better coordinated with other agencies; transferred from one agency to another; etc. In consideration of these we have attempted to address the five areas findings of the **CORE ENVIRONMENTAL SERVICES**

COMMITTEE in our brainstorming.

CORE Finding #1: Environmental services programs in Minnesota are carried out by a complex and fragmented maze of federal, state and local agencies. This governmental complexity results in: 1) unclear, overlapping, and redundant lines of authority, responsibility and accountability; 2) increased cost to the customer and taxpayer; 3) customer dissatisfaction.

CORE Finding #2: Minnesota's environmental system could be categorized as a collection of advocacy agencies, whereby each agency presents a differing perspective, such as the environmentalist, conservationist, public health guardian and business proponent. At times, these separate and clashing perspectives lead to administrative gridlock, which means customers of the system cannot get decisions from the state.

CORE Finding #3: The environmental system relies too heavily upon centralized decision-making, which has produced significant alienation in non-metropolitan counties. Many rural citizens are dissatisfied with their interactions with the centralized bureaucracy, and perplexed as to why state agencies do not assign more authority to regional agency offices.

CORE Finding #4: The environmental system relies heavily on "command and control" regulatory processes to implement environmental goals rather than using a balanced mix of diverse approaches to achieving compliance with the goals.

CORE Finding #5: The current environmental system relies upon the customer to coordinate among the agencies, instead of the agencies presenting a coordinated response to the customer.

Some of these areas have been before the Board in the past as we have discussed legislative initiatives. Each of you, that includes agency members, I'm sure have particular thoughts and ideas to contribute to the discussion.

* LAKE IMPROVEMENT DISTRICTS - Currently administered by the Department of Natural Resources (DNR); is a special purpose district of local government. The other two special purpose districts of local government, soil and water conservation districts and watershed districts are administered by BWSR. Frequently our respective agencies are responsible for decisions relating to which is the best approach for addressing a particular resource problem. Consolidating the special district responsibilities would allow greater responsiveness to local interests; greater flexibility in applying the best option and create a one stop shop for information on special districts.

* **CONSOLIDATION OF NATURAL RESOURCES GRANTS TO LOCAL GOVERNMENTS** - Currently there are numerous grants to local governments focusing on creating greater local capability to administer mandated and nonmandated soil and water management programs and on implementation of practices with local landowners to accomplish conservation on the ground. Local governments are required to make several grant applications; agencies are doing independent reviews of grants; and having individual grant agreements with local governments. Integrating these grants where practical into an integrated application process; review process; and grant agreement would reduce time spent on grant writing; grant review; contract or grant administration; and help ensure that related grants are not being duplicated. Several options to implementation of this are available.

* **WATER POLICY COORDINATION AND REVIEW** - BWSR currently is responsible for water policy conflict review, mediation, and resolution in a number of areas. Other agencies have responsibilities for water policy development review, coordination, and development. A more integrated approach to this effort would afford more coordination and efficiency in the delivery of the product. BWSR's membership makes it a unique agency to provide leadership in this area. Adding agencies as voting members would enhance this process.

* **CONSOLIDATION OF NONPOINT IMPLEMENTATION FUNCTIONS** - Nonpoint activities are delivered by BWSR, Pollution Control Agency (PCA), Department of Agriculture (MDA), Department of Health (DOH), DNR each have a particular element of focus. Integrating these into a common focus to build on the strengths that each element brings to the whole. It would integrate the local and regional priorities reflected in local water management programs and further the partnerships necessary for the efficient and effective achievement of common goals and objectives. The Minnesota River is a key example of where this type of common and coordinated approach can be the means by which we accomplish the 10 recovery of the Minnesota River resource.

These areas are certainly not intended to be all inclusive, it is intended to be a forum for discussion where agencies and local government have, through BWSR, a common mission to enable local government to be effective and efficient resource managers. Again BWSR does represent local government, state natural resources agencies and citizens, the formula exists to make some of these options a reality. **DISCUSSION.**

- **ZUMBRO\ROOT RIVER WATER PLANNING COALITION:** I have invited representatives of the coalition to give a presentation on the highlights of their partnership and asked them to also address area in which they believe BWSR can be more effective in supporting their efforts. **DISCUSSION.**

- **GENERAL DISCUSSION RESULTING FROM THE TOUR:**

BWSR Members, Advisors, and Staff
October 13, 1992
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- **AFFIRMATIVE ACTION PLAN:** Staff has formalized a affirmative action plan for the agency that reflects the criteria set forth by the legislature and the Governor. I would like each of you to review this and participate in the discussion. We are working with DOER to set some specific goals for our agency and these should be available for the meeting. After this discussion I would suggest that appropriate revisions be incorporated and in November or December the Board approve the plan. **DISCUSSION.**

If you have any questions or need additional clarification on agenda items please feel free to call. Travel safely; I look forward to seeing you on the 21st!

RDH:mja
Enclosures

**BOARD OF WATER AND SOIL RESOURCES
BEST WESTERN MIDWAY MOTOR LODGE
ROCHESTER, MINNESOTA
THURSDAY, OCTOBER 22, 1992**

PRELIMINARY AGENDA

- | | |
|------------|--|
| 8:30 a.m. | <ol style="list-style-type: none">1. Call to Order2. Adopt Agenda3. Approve Minutes of September 30-October 1, 19924. Reports<ul style="list-style-type: none">● Chairman's Report - Jim Nielsen● Executive Director's Report - Jim Birkholz● BWSR Committee Reports<ul style="list-style-type: none">- Dispute Resolution Committee - Jack Graba- Education Committee - Don Ogaard- Advisory Council on Wells and Borings - Warren Rodning- Feedlot Advisory Committee - Jim Rossman- Pesticide Advisory Committee - Don Warner- RIM Strategic Plan - John Brooks, Jr.- Wetlands Committee - Jim Nielsen- Finance Committee - Barb Cobb |
| 9:00 a.m. | <ol style="list-style-type: none">5. Wetlands Delineation Discussion |
| 10:30 a.m. | <ol style="list-style-type: none">6. Commission on Reform and Efficiency (CORE) Options - for discussion |
| 11:30 a.m. | <ol style="list-style-type: none">7. Zumbro/Root River Water Planning Coalition |
| 12:00 p.m. | <ol style="list-style-type: none">8. General Discussion on Tour9. Affirmative Action Plan10. Advisor Comments<ul style="list-style-type: none">● Marlin Libbesmeier, MAT● John Sumption, MACDE● Gary Nordstrom, SCS● Pat Wulff, MLA● Howard Peterson, MAWD● Danny Potter, MASWCD11. Board Issues - discussion, comments, action needed |

12. Upcoming Meetings

- October 24, EQB Retreat
- November 18, BWSR Meeting, St. Paul
- Nov. 29 - Dec. 1, AMC Convention, Radisson South, Bloomington
- December 4-5, MAWD Convention, Cragun's, Brainerd
- December 6-8, MASWCD Convention, Radisson South, Bloomington
- December 16, BWSR Meeting, St. Paul

12:30 p.m.

Adjourn

**BOARD OF WATER AND SOIL RESOURCES
ROOM 112 - STATE CAPITOL
75 CONSTITUTION AVENUE
ST. PAUL, MINNESOTA
SEPTEMBER 30 - OCTOBER 1, 1992**

MEMBERS PRESENT

John Boulton
Sharon Clark
Barbara Cobb
Jack Graba
Jim Nielsen
Dwain Otte
Howard Peterson
Warren Rodning
Jim Rossman
Don Warner

MEMBERS ABSENT

John Brooks, Jr.
Don Ogaard

AGENCY MEMBERS PRESENT

Wayne Anderson, Minnesota Pollution Control Agency (MPCA)
Kim Benson-Johnson, Minnesota Department of Health (MDH)
Fred Bergsrud, U of M / Extension Service (MES)
Paul Burns, Minnesota Department of Agriculture (MDA)
Tom Lutgen, Minnesota Department of Natural Resources (MDNR)

The meeting was called to order at 9:05 a.m.

**
92-59 The agenda was presented and motion to approve was made and seconded. Approved: Boulton, Clark, Cobb, Graba, Nielsen, Otte, Peterson, Rodning, Rossman, Warner. Opposed: None. Motion carried.

**
92-60 Motion was made by Clark and seconded by Warner to approve the minutes from the August 26th meeting. Approved: Boulton, Clark, Cobb, Graba, Nielsen, Otte, Peterson, Rodning, Rossman, Warner. Opposed: None. Motion carried.

Chairman Nielsen began by presenting his report on the two-day Environmental Quality Board (EQB) workshop he attended in Itasca Park. He stated that there was a flow of information and highlighted the following points:

- DNR is thinking in terms of organizing a local government unit (LGU) division that would deal directly with LGUs;
- the Department of Agriculture and PCA agree they lack the resources to handle the various feedlot problems; BWSR will likely become involved with the MDA to sort out those responsibilities;
- Commission on Reform and Efficiency (CORE), from an environmental standpoint, will not have their recommendations ready until the end of March, too late in the legislative session for any action.

A "Superagency" is not likely, but some responsibilities and duties need to be sorted and reassigned. Nielsen stated that he has asked staff to find overlaps/problems between BWSR and various agencies, and put together responsibilities/duties BWSR would want to assume. He would like this to be a part of discussion at the October meeting so BWSR's proposal could be presented to the Governor's office, then presented to various agencies for concurrence or thoughts.

DNR/PCA/BWSR all have different ideas for reorganization. DNR wants to reorganize along ecosystems boundaries, PCA is attempting to elevate its regional organization and provide additional staff for to it, and BWSR has been an advocate for management along watershed systems. The focus has become that a more practical reorganization is needed;

- There are management problems; EQB is under funded and has been meeting with resistance;
- Nielsen stated that he has assigned Jeff Nielsen, BWSR Southern Region Supervisor, to represent BWSR as his official alternate on the Minnesota River Improvement Project; and
- much time was devoted to the concept of sustainable development - how do we sustain development, population growth, economic growth, etc. within the framework of preserving the environment with the least impact. Nielsen stated the Governor was enthusiastic/supportive of this concept.

Nielsen then asked if there were any questions. Rossman asked for clarification that CORE would not likely have a recommendation to the Legislature in time for session, and would that mean a delay of a year. Nielsen stated that that was likely at this point. Permitting problems and decentralization were discussed.

Nielsen stated that he, as a representative of BWSR, had been invited to be part of the Governor's Environmental Cluster Group, a group of various agencies that deal with environmental problems. The first meeting was Monday and Nielsen said he felt it would be a direct line of communication with the Governor's office with regard to setting environmental policy.

Harnack gave the Executive Director's report. He stated that hiring was complete in our field offices. Dave Sill, an Soil and Water Conservation District (SWCD) representative, will be located in the Marshall office; and Jim Haertel, a DNR area hydrologist, will be located in the Metro office. The Board was also introduced to Barbara Liukkonen from U of M extension, who filled the BWSR education position, and Al Kean, from the Army Corps of Engineers, who will replace Mel Sinn as the board engineer. He also stated that Dave Behm has left his position as RIM Coordinator to return to his previous position. BWSR was looking to fill this vacancy which is unclassified and LCMR funded.

Other issues that Harnack presented were:

- Feedlots
 - continued technical meetings with staff from PCA, Soil Conservation Service (SCS), MDA, Al Kean, BWSR board engineer, and Brad Matlack, BWSR feedlot specialist
- Governor's Tour of the Minnesota River
 - significant highlight of the month;
 - BWSR participated through board members Clark at Montevideo, Rodning at Mankato, and Harnack at St. Paul;
 - strong commitment by the Governor to look at reclaiming the Minnesota River to make it swimmable, fishable, and more of a recreational opportunity for people;
 - the Governor's challenge to agencies, LGUs, and individuals to accomplish this within the next 10 years.

Harnack asked for remarks on the tour from Rodning and Clark:

- Rodning reported that the tour had excellent publicity, the Governor was committed to renewal and had articulated the problems and solutions;
- Clark stated that the tour included a visit to a farm to review conservation options, and that the Governor seemed impressed and would be returning to pheasant and goose hunt in October.

Discussion continued on solving the point source problem statewide.

Harnack then continued with his report:

- BWSR is in the process of changing its affirmative action plan to be consistent with the Governor's policies and a draft plan will be before the board soon;
- CORE had an executive committee meeting and it was recognized that LGUs are the key in an environmental services delivery system. They will be meeting again and Harnack hopes the board can help make the programs more user friendly. Counties need to be involved with this also;
- Drainage wells is another issue the board has interest in and will be having more meetings with PCA and MDH to find options and alternatives for the landowner in existing programs.

Nielsen welcomed the two new members of the staff. He then introduced Rodning for a report on wells and borings.

Rodning stated that he met with Eric Mohring, BWSR, on September 1st to discuss working with local water resource agencies on information and education for the landowner so they can become more familiar with wells and borings and BWSR can become more familiar with their needs.

Rossman reported nothing new on the feedlot issue.

Warner stated that the Pesticide Advisory Committee had a meeting on September 3rd, he stated there were many educational programs going on this year. He went to the Expo in Willmar and felt it was a good experience, and their main focus was groundwater and monitoring spraying. There will be minutes from this meeting in the next BWSR packet.

Nielsen asked if there was anything new in RIM. Harnack stated he felt there was no further need for the RIM Strategic Plan committee, and felt they could consider major changes or issues as they arose.

Nielsen gave the wetlands committee report, then stated that the board would address the wetlands rules after lunch.

Harnack stated that for a timely procedure he felt the rule should be addressed the following way:

- 1) bring the board up to date with the recommendation;
- 2) have representatives with opposing views to the language address the board;
- 3) go through the individual sections tomorrow;
- 4) listen to issues from the board members; and
- 5) be certain the board fully understands the administrative procedural items.

Graba asked for a differentiation of the Rule Working Group and Heritage Advisory Committee.

Harnack explained that the Heritage Advisory Committee was a legislative mandate to make formal recommendations to the board. The Heritage Advisory Committee along with BWSR staff concurred to set up the Rule Working Group to provide more technical input and an expedient development of the rule. The document the board has is the recommendation of the Heritage Advisory Committee that reflects substantial work from the Rules Working Group.

Nielsen then asked Cobb for the Finance Committee report. Cobb stated that they met under Harnack, it was a good meeting. The result of that meeting was laid out in the agency budget brief document. She stated that the decision was made to absorb the reduction in administration. She said she believes that board members are a part of administration and they must also minimize their expenses.

Harnack then went on to discuss the budget. He stated that he had held meetings with the Department of Finance. He pointed out that the agency budget brief reviews the 3-1/2% and 5% reductions. He stated that 5% was the only physical reduction, the rest would be absorbed within the agency. In figures BWSR will be absorbing a total of \$300,000 over the next the next two years and can't accommodate that with trimming instate/outstate travel etc. He feels BWSR must look at other options such as:

- maintain vacancies within the organization;
- restructuring;
- both staff and board expense reduction;
- equipment purchase reduction; and
- moratorium on staff travel, etc.

He stated that BWSR can manage within the limits. The 5% reduction will come totally from RIM services. Professional service funds to provide these services in the future would come as a percentage of the funds appropriated through bonding, general fund, or Legislative Commission on Minnesota Resources (LCMR). The dollars will still be there for local governments, it will just come from a different source. No reductions will come from other grants.

Harnack stated that this is the first of budget documents the board will see. Next month there will be full narrative sections as well as investment initiatives. BWSR's current investment initiatives will focus on RIM, Minnesota River Basin, accelerate cost-share for landowners, Area II activities such as flood damage reduction, converting a staff person in Duluth on federal funding to state, government services grants, and recouping challenge grants for basinwide initiatives jointly among LGUs.

Cobb asked when we get a gift earmarked for RIM, who decides where it goes. Harnack stated that where it goes is a decision of the gift giver; many times it goes to the BWSR RIM Restoration Program to cover costs that BWSR can't cover or to enhance and extend acquisition and restoration in general.

Rossman asked where these budget numbers came from. Harnack stated that the 5% cut came from the base, which meets the minimum guidelines from finance. Budget discussion continued.

Susan Tsakakis, BWSR, gave the Education Committee report. She stated they met last on September 18th for the first since extension became involved. Issues covered at the meeting included:

- a history of the committee;
- the committee's role in relation to Barbara Liukkonen, BWSR staff from extension;
- tentative committee workplan review;
- Ed Committee a conduit for Liukkonen and the board; and
- Liukkonen's first project at the International Coalition Conference in November.

Tsakakis then introduced Barbara Liukkonen, BWSR Water Resources Education Coordinator. Liukkonen then gave her background and an overview of her workplan, then asked for questions from the board. Discussion followed. Nielsen called for a break at 10:30, and the meeting reconvened at 10:40.

**
92-61 Otte made a motion and Warner seconded to approve Aitkin SWCD's emergency request for funding. Approved: Boulton, Clark, Cobb, Graba, Nielsen, Otte, Peterson, Rodning, Rossman, Warner. Opposed: None. Motion carried.

**
92-62 Clark made a motion and Boulton seconded to approve Rosseau SWCD's request for change in nomination district boundaries. Approved: Boulton, Clark, Cobb, Graba, Nielsen, Otte, Peterson, Rodning, Rossman, Warner. Opposed: None. Motion carried.

Harnack then explained the appeal that was before the Dispute Resolution Committee. He stated that there will be a meeting on October 2nd between the landowner, the watershed district, and Keith Grow, which could result in a mutual resolution. If the committee must act on this issue, Bill Clapp, Assistant Attorney General, will provide procedural guidelines.

Libbesmeier gave the Minnesota Association of Townships (MAT) report. He stated that September 8th was the last meeting of the Rule Working Group. He explained that although the Heritage Advisory Committee could have majority vote, the Rule Working Group had to have total consensus, some of the townships concerns. He said that were not totally addressed.

Nordstrom then gave the SCS report. He pointed out several pertinent issues including:

- September 30th is the SCS end of FY 92 budget;
- September 25th was the last day for receiving bids for the Agricultural Stabilization and Conservation Service (ASCS) Wetland Preservation Program. They will be submitting them to Washington, DC, for decision; and
- four federal agencies SCS, U.S. Fish and Wildlife Service (USFWS), U.S. Army Corps of Engineers (USCOE), and Environmental Protection Agency (EPA) have reached consensus on the Wetland Delineation Manual. Although there is no time table for release of their consensus decision, it will probably be after the November election.

Graba asked if they had received many bids. Nordstrom stated that there were over 200 bids on 33,000 acres. Minnesota was one of nine pilot states for this program.

Harnack stated that although SCS would possibly no longer have the Wetland Preservation Program or the Conservation Reserve Program (CRP), it would still supply technical support to LGUs and asked where the primary focus in the field would be. Nordstrom responded by saying that there would be a focus on conservation compliance issues and that the wetland issue was not gone, there would still be a major workload with "upon request" issues.

Harnack stated that there was a critical shortfall of having enough capabilities to work with the landowner on water quality and non-point issues. Incentives must be created by the board and SWCDs so options are available to work on this.

Nielsen then introduced Susan Schmidt, who replaces Pat Jenson as the director of the Legislative Water Commission gave an overview of her activities.

Peterson was called on to give the Minnesota Association of Watershed Districts (MAWD) report. Peterson stated that September 11th was MAWD's quarterly meeting and said that CORE issues were a highlight of that meeting. The Metro Chapter of MAWD met September 29th and is dealing with resolutions that have begun to come in. Peterson also stated that MAWD was invited by the Minnesota Lake Association to do a presentation workshop on October 3rd at the Airport Hilton from 8:30 a.m. - 10:00 a.m. The goal for MAWD at that workshop will be to provide information on watershed district duties and responsibilities. MAWD, by invitation, has been a part of the Freshwater Foundation Minnesota Lake Management Project. He stated that the Freshwater Foundation has now published the preliminary paper on that project. Peterson said that the strong emphasis of that paper is watershed management - managing on a geographic basis, not political.

Nielsen appointed members to the Water Plan Review Committee. Those members were: Howard Peterson, Dwain Otte, Warren Rodning, and Sharon Clark.

Harnack stated that there would be seven or eight county water plans for review this year, and three or four of them would be part of the Snake River watershed and Kanabec County.

Nielsen asked Harnack to run through the upcoming annual meetings of key organizations. Harnack stated that board members, not just staff, should attend these meetings to preserve interagency contact/input. He then ran through the other meetings outlined on the agenda noting that the November 29 - December 1 meeting was the Association of Minnesota Counties (AMC) annual conference.

Harnack brought up the timeline regarding the wetland rules. Allan Klein, Chief of the Environmental Section at the Office of Administrative Hearings, has been appointed the hearing examiner. Formal public hearings would be held December 7, 8, 10, 14, 15, and 17 around the state. More information will be forthcoming. Prior to the formal meetings there will be 10 informational meetings around the state conducted in November.

Harnack noted that the public hearings were primarily for individuals to bring to the hearing examiner any modifications, changes, or support for the rules. These hearings should be attended by not only BWSR staff, but board members also. The examiner will take the input and present a findings of fact to the board from an impartial and legal perspective.

Boulton made a formal request for an outstate board meeting in the SW Area II next summer. Discussion followed. It was suggested that since there is a tour in NE MN next spring, and one scheduled for the metro area in the summer, three might be too many. Peterson stated that the metro tour cost would be minimal. Nielsen asked for a show of hands for three tours, subject to the budget. All approved.

The meeting adjourned for lunch at 11:45 p.m. and reconvened at 1:00 p.m.

Nielsen welcomed all guests and explained the "form for request" to speak to the board. He then called on Greg Larson, BWSR, to present the wetland rules.

Larson started by highlighting several background details including:

- the September 24th version is a product of the Heritage Advisory Committee's September 23rd meeting;
- the Rule Working Group spent 100+ hours in subcommittee meetings through 11 days of meetings which began in March;
- the Heritage Advisory Committee met 10 times since January;
- the rules are the result of these two concurrent process';
- the Rules Working Group operated by consensus and the Heritage Advisory Committee operated by majority voting;
- there are typos and cross-reference errors, but these will be corrected by the Revisor's Office;
- there are differences of opinion that remain; and
- the staff recommendation is to accept the Heritage Advisory Committee's recommendation.

Larson then gave an overview of the rule, section by section, stopping for comments as they arose.

PURPOSE

What the rules address, lifted from the Act.

SCOPE

Points out what the rule is and what it is not.

DEFINITIONS:

Definitions of commonly used terms in the rule.

Bergsrud stated that he felt the best management practices (BMP) definition was

restricted to draining and filling practices and not representative of what appears in the Act.

Larson stated that best management practices as it appears in exemptions refers to 103H. M.S. 103H, which refers to voluntary BMPs. The draining and filling definition as it appears in the rule is the Heritage Advisory Committee's recommendation keyed to construction practices. The Rule Working Group's definition was broader and discussed activities such as silviculture in proximity of the wetland.

Nielsen asked why there were two definitions for agricultural land.

Larson stated it was a compromise after hours of discussion of the issue of ag land as it relates to exemptions and replacement ratios. Definition (a) references exemptions 7 and 8, and definition (b) references 1:1 - 2:1 replacement ratios.

Rodning asked if the Rule Working Group had non-consensus with this definition. Larson stated that there was a sub-committee established and two alternatives were developed. Disagreement arose regarding introduced pasture and introduced hayland and the accounting periods. He also stated that the Heritage Advisory Committee had unanimous approval of the definition in the rule that is being presented.

Warner asked -regarding introduced pasture and introduced hayland- why the accounting period was 20 years and not 100 years. Larson stated that documentation is more difficult to verify for older accounting periods.

Nielsen asked for an explanation of the DNR letter from Ron Nargang, Deputy Commissioner regarding introduced pasture - introduced hayland. Doug Norris, DNR, stated that the main reason for the request to change the accounting period to 10 years was to keep it consistent with the RIM Rules.

EXEMPTION STANDARDS

Larson referred to page 16 as the general principals that apply to exemptions.

Ag land exemptions are 1, 2, 4, 7, 8, and 23. He stated that the issue - should landowners be required to show ag exemptions on the property deed- was subject of a lengthy debate. The compromise was to include the language which limits the documentation to wetlands within a city.

Dave Weirens, AMC Policy Analyst, requested to speak to the board. He listed the AMC concerns:

- recording requirement would not be a burden to counties;
- fees for the recording will be borne by landowners;
- cost of recording may not be easily distributed; and
- questions remain about how the recording would take place.

Warner voiced a concern regarding exemption 10. Are public ditches that were built in the 1930s and requested to be cleaned by the county be considered draining a wetland?

Larson stated that with the exemption you could maintain public and private ditches as long as you don't drain any wetland that is older than 20 years (which is statute language). If you maintain your ditch, over time wetlands should not reform. If the ditch is not maintained, a wetland will likely re-establish and draining or filling cannot be done without replacement. Warner asked that if the county did not maintain due to lack of funds, then the landowner would have no choice. Clapp stated that the landowner at anytime can petition to maintain, but that the funding comes from the landowner not the county.

Larson explained that exemption 16 is for all public road authorities, not just townships.

Nielsen asked if exemption 19 was agreeable with DNR. Larson stated that it was.

PROCEDURES

Larson stated there was more hours spent on the procedures section than any other section. He summarized what this section covers:

- type of documentation needed for exemptions;
- what an LGU must and can do;
- what is a Technical Evaluation Panel (TEP) and what is its responsibility;
- appeals - concerns for both LGUs and the board;
- penalty for LGU failure to apply the rules and how BWSR can make LGUs comply.

Clark pointed out a discrepancy regarding the Technical Evaluation Panel on pages 37 and 59.

Larson stated that this must be resolved. It is inconsistent language - page 37, which was devised by the Heritage Advisory Committee, states that the panel shall make all determinations, and page 59, which is statute language, states that questions may be referred to the panel.

Clark suggested that using the panel on questions would be more efficient.

Larson discussed failure of an LGU to apply the law. He stated that 60 days prior to July 1, 1993, BWSR will mail to LGUs the rule. If the LGU does not respond there will be a moratorium on wetland activity. He stated that an earlier version had been more specific as to what BWSR would do.

Harnack explained that withholding grant money had not been effective in other programs and that BWSR's goal was to ensure LGU administration of the program. This could mean going to court.

Larson stated that the compensation portion of this section was consistent with the RIM payment process.

The portion entitled appeal of board decisions was directly out of the Act.

Nielsen asked how BWSR was coordinating with DNR's enforcement section. Larson explained that a conservation officer was part of the drafting team and that enforcement procedures were working well during the Interim.

Nielsen called for break at 2:40 and the meeting reconvened at 3:00.

MINING

Larson explained this section and stated there were no known problems with this language.

HIGH PRIORITY REGIONS AND AREAS

Larson explained this section and how documentation would occur. He stated that this was a consensus section and is the basis for (Article 4) tax exemption.

Rossman asked if 50% was statute language. Larson stated yes and that this concept is explained in the replacement plan section.

Nielsen asked how many counties were in the "less than 50% category." Clapp stated there were 59.

Weirens asked the board to note D on page 55 and referred them to AMC's letter for their alternative language.

Harnack asked Weirens for clarification. Did the AMC language mean that the board should establish high priority areas outside the rule criteria and outside the approved water plans?

Weirens stated no, but that a county would not have to accept board established regions as high priority areas.

WETLAND PRESERVATION AREAS

Larson explained this section. Rossman asked if this was a permanent covenant. Larson said no, it was an eight year minimum enrollment. Clapp further clarified that it was eight years after the landowner says they want out. Harnack stated that it was tailored after the Department of Agriculture's Ag Preservation Program.

WETLAND REPLACEMENT PLANS

Larson explained that this was essentially a "cookbook" approach about how to handle replacement plans for non-exempt draining and filling actions. Documented proofs will be required before replacement may begin. There is to be no loss in public values and acreage; a wetland cannot just be "enhanced" for replacement because no-net loss is not achieved.

He stated that pages 80 - 83 are special considerations, "signals" to LGUs. Page 83 also explains how to evaluate wetland functions / values (public values) using the Cowardin system.

Page 87 is a table for wetland type ratio values similar to the one used by other regulatory agencies. Clapp described the table on page 87 as a time/cost saver for LGUs by making pre-judgements on value. Graba asked how to tell types on page 87. Larson stated that the reference page was 84.

Pages 92 - 95 deal with partial drainage restoration credits. Larson stated that the concern here was does the 1:1, 2:1 statutory language apply to acreage or public value? Are new wetlands to be exclusively used, or should 1:1 up to 2:1 be met by increased public value? He stated that those opposed to the language in the rule believe that 2:1 should be new wetland acreage.

Nielsen asked if this was a non-consensus section. Larson stated it was, primarily because of the 1:1, 2:1 issue just described.

Page 96 H. is statute language. Pages 96 - 102 explain how restorations are done.

BANKING

Larson explained this section and said that it was different from other banking programs because replacement criteria is separate from the banking procedure.

Warner asked about the cost of banking. Larson stated that it is site specific and market driven.

Nielsen asked if there were geographical limitations. Larson stated there were and referred the board to page 104 C.

Clark asked why banking created wetlands was not allowed except for public transportation projects. Weirens stated that AMC advocates allowing created wetlands into banking.

CALCAREOUS FENS

Larson explained that this section was necessary because calcareous fens are very special wetlands by definition, and they are not subject to exemptions. This section is meant as a "signal" to the reader that DNR identifies and regulates calcareous fens.

Nielsen called for a recess at 4:15 p.m. until 9:00 a.m. October 1. The meeting was reconvened at 9:10 a.m. on October 1, 1992.

Nielsen presented the "Order For Hearing" for the public hearings to be held in December and asked if anyone had objections to the dates or places. There were no objections. Rossman made a motion and Warner seconded to approve the Order For Hearing. Approved: Boulton, Clark, Cobb, Graba, Nielsen, Otte, Peterson, Rodning, Rossman, Warner. Opposed: None.

Nielsen stated that guests who wanted to speak to the board should fill out the request form. They will be called and asked to limit remarks to 5 minutes each. Bill Clapp will be asked, if necessary, to give legal judgements. The board will identify any particular issues for further discussion. The board will then take action on the rules before them, and he hoped the board will accept the Heritage Advisory Committee's version as presented.

Warner asked how many board members will be attending the hearings. Nielsen said he hoped each of the board members would try to attend some of the meetings in their area. Harnack suggested there being two members at the public hearings and one member at the information meetings.

Rossman asked if the board was accepting the rules or endorsing them. Nielsen stated that they would be accepting the report of the Heritage Advisory Committee. Harnack stated that they would be endorsing them for the Public Hearings, but must make a final decision in February after the hearings and report from the hearing examiner.

Nielsen called on Pam Backer, Builder's Association, to speak to the board.

Backer laid out the Builder's Association's areas of concern stating that:

- they would like to see the documentation language in the exemption section that limits documentation to wetlands within a city expanded to all locations;
- they support the language on page 59 of the replacement plans section with regard to the technical review panel;
- they support the language in the Definitions section, Procedures section, and Interim Replacement Plans section; and
- they have a concern on page 106 of the Banking section in that local administrative costs could limit participation.

She stated that their concerns and support were outlined in further detail in the Association's letter to the board.

Nielsen then called on Dave Weirens, AMC.

Weirens gave his opinion on the goals of the Wetland Conservation Act. He stated that counties should implement the Act as they see fit and make the final decision. AMC promotes a single definition of Agricultural Land. Also, they support the language on page 59 with regard to the Technical Evaluation Panel. He stated that they would like to add language to page 55 of the High Priority Regions and Areas section. That language can be found in the letter distributed to the board. Finally he stated that AMC supports created wetlands in the Banking section.

Nielsen called on Kathy McGill, Project Environment Foundation (PEF).

McGill started by thanking the staff responsible for the rule, for their thought and deliberation. She stated that PEF supports the split definition of agricultural land. She stated that there were a few amendments that PEF would like to see, and those were detailed in their handout to the board. She summarized those amendments as follows:

- amend the definitions of introduced hayland, introduced pasture, pasture, and public transportation project;
- amend page 73 of the Replacement Plans section regarding draining and filling;
- amend page 94 of the Replacement Plans section regarding acreage replacement; and
- amend page 88 of the Replacement Plans section regarding hydrological unit ratio.

She also stated that PEF does not support allowing created wetlands into banking because they are less likely to succeed and it is not economical or ecologically appropriate. She stated that although they are not in favor of creation in banking, they would support it if there were more stringent guidelines developed.

Finally she stated that PEF supported the language on page 37 regarding the Technical Evaluation Panel.

Nielsen called on John Sumption, Cass SWCD.

Sumption stated that working with wetlands is not the only thing that a county does. He feels they need more administrative dollars in order to implement the rules. He stated that he disagrees with minimum wetland size in >80% counties, these are regulated by the Corps and a statutory change should be pursued. Some of his banking proposal concerns include:

- deed restriction on banked wetland areas;
- the more difficult banking is made, the less participation there will be;
- he believes there should be considerations for projects "banked" during the interim to be done in advance, otherwise there would be no incentive for banking; and
- a cash bank should be allowed.

He also stated that he felt there were loopholes with the federal farm program regarding beaver ponds. He stated these were natural occurrences, but are considered a wetland in the rules.

Harnack clarified the beaver dam concern stating that there is no 20 year limit regarding beaver dams. Beaver dams can be removed.

Nielsen called on Ken Hiemenz, Minnesota Conservation Federation.

Hiemenz stated he had a concern with the recording process because there is difficulty in trying to track down unrecorded information. He supports recording in exemptions 1, 2, 4, 7, 8, and 23, and opposes the language which states it only must be recorded when the wetland is in a city.

Graba asked if Hiemenz felt everyone should record.

Hiemenz stated yes. He also said there is always the possibility in the future that rural property will be annexed into cities. He stated he felt this would be an injustice to the landowner.

Rossman asked on what units of land would this recording be made? Would it include the whole parcel of land or just describe the wetland portion of the land?

Clapp stated that at the request of the Heritage Advisory Committee he drew up a notice form to advise potential buyers of the restriction. The legal description would be filled in and just apply to wetlands.

Rossman asked how does the potential buyer see the notice. Clapp stated that it was recorded with the deed, just like easements.

Nielsen called on Frank Pafko, Chief, Environmental Services, Minnesota Department of Transportation (MNDOT).

He pointed out the letter from MNDOT and stated that he would like to highlight the public value credits and the restoration of partially drained basins. He requested that the board adopt the language as currently presented. He stated that most basins are partially drained and there is an incentive to restore partially drained wetlands as it is difficult to find totally drained basins.

Nielsen called on Tim Kelly, Coon Creek Watershed District.

Kelly stated that when delineations are done, the field notes are required to be on file with the LGU. He felt it was not practical for the Technical Evaluation Panel to be required on every "call." He felt this would require the LGU and BWSR to be in the field every day.

Graba asked Kelly to explain delineation. Kelly stated that it was determining whether there was a wetland by looking at 1) hydrophytic vegetation, 2) hydric soil, and 3) wetland hydrology. A site must have all three to be a jurisdictional wetland.

Rossman asked if delineation was done through private consultants. Kelly stated that it depends. There is no requirement for certification to be done by a professional delineator. Clark asked how it was determined that the delineation was accurate. Kelly stated it was done through quality assurance checks.

Nielsen called for a break at 10:20 a.m., and the meeting reconvened at 10:30 a.m.

Nielsen called on Leonard Binstock, Land Improvement Contractors Association.

Binstock said he had a concern that the process be user friendly. He stated that he promoted a broader version of the definition of agricultural land, and found the Heritage Advisory Committee's version more acceptable. He also stated that he supported recording exemption determinations as it will alleviate title problems. Finally he stated that he supported created wetlands in banking.

Nielsen called on Don Arnosti, Audobon Society.

Arnosti itemized his concerns as follows:

- he fully agrees with and supports the Heritage Advisory Committee's definition of agricultural land;
- he strongly opposes allowing created wetlands into banking, but feels current created wetlands should be grandfathered; and
- he opposes the partial drainage credit because the law intended 1:1 ag, 2:1 non-ag, and this should be consistent in the rule and preserve the intent of the law with no-net loss.

Nielsen called on John Engfer, Heritage Advisory Committee.

Engfer stated that he felt that what the board had before them was the best product and compromise of two committees that did not always agree. He stated he felt the board should accept this document and address concerns at future hearings.

Nielsen asked for an explanation of the legal process from Clapp.

Clapp itemized the following procedures:

- Public Information Meetings
 - to bring the public up-to-date on the rules; and
 - to help the public make intelligent decisions and testimony at the subsequent hearings.
- Notice For Public Hearing
 - published in the State Register Monday, November 2nd;
 - will advise people that the proposed rule can be changed;
 - advises people that the SONAR is available.
 - informs public that each of the six hearings will be held both during day and evening hours, 1 p.m. and 7 p.m. respectively; and
 - advises people that at the end of the St. Paul hearing (the final hearing) if there are more who wish to be heard by the Administrative Law Judge (ALJ), more hearings may be scheduled.
- SONAR - Statement of Need and Reasonableness
 - explains everything in the rule, including where there was a lack of consensus, and the rule writing process;
 - advises people who wish to testify in advance of the board's position on the rule; and
 - gives a detailed explanation of the rule to the ALJ.
- Hearings closed
 - ALJ will still be open for written comments for a minimum of five days and maximum of 20 days after the public hearings are closed;
 - there will then be a three day period for the board to submit rebuttles.
- Submittal of ALJ report with testimony consideration

- the ALJ will then have 30 days to deliver the report;
 - the report will identify areas of controversy or lack thereof;
 - the report will give recommendations for areas of controversy;
 - the ALJ will decide if the controversial areas are needed or reasonable;
 - the ALJ will recommend to the board areas to change to make the rule more reasonable;
 - the ALJ report should be available between the 1st and 10th of February;
 - if the board does not concur with a part of the ALJ report, it is not obligated to heed the recommendation; and
 - if the board chooses to adopt a final rule "substantially" different than the one discussed at the public hearings that part of the rule may be subject to re-hearing before it can be adopted. Substantial change is determined by the chief hearing examiner.
- Adoption at the February Board Meeting
 - this would be the most timely and efficient, as any delay will affect the March 1 legislative reporting deadline and also delay the July 1, 1993, implementation.

Warner asked why the hearings were only published in the State Register and not the papers, radio, etc. Harnack stated that BWSR would also send notice to all people that have expressed an interest in the rules and are on the mailing list, and BWSR would also be sending out news releases for local papers and radio broadcasts, etc.

Nielsen asked if the Heritage Advisory Committee would continue as a review committee in the future. Clapp stated that there was no sunset provision, and they could review the implementation of the rule. Harnack stated that they are mandated to meet two times a year to review the status of the rule, and suggested to the board that they could be called on to review issues regarding legislative rule changes. Harnack also stated that the Governor could choose to not reappoint the committee.

Noting Clapp's explanation of the hearing and rule adoption process Nielsen stated that he hoped the board, with Clapp's explanation of the process, would accept the Heritage Advisory Committee's rule as presented. He hoped they would endorse it for presentation at the information meetings and public hearings where many of the details will be polished and refined.

Ken Lokkesmoe, DNR, stated that he concurred as he felt this was not the forum for debate. That is the purpose of public hearings.

Cobb wanted clarification as to whether she could speak on behalf of BWSR or her WMO and if the board could put in their points of view in February. Nielsen said that she could speak on behalf of either if she has been given the authority to do so, and that the board will have more input at the February board meeting.

Rossman wanted a definition/explanation of created wetlands.

Norris gave a brief explanation of created wetlands. He stated they could be created either by (a) excavating a hole in the ground, or (b) putting up an impoundment such as a dike across a water source. He went on to further explain the problems of created wetlands.

Rossman requested literature on created wetlands and their measure of success, and Norris stated that he would compile some information to be sent to board members.

Clark asked when the board would be able to address their concerns, and Nielsen responded by saying now and after the public hearings.

Graba wanted MN DOT's perspective of created wetlands. Pafko explained that it is a value judgement. He felt there should not be absolute prohibition of created wetlands, but certain provisions should be made.

Norris reminded the board that created wetlands are not prohibited in the rules, just the banking section. He said they could be project specific in other sections of the rule.

Clark stated that she was concerned that her issues would be addressed too late for any action. Clapp stated that if the ALJ agrees that the board's changes are reasonable based on evidence, the rule could be changed.

Harnack suggested laying out the board's areas of concern in advance, so that the public understands where the board stands on the rule.

Rodning voiced his areas of concern as follows:

- definition of agricultural land. He will accept the WHAC version with hope that it is resolved in the hearing process;
- a concern for the discrepancy in the Technical Evaluation Panel language on pages 37 and 59. He believes this should be resolved in the process; and
- a concern for not allowing created wetlands into banking.

Graba had a concern that board reservations could be a wrong signal to the ALJ. Burns stated that the board needs to decide whether to debate issues today or wait. He asked Clapp if any of the board's concerns would be classified as substantial changes which could cause a delay in implementation of the rule.

Clapp stated that he felt they were not substantial changes. He suggested that the board explain their areas of concern in the notice of hearing and SONAR. It could be explained by the ALJ on the first day of the hearings that there are areas of particular interest to the board, and that the board would like a lot of public input on those areas.

Peterson stated that he felt comfortable passing on the rules with the note of reservations, so the board could address them again after public hearings.

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92-64

Clark made a motion and Warner seconded to specify the board's three areas of concern to the ALJ which include 1) Agricultural Land definition, 2) Technical Evaluation Panel

discrepancy, and 3) banking created wetlands. Approved: Boulton, Clark, Cobb, Graba, Nielsen, Otte, Peterson, Rodning, Rossman, Warner. Opposed: None. Motion carried.

**
92-65 Cobb then moved to include two other concerns 1) recording the use of agricultural exemptions which would leave out the words "in a city" in exemptions 1, 2, 4, 7, 8, and 23, and 2) deleting the 10 year limitation on page 73 of the Replacement Plans section as per the McGill suggestion. Approved: Boulton, Clark, Cobb, Graba, Nielsen, Otte, Peterson, Rodning, Rossman, Warner. Opposed: None. Motion carried.

5 AREAS OF CONCERN TO BE PRESENTED TO THE ALJ

- 1) The definition of Agricultural Land;
- 2) The language on pages 37 and 59 concerning the Technical Evaluation Panel;
- 3) Banking of created wetlands;
- 4) The language in the paragraph of exemptions 1, 2, 4, 6, 7, and 23 regarding documentation of agricultural exemptions in a city; and
- 5) The language on page 73 of the Replacement Plans section concerning a 10 year period before wetlands that are drained or filled under an exemption may be used for replacement.

**
92-66 Rodning made a motion to accept the Heritage Advisory Committee's report with the board's five stated areas of concern and forward them to the ALJ; Clark seconded. Discussion followed.

Warner stated that he wanted the concerns put in writing. Harnack stated that the public notice to the ALJ will address in writing the board's areas of concern.

Rossman stated that he was unsure that he could endorse concern #5. He wanted to know if voting for this motion meant that he was endorsing the change.

Graba wanted a clearer explanation of concern #5. Larson explained that this item says a wetland that was drained or filled per one of the 24 exemptions cannot be used as a replacement wetland for 10 years after the act of draining occurred. So if a person drains or fills a wetland under an exemption, they cannot go back and restore it for use as a replacement wetland for 10 years. This provision was made to prevent "sweetheart deals."

Clark asked why 10 years? Larson stated that 10 years was used throughout the rule and, so to keep it consistent, 10 years was chosen as the limit.

Question was called. Approved: Boulton, Clark, Cobb, Graba, Nielsen, Otte, Peterson, Rodning, Rossman, Warner. Opposed: None. Motion carried.

Nielsen asked if there was any other business before the board. Harnack stated that a notice of next months meeting and tour would be forthcoming and members should contact Mary Jo Anderson with regard to accommodations. He also stated that the board would be hearing either from Larson or Jaschke regarding the information meetings and

public hearings and individual members' ability to attend. Harnack announced that the board meeting in December would be on the 16th. Harnack also asked that the Subcommittee for Water Plan Review should find a time to review those plans so they are able to make recommendations to the board at the December board meeting.

Harnack then introduced Barbara Ohman, BWSR's new board conservationist in the Metro Office.

**
92-67 Graba made a motion and Clark seconded to adjourn. Approved: Boulton, Clark, Cobb, Graba, Nielsen, Otte, Peterson, Rodning, Rossman, Warner. Opposed: None. Motion carried, meeting adjourned at 11:50 p.m.

Respectfully submitted,

D. James Nielsen
Chairman

OVERVIEW OF LAKE OF THE WOODS COUNTY
COMPREHENSIVE WATER PLAN
BWSR BOARD MEETING
OCTOBER 28TH, 1992

Introduction

On April 21, 1990, the Lake of the Woods County Board authorized the development of a comprehensive local water plan. The Lake of the Woods SWCD was selected to guide the development of the plan. Because of staff and budget constraints, the SWCD gave the water plan back to the county. The County Environmental Services Department [ESD] was then given the charge to continue the development of the plan. In January of 1991, Francine Abraham was hired by ESD as project manager on a part-time basis. A 14 member task force was appointed and has met 6 times to review data, discuss issues, identify goals and develop the management plan.

Background Information

Lake of the Woods County is located in extreme north-central Minnesota, approximately 300 miles north of the Twin Cities. Nearly all of the county drains northward into the Rainy River and Lake of the Woods. Lake of the Woods, by name, implies that the county is water oriented. In reality, there is only one lake of significance, that being Lake of the Woods. Baudette, one of only two incorporated municipalities, is the county seat. The 1990 population was estimated at 4,100 or about 3.2 persons per square mile. Most of the population is concentrated near the shores of Lake of the Woods and Rainy River, and the cities of Baudette and Williams. County population growth is expected to increase slightly but steadily in the foreseeable future. In addition, there are a substantial number of summer residents and seasonal tourists/sports enthusiasts. Nearly three-fourths of the county is state, federal or tribal lands. Agricultural land uses occupy 16% of the county's 1310 square miles. The county's lakes occupy 36% of the surface area. Approximately one-third of county land is pine and aspen forest.

Staff Review

The Lake of the Woods Task Force has developed a comprehensive water plan that will meet present and future natural resource needs of the county. The County Environmental Services Department [ESD], cooperatively with other natural resources agencies and institutions, will continue to be responsible for directing the implementation of the water plan.

Much of Lake of the Wood's future growth depends on tourism and recreational development. Both types of development hinge largely on water quality. The county recognizes that this development be implemented with the proper application of appropriate landuse and site design standards. The county recently passed a new county-wide zoning ordinance, and has been working with Koochiching County to establish the Rainy and Rapid Rivers Management Board to implement a locally administered Wild and Scenic Rivers type program.

Surface and ground water quality information for Lake of the Woods County is lacking in scope and detail. Few natural resource problems exist that cannot be readily inventoried and managed. Compared to many other areas in the state, Lake of the Woods County has relatively small scale problems that may require only small scale cures. Due to limited staff and budget the county has few resources to solve what problems do exist. The local water plan implementation funds could help to build the capability of local natural resources agencies in the county.

BWSR staff will be working with the project manager and task force to see that the comments made in the preliminary and final reviews are addressed in the plan. No review problems are anticipated.

**CERTIFICATE OF THE
BOARD OF WATER AND SOIL RESOURCES
AUTHORIZING RESOLUTION**

*Revised
copy in
packet*

I, D. James Nielsen, do hereby certify that I am a member and the Chair, of the Board of Water and Soil Resources, a board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Board of Water and Soil Resources duly and properly called and held on the 22nd day of October 1992, that a quorum was present, and that a majority of those present voted for the resolution which has not been rescinded or modified.

"RESOLVED, that Ronald D. Harnack, Executive Director of the Board of Water and Soil Resources, is hereby granted the authority and directed to sign the Notice of Hearing of the matter concerning the adoption of rules to implement the Wetland Conservation Act and to give notice to all persons who have registered their names with the board for that purpose and publish the Notice and rule in the State Register, and to perform any and all acts incidental thereto."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 22nd day of October 1992.

D. James Nielsen, Chair
Board of Water and Soil Resources

Attest by one other Board Member

draft

AGENCY: Board of Water and Soil Resources (BWSR)

MISSION STATEMENT:

The mission of the Board of Water and Soil Resources is to provide leadership enabling local governments to properly manage water and soil resources and to help all citizens be stewards of our irreplaceable natural resources.

Although other agencies are involved in resource management, the BWSR is unique in that it is the only agency that accomplishes its goals through increasing the capabilities of local government units. This approach makes sense for a number of reasons.

First, local ownership of resource management activities is an important component of the success of efforts. Rather than resentment at a state mandate that local personnel perceive they are being forced to carry out, a state-local partnership fosters feelings of pride and local responsibility.

Second, since resource management is primarily a land use issue, and local government is the land use authority in Minnesota, it makes sense to focus resource management assistance at the local level. Local governments, through their widespread planning and zoning authorities, make the vast majority of land use decisions. Sound land use management at the local level will protect soil, lakes, rivers, and streams, and sustain agriculture, forestry and development.

Finally, as we enter a time of increased environmental awareness—but dwindling resources to address these concerns—partnerships and strong working relationships are an effective way of leveraging our talents, resources, and finances to achieve the greatest results.

Recognizing the advantages of local resource management, the Legislature in 1987 created the BWSR to facilitate local government effort and to ensure coordination of state, local, federal and private resource management initiatives. To accomplish this, the membership of the BWSR includes representatives from local government, citizens, four state agencies and the University of Minnesota Extension Service. This composition provides a unique opportunity for communication of issues and concerns, policy discussions on resource management, and generally enhancing state/local/private partnerships.

To reach these objectives, the BWSR:

- promotes communication and partnerships among state, local, and federal governments, as well as private organizations;
- administers a number of grant programs providing funding to local governments for resource management;
- conducts training sessions and provides technical assistance to local units of government;
- and coordinates state government activities as they affect local governments.

MINNESOTA MILESTONES:

Protecting and improving our natural resources relates directly to the Milestone theme "Our Surroundings." The five goals within that theme ("Minnesotans will respect the natural world," "We will improve the quality of the air, water and earth," "Citizens will sustain and enhance the living world," "We will have opportunities to enjoy our outdoor recreation resources," and "Minnesotans will enhance the beauty of our surroundings") are all met through the BWSR's work to improve the capabilities of local governments to manage their environment. The specific goals and indicators that the BWSR is working with local governments to attain are given below.

MILESTONE GOAL: We will improve the quality of the air, water and earth.

Indicators: BWSR programs assist local governments in reducing the "point source discharge of organic pollutants into waters;" decreasing the "percentage of assessed river miles and lake acres that do not support fishable and swimmable goals;" increasing the "percentage of water supply systems meeting state drinking water standards;" and decreasing the "tons of soil loss."

MILESTONE GOAL: Citizens will sustain and enhance the living world.

Indicators: BWSR programs assist local governments in increasing the "amount of wetlands;" decreasing the "number of threatened, endangered or extinct native wildlife and plant species;" and increasing the "amount of forestland."

MILESTONE GOAL: We will have opportunities to enjoy our outdoor recreation resources.

Indicators: BWSR programs assist local governments in increasing the "land area in natural resource related public ownership."

In addition, the BWSR's unique approach to resource management (i.e. through local governments) moves the state toward the Milestone goals under "We the People."

MILESTONE GOAL: Government in Minnesota will become more efficient.

Indicators: Although no indicators specifically apply, it seems logical that the decrease in duplicative services resulting from BWSR coordination between state and local agencies results in more efficient government.

MILESTONE GOAL: Government decision-making will become decentralized and accommodate community participation.

Indicators: Although no indicators for this goal have been chosen, government decisions made at the local, rather than state or federal level, clearly help promote decentralization and community participation.

CLIMATE:

The following trends are shaping the development of policies and programs at the BWSR:

1. **Reduced state and federal government funding for local governments, and increased expectations of local responsibilities.** Both the federal and state governments have cut local government aid. As more of the financial and administrative burdens of resource management fall on local governments, they need to increase their capability to handle the myriad demands of those responsibilities.

2. **Increased awareness among the general public, including landowners, of resource problems, and increased willingness to make reasonable sacrifices to accomplish resource conservation.** More Minnesotans are becoming concerned about our environment, particularly water quality—many people have noticed deteriorating conditions in their favorite lakes or fishing streams. As these concerns surface, more people are willing to make reasonable sacrifices to protect and improve their environment.

3. **Increased local government capabilities.** Because of increased expectations and BWSR assistance, some local government capabilities in resource management have grown over the past few years. Local governments now need a wider variety of training and assistance, from the most basic level to advanced areas such as technical skills, leadership, and management. The BWSR must adjust its assistance to ensure that each local government meets a base level of capability, while those who need a higher level of training receive it.

4. **Movement from planning to implementation phase of nonpoint source strategy.** As Minnesota moves from the planning to the implementation stage of its nonpoint source strategy, BWSR's local government network increases in importance as a means of disseminating financial and technical aid to local governments. The BWSR has the structure and the relationships needed to address nonpoint concerns at the local level.

5. **Federal actions.** Federal actions continue to affect BWSR and local government programs and planning in a wide variety of ways. In order for the BWSR to meet the "no net loss" goal laid out in the Wetland Conservation Act, the federal agencies involved in wetland protection (EPA, Army Corps of Engineers, and the Soil Conservation Service) must be willing to work toward the "one stop shopping" concept. In addition, the recent funding cuts for the Conservation Reserve Program and the Wetland Reserve Program will mean an increased demand for state set-aside dollars; the BWSR must take this into consideration as it anticipates funding, programmatic and staffing needs over the next bienniums. Finally, the upcoming reauthorization of the Clean Water Act and the 1995 Farm Bill will determine conservation standards and how they are implemented; it is imperative that the BWSR ensure that local and state government in Minnesota have input into this process.

PROGRAM: Land and water resource management.

AGENCY: Board of Water and Soil Resources (BWSR)

PROGRAM PURPOSE:

The Board of Water and Soil Resources (BWSR) is the only state government entity that exists to protect our land and water resources through assisting local units of government and enabling them to provide local leadership in managing land and water resources. In addition, the agency promotes communication and partnerships between local, state, federal and private resource interests.

MINNESOTA MILESTONES:

Protecting and improving our natural resources relates directly to the Milestone theme "Our Surroundings." The five goals within that theme ("Minnesotans will respect the natural world," "We will improve the quality of the air, water and earth," "Citizens will sustain and enhance the living world," "We will have opportunities to enjoy our outdoor recreation resources," and "Minnesotans will enhance the beauty of our surroundings") are all met through the BWSR's work to improve the capabilities of local governments to manage their environment.

In addition, the BWSR's unique approach to resource management (i.e. through local governments) moves the state toward the Milestone goals under "We the People." Certainly, local involvement helps "people believe their participation in government is meaningful"; and the furthering of local capabilities also works toward the goal "Government decision-making will be decentralized and accommodate community participation."

PROSPECTS:

1. Local Water Resource Protection and Management

• Because many different and interrelated factors (rainfall, lake levels, wetlands, septic systems, soil erosion, etc.) affect water quality and quantity, an overall, holistic approach is the only way to effectively manage water resources. One of major stumbling blocks to a holistic water management approach has been the parochialism and "turf protection" behavior exhibited by local governments and state agencies when dealing with water; every entity wants to manage its own little part of the resource, rather than taking an overall watershed approach.

• The primary purpose of Local Water Resource Protection and Management is to break this gridlock and encourage all public and private entities involved in resource management to work together to develop and implement comprehensive and coordinated plans to manage surface and groundwater. It also aims to foster state-local-federal-private partnerships to increase the efficiency in the delivery and implementation of all levels of natural resource

programs.

• This program provides technical and financial assistance to eligible counties and their partners throughout Minnesota to implement their water plans. This local approach allows a local government partnership to take advantage of the strengths of each government member, and to focus activities toward the highest priorities. Grant money may be used for a variety of activities, including mapping of drained wetlands, hiring necessary technical expertise, and lake and river restoration.

2. Water Quality Cost-share Program

• This program is designed to combat the single greatest threat to Minnesota's water quality—soil erosion. Often, installing conservation practices is prohibitively expensive, meaning that financial constraints prevent some landowners from installing such practices. The cost-share program is a "buffer" for landowners and provides the needed incentive for them to move forward with these practices. The program provides funding to soil and water conservation districts (SWCDs) to cost-share with landowners on projects directly putting conservation on the land.

• Eligible projects include practices designed to reduce soil erosion to a level that sustains agricultural and productivity and protects water quality (called the tolerable level, or "T"); forestry practices that improve the quality of Minnesota's private non-industrial forestland; feedlot management; and special projects, such as the LCMR-funded sinkhole project, which provides funds to landowners in southeastern Minnesota to divert water from sinkhole sites.

3. Abandoned Well Sealing and Inventory Cost-Share Program

• Abandoned wells provide one of the most direct and potentially damaging conduits for contaminants to enter directly into groundwater. This program provides funding to counties to allow them to conduct an inventory of abandoned wells—thereby enabling them to identify the highest priority wells—and to cost-share with landowners to seal high priority wells.

• The cost of sealing wells is often prohibitive and leads to unsealed and unreported abandoned wells.

• Although it is impossible to accurately identify the number of abandoned wells in Minnesota, estimates range from 800,000–1,500,000.

4. Wetland Conservation Act

• Since the mid-1800s, Minnesota has lost about 11.1 million acres of wetlands, representing a 60 percent loss.

•Wetlands provide a number of important public benefits, including improving water quality by serving as nature's biological filter, holding sediment and absorbing nutrients before they enter lakes, rivers, or groundwater. Other benefits are groundwater recharge, fish and wildlife habitat, and recreation.

•Recognizing these important functions, the Legislature passed the Wetland Conservation Act (WCA) in 1991. The goal of the act is to achieve "no net loss" of wetlands.

•The law prohibits draining or filling of non-exempt wetlands without replacement and creates three new wetland restoration and protection programs. The BWSR is charged with the responsibility of writing rules to carry out the regulatory provisions of the WCA. These rules are scheduled to be completed by Jan. 1, 1993.

•Realizing the importance of local involvement in wetlands protection and restoration, the Legislature gave responsibility for administering the WCA to a variety of local governments. Many of these local governments have limited staffs and technical knowledge of wetlands. The BWSR began a series of training programs for local government personnel during 1992; continued and enhanced technical and financial assistance is critical to the success of the program.

•One of the new programs created in the law, the Permanent Wetland Preserves Program, has been operational since August 24, 1992, with SWCDs authorized to conduct sign-ups in conjunction with RIM Reserve sign-ups. The Program allows owners of types 1, 2, or 3 undrained wetlands to enroll them under permanent conservation easements.

5. Reinvest in Minnesota (RIM) Reserve

•The RIM Reserve Program aims to improve water quality and enhance fish and wildlife habitat through encouraging farmers to retire certain marginal lands from agricultural production. The program provides the incentive that many farmers need to stop farming marginal or sensitive land and place it in a permanent conservation easement.

•The program is administered locally by soil and water conservation districts. Eligible types of land include drained wetlands for restoration, riparian land, highly erodible lands, and sensitive groundwater areas. Landowners are compensated at a percentage of the value of their land.

•The program has had more demand than funding could meet every year since it began in 1987.

•The program has leveraged significant dollars in partnership with local conservation groups (Pheasants Forever, Minnesota Waterfowl Association, and

Ducks Unlimited) and federal agencies.

OUTCOMES:

1. Local Water Resource Protection and Management

The overall goal of this program is to ensure water quality and quantity by fostering a holistic approach to water management. The program does this by providing a financial incentive and a structure to get all involved local units of government and state and federal agencies to the table. Because the ground and surface water plans produced through this program are developed by local task forces, with all concerned parties involved, the program allows local governments to work together to identify priorities and build on their strengths.

Of Minnesota's 87 counties, 85 are in some phase of development or implementation of a water plan. By the end of 1993, all counties in Greater Minnesota will have approved and locally adopted plans. In the Metro Area, five of the seven counties will have completed groundwater plans by the end of 1994.

The success of this program is judged by how effectively these local and state units work together to protect water resources, as measured through the numbers of formal working relationships established, amount of communication between involved parties, the number of shared goals contained in the plans, and the improvement of local capabilities to carry out the water management objectives outlined in the plans.

•78 of 87 Minnesota Counties have developed and locally adopted water management plans

•In 77 counties, the local water planning task forces convened to develop the plans continue to meet despite the fact that the plans are already developed. All involved local, state and federal entities serve on these task forces.

•Seven joint powers boards have been formed for water planning purposes, composed of clusters of counties in different eco-systems in Minnesota. The joint powers are the Red River Valley, the Mississippi Headwaters Board, the West Central Water Planning Project, the Central Minnesota Water Planning Project, the Redwood-Cottonwood Rivers Control Area, the Southcentral Minnesota Water Planning Project, and the Root-Zumbro Rivers Joint Powers Board.

•Nine counties have established newsletters for those involved in water resource management to enhance both inter- and intra-county communication.

•In 1991, 52 base grants totaling \$1.638 million generated local revenue of

\$2.238 million.

•330 individual county initiatives/activities have been named under the program, with primary emphasis on groundwater, lakes, rivers, soils, and wetlands.

MINNESOTAMILESTONES:

This program works to meet a number of goals and indicators under the "Our Surroundings" theme. It helps meet the goal "We will improve the quality of the air, water and earth" by increasing the "percentage of assessed river miles and lake acres that support fishable or swimmable goals," increase the "percentage of water supply systems meeting state drinking water standards," decreasing the "tons of soil loss," and reducing the "point-source discharge of organic pollutants into waters." In addition, the plans sometimes include increasing the "amount of wetlands."

However, the real application of this program to the Milestones is under the "We the People" category. The partnerships and working relationships formed between local units and unquestionably remove unnecessary duplication, thus contributing toward the goal "Government in Minnesota will be more efficient." In addition, the grassroots nature of the local water plans, which were developed by local task forces comprised of public and private interests, and are now being implemented by local governments, reaches toward the Milestone goals that "People will believe their participation in government is meaningful" and "Government decision-making will be decentralized and accommodate community participation."

2. Water Quality Cost-Share Program

The overall goal of this program is to reduce soil erosion to improve water quality. To that end, the program in the 1992-1993 biennium provided \$1.461 million each year to soil and water conservation districts (SWCDs) to cost-share with landowners on priority erosion projects. These allocations are based on a formula that considers the number of feedlots, types of soil and soil erosion potential, miles of shoreland, and estimated conservation practice installation costs. SWCDs then determine the highest priority erosion control projects and focus the money on those projects.

Although the BWSR does not have specific numbers available on SWCD cost-share projects funded and completed, the agency is currently developing a data base and altering its reporting requirements to allow for the collection and

manipulation of these numbers. Future effectiveness indicators will include:

- number of acres treated
- water quality improvement
- feet of shoreline treated

The goals for these indicators are outlined under the "objectives" section of this document.

In addition to cost-share funding going directly to SWCDs, two technical positions, a feedlot specialist and a north shore engineer, are funded through cost-share dollars.

•The north shore engineer anticipates working on three projects during the 1992-3 biennium, affecting about 3,400 feet of priority erosion shoreline with erosion rates of 1/2 foot-five feet. After completion of the projects, the erosion control rate is expected to be 100 percent.

•The feedlot specialist, located in Marshall, expects to work on six feedlot designs during the FY 1992-93 biennium. Each of these feedlots has phosphorous and chemical oxygen demand (COD) measures of 1,500-2,000 parts per million before pollution prevention measures are installed; following the installation, the phosphorous and COD are below 112 parts per million.

MINNESOTAMILESTONES:

This program directly contributes to three of the indicators under the "Our Surroundings" theme. This program provides the public with financial incentives and technical assistance to "improve the quality of the air, water, and earth" through the "control of point source discharges into waters," thereby reducing the "tons of soil loss" per acre and in total. In addition, the program allows citizens to "sustain and enhance the living world" by increasing the "amount of forestland."

Under the "We the People" theme, this program allows "people to believe their participation in government is meaningful," and, through allocation of these funds to local governments, "government decision-making is decentralized and accommodates community participation."

3. Abandoned Well Sealing and Inventory Cost-Share Program

•Funding from the last two biennia will ultimately result in the sealing of about 2,000 wells.

•Approximately 30 counties participate in the program.

•About 18 counties have started to take an inventory of their abandoned wells

- Promotion of the program has led to approximately 15 counties pursuing inventories without funding

MINNESOTAMILESTONES:

By reducing the contaminants entering groundwater through abandoned wells, the Well Sealing and Inventory Cost-Share Program contributes to two key indicators under the goal of "improving the quality of the air, water and earth." These indicators are increasing the "percentage of assessed river miles and lake acres that support swimmable or fishable goals" and increasing the "percentage of water supply systems meeting state drinking water standards."

4. Wetland Conservation Act

In recognition of the general public benefits of wetlands, the 1991 Legislature approved the Wetland Conservation Act, the ultimate goal of which is to achieve a no net loss of wetlands. To ensure a local voice in the program, the legislation allowed, but did not mandate, any local unit with taxing authority to take control of the program within its own boundaries.

During the 1992-93 biennium:

- Approximately 200 local units of government, representing 95 percent of Minnesota's area, have approved resolutions accepting responsibility for administering the WCA.

- Statewide, about 200 projects involving draining or filling wetlands have been approved ONLY after an acceptable replacement plan was agreed upon, resulting in no net loss.

- The best result of the program has been local government units' extraordinary successes in persuading landowners to avoid draining or filling wetlands. An estimated 4,000 activities that would have resulted in draining or filling a wetland have been revised to avoid wetland damage.

- In conjunction with the Minnesota Association of Soil and Water Conservation Districts, the BWSR conducted 25 training sessions for local governments on the WCA in spring 1992. These sessions were attended by about 1000 local government personnel and officials, as well as 300 DNR peace officers.

- In summer 1992, the BWSR conducted four technical wetland delineation training sessions. About 200 local government and state agency staff attended.

- The BWSR also worked to educate local government personnel and the public through various public relations activities, resulting in at least 40 newspaper,

newsletter and broadcast news stories on the act. The BWSR also developed and printed a brochure on the WCA for local governments to give to landowners and other interested parties.

- Throughout winter, spring and summer 1992, the BWSR worked with two committees, the Wetland Heritage Advisory Committee (WHAC) and the Rules Advisory Committee (RAC) to arrive at consensus on the rules governing the WCA. The WHAC met 11 times; the RAC met 10 times, resulting in an estimated 3,440 person-hours devoted to developing rules for the act.

- The BWSR approved the rules at its October 1 meeting. A series of public information meetings will be held throughout November and December. Official public information meetings will be held in December. The rules will be submitted to the Legislature by March 1, 1993.

- The incentive program in the act that does not require rule development, the Permanent Wetland Preserves Program, is up and running. The first sign-up for landowners interested in protecting wetlands under the program began in late August. Although no numbers are official, it's been reported that interest is very high. The BWSR also developed and distributed to local governments a brochure for landowners on the program.

MINNESOTAMILESTONES:

Clearly, this program relates to a number of indicators and goals under the "Our Surroundings" theme. The act will increase the "land area in natural resource-related public ownership" and the "amount of wetlands." By doing so, the act helps increase the "percentage of assessed river miles and lake acres that support fishable and swimmable goals" and the "percentage of water supply systems meeting state drinking water standards."

5. Reinvest in Minnesota (RIM) Reserve

The RIM Reserve Program is a land set-aside program designed to improve water quality and fish and wildlife habitat through removing marginal land from production and enrolling it under permanent easements.

So far, figures are only available for FY 1992 (1991 sign-up); figures for FY 1993 (1992 sign-up) will be available next year. During 1992:

- the program has enrolled 6411 acres under perpetual conservation easements
 - 2060 acres of restored wetland areas
 - 2562 acres of riparian cropland areas
 - 1789 acres of marginal agricultural lands
- demand exceeded funding by \$1 million.

- the program leveraged approximately \$365,000 in federal and private dollars.

MINNESOTAMILESTONES:

The program clearly relates to a number of the milestones indicated in the "Our Surroundings" category. Specifically, it meets the goal "We will have opportunities to enjoy our outdoor recreation resources" through meeting the indicator to increase "Land area in natural resource-related public ownership." In addition, it meets the goal that "Citizens will sustain and enhance the living world" through the indicator calling for an increased "amount of wetlands" and also a reduction in the "number of threatened, endangered or extinct native wildlife and plant species."

Finally, the program helps meet the goal of "Improving the quality of air, water and earth" through meeting the indicators of decreasing the "percentage of assessed river miles and lake acres that do not support fishable or swimmable goals" and increasing the "percentage of water supply systems meeting state drinking water standards." Clearly, the program also helps meet the indicator of decreasing "tons of soil loss per acre of cropland."

OBJECTIVES:

1. Local Water Resource Protection and Management

(1992 and 1994-5 numbers represent totals since the program began in 1986.)

- Continued improvement in the coordination of water management efforts between local, state and federal units of government with the increased emphasis on joint planning by the BWSR in the annual local water planning grant program requirements.

- Local inventories and data collection programs will continue to accelerate as counties move from planning to plan implementation

	1992	1994-5
in the next biennium.		

•All Greater Minnesota counties will have completed water plans by the end of the biennium.	77	80
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•All Metro Area counties will have completed groundwater plans by the end of the biennium.	1	7
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•Increased numbers of local task forces continuing to meet.	77	80
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•Increased commitment of local dollars.	(1991)	\$2.3m.	\$24m
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•Number of goals in water plans achieved.	not av.	87
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2. Water Quality Cost-Share Program

(1994-5 numbers represent objectives for that biennium only, NOT total numbers since the program began.)

- Increased integration of resource management by greater consolidation of the grants funding provided under the cost-share program. This will allow local units of government greater freedom in pursuing their priority projects. Further integration will take place by providing a linkage between the goals of the local water plan and the projects submitted for cost-share funds, ensuring that local units are working toward their stated priority objectives.

	1992	1994-5
•Completed cost-share projects in local water plans:	not av.	87
•Acres treated for soil loss:	not av.	.77m.
•Percentage of farm acres in Minn. with tolerable soil loss:	44%	50%
•Feet of shoreline treated under general cost-share:	not av.	
•Number of projects by North Shore engineer:	3	2
•Shoreline feet protected by North Shore engineer projects:	3,400	550
•Number of projects by feedlot specialist:	6	6

3. Abandoned Well Sealing and Inventory Cost-Share Program

(1994-5 numbers are grand totals including all years of the program.)

	1992	1994-5
•Number of counties participating:	30	40
•Number of counties conducting inventories (funded):	18	30
•Number of counties conducting inventories (unfunded):	15	22
•Number of wells sealed:	2,000	3,000
•Continued promotion of the program to increase rate of well sealing among those not receiving funds.		

4. Wetland Conservation Act

(1994-5 numbers represent totals including 1992-93 biennium numbers.)

•To have every area of Minnesota covered by a local government accepting responsibility for the WCA by August 1993.	1992 95 %	1994-5 100 %
•To enable local governments to reach a level of capability where they are proficient in administering the act.		
•To increase the number of wetland activities avoided.	4,000	8,000
•To achieve no net loss of wetlands by 1998.		
•Enroll additional acres under the wetland protection programs provided for in the legislation.	N/A	2,000

5. Reinvest in Minnesota (RIM) Reserve

(1992 numbers represent 1991 sign-ups, which are currently being processed; numbers for 1992 sign-ups will be available in FY 1993. FY 1994-95 numbers represent only the target enrollment amounts for the biennium, NOT the total amount since the program began.)

•Amount of funding:	\$9m.	\$75m
•Total acres placed under conservation easements:	6411	016m.
•Acres of restored wetlands:	2060	4000
•Acres of riparian areas (hillside and cropland):	2562	6000
•Acres of marginal ag land:	1789	4500
•Acres of sensitive groundwater land:	0	1500
•Percentage of enrolled acres located within priority areas designated by the BWSR:	N/A	50 %
•Amount by which demand exceeds funding:	\$1m.	\$5m.
•Federal and private dollars leveraged:	\$365m.	\$1m.

PROGRAM PLAN:

BWSR budget cuts will be partially met through maintaining position vacancies, including two-half-time clerical positions and one hydrologist four position. The BWSR has reorganized its structure (as reflected in the organization chart) to try to prevent major cuts in service due to these position vacancies.

In addition, the BWSR intends to reduce RIM Reserve general administration grants to soil and water conservation districts by \$459,000 per year, from \$750,000 to \$291,000. The BWSR intends to offset this loss by changing the administrative funding for the program from a flat rate to a percentage of the total RIM Reserve appropriation. This percentage-based approach will allow administrative funding to be based on the amount of actual dollars available for the program and the amount of work those dollars will generate. In the past, the volatility of RIM Reserve funding has meant that the flat rate did not reflect the amount of easements funded through the program.

Each BWSR program area will be expected to absorb the 3½ percent inflationary increase. This will be done through decreased board and staff travel (to be offset by increased phone meetings, more multi-purpose board and staff meetings, fewer on-site training sessions (possibly using satellite link-up as an alternative), and limited out-of-state travel) and decreased printing and equipment costs. Although these cutbacks have the potential to adversely affect the BWSR's service to clientele, the agency hopes that increased communications (i.e. more written and telephone correspondence) and more specific targeting of our printing needs will result in more efficient and cost-effective delivery, thus resulting in maintaining our current level of service to our local government clientele.

Maintaining position vacancies and absorbing inflationary increases are short-term solutions to the budget shortfall. If the need to continue these measures extends beyond the 1992-93 biennium, program eliminations and staff reductions will be necessary.

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**MINNESOTA BOARD OF WATER
AND SOIL RESOURCES
AFFIRMATIVE ACTION PLAN**

AFFIRMATIVE ACTION PLAN

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EXECUTIVE DIRECTOR'S AND CHAIRMAN'S STATEMENT OF COMMITMENT

As the Executive Director and Chairman of the Board of Water and Soil Resources, we make a personal commitment to implementing an aggressive affirmative action program designed to provide equal employment opportunities for all candidates for employment.

Supervisors and managers will be responsible and accountable for implementation of the affirmative action program. Each position description for managers and supervisors will include provisions that specifically state this responsibility and accountability. Performance increases and achievement awards for supervisors and managers will take into consideration their individual initiatives towards affirmative action plan objectives.

We will not tolerate any act of discrimination or harassment by any employee. Any employee demonstrating discriminating or harassing behavior towards another employee of the agency; an employee of another state or local agency; or the general public will be subject to disciplinary action. The agency is responsible for the actions of its employees and may be held liable for failure to take prompt and appropriate action against any employee who is guilty of discrimination or harassment.

We will do everything within our authority to see that local governments, and organizations that the Board of Water and Soil Resources does business with, have affirmative action policies that promote equal opportunity for all and denounce discrimination and harassment of other individuals.

Date

Executive Director

Date

Chairman

**METHODS BY WHICH THE BWSR'S AFFIRMATIVE ACTION PLAN (AAP) IS
COMMUNICATED INTERNALLY AND EXTERNALLY TO EMPLOYEES AND
OTHERS**

Internally:

- 1) Present entire policy at staff meeting annually and be sure each employee has a written copy.
- 2) Present policy as part of new employee orientation.
- 3) Post Statement of Commitment in each office.
- 4) Include Affirmative Action duties in Position Descriptions for supervisors and managers.
- 5) Keep AAP in convenient location - make sure it is referenced when positions become available.
- 6) Require annual training and development for agency staff and board members. The Equal Opportunity Division (EOD) provides one-on-one training as well as statewide training sessions.

Externally:

- 1) Print "Equal Opportunity Employer" on all forms, newsletters, brochures, manuals, letterhead stationery, etc. to let public know we have an AAP.
- 2) Ensure that agency publications include pictures and articles of all types - and is representative of all classes - and that no sexual, racial or other preferential language is used.

AFFIRMATIVE ACTION COMMITTEE'S INTERNAL PROCEDURES FOR PROCESSING COMPLAINTS OF ALLEGED DISCRIMINATION

The Board of Water and Soil Resources has initiated the following discrimination complaint procedure to be used by all employees. This procedure is designed to resolve problems internally before seeking correction from an outside authority. Employees are urged to utilize this internal procedure before filing a charge with the Department of Human Rights or other agencies. Anyone filing a complaint, or serving as a witness shall do so without fear of coercion, intimidation, or reprisal.

Employees' Responsibility

Employees shall respond promptly to the requests made by the affirmative action officer for collection of information for the purpose of carrying out his/her responsibilities under this complaint procedure. The failure of any employee to comply with the requests of the affirmative action officer shall be reported to the executive director.

Any BWSR employee who believes they have been discriminated against by reason of race, color, creed, sex, sexual orientation, age, national origin, religion, reliance on public assistance, marital status, disability, or political opinion or affiliation, may file a complaint to the affirmative action officer. Employees must file their complaint prior to their actual separation.

Complaint Procedure

When the affirmative action officer determines that the complaint is an affirmative action complaint, the following procedure is followed:

A. Informal Complaint

Employees must present their complaint to their supervisor and/or affirmative action officer within five working days of the occurrence. The supervisor and/or affirmative action officer must issue a written response within five working days and thereafter the parties shall have five working days to resolve the issue by mutual agreement.

B. Formal Complaint

If a complaint cannot be resolved informally, or if the affirmative action officer does not approve an informal resolution, the complainant and the affirmative action officer shall jointly complete the affirmative action complaint form within five working days of informal resolution attempt results.

1. The affirmative action officer shall then conduct a preliminary investigation into the charge.
2. Within ten working days from filing of the formal complaint, the affirmative action officer determines whether the complaint is properly a complaint of

- discrimination and appropriately addressed by the internal procedure.
3. The affirmative action officer responds to the complainant with the results of the preliminary investigation. If the affirmative action officer determines there is insufficient evidence to support the complaint, a written response dismissing the complaint will be sent to the complainant and the executive director. If the complaint is determined to be valid, Step C will be carried out.
- C. The affirmative action officer shall then have ten working days to conduct a fact-finding investigation, prepare a report of the evidence and findings of fact, and forward it to the executive director.
 - D. The executive director determines the final action of the complaint.
 - E. The entire complaint procedure should be completed within 60 working days of the filing of the formal complaint.
 - F. The affirmative action officer shall maintain records of all complainants and any pertinent information or data for three years after the case is closed. All documentation associated with the complaint shall be considered confidential information during the course of an investigation. The status of the complaint is public. After an investigation is completed, all documentation becomes public information, in accordance with the Data Privacy Act.

Alternative Legal Action:

If the complainant is not satisfied with the outcome of the above steps, he/she may seek alternative action. The affirmative action officer informs the complainant that at any time prior to 300 days having elapsed from the date of occurrence, the complainant may file a formal charge with the State Department of Human Rights, the courts, or other appropriate enforcement agencies.

COMPLAINT OF DISCRIMINATION FORM

Methods for developing programs and program objectives designed
to meet affirmative action goals:

- 1) Support and foster efforts to encourage protected class members to pursue certain paths that will lead them to employment.
- 2) During annual performance reviews, supervisors should discuss employees' goals and ambitions. Encourage and assist them in getting training that will lead to their goals.
- 3) If applicants from protected classes are not hired - be sure to identify for them training and experience needs they should pursue.
- 4) Post all training opportunities in a conspicuous place - maintain employee participation records.
- 5) Be sure all classes are represented on agency committees.
- 6) Request that the Equal Opportunity Division of the Department of Employee Relations participate in nationwide search efforts for protected group candidates with highly specialized skills as needed for particular jobs.
- 7) Encourage protected group members to submit their resumes to the EOD Resume Bank. This will ensure that protected group members are notified of job openings in their fields of interest.
- 8) Notify particular protected groups of significant new opportunities for entry-level access to the state service (i.e. summer jobs and internships that could lead to permanent state jobs).

REASONABLE ACCOMMODATIONS

Realizing that reasonable accommodations applies not only to selection and placement, but also to recruitment, training, promotion and reassignment, the Board of Water and Soil Resources contends that efforts will be made to remove impediments which prohibit or put limitations on potentially qualified persons with disabilities whether they be applicants or current employees. Reasonable accommodations basically involves providing an adequate environment for the interview process or making the necessary adaption in the workplace to enable the person or persons with disabilities to effectively perform their job on an equal basis in the most cost-effective and integrated setting as physically possible. Although providing a qualified individual with the opportunity to perform the tasks indicated in their job description is the initial concern when determining reasonable accommodation, it is the intention of the Board of Water and Soil Resources to concur with state and federal law. This does not infer that existing job descriptions or positions will be altered or created in order to address reasonable accommodations.

The reasonable accommodation plan and policy will be reviewed annually, and reflect any changes needed to comply with state and federal law.

***NOTE:** The terms "person with a disability" and "handicapped individual" are used interchangeable. State law refers to "person with disabilities" while federal law refers to "handicapped individuals". It is the position of the Board of Water and Soil Resources to utilize "persons with disabilities". (See Appendix A)

Employers need only provide reasonable accommodation to "qualified" persons with a disability. State and federal laws define a qualified handicapped individual who, with reasonable accommodation, can perform the essential functions required of all applicants for the job in question.

Requests for reasonable accommodation are:

1. The supervisor and the disabled person will confer to determine the need for the accommodation and to discuss possible alternatives such as job restructuring, job site modification, and accessible devices.
2. All Board of Water and Soil Resources offices will have available the Employee Request For Reasonable Accommodation forms. It is the individual's responsibility to complete and submit to the supervisor. (See Appendix B)
3. The supervisor will review the final comments and request and then forward the request with their recommendations to the Executive Director within ten working days. The Executive Director will consider the alternatives and decide whether to grant the requested accommodation.
4. The supervisor will complete the Reasonable Accommodations Agreement form and obtain necessary signatures. (See Appendix C)

Reasonable accommodations may include:

1. Modifying Worksite

To optimize the full potential of a person with a disability planning and provisions of accessibility to existing facilities may be required. Modifications may include adjustments to equipment height including desks, chairs, etc., addition of outlets, rearrangement of furniture and equipment, widening doorways, locating work area to provide greatest accessibility, designated parking, adjust ventilation, temperature and lighting and other negotiated provisions. The Board of Water and Soil Resources will confer with appropriate state agencies to formulate costs involved.

2. Adjusting Work Schedules

Accommodations can be made for persons with disabilities and may require flexible work hours and job sharing to adequately meet needs such as medical appointments or medical dietary requirements.

3. Job Restructuring

It is important to identify and change a situation which make a job incompatible with the worker's disability. The job modification, adaption, redesigning or restructuring may include modifying work hours and /or changing job duties while retaining the basic job functions. Accommodations must be considered for full-time permanent and intermittent employment.

4. Providing Assisting Devices

To maximize the quantity, quality or efficiency of a person with a disability, provisions for equipment may include special telephones, calculators, computers, typewriters, close circuit televisions, specially designed desks, files and other equipment to facilitate the performance of assigned duties. These items may include off the shelf devices, as well as highly specialized, customized and/or prescription items.

5. Readers

A person with a disability may need assistance with reading throughout the course of the day. The Board of Water and Soil Resources may directly or on a contract basis provide the training necessary to allow staff members to provide support services when such training and the provisions of such support services are administratively feasible. The recruitment of trained volunteers to be readers may also be pursued.

6. Interpreters

Support services such as interpreters for hearing impaired individuals, readers for the blind, special attendants, etc. must be provided when it is clearly demonstrated that these services are required for a disabled employee's performance of the essential functions of the job. Support services may also be needed for job applicants during the interview process. Although some situations will require a high level of interpretive skill, much day-to-day communication can be accomplished by trained

staff.

Undue Hardship

Reasonable accommodations relates to one concept in the affirmative action and non-discrimination of persons with one or more disabilities. Current state and federal laws require employers to make reasonable accommodations to physical or mental limitations of a qualified handicapped applicant or employee, unless the accommodations would impose an undue hardship on the employer.

Factors to be considered when determining undue hardship are:

- A. The overall size of the employer's program with respect to the number of employees, number and type of facilities and size of budget.
- B. Type of operation including the composition and structure of the workforce.
- C. The nature and cost of the accommodation.
- D. The reasonable ability to finance the accommodation at each site of business.
- E. Documentation of good faith efforts to explore less restrictive or less expensive alternatives including consultation with the disabled person or with knowledgeable persons or organization.

***NOTE:** Denial of reasonable accommodation must meet the qualifications of an undue hardship and will be documented and kept on file by the Affirmative Action Officer. A copy will be provided to the supervisor. The supervisor will notify the employee of the denial and inform the employee of his or her right to appeal the decision with the Human Rights and Equal Employment Opportunity Commission.

APPENDIX A

DEFINITIONS RELATING TO DISABILITIES

A. A PERSON WITH A DISABILITY:

1. Has a physical or mental disability which limits one or more of life's major activities (See Item D) or
2. Has a record of such a disability (See Item E) or
3. Is regarded as having such a disability

For employment purpose, disability does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents such an individual from performing the duties of the job in question, or whose employment, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others.

B. PHYSICAL DISABILITIES

Any physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more of the following body systems: neurological, musculoskeletal, special sense organs, respiratory, including speech organs, cardiovascular, reproductive, digestive, genial - urinary, hemic and lymphatic, skin and endocrine.

C. MENTAL DISABILITY

1. Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness and specific learning disabilities.

The term physical or mental disability includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech, and hearing impairments, cerebral palsy, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetics, mental retardation, emotional illness, drug and alcohol use, blindness, learning disabilities and the AIDs virus.

D. LIFE'S MAJOR ACTIVITIES

Functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

E. RECORD OF DISABILITY

Has a history or been classified as having a mental or physical disability that limits one or more of life's major activities.

F. REASONABLE ACCOMMODATIONS

Reasonable accommodations includes modifying equipment, such as offering telephone headphones to someone with limited use of an arm.

APPENDIX B

APPENDIX C

BUILDING EVACUATION

The Board of Water and Soil Resources has taken the opportunity to develop a Building Evacuation Procedure at the request of the Equal Opportunity Division. This document will be a part of the agency's Affirmative Action Plan. It is of particular importance to employees who have mobility or sensory impairments.

The following procedures are general. Each office will need to adapt their specific situation accordingly. In many cases, BWSR offices are co-located with other agencies. A committee of representatives from those agencies, preferably designated Staff Safety Offices, should meet annually to discuss and revise plans, check all emergency equipment within the building complex and review assigned shelter areas. Staff persons with disabilities should have a specific plan written for them.

GENERAL RULES (In case of evacuation)

1. Officer staff should be listed in numerical order regarding "Who is in charge". This list should be posted for easy access.
2. In case of emergency, lead staff will:
 - a) Notify proper authorities, civil defense, fire department, ambulance, etc.
 - b) Ensure that evacuation is done in a calm and orderly manner.
 - c) Turn off lights, close the doors and check rooms and bathrooms to ensure that all individuals have been evacuated.
 - d) Account for all staff once they have reached designated area of safety.
 - e) File required reports as follow-up.

PERSONS WITH DISABILITY

1. A staff person will be designated to assist with special needs. This person could be assigned by the lead staff at the time of the evacuation.
2. The work area will be located to provide the quickest possible exit.
3. Location will include windows functional enough for egress to be utilized if no other alternative escape route is available.
4. Corridors and office area will be managed to allow adequate clearance for egress.
5. A designated area of safety outside the building will be provided. This area may vary based on disability of the individual. A shelter and alternative shelter suitable will be provided and should include the following:
 - a) First aid kit
 - b) Flashlights

- c) Radio
- d) Phone
- e) Temperature control
- f) Listing of all emergency numbers
 - 1) Fire Station
 - 2) Ambulance
 - 3) Doctors

ORIENTATION

Drills regarding these procedures should be conducted annually. During a drill all personnel must leave the building. If problems arise, they should be brought to the attention of the designated staff safety officer. Staff personnel will be oriented regarding evacuation routes which should be mapped out providing a minimum of two routes. Also, procedures will be reviewed for proper utilization of fire extinguisher and the building's alarm system.

INJURY REPORT

All Injuries, no matter how minor, will be reported to the Safety Officer, utilizing the appropriate forms. The report should include name, date, and time of accident, nature of the incident, first aid or medical steps taken and by whom, what could be done to prevent a repetition of the accident.

WEATHER EMERGENCY

It is requested by the Equal Opportunity Division that weather emergency notification be included in the Affirmative Action Plan. Annually, the Commissioner of Employee Relations prepares a memorandum to be distributed to all state employees notifying them of the procedures used in case of a severe weather emergency. This procedure will be posted in each office and reviewed with each new employee.

Notification of buildings closing due to severe weather will be announced by the media. Public Service Weather Watches released from the National Severe Storms Forecast Center are two types -- severe thunderstorm and/or tornado watch. The Department of Employee Relations will communicate the information to the media, WCCO, KSTP, AP and UPI. All staff should locate a station in their area to keep them adequately informed and updated.

It will be particularly important that persons with hearing impairments are familiarized with procedure.

Although shelter readiness has been addressed in the Building Evacuation Section, the safety committee should consider the following regarding inclement weather:

- 1) Do the corridors of the building provide adequate protection?
- 2) Does the building have a basement?
- 3) Have shelter areas been established to best facilitate person with disabilities?



MEMORANDUM

October 13, 1992

Southbridge Office Building
155 South Wabasha St., Suite 104
St. Paul, Minnesota 55107

(612) 296-3767
Fax (612) 297-5615

TO: Ron Harnack
Mary Jo Anderson

FROM: John Jaschke

RE: OCT. BOARD MEETING - WETLANDS PRESENTATION

As requested, I will make a presentation to the Board on the technical aspects of wetlands pertinent to the WCA at the Oct. 21-22 mtg. in Rochester. Dave Peterson is also looking for a wetland site to include in the tour which can be used to demonstrate some of the presentation materials. The Board received some literature on wetland creation at the last meeting. I will be available to answer questions they may have after reading that. My presentation will focus on:

- Explanation of the Circular 39 and Cowardin classification systems.
- Discussion of functions and values of wetland types.
- Explain how a wetland delineation is done.

Attached are some review materials to be mailed out with the meeting notice.

c: Greg Larson

Regional Offices

Northwest Region
1106 Paul Bunyan Drive, NE
Bemidji, MN 56601
218-755-3963

Northeast Region
394 South Lake Avenue
Room 403
Duluth, MN 55802
218-723-4752

West Central Region
503 Washington Street
Brainerd, MN 56401
218-828-2604

South Central Region
Box 756
New Ulm, MN 56073
507-359-6074

Southeast Region
Friedell Bldg., Room 100
1200 S. Broadway
Rochester, MN 55904
507-285-7458

Southwest Region
Box 267
1400 E. Lyon Street
Marshall, MN 56258
507-537-6060

East Central Region
Southbridge Office Building
155 South Wabasha St., Suite 104
St. Paul, MN 55107
612-296-3767

CIRCULAR 39 WETLAND TYPES in MINNESOTA

TYPE 1 Seasonally flooded basins or flats

Soil: usually is well-drained during much of the growing season
Hydrology: covered with water or is waterlogged during variable seasonal periods
Vegetation: varies greatly according to season and duration of flooding from bottomland hardwoods as well as herbaceous growths
Common sites: upland depressions and bottomland hardwoods as well as herbaceous growths

NWI symbols: ***PEM1A or J***

PFO1A or J

TYPE 2 Inland fresh meadows

Soil: Saturated or near saturated during most of the growing season
Hydrology: usually without standing water during most of the growing season but is waterlogged within at least a few inches of the surface
Vegetation: includes grasses, sedges, rushes, various broadleaved plants
Common sites: Meadows may fill shallow basins, sloughs, or farmland sags, or these meadows may border shallow marshes on the landward side

NWI symbols: ***PEM1B***

TYPE 3 Inland shallow fresh marshes

Soil: Usually waterlogged early during growing season
Hydrology: often covered with as much as 6" or more of water
Vegetation: includes grasses, bulrushes, spikerushes, and various other marsh plants such as cattails, arrowheads, pickerelweed, and smartweeds
Common sites: may nearly fill shallow lake basins or sloughs, or may border deep marshes on landward side. Also common as seep areas on irrigated lands.

NWI symbols: ***PEM1C or F***

TYPE 4 Inland deep fresh marshes

Soil: (*inundated*)
Hydrology: usually covered with 6" to 3' or more of water during growing season
Vegetation: includes cattails, reeds, bulrushes, spikerushes, and wildrice. In open areas, pondweeds, nalads, coontail, watermilfoils, waterweeds, duckweeds, waterlilies, or spatterdocks may occur
Common sites: may completely fill shallow lake basins, potholes, limestone sinks and sloughs, or they may border open water in such depressions

NWI symbols: ***PEMF or G***
PUBF or G
L2ABF, G or H

PABF or G
L2EM2F, G or H

TYPE 5 Inland open fresh water

Soil:	<i>(undated)</i>	
Hydrology:	Water is usually less than 10' deep. Shallow ponds and reservoirs are included in this type.	
Vegetation:	fringed by a border of emergent vegetation similar to open areas of TYPE 4	
Common sites:	<i>shallow lake basins or they may border large open water basins</i>	
NWI symbols:	PABG or H L2ABG or H L1UBH	PUBG or H L2UBG or H

TYPE 6 Shrub swamps

Soil:	usually waterlogged during growing season
Hydrology:	often covered with as much as 6" of water, <i>water table at or near the surface</i>
Vegetation:	includes alder, willows, buttonbrush, dogwoods, and swamp-privet
Common sites:	along sluggish streams, <i>drainage depressions</i> , and occasionally on flood plains
NWI symbols:	<i>PSS1, 2, 3, 4, 5A, 5B, 5C, 5F, 5G, or 5J</i>

TYPE 7 Wooded swamps

Soil:	waterlogged at least within a few inches of surface during growing season
Hydrology:	often covered with as much as 1' of water, <i>water table at or near the surface</i>
Vegetation:	Trees include tamarack, arborvitae, black spruce, balsam, red maple, and black ash. Northern evergreen sites usually have a thick ground cover of mosses. Deciduous sites frequently support beds of duckweeds, smartweeds.
Common sites:	mostly in shallow <i>glacial lake</i> basins, <i>glacial lake filled depressions</i> , on flat uplands, and along sluggish streams
NWI symbols:	<i>PFO1, 2, 4, 5A, 5B, 5C, 5F, or 5J</i>

TYPE 8 Bogs

Soil:	usually waterlogged	
Hydrology:	<i>water table at or near the surface</i>	
Vegetation:	Woody, herbaceous, or both. Supports a spongy covering of mosses. Typical plants are heath shrubs, sphagnum moss, sedges, leatherleaf, Labrador tea, cranberries, carex, and cottongrass. Scattered, often stunted, black spruce and tamarack may occur.	
Common sites:	mostly in shallow <i>glacial lake</i> basins, <i>glacial lake filled depressions</i> , on flat uplands, and along sluggish streams	
NWI symbols:	PSS1, 2, 3, 4, or 5B PMLB	PFO1, 2, 4, or 5B PEMB



Freshwater Wetland Classification*

SYSTEM

P—PALUSTRINE: < 20AC OR < 2M DEEP AND HAS PERSISTENT VEGETATION

(No Subsystem)

Class	RB—ROCK BOTTOM	UB—UNCONSOLIDATED BOTTOM	AB—AQUATIC BED	UB—UNCONSOLIDATED SHORE	ML—MOSS LICHEN	EM—EMERGENT	SS—SCRUB SHRUB	FO—FORESTED	OW—OPEN WATER
Subclass	1 Bedrock 2 Rubble	1 Cobble/Gravel 2 Sand 3 Mud 4 Organic	1 Algal 2 Aquatic Moss 3 Rooted Vascular 4 Floating Vascular 5 Unk Submergent 6 Unk Surface	1 Cobble/Gravel 2 Sand 3 Mud 4 Organic 5 Vegetated	1 Moss 2 Lichen	1 Persistent 2 Nonpersistent	1 Broad Leaf Decid. 2 Needle Leaf Decid. 3 Broad Leaf Everg. 4 Needle Leaf Everg. 5 Dead	1 Broad Leaf Decid. 2 Needle Leaf Decid. 3 Broad Leaf Everg. 4 Needle Leaf Everg. 5 Dead	Unknown Bottom

Dominance Types *

MODIFYING TERMS			
In order to more adequately describe wetland and aquatic habitats water regime, water chemistry, soil or special modifiers may be applied			
WATER REGIME	WATER CHEMISTRY	SOILS	SPECIAL MODIFIERS
NON-TOTAL A Temporary B Saturated C Seasonal D Seasonal Wet-Drained E Seasonal Saturated F Semipermanent G Intermittently H Permanent J Intermittently Flooded K Artificial Z Intermittently Exposed/ Permanent W Intermittently Flooded/ Temporary V Saturated/Seasonal/ Semipermanent U Unknown	INLAND SALINITY 7 Hypersaline 8 Eusaline 9 Microsaline 0 Fresh PH MODIFIERS FOR FRESHWATER a Acid T Circumneutral I Alkaline	o Organic n Mineral	b Beaver d Partially Drained/Ditched f Farmed h Diked/impounded r Artificial s Spoil x Excavated

* Dominance types must be added by users

Classification of Wetlands and Deepwater Habitats of the United States
Cowardin et al. 1979 as modified for National Wetland Inventory Mapping Conventions

CLASSIFICATION OF WETLANDS AND DEEPWATER

HABITATS OF THE UNITED STATES



(Cowardin et al 1979 FWS/OBS-79/31)

Wetland Terminology Explained



A **SYSTEM** refers to a complex of wetlands and deep-water habitats that share the influence of similar hydrologic, geomorphologic, chemical, or biological factors. The Systems are:

Riverine (rivers, channels)
Lacustrine (lakes)
Palustrine (shallow, freshwater, usually vegetated)
Estuarine (tidal wetlands with ocean-derived salts ≥ 0.5 ppt)
Marine (open ocean)

A **SUBSYSTEM** subdivides the Systems into more specific categories (e.g., Lower Perennial, Upper Perennial, Intermittent and Tidal are Subsystems of the Riverine System).

A **CLASS** describes the general appearance of the habitat in terms of either the dominant life forms of the vegetation or the physiography and composition of the substrate. The Classes are:

Forested wetlands (woody vegetation ≥ 6 meters)
Scrub-shrub wetlands (shrubs, young trees ≤ 6 meters)
Aquatic bed wetlands (plants that normally grow on or below the surface)

Emergent wetland (erect, rooted, herbaceous wetland plants)

Moss-Lichen wetland (moss and lichens cover surface)

Rock Bottom wetland (substrate of stones, boulders or bedrock with deeper water regimes)

Unconsolidated Bottom wetland (substrate particles smaller than stones with deeper water regimes)

Rocky Shore wetland (substrate of stones, boulders or bedrock, with shallow water regimes)

Unconsolidated Shore wetland (substrate particles smaller than stones with shallow water regimes)

Streambed wetland (Intermittent and dewatered Tidal rivers and channels)

Reef (formed by invertebrates)

A **SUBCLASS** further subdivides a Class (e.g., Broad-leaved Deciduous, Needle-Leaved Evergreen, etc.).

The **DOMINANCE TYPE** refers to the dominant species or combination of species (e.g., common cattail (*Typha latifolia*) - hardstem bulrush (*Scirpus acutus*)).

MODIFIERS can be used to further describe the wetland (e.g., water regime, water chemistry, soil, beaver, excavated, etc.).

FOR MORE INFORMATION CONTACT
REGION 3 U.S. FISH AND WILDLIFE SERVICE
REGIONAL WETLANDS COORDINATOR
612/725-3593

**WETLAND CONSERVATION ACT
REFERENCES TO
1989 FEDERAL MANUAL**

1) ARTICLE 6, SECTION 11, SUBD. 2. [EVALUATION]

"Questions concerning the public value, location, size, or type of a wetland shall be submitted to and determined by a technical evaluation panel after an on-site inspection. The technical evaluation panel shall be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, and an engineer for the local government unit. The panel shall use the 'Federal Manual for Identifying and Delineating Jurisdictional Wetlands' (January 1989). The panel shall provide the wetland determination to the local government unit that must approve a replacement plan under this section, and may recommend approval or denial of the plan. The authority must consider and include the decision of the technical evaluation panel in their approval or denial of a plan."

**2) ARTICLE 7, SECTION 1 [INTERIM.], SUBD. 1.
[DELINEATION.]**

"The 'Federal Manual for Identifying and Delineating Jurisdictional Wetlands' (January 1989) must be used in identifying and delineating wetlands."



Southbridge Office Building
155 South Wabasha St., Suite 104
St. Paul, Minnesota 55107

(612) 296-3767
Fax (612) 297-5615

October 13, 1992

TO: BWSR Board Members

FR: John Jaschke, Wetland Management Specialist *JA*

RE: **CREATED WETLAND INFORMATION**

Regional Offices

Northwest Region
1106 Paul Bunyan Drive, NE
Bemidji, MN 56601
218-755-3963

Northeast Region
394 South Lake Avenue
Room 403
Duluth, MN 55802
218-723-4752

West Central Region
503 Washington Street
Brainerd, MN 56401
218-828-2604

South Central Region
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507-359-6074

Southeast Region
Friedell Bldg., Room 100
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Rochester, MN 55904
507-285-7458

Southwest Region
Box 267
1400 E. Lyon Street
Marshall, MN 56258
507-537-6060

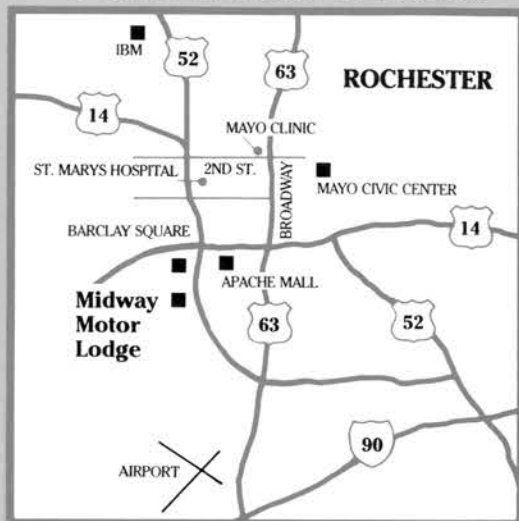
East Central Region
Southbridge Office Building
155 South Wabasha St., Suite 104
St. Paul, MN 55107
612-296-3767

The attached series of journal articles on wetland creation was provided by Doug Norris, DNR Ecological Services, at the request of Jim Rossman. They describe the "status of the science" with regard to wetland creation and point to the potential problems encountered if wetland creation projects are not carefully managed and monitored. There is also discussion as to what measures can be taken to increase the chances of successful wetland creation.

JJ/lm

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CIRCULAR 39 WETLAND TYPES in MINNESOTA

TYPE 1 Seasonally flooded basins or flats

Soil:	usually is well-drained during much of the growing season	
Hydrology:	covered with water or is waterlogged during variable seasonal periods	
Vegetation:	varies greatly according to season and duration of flooding from bottomland hardwoods as well as herbaceous growths	
Common sites:	upland depressions and bottomland hardwoods as well as herbaceous growths	
NWI symbols:	<i>PEM1A or J</i>	<i>PFO1A or J</i>

TYPE 2 Inland fresh meadows

Soil:	Saturated or near saturated during most of the growing season
Hydrology:	usually without standing water during most of the growing season but is waterlogged within at least a few inches of the surface
Vegetation:	includes grasses, sedges, rushes, various broadleaved plants
Common sites:	Meadows may fill shallow basins, sloughs, or farmland sags, or these meadows may border shallow marshes on the landward side
NWI symbols:	PEM1B

TYPE 3 Inland shallow fresh marshes

Soil:	Usually waterlogged early during growing season
Hydrology:	often covered with as much as 6" or more of water
Vegetation:	includes grasses, bulrushes, spikerushes, and various other marsh plants such as cattails, arrowheads, pickerelweed, and smartweeds
Common sites:	may nearly fill shallow lake basins or sloughs, or may border deep marshes on landward side. Also common as seep areas on irrigated lands.
NWI symbols:	<i>PEM1C or F</i>

TYPE 4 Inland deep fresh marshes

Soil:	(inundated)	
Hydrology:	usually covered with 6" to 3' or more of water during growing season	
Vegetation:	includes cattails, reeds, bulrushes, spikerushes, and wildrice. In open areas, pondweeds, nalads, coontail, watermilfoils, waterweeds, duckweeds, waterlillies, or spatterdocks may occur	
Common sites:	may completely fill shallow lake basins, potholes, limestone sinks and sloughs, or they may border open water in such depressions	
NWI symbols:	PEMF or G PUBF or G L2ABF, G or H	PABF or G L2EM2F, G or H

TYPE 5 Inland open fresh water

Soil: (inundated)

Hydrology: Water is usually less than 10' deep. Shallow ponds and reservoirs are included in this type.

Vegetation: fringed by a border of emergent vegetation similar to open areas of **TYPE 4**

Common sites: *shallow lake basins or they may border large open water basins*

NWI symbols: *PABG or H* *PUBG or H*
L2ABG or H *L2UBG or H*
L1UBH

TYPE 6 Shrub swamps

Soil: usually waterlogged during growing season

Hydrology: often covered with as much as 6" of water, *water table at or near the surface*

Vegetation: includes alder, willows, buttonbrush, dogwoods, and swamp-privet

Common sites: along sluggish streams, *drainage depressions*, and occasionally on flood plains

NWI symbols: *PSS1, 2, 3, 4, 5A, 5B, 5C, 5F, 5G, or 5J*

TYPE 7 Wooded swamps

Soil: waterlogged at least within a few inches of surface during growing season

Hydrology: often covered with as much as 1' of water, *water table at or near the surface*

Vegetation: Trees include tamarack, arborvitae, black spruce, balsam, red maple, and black ash. Northern evergreen sites usually have a thick ground cover of mosses. Deciduous sites frequently support beds of duckweeds, smartweeds.

Common sites: mostly in shallow *glacial lake* basins, *glacial lake filled depressions*, on flat uplands, and along sluggish streams

NWI symbols: ***PFO1, 2, 4, 5A, 5B, 5C, 5F, or 5J***

TYPE 8 Bogs

Soil: usually waterlogged

Hydrology: *water table at or near the surface*

Vegetation: Woody, herbaceous, or both. Supports a spongy covering of mosses. Typical plants are heath shrubs, sphagnum moss, sedges, leatherleaf, Labrador tea, cranberries, carex, and cottongrass. Scattered, often stunted, black spruce and tamarack may occur.

Common sites: mostly in shallow *glacial lake* basins, *glacial lake filled depressions*, on flat uplands, and along sluggish streams

NWI symbols: *PSS1, 2, 3, 4, or 5B* *PFO1, 2, 4, or 5B*
PMLB *PEMB*



Freshwater Wetland Classification*

SYSTEM

P—PALUSTRINE: < 20AC OR < 2M DEEP AND HAS PERSISTENT VEGETATION

(No Subsystem)

Class	RB—ROCK BOTTOM	UB—UNCONSOLIDATED BOTTOM	AB—AQUATIC BED	UB—UNCONSOLIDATED SHORE	ML—MOSS LICHEN	EM—EMERGENT	SS—SCRUB SHRUB	FO—FORESTED	OW—OPEN WATER
Subclass	1 Bedrock 2 Rubble	1 Cobble/Gravel 2 Sand 3 Mud 4 Organic	1 Algal 2 Aquatic Moss 3 Rooted Vascular 4 Floating Vascular 5 Unk. Submergent 6 Unk. Surface	1 Cobble/Gravel 2 Sand 3 Mud 4 Organic 5 Vegetated	1 Moss 2 Lichen	1 Persistent 2 Nonpersistent	1 Broad Leaf Decid. 2 Needle Leaf Decid. 3 Broad Leaf Evergr. 4 Needle Leaf Evergr. 5 Dead	1 Broad Leaf Decid. 2 Needle Leaf Decid. 3 Broad Leaf Evergr. 4 Needle Leaf Evergr. 5 Dead	Unknown Bottom

Dominance Types *

MODIFYING TERMS				
In order to more adequately describe wetland and aquatic habitats water regime, water chemistry, soil or special modifiers may be applied				
WATER REGIME		WATER CHEMISTRY		SPECIAL MODIFIERS
NON-TOTAL A Temporary B Saturated C Seasonal D Seasonal Wet-Drained E Seasonal Saturated F Semipermanent G Intermittently H Permanent J Intermittently Flooded K Artificial Z Intermittently Exposed/ Permanent W Intermittently Flooded/ Temporary V Saturated/Seasonal/ Semipermanent U Unknown		INLAND SALINITY 7 Hypersaline 8 Eusaline 9 Microsaline 0 Fresh PH MODIFIERS FOR FRESHWATER a Acid t Circumneutral i Alkaline		o Organic n Mineral b Beaver d Partially Drained/Drifted f Farmed h Diked/Impounded r Artificial s Spoil e Excavated

* Dominance types must be added by users

Classification of Wetlands and Deepwater Habitats of the United States
Cowardin et al. 1979 as modified for National Wetland Inventory Mapping Conventions

CLASSIFICATION OF WETLANDS AND DEEPWATER

HABITATS OF THE UNITED STATES



(Cowardin et al 1979 FWS/OBS-79/31)

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Marine (open ocean)

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Aquatic bed wetlands (plants that normally grow on or below the surface)

Emergent wetland (erect, rooted, herbaceous wetland plants)

Moss-Lichen wetland (moss and lichens cover surface)

Rock Bottom wetland (substrate of stones, boulders or bedrock with deeper water regimes)

Unconsolidated Bottom wetland (substrate particles smaller than stones with deeper water regimes)

Rocky Shore wetland (substrate of stones, boulders or bedrock, with shallow water regimes)

Unconsolidated Shore wetland (substrate particles smaller than stones with shallow water regimes)

Streambed wetland (Intermittent and dewatered Tidal rivers and channels)

Reef (formed by invertebrates)

A **SUBCLASS** further subdivides a Class (e.g., Broad-leaved Deciduous, Needle-Leaved Evergreen, etc.).

The **DOMINANCE TYPE** refers to the dominant species or combination of species (e.g., common cattail (*Typha latifolia*) - hardstem bulrush (*Scirpus acutus*)).

MODIFIERS can be used to further describe the wetland (e.g., water regime, water chemistry, soil, beaver, excavated, etc.).

FOR MORE INFORMATION CONTACT
REGION 3 U.S. FISH AND WILDLIFE SERVICE
REGIONAL WETLANDS COORDINATOR
612/725-3593

**WETLAND CONSERVATION ACT
REFERENCES TO
1989 FEDERAL MANUAL**

1) ARTICLE 6, SECTION 11, SUBD. 2. [EVALUATION]

"Questions concerning the public value, location, size, or type of a wetland shall be submitted to and determined by a technical evaluation panel after an on-site inspection. The technical evaluation panel shall be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, and an engineer for the local government unit. The panel shall use the 'Federal Manual for Identifying and Delineating Jurisdictional Wetlands' (January 1989). The panel shall provide the wetland determination to the local government unit that must approve a replacement plan under this section, and may recommend approval or denial of the plan. The authority must consider and include the decision of the technical evaluation panel in their approval or denial of a plan."

2) ARTICLE 7, SECTION 1 [INTERIM.], SUBD. 1. [DELINEATION.]

"The 'Federal Manual for Identifying and Delineating Jurisdictional Wetlands' (January 1989) must be used in identifying and delineating wetlands."

Nov. 1992



Southbridge Office Building
155 South Wabasha St., Suite 104
St. Paul, Minnesota 55107

(612) 296-3767
Fax (612) 297-5615

Regional Offices

Northwest Region
1106 Paul Bunyan Drive, NE
Bemidji, MN 56601
218-755-3963

Northeast Region
394 South Lake Avenue
Room 403
Duluth, MN 55802
218-723-4752

West Central Region
503 Washington Street
Brainerd, MN 56401
218-828-2604

South Central Region
Box 756
New Ulm, MN 56073
507-359-6074

Southeast Region
Friedell Bldg., Room 100
1200 S. Broadway
Rochester, MN 55904
507-285-7458

Southwest Region
Box 267
1400 E. Lyon Street
Marshall, MN 56258
507-537-6060

East Central Region
Southbridge Office Building
155 South Wabasha St., Suite 104
St. Paul, MN 55107
612-296-3767

DATE: November 13, 1992

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

FROM: Ronald D. Harnack, Executive Director

SUBJECT: November 18, 1992 BWSR Meeting

The Board of Water and Soil Resources will meet on November 18, 1992, beginning at 9:00 a.m. The meeting will be held in Room 112 of the State Capitol. Parking is available in Lot Q (one block northeast of the State Capitol). The agenda and informational materials are enclosed for your review.

If you have any questions regarding items or need additional information please feel free to call. Travel safely, I look forward to seeing you on the 18th!

RDH:mja
Enclosures

**BOARD OF WATER AND SOIL RESOURCES
ROOM 112, STATE CAPITOL
ST. PAUL, MINNESOTA 55155
NOVEMBER 18, 1992**

PRELIMINARY AGENDA

- | | | |
|------------|----|--|
| 9:00 a.m. | 1. | Call to Order |
| | 2. | Adopt Agenda |
| | 3. | Approve Minutes of October 22, 1992 |
| | 4. | Reports <ul style="list-style-type: none">● Chairman's Report - Jim Nielsen● Executive Director's Report - Ron Harnack<ul style="list-style-type: none">- CORE Update- Budget Update- Schestack Appeal● BWSR Committee Reports<ul style="list-style-type: none">- Dispute Resolution Committee - Jack Graba- Education Committee - Don Ogaard- Advisory Council on Wells and Borings - Warren Rodning- Feedlot Advisory Committee - Jim Rossman- Pesticide Advisory Committee - Don Warner- RIM Strategic Plan - John Brooks, Jr.- Wetlands Committee - Jim Nielsen- Finance Committee - Barb Cobb- BWSR Agency Coordination Committee - Howard Peterson |
| 10:00 a.m. | 5. | Local Water Planning Grants and Challenge Grants |
| 10:30 a.m. | 6. | Strategic Plan Outline for Water Planning |
| 11:00 a.m. | 7. | Water Plan Approvals <ul style="list-style-type: none">● St. Louis County● Lake County● Wright County |
| 11:30 a.m. | 8. | Snake River Watershed District Petition Update - Ron Harnack |
| 11:45 a.m. | | Lunch |

1:00 p.m.

9. Advisor Comments
 - Marlin Libbesmeier, MAT
 - John Sumption, MACDE
 - Gary Nordstrom, SCS
 - Pat Wulff, MLA
 - Howard Peterson, MAWD
 - Danny Potter, MASWCD
10. Board Issues - discussion, comments, action needed
11. Upcoming Meetings
 - Nov. 29 - Dec. 1, AMC Convention, Radisson South, Bloomington
 - Dec. 4-5, MAWD Convention, Cragun's, Brainerd
 - Dec. 6-8, MASWCD Convention, Radisson South, Bloomington
 - December 16, BWSR Meeting, St. Paul

2:00 p.m.

Adjourn

1994-95 Biennial Budget

AGENCY: Water and Soil Resources, Board of

MISSION STATEMENT:

The mission of the Board of Water and Soil Resources is to provide leadership enabling local governments to properly manage water and soil resources and to help all citizens be stewards of our irreplaceable natural resources.

Although other agencies are involved in resource management, the BWSR is unique in that it is the only agency that accomplishes its goals through increasing the capabilities of local government units. This approach makes sense for a number of reasons.

First, local ownership of resource management activities is an important component of the success of efforts. Rather than resentment at a state mandate that local personnel perceive they are being forced to carry out, a state-local partnership fosters feelings of pride and local responsibility.

Second, since resource management is primarily a land use issue, and local government is the land use authority in Minnesota, it makes sense to focus resource management assistance at the local level. Local governments, through their widespread planning and zoning authorities, make the vast majority of land use decisions. Sound land use management at the local level will protect soil, lakes, rivers, and streams, and sustain agriculture, forestry and development.

Finally, as we enter a time of increased environmental awareness--but dwindling resources to address these concerns--partnerships and strong working relationships are an effective way of leveraging our talents, resources, and finances to achieve the greatest results.

Recognizing the advantages of local resource management, the Legislature in 1987 created the BWSR to facilitate local government effort and to ensure coordination of state, local, federal and private

resource management initiatives. To accomplish this, the membership of the BWSR includes representatives from local government, citizens, four state agencies and the University of Minnesota Extension Service. This composition provides a unique opportunity for communication of issues and concerns, policy discussions on resource management, and generally enhancing state/local/private partnerships.

To reach these objectives, the BWSR:

- promotes communication and partnerships among state, local, and federal governments, as well as private organizations;
- administers a number of grant programs providing funding to local governments for resource management;
- conducts training sessions and provides technical assistance to local units of government;
- and coordinates state government activities as they affect local governments.

MINNESOTA MILESTONES:

Protecting and improving our natural resources relates directly to the Milestone theme "Our Surroundings." The five goals within that theme ("Minnesotans will respect the natural world," "We will improve the quality of the air, water and earth," "Citizens will sustain and enhance the living world," "We will have opportunities to enjoy our outdoor recreation resources," and "Minnesotans will enhance the beauty of our surroundings") are all met through the BWSR's work to improve the capabilities of local governments to manage their environment. The specific goals and indicators that the BWSR is working with local governments to attain are given below.

MILESTONE GOAL: *We will improve the quality of the air, water and earth.*

Indicators: BWSR programs assist local governments in reducing the "point source discharge of organic pollutants into waters;" decreasing the "percentage of assessed river miles and lake acres that do not support fishable and swimmable goals;" increasing the "percentage of water

supply systems meeting state drinking water standards;" and decreasing the "tons of soil loss." BWSR's strategic plan promotes "T" by 2000, an objective that will sustain soil productivity and enhance water quality.

MILESTONE GOAL: Citizens will sustain and enhance the living world.

Indicators: BWSR programs assist local governments in increasing the "amount of wetlands;" decreasing the "number of threatened, endangered or extinct native wildlife and plant species;" and increasing the "amount of forestland."

MILESTONE GOAL: We will have opportunities to enjoy our outdoor recreation resources.

Indicators: BWSR programs assist local governments in increasing the "land area in natural resource related public ownership." These programs focus on landowner stewardship of our natural resources.

In addition, the BWSR's unique approach to resource management (i.e. through local governments) moves the state toward the Milestone goals under "We the People."

MILESTONE GOAL: Government in Minnesota will become more efficient.

Indicators: The decrease in duplicative services resulting from BWSR coordination between state and local agencies results in more efficient government. Local government as clearing-house for wetlands information.

MILESTONE GOAL: Government decision-making will become decentralized and accommodate community participation.

Indicators: Government decisions made at the local, rather than state or federal level, clearly help promote decentralization and community participation. BWSR has 7 field offices with field staff trained and empowered to make decisions. BWSR facilitation of state/local communication has led to

formal cooperative agreements.

CLIMATE:

The following trends are shaping the development of policies and programs at the BWSR:

1. *Reduced state and federal government funding for local governments, and increased expectations of local responsibilities.* Both the federal and state governments have cut local government aid. As more of the financial and administrative burdens of resource management fall on local governments, they need to increase their capability to handle the myriad demands of those responsibilities.

2. *Increased awareness among the general public, including landowners, of resource problems, and increased willingness to make reasonable sacrifices to accomplish resource conservation.* More Minnesotans are becoming concerned about our environment, particularly water quality--many people have noticed deteriorating conditions in their favorite lakes or fishing streams. As these concerns surface, more people are willing to make reasonable sacrifices to protect and improve their environment.

3. *Increased local government capabilities.* Because of increased expectations and BWSR assistance, some local government capabilities in resource management have grown over the past few years. Local governments now need a wider variety of training and assistance, from the most basic level to advanced areas such as technical skills, leadership, and management. The BWSR must adjust its assistance to ensure that each local government meets a base level of capability, while those who need a higher level of training receive it.

4. *Movement from planning to implementation phase of non-point source strategy.* As Minnesota moves from the planning to the implementation stage of its non-point source strategy, BWSR's local government network increases in importance as a means of disseminating financial and technical aid to local governments. The BWSR has the structure and the relationships needed to address non-point concerns at the local

level.

5. Federal actions. Federal actions continue to affect BWSR and local government programs and planning in a wide variety of ways. In order for the BWSR to meet the "no net loss" goal laid out in the Wetland Conservation Act, the federal agencies involved in wetland protection (EPA, Army Corps of Engineers, and the Soil Conservation Service) must be willing to work toward the "one stop shopping" concept. In addition, the recent funding cuts for the Conservation Reserve Program and the Wetland Reserve Program will mean an increased demand for state set-aside dollars; the BWSR must take this into consideration as it anticipates funding, programmatic and staffing needs over the next bienniums. Finally, the upcoming reauthorization of the Clean Water Act and the 1995 Farm Bill will determine conservation standards and how they are implemented; it is imperative that the BWSR ensure that local and state government in Minnesota have input into this process.

PROSPECTS:

1. Local Water Resource Protection and Management

■ Because many different and interrelated factors (rainfall, lake levels, wetlands, septic systems, soil erosion, etc.) affect water quality and quantity, an overall, holistic approach is the only way to effectively manage water resources. One of major stumbling blocks to a holistic water management approach has been the parochialism and "turf protection" behavior exhibited by local governments and state agencies when dealing with water; every entity wants to manage its own little part of the resource, rather than taking an overall watershed approach.

■ The primary purpose of Local Water Resource Protection and Management is to break this gridlock and encourage all public and private entities involved in resource management to work together to develop and implement comprehensive and coordinated plans to manage surface and groundwater. It also aims to foster state-local-federal-private partnerships to increase the efficiency in the delivery and implementation of all levels of natural resource programs.

■ This program provides technical and financial assistance to eligible counties and their partners throughout Minnesota to implement their water plans. This local approach allows a local government partnership to take advantage of the strengths of each government member, and to focus activities toward the highest priorities. Grant money may be used for a variety of activities, including mapping of drained wetlands, hiring necessary technical expertise, and lake and river restoration.

2. Water Quality Cost-share Program

■ This program is designed to combat the single greatest threat to Minnesota's water quality--soil erosion. Often, installing conservation practices is prohibitively expensive, meaning that financial constraints prevent some landowners from installing such practices. The cost-share program is a "buffer" for landowners and provides the needed incentive for them to move forward with these practices. The program provides funding to soil and water conservation districts (SWCDs) to cost-share with landowners on projects directly putting conservation on the land.

■ Eligible projects include practices designed to reduce soil erosion to a level that sustains agricultural and productivity and protects water quality (called the tolerable level, or "T"); forestry practices that improve the quality of Minnesota's private non-industrial forestland; feedlot management; and special projects, such as the LCMR-funded sinkhole project, which provides funds to landowners in southeastern Minnesota to divert water from sinkhole sites.

■ The 1984 Soil Loss Act has not been very successful to date. BWSR began meetings with interested groups from local government, agriculture, state and federal government, conservation groups to frame new state policy and program for achieving soil conservation "T" by 2000. As wetlands was the issue of the 80's, soil conservation *NEEDS* to be the issue of the 90's.

3. Abandoned Well Sealing and Inventory Cost-Share Program

■ Abandoned wells provide one of the most direct and potentially damaging conduits for contaminants to enter directly into groundwater. This program provides funding to counties to allow them to conduct an inventory of abandoned wells--thereby enabling them to identify the highest priority wells--and to cost-share with landowners to seal high priority wells.

■ The cost of sealing wells is often prohibitive and leads to unsealed and unreported abandoned wells.

■ Although it is impossible to accurately identify the number of abandoned wells in Minnesota, estimates range from 800,000--1,500,000.

4. Wetland Conservation Act

■ Since the mid-1800s, Minnesota has lost about 11.1 million acres of wetlands, representing a 60 percent loss.

■ Wetlands provide a number of important public benefits, including improving water quality by serving as nature's biological filter, holding sediment and absorbing nutrients before they enter lakes, rivers, or groundwater. Other benefits are groundwater recharge, fish and wildlife habitat, and recreation.

■ Recognizing these important functions, the Legislature passed the Wetland Conservation Act (WCA) in 1991. The goal of the act is to achieve "no net loss" of wetlands.

■ The law prohibits draining or filling of non-exempt wetlands without replacement and creates three new wetland restoration and protection programs. The BWSR is charged with the responsibility of writing rules to carry out the regulatory provisions of the WCA. These rules are scheduled to be completed by Jan. 1, 1993.

■ Realizing the importance of local involvement in wetlands protection and restoration, the Legislature gave responsibility for administering the WCA to a variety of local governments. Many of these local governments have limited staffs

and technical knowledge of wetlands. The BWSR began a series of training programs for local government personnel during 1992; continued and enhanced technical and financial assistance is critical to the success of the program.

■ One of the new programs created in the law, the Permanent Wetland Preserves Program, has been operational since August 24, 1992, with SWCDs authorized to conduct sign-ups in conjunction with RIM Reserve sign-ups. The Program allows owners of types 1, 2, or 3 undrained wetlands to enroll them under permanent conservation easements.

5. Reinvest in Minnesota (RIM) Reserve

■ The RIM Reserve Program aims to improve water quality and enhance fish and wildlife habitat through encouraging farmers to retire certain marginal lands from agricultural production. The program provides the incentive that many farmers need to stop farming marginal or sensitive land and place it in a permanent conservation easement.

■ The program is administered locally by soil and water conservation districts. Eligible types of land include drained wetlands for restoration, riparian land, highly erodible lands, and sensitive groundwater areas. Landowners are compensated at a percentage of the value of their land.

■ The program has had more demand than funding could meet every year since it began in 1987.

■ The program has leveraged significant dollars in partnership with local conservation groups (Pheasants Forever, Minnesota Waterfowl Association, and Ducks Unlimited) and federal agencies.

OUTCOMES:

1. Local Water Resource Protection and Management

The overall goal of this program is to ensure water quality and quantity by fostering a holistic approach to water management. The program does this by providing a financial incentive and a structure to get all involved local units of government and state and federal agencies to the

table. Because the ground and surface water plans produced through this program are developed by local task forces, with all concerned parties involved, the program allows local governments to work together to identify priorities and build on their strengths.

Of Minnesota's 87 counties, 85 are in some phase of development or implementation of a water plan. By the end of 1993, all counties in Greater Minnesota will have approved and locally adopted plans. In the Metro Area, five of the seven counties will have completed groundwater plans by the end of 1994.

The success of this program is judged by how effectively these local and state units work together to protect water resources, as measured through the numbers of formal working relationships established, amount of communication between involved parties, the number of shared goals contained in the plans, and the improvement of local capabilities to carry out the water management objectives outlined in the plans.

- 78 of 87 Minnesota Counties have developed and locally adopted water management plans

- In 77 counties, the local water planning task forces convened to develop the plans continue to meet despite the fact that the plans are already developed. All involved local, state and federal entities serve on these task forces.

- Seven joint powers boards have been formed for water planning purposes, composed of clusters of counties in different ecosystems in Minnesota. The joint powers are the Red River Valley, the Mississippi Headwaters Board, the West Central Water Planning Project, the Central Minnesota Water Planning Project, the Redwood-Cottonwood Rivers Control Area, the Southcentral Minnesota Water Planning Project, and the Root-Zumbro Rivers Joint Powers Board.

- Nine counties have established newsletters for those involved in water resource management to enhance both

inter- and intra-county communication.

- In 1991, 52 base grants totaling \$1.638 million generated local revenue of \$2.238 million.

- 330 individual county initiatives/activities have been named under the program, with primary emphasis on groundwater, lakes, rivers, soils, and wetlands.

2. Water Quality Cost-Share Program

The overall goal of this program is to reduce soil erosion to improve water quality. To that end, the program in the 1992-1993 biennium provided \$1.461 million each year to soil and water conservation districts (SWCDs) to cost-share with landowners on priority erosion projects. These allocations are based on a formula that considers the number of feedlots, types of soil and soil erosion potential, miles of shoreland, and estimated conservation practice installation costs. SWCDs then determine the highest priority erosion control projects and focus the money on those projects.

Although the BWSR does not have specific numbers available on SWCD cost-share projects funded and completed, the agency is currently developing a data base and altering its reporting requirements to allow for the collection and manipulation of these numbers. Future effectiveness indicators will include:

- number of acres treated
- water quality improvement
- feet of shoreline treated

The goals for these indicators are outlined under the "objectives" section of this document.

In addition to cost-share funding going directly to SWCDs, two technical positions, a feedlot specialist and a north shore engineer, are funded through cost-share dollars.

- The north shore engineer anticipates working on three projects during the 1992-3 biennium, affecting about 3,400

feet of priority erosion shoreline with erosion rates of ½ foot-five feet. After completion of the projects, the erosion control rate is expected to be 100 percent.

■The feedlot specialist, located in Marshall, expects to work on six feedlot designs during the FY 1992-93 biennium. Each of these feedlots has phosphorous and chemical oxygen demand (COD) measures of 1,500-2,000 parts per million before pollution prevention measures are installed; following the installation, the phosphorous and COD are below 112 parts per million.

3. Abandoned Well Sealing and Inventory Cost-Share Program

■Funding from the last two biennia will ultimately result in the sealing of about 2,000 wells.

■Approximately 30 counties participate in the program.

■About 18 counties have started to take an inventory of their abandoned wells

■Promotion of the program has led to approximately 15 counties pursuing inventories without funding

4. Wetland Conservation Act

In recognition of the general public benefits of wetlands, the 1991 Legislature approved the Wetland Conservation Act, the ultimate goal of which is to achieve a no net loss of wetlands. To ensure a local voice in the program, the legislation allowed, but did not mandate, any local unit with taxing authority to take control of the program within its own boundaries.

During the 1992-93 biennium:

■Approximately 200 local units of government, representing 95 percent of Minnesota's area, have approved resolutions accepting responsibility for administering the WCA.

■Statewide, about 200 projects involving draining or filling wetlands have been approved ONLY after an acceptable replacement plan was agreed upon, resulting in no net loss.

■The best result of the program has been local government units' extraordinary successes in persuading landowners to avoid draining or filling wetlands. An estimated 4,000 activities that would have resulted in draining or filling a wetland have been revised to avoid wetland damage.

■In conjunction with the Minnesota Association of Soil and Water Conservation Districts, the BWSR conducted 25 training sessions for local governments on the WCA in spring 1992. These sessions were attended by about 1000 local government personnel and officials, as well as 300 DNR peace officers.

■In summer 1992, the BWSR conducted four technical wetland delineation training sessions. About 200 local government and state agency staff attended.

■The BWSR also worked to educate local government personnel and the public through various public relations activities, resulting in at least 40 newspaper, newsletter and broadcast news stories on the act. The BWSR also developed and printed a brochure on the WCA for local governments to give to landowners and other interested parties.

■Throughout winter, spring and summer 1992, the BWSR worked with two committees, the Wetland Heritage Advisory Committee (WHAC) and the Rules Advisory Committee (RAC) to arrive at consensus on the rules governing the WCA. The WHAC met 11 times; the RAC met 10 times, resulting in an estimated 3,440 person-hours devoted to developing rules for the act.

■The BWSR approved the rules at its October 1 meeting. A series of public information meetings will be held throughout November and December. Official public information meetings will be held in December. The rules will be submitted to the Legislature by March 1, 1993.

■ The incentive program in the act that does not require rule development, the Permanent Wetland Preserves Program, is up and running. The first sign-up for landowners interested in protecting wetlands under the program began in late August. Although no numbers are official, it's been reported that interest is very high. The BWSR also developed and distributed to local governments a brochure for landowners on the program.

5. Reinvest in Minnesota (RIM) Reserve

The RIM Reserve Program is a land set-aside program designed to improve water quality and fish and wildlife habitat through removing marginal land from production and enrolling it under permanent easements.

So far, figures are only available for FY 1992 (1991 sign-up); figures for FY 1993 (1992 sign-up) will be available next year. During 1992:

■ the program has enrolled 6411 acres under perpetual conservation easements

- 2060 acres of restored wetland areas
- 2562 acres of riparian cropland areas
- 1789 acres of marginal agricultural lands

■ demand exceeded funding by \$1 million.

■ the program leveraged approximately \$365,000 in federal and private dollars.

OBJECTIVES:

1. Local Water Resource Protection and Management

(1992 and 1994-5 numbers represent totals since the program began in 1986.)

■ Continued improvement in the coordination of water management efforts between local, state and federal units of government with the increased emphasis on joint planning by the BWSR in the annual local water planning grant

program requirements.

■ Local inventories and data collection programs will continue to accelerate as counties move from planning to plan implementation in the next biennium.

■ All Greater Minnesota counties will have completed water plans by the end of the biennium.

<u>1992</u>	<u>1994-5</u>
77 counties	80 counties

■ All Metro Area counties will have completed groundwater plans by the end of the biennium.

<u>1992</u>	<u>1994-5</u>
1 county	7 counties

■ Number of counties approving or revising local ordinances as a result of water planning.

<u>1992</u>	<u>1994-5</u>
12 counties	24 counties

■ Counties conducting inventory and mapping activities as a result of water planning.

<u>1992</u>	<u>1994-5</u>
45 counties	65 counties

■ Counties conducting monitoring and data collection activities as a result of local water planning.

<u>1992</u>	<u>1994-5</u>
43 counties	70 counties

■ Increased numbers of local task forces continuing to meet.

<u>1992</u>	<u>1994-5</u>
77	80

- Increased commitment of local dollars. (1991)

<u>1992</u>	<u>1994-5</u>
\$2,300,000	\$2,400,000

2. Water Quality Cost-Share Program

(1994-5 numbers represent objectives for that biennium only, NOT total numbers since the program began.)

- Increased integration of resource management by greater consolidation of the grants funding provided under the cost-share program. This will allow local units of government greater freedom in pursuing their priority projects. Further integration will take place by providing a linkage between the goals of the local water plan and the projects submitted for cost-share funds, ensuring that local units are working toward their stated priority objectives.

- Completed cost-share projects in local water plans

<u>1992</u>	<u>1994-5</u>
not available	87 projects

- Acres treated for soil loss

<u>1992</u>	<u>1994-5</u>
not available	770,000 acres

- Percentage of farm acres in Minn. with tolerable soil loss

<u>1992</u>	<u>1994-5</u>
44%	50%

- Number of landowners helped by North Shore engineer

<u>1992</u>	<u>1994-5</u>
3 landowners	2 landowners

- Shoreline feet protected by North Shore engineer projects

<u>1992</u>	<u>1994-5</u>
3,400 feet	3,400 feet

- Number of landowners assisted with design or revision of feedlot by feedlot specialist

<u>1992</u>	<u>1994-5</u>
10 landowners	20 landowners

3. Abandoned Well Sealing and Inventory Cost-Share Program (1994-5 numbers are grand totals including all years of the program.)

- Number of counties participating

<u>1992</u>	<u>1994-5</u>
30 counties	40 counties

- Number of counties conducting inventories (funded)

<u>1992</u>	<u>1994-5</u>
18 counties	30 counties

- Number of counties conducting inventories (unfunded)

<u>1992</u>	<u>1994-5</u>
15 counties	22 counties

- Number of wells sealed

<u>1992</u>	<u>1994-5</u>
2,000 wells	3,000 wells

- Continued promotion of the program to increase rate of well sealing among those not receiving funds.

4. Wetland Conservation Act

(1994-5 numbers represent totals including 1992-3 biennium numbers.)

■To have every area of Minnesota covered by a local government accepting responsibility for the WCA by August 1993.

<u>1992</u>	<u>1994-5</u>
95%	100%

■To enable local governments to reach a level of capability where they are proficient in administering the act.

■To increase the number of wetland activities avoided

<u>1992</u>	<u>1994-5</u>
4,000 avoided	8,000 avoided

■Enroll additional acres under the wetland protection programs provided for in the legislation

<u>1992</u>	<u>1994-5</u>
not applicable	2,000 acres

5. Reinvest in Minnesota (RIM) Reserve

(1992 numbers represent 1991 sign-ups, which are currently being processed; numbers for 1992 sign-ups will be available in FY 1993. FY 1994-5 numbers represent only the target enrollment amounts for the biennium, NOT the total amount since the program began.)

■Amount of funding

<u>1992</u>	<u>1994-5</u>
\$9,000,000	\$7,500,000

■Total acres placed under conservation easements

<u>1992</u>	<u>1994-5</u>
6,411 acres	16,000 acres

■Acres of restored wetlands

<u>1992</u>	<u>1994-5</u>
2,060 acres	4,000 acres

■Acres of riparian areas (hillside and cropland)

<u>1992</u>	<u>1994-5</u>
2,562 acres	6,000 acres

■Acres of marginal ag land

<u>1992</u>	<u>1994-5</u>
1,789 acres	4,500 acres

■Acres of sensitive groundwater land

<u>1992</u>	<u>1994-5</u>
0 acres	1,500 acres

■Percentage of enrolled acres located within priority areas designated by the BWSR

<u>1992</u>	<u>1994-5</u>
not applicable	50%

■Amount by which demand exceeds funding

<u>1992</u>	<u>1994-5</u>
\$1,000,000	\$5,000,000

■Federal and private dollars leveraged

<u>1992</u>	<u>1994-5</u>
\$365,000	\$1,000,000

GRANTS:

■Local Water Management (Counties)

State	\$5,070,000
Local	\$13,000,000
Private	In-Kind
Federal	Not Available

■Cost-Share (SWCDs MFIP; SLR; special projects; soil and water conservation practices)

State	\$3,870,000
Local and Private	\$2,630,000
Federal	\$9,960,000 (a percentage of this is used for match)

(ACP, EPA, GLC, USGS, USFS)

■ General and RIM Services (SWCDs)

State	\$3,200,000
Local	\$10,000,000
Private	\$50,000 + significant in-kind services
Federal	\$160,000 + in-kind services

These services grants are the technical staff that drive the cost-share program funds and the RIM Reserve funds.

■ Well Sealing (Counties)

State	\$950,000
Local	\$200,000 + significant in-kind services
Private	\$250,000
Federal	Not Available

■ Totals

State	\$8,020,000
Local	\$10,200,000
Private	\$2,930,000
Federal	\$10,120,000

Not all the relationships reflect a matched leveraging of funds. In some instances there is a dependence on funds or technical services from another that forms a partnership between state/local/private/federal to make the effort a reality. These funds *DO NOT* reflect the grants of MPCA or DNR that go to local governments for similar activities (DNR, shoreland, rivers, Northshore Management Board, Mississippi Headwaters Board; PCA, Clean Water Partnership).

AGENCY BUDGET PLAN:

BWSR budget cuts will be partially met through maintaining position vacancies, including two-half-time clerical positions and one hydrologist four position. The BWSR has reorganized its structure (as reflected in the organization chart) to try to prevent major cuts in service due to these position vacancies.

In addition, the BWSR intends to reduce RIM Reserve general administration grants to soil and water conservation districts by \$459,000 per year, from \$750,000 to \$291,000. The BWSR intends to offset this loss by changing the administrative funding for the program from a flat rate to a percentage of the total RIM Reserve bonding or LCMR appropriation. This percentage-based approach will allow administrative funding to be based on the amount of actual dollars available for the program and the amount of work those dollars will generate. In the past, the volatility of RIM Reserve funding has meant that the flat rate did not reflect the amount of easements funded through the program.

Each BWSR program area will be expected to absorb the 3½ percent inflationary increase. This will be done through decreased board and staff travel (to be offset by increased phone meetings, more multi-purpose board and staff meetings, fewer on-site training sessions, using satellite link-up for communication, limited out-of-state travel) and decreased printing and equipment costs, and consolidating administrative grants processes. Although these cutbacks have the potential to adversely affect the BWSR's service to clientele, the agency hopes that increased communications and more specific targeting of our resources will result in more efficient and cost-effective delivery, thus resulting in maintaining our current level of service to our local government clientele.

Grants administration to local governments by BWSR and the other natural resource agencies, specifically DNR and PCA, provide opportunity to enhance efficiency and delivery. Historically our grants program have been administered independent of one another resulting in numerous grant applications, reviews and grant agreements. We have attempted to consolidate grants to SWCDs into one agreement and application process and county grants into one application and agreement. We have been partially successful to date. To fully optimize

this approach there is a need to consolidate the appropriations relating to these local governments so that we have the flexibility to administer in a more efficient manner and still meet legislative objectives. In addition consideration may be given to administering other agency grants that focus on local government for natural resources programs similar to the MFIP program. The agency retains the program oversight, however the grant is administered through BWSR as part of the other grants. This allows locals to integrate programs into one grant application, reflecting a comprehensive approach to management of their resources, and the agencies can coordinate review and allocation to ensure work program elements are incorporated, and then process one grant on behalf of the state. Since these other agencies are members of BWSR coordination should be readily achieved. Benefits are reduced time for writing grants; reduced state review; reduced state grants administration (staff of program agencies, Finance, Administration) and greater assurances that the local grants are coordinated and duplicating each other.

Maintaining position vacancies and absorbing inflationary increases are short-term solutions to the budget shortfall. If the need to continue these measures extends beyond the 1992-93 biennium, program eliminations and staff reductions will be necessary. BWSR's mission is to enable local government to be effective leaders in, and managers of, our natural resources. Local government commitment and capability can diminish quickly if the locals see the state withdraw from the partnership.

LCMR PROPOSAL

RIM Reserve Conservation Easements

This project will acquire perpetual conservation easements on certain marginal lands to protect and improve water quality, control erosion and sedimentation, and enhance fish and wildlife habitat. (\$500,000 Environmental and Natural Resources Trust Fund)

1994-95 Biennial Budget Agency Budget Brief (\$ in thousands)

Agency: Water and Soil Resources, Board of

Fund: General

1. Summary of Agency Actions:

	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 94-95</u>
Agency Management Challenge			
Projected Compensation Costs - 3.5%	\$76	\$155	\$231
Other Operating Inflation - 3.5%	25	51	76
5 percent Base Reduction	<u>456</u>	<u>456</u>	<u>912</u>
Total Agency Shortfall	<u>\$557</u>	<u>\$662</u>	<u>\$1,219</u>
Agency Management Decisions			
Agency Operations:			
Hold Positions Vacant	(94)	(130)	(224)
Restructuring:	(7)	(14)	
Increase Productivity by doing more combined multi purpose meetings, telephone conferences, possibly including travel moratoriums, thus, less travel expense.			
Across the Board:			
Printing		(10)	
Professional/Technical Svs.		(20)	
Equipment		(15)	
Outstate Travel		(17)	
Grants:			
Reduction of General Fund			
RIM Services Grant	<u>(456)</u>	<u>(456)</u>	<u>(456)</u>
Total Agency Solutions:	<u>(557)</u>	<u>(662)</u>	<u>(1,219)</u>

Brief Explanation of Agency's Overall Actions:

The 5% reduction will be met by reducing the \$750,000 general fund grant to SWCDs for RIM services by \$456,000. Historically the RIM Reserve easement program has not received consistent

funding. It has varied from \$16,000,000 per biennium to \$1,000,000 per biennium with funding sources varying from bonding to LCMR to general fund or combinations of each. Rather than funding the professional services portion of the acquisition and wetland restoration program strictly by general funds and either exceed or have surplus general funds efficiency and savings would be achieved by tying the services to a % of the appropriation for RIM Reserve. It appears that the future of RIM Reserve funding will be bonding and/or LCMR, therefore it is our intention with this general fund reduction to transfer the grant (professional services) to those appropriations. The 3 1/2% (\$320,000) inflationary projection will be managed in FY94 by maintaining a section administrators position vacant and a clerical position vacant and by reductions to travel. The FY95 inflationary projection will be managed by continuing the FY94 actions and projecting management of other vacancies; limit out-of-state travel, equipment purchases, printing, consultant service contracts, reduce Board meetings and travel and *continued integration of grants administration*. If inflationary projections exceed those estimated we would need to seriously consider elimination of specific programs as staff reductions would leave us unable to provide a reasonable level of service for all our program responsibilities. We have absorbed inflation to the point that we are truly LEAN and MEAN and trying to do more will only be a disservice to our customers.

2. Financial Impact of Decisions on Base Funding Levels (Reconciliation with Budget Numbers Pages)

Budget Program Name	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 94-95</u>
Water and Soil Resources, Board of	<u>(456)</u>	<u>(456)</u>	<u>(912)</u>
Total Agency Impact	<u>(456)</u>	<u>(456)</u>	<u>(912)</u>

3. Impact on Staffing:
Positions left Vacant or Eliminated 2.25 FTE 3.00 FTE

4. Impact on Revenue Generation:
Not applicable.

5. Affected Statutes:
Not applicable.

LOCAL WATER RESOURCES PROTECTION AND MANAGEMENT PROGRAM

FY1993 FUNDING SUMMARY

Total FY93 funds available for the Local Water Planning Program: \$2,535,000

PROJECTED 1993 EXPENDITURES

Planning grants: Anoka County eligible for Metro Groundwater
Planning funding (\$15,600)

Base implementation grants: 78 Counties with Water Plans
anticipated to be approved, are eligible to receive BWSR
non-competitive grants totalling (\$2,409,705)

TOTAL (\$2,425,305)

FUNDS REMAINING \$109,695

Balance left in FY92 funds (added to FY93 funds: \$25,843

Projected LWRPMP Funds Remaining (FY92 & 93) for Challenge Grants: \$135,538

NOTE: If Scott, Otter Tail and Anoka Counties do not request funding, \$58,578
in additional funds will be available for Challenge Grants.

Range of Challenge Grant funding available: \$135,538 to \$194,116

The actual amount of available funding will not be known until
the end of the application period for LWRPMP funding, 1/15/93.

DETERMINATION OF MAXIMUM PAYABLE 1993
FOR COMPREHENSIVE LOCAL WATER IMPLEMENTATION ACTIVITIES
BASED ON A WATER IMPLEMENTATION LOCAL TAX RATE OF 0.047%

COUNTY	(1) PAYABLE 1992 EQUALIZED TAXABLE NET TAX CAPACITY	(2) MAXIMUM PAYABLE 1992 WATER PLANNING LEVY AMOUNT	(3) BWSR 1993 BASE GRANT (\$37,500-LEVY)
AITKIN	\$ 9,725,612	\$ 4,571	\$ 32,929
ANOKA*1	162,372,736	76,315	0
BECKER	14,169,882	6,660	30,840
BELTRAMI	12,890,875	6,059	31,441
BENTON	15,391,029	7,234	30,266
BIG STONE	3,179,198	1,494	36,006
BLUE EARTH	33,601,865	15,793	21,707
BROWN	14,452,701	6,793	30,707
CARLTON	13,882,128	6,525	30,975
CARVER	34,149,672	16,050	21,450
CASS	21,138,642	9,935	27,565
CHIPPEWA	8,085,613	3,800	33,700
CHISAGO	15,705,977	7,382	30,118
CLAY	21,099,892	9,917	27,583
CLEARWATER	3,879,685	1,823	35,677
COOK*2	5,559,380	2,613	34,887
COTTONWOOD	9,652,935	4,537	32,963
CROW WING	37,551,633	17,649	19,851
DAKOTA*1	242,925,466	114,175	0
DODGE	7,987,101	3,754	33,746
DOUGLAS	17,114,728	8,044	29,456
FARIBAULT	13,354,844	6,277	31,223
FILLMORE	8,650,826	4,066	33,434
FREEBORN	18,127,244	8,520	28,980
GOODHUE	42,648,011	20,045	17,455

COUNTY	(1) PAYABLE 1992 EQUALIZED TAXABLE NET TAX CAPACITY	(2) MAXIMUM PAYABLE 1992 WATER PLANNING LEVY AMOUNT	(3) BWSR 1993 BASE GRANT (\$37,500-LEVY)
GRANT	4,022,965	1,891	35,609
HENNEPIN*1	1,015,451,907	477,262	0
HOUSTON	6,781,334	3,187	34,313
HUBBARD	12,197,677	5,733	31,767
ISANTI*2	10,682,838	5,021	32,479
ITASCA	35,356,259	16,617	20,883
JACKSON	10,941,195	5,142	32,358
KANABEC	4,794,966	2,254	35,246
KANDIYOHI	22,099,956	10,387	27,113
KITTSOON	6,930,782	3,257	34,243
KOOCHICHING	8,128,571	3,820	33,680
LAC QUI PARLE	6,004,950	2,822	34,678
LAKE	5,568,164	2,617	34,883
LAKE OF THE WOODS	2,018,763	949	36,551
LE SUEUR	11,747,597	5,521	31,979
LINCOLN	4,146,978	1,949	35,551
LYON	15,346,879	7,213	30,287
MC LEOD	14,412,230	6,774	30,726
MAHNOMEN	2,081,254	978	36,522
MARSHALL	9,068,474	4,262	33,238
MARTIN	18,894,839	8,881	28,619
MEEKER	9,898,590	4,652	32,848
MILLE LACS	7,609,717	3,577	33,923
MORRISON	12,480,418	5,866	31,634
MOWER	18,006,525	8,463	29,037
MURRAY	7,982,034	3,752	33,748
NICOLLET	13,425,153	6,310	31,190
NOBLES	12,421,850	5,838	31,662

COUNTY	(1) PAYABLE 1992 EQUALIZED TAXABLE NET TAX CAPACITY	(2) MAXIMUM PAYABLE 1992 WATER PLANNING LEVY AMOUNT	(3) BWSR 1993 BASE GRANT (\$37,500-LEVY)
NORMAN	6,312,237	2,967	34,533
OLMSTED	71,329,228	33,525	3,975
OTTER TAIL	26,815,589	12,603	24,897
PENNINGTON	4,606,610	2,165	35,335
PINE	10,480,020	4,926	32,574
PIPESTONE	5,206,632	2,447	35,053
POLK	21,475,677	10,094	27,406
POPE	5,424,244	2,549	34,951
RAMSEY*1	380,932,192	179,038	0
RED LAKE	2,122,444	998	36,502
REDWOOD	12,821,342	6,026	31,474
RENVILLE	15,833,471	7,442	30,058
RICE	22,766,761	10,700	26,800
ROCK	6,694,890	3,147	34,353
ROSEAU	6,815,540	3,203	34,297
ST. LOUIS*1	79,966,905	37,584	0
SCOTT	41,507,788	19,509	17,991
SHERBURNE	55,544,732	26,106	11,394
SIBLEY	8,278,757	3,891	33,609
STEARNS	57,882,946	27,205	10,295
STEELE	16,485,125	7,748	29,752
STEVENS	5,302,248	2,492	35,008
SWIFT	5,940,496	2,792	34,708
TODD	7,110,690	3,342	34,158
TRAVERSE	4,560,520	2,143	35,357
WABASHA	9,639,552	4,531	32,969
WADENA*2	4,084,323	1,920	35,580
WASECA	11,483,738	5,397	32,103

COUNTY	(1) PAYABLE 1992 EQUALIZED TAXABLE NET TAX CAPACITY	(2) MAXIMUM PAYABLE 1992 WATER PLANNING LEVY AMOUNT	(3) BWSR 1993 BASE GRANT (\$37,500-LEVY)
WASHINGTON*1	124,102,507	58,328	0
WATONWAN	6,851,495	3,220	34,280
WILKIN	5,862,027	2,755	34,745
WINONA	19,521,652	9,175	28,325
WRIGHT	48,547,138	22,817	14,683
YELLOW MEDICINE	7,759,077	3,647	33,853
STATE TOTAL	\$ 3,215,871,125	\$ 1,513,450	\$ 2,512,651

* Counties ineligible based on:

*1) Amount of equalized local tax levy to be raised being greater than the total base grant amount per county; or

*2) The county not yet having an approved & locally adopted plan.

**STAFF ISSUE PAPER & PROPOSAL
FOR A STRATEGIC PLAN
TO
ASSESS BWSR/LOCAL GOVERNMENT PLANNING PROGRAMS**

ISSUE: At present the BWSR has authority over five different comprehensive and local planning programs. These planning efforts are carried out principally by counties, soil and water conservation districts, and watershed districts. These plans vary in their individual purposes and range from being comprehensive to single purpose orientated. As the BWSR looks ahead and examines it's role in coordinating local government efforts, it appears that a number of issues, problems and opportunities exist with these various planning programs.

The attached issue statements from each of the planning authorities provides a first glance on why a strategic look at these programs is necessary. With this strategic approach the Board has an opportunity to establish both policy and a 3 to 5 year plan of action to implement agreed upon changes.

PROPOSAL: BWSR staff propose that the Board endorse a committee approach to evaluate all BWSR related local government planning authorities, identify goals and objectives, recommend future Board policy, and establish a set of specific actions necessary to implement changes.

The Process:

- | | | |
|---------------|---|--|
| December 1992 | - | Appoint a committee comprised of:
4 BWSR Members
3 BWSR Staff
1 Representative from the following AMC, MAWD,
MASWCD, CITIES, MACDE, MACPZA, AMWRAP,
WD ADMIN.
State Agencies ??? |
| January 1993 | - | Convene Committee |
| March 1993 | - | Status report to Board |
| May 1993 | - | Draft report to Board |
| July 1993 | - | Adoption |

**BRIEF ISSUE STATEMENTS
RELATING TO EACH OF BWSR'S
STATUTORY RESPONSIBILITIES
FOR
LOCAL GOVERNMENT NATURAL RESOURCE PLANNING PROGRAMS**

M.S. 103B.201 (509)
Act.

Metropolitan Surface Water Management

Status: Metro Municipalities & WD's
Mandatory

Issues:

- ** There are still WMO's without approved first generation plans's.
- ** Non-implementing WMO's as it relates to newly adopted rules. There are WMO's that are organized but not much else, how do we implement our responsibility to enforce plans.
- ** Second generation plans, implementing the new rules.
- ** Establishing other agency expectations of WMO plans.
- ** Local plan development and implementation strategy.

M.S. 103B.255 Metropolitan County Ground Water Planning

Status: Metropolitan Counties
Voluntary

Issues:

- ** Integration into "509" plans, need Board policy and implementation strategy.
- ** How does this planning relate to Metropolitan councils desire to make ground water a metropolitan system under their jurisdiction.
- ** County versus regional context of planning, i.e. aquifer protection and land use relationships.
- ** Financing (mechanisms, block grants, local commitment)

M.S. 103B.301 ("110B") Comprehensive Local Water Planning

Status: Greater Minnesota Counties
Voluntary

Issues:

- ** Needed rule revision to incorporate changes from recent statutory changes.
- ** Involvement of cities, this has been lacking.
- ** watershed context and uniformity across political borders.
- ** Plans being used as a vehicle for state mandates, e.g. Redding Bill, WCA, requisite for programs such as DNR Flood Damage Reduction and MPCA Clean Water partnership.
- ** Role and relationship to other local plans and official controls, e.g. comprehensive land use plans, planning & zoning, SWCD comprehensive plans, WD overall plans, cities plans and official controls.

M.S. 103C ("Chapter 40") Soil and Water Conservation Districts

Status: 103C.331 subd. 10, Comprehensive Plans
All SWCD's
Mandatory

Issues:

- ** SWCD comprehensive and annual plans versus the county comprehensive local water plan and annual workplan/budget, do we need both.
- ** Is the comprehensive plan the appropriate vehicle for the auditing and compliance of BWSR programs, such as the identification of high priority erosion problems within the district to be eligible for the cost-share program.

M.S. 103D ("Chapter 112") Watershed Districts

Status: 103D.401 Watershed Management Plans
All WD's
Mandatory

Issues:

- ** Outdated overall plans, many districts do not have updated plans.
- ** Content of plans, single purpose or comprehensive.

- ** Overall plans versus comprehensive local water plans, purposes of each and their respective roles.
- ** Metro WD's consistency with 103B.201 "509" plan requirements, future of proposed projects and financing as it relates to adopted plans.

a:strategc.103/djt

MEMORANDUM

Date: November 6, 1992
To: Board
From: Eric Mohring
Subject: Wetland - Ground Water Int

Ron asked me to prepare a brief presentation on wetland-ground water interaction.

To be blunt, there is a lot of loose talk flying around regarding wetlands, particularly with regard to ground-water interaction. **that most wetlands are major ground-water recharge areas** occur at some wetlands, but discharge from ground water is as common. Many wetlands exhibit both ground water recharge and discharge depending on climate. Many (perhaps most) wetlands in the region are of the ground-water "flow-through" variety, with discharge on one side and recharge on the other side.

The following illustrations, from the USGS publication *Hydrology of Wisconsin Wetlands*, show the many possible ways that wetlands and ground water can interact.

As we move into implementation of the Wetland Conservation Act, we will need to be more careful in our statements on wetland-ground water interaction. We need to develop an awareness of the true complexities involved.

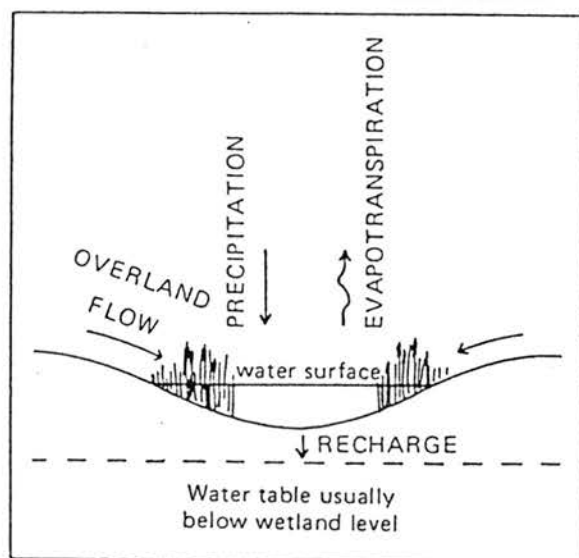


Figure 4. Flow components of surface-water depression wetlands.

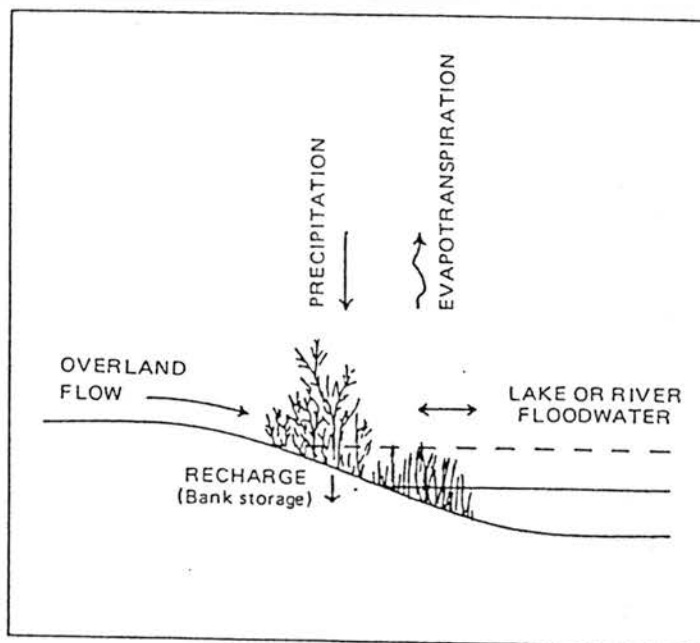


Figure 6. Flow components of surface-water slope wetlands.

Far Board Mailing

MEMORANDUM

Date: November 6, 1992
To: Board
From: Eric Mohring (612) 297-7360
Subject: Wetland - Ground Water Interaction

Ron asked me to prepare a brief presentation for the November meeting on wetland - ground water interaction.

To be blunt, there is a lot of loose talk flying around about the hydrologic functions of wetlands, particularly with regard to ground-water recharge. **It is a popular misconception that most wetlands are major ground-water recharge areas.** Ground water recharge does occur at some wetlands, but discharge from ground water to wetlands is just as common. Many wetlands exhibit both ground water recharge and discharge, depending on climate. Many (perhaps most) wetlands in the region are of the ground-water "flow-through" variety, with discharge on one side and recharge on the other side.

The following illustrations, from the USGS publication *Hydrology of Wisconsin Wetlands*, show the many possible ways that wetlands and ground water can interact.

As we move into implementation of the Wetland Conservation Act, we will need to be more careful in our statements on wetland-ground water interaction. We need to develop an awareness of the true complexities involved.

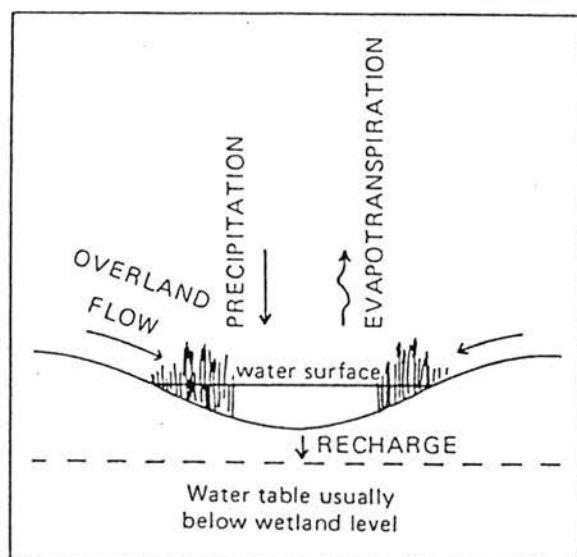


Figure 4. Flow components of surface-water depression wetlands.

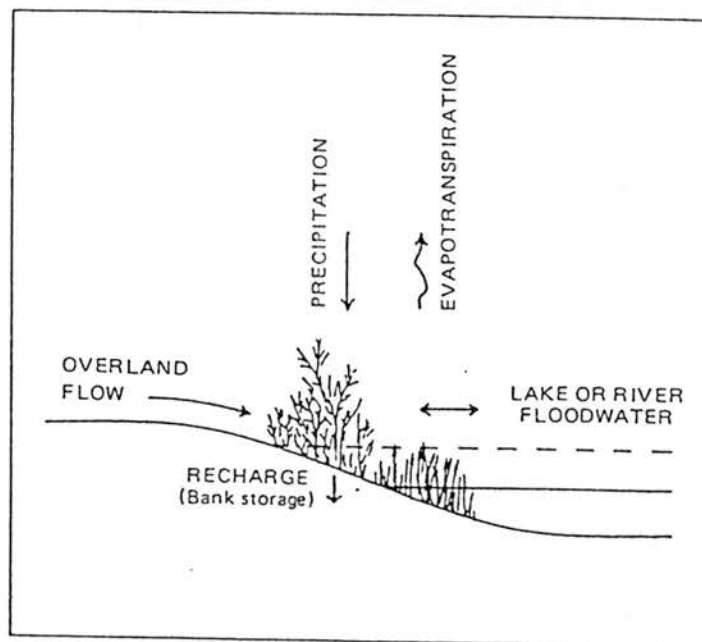


Figure 6. Flow components of surface-water slope wetlands.

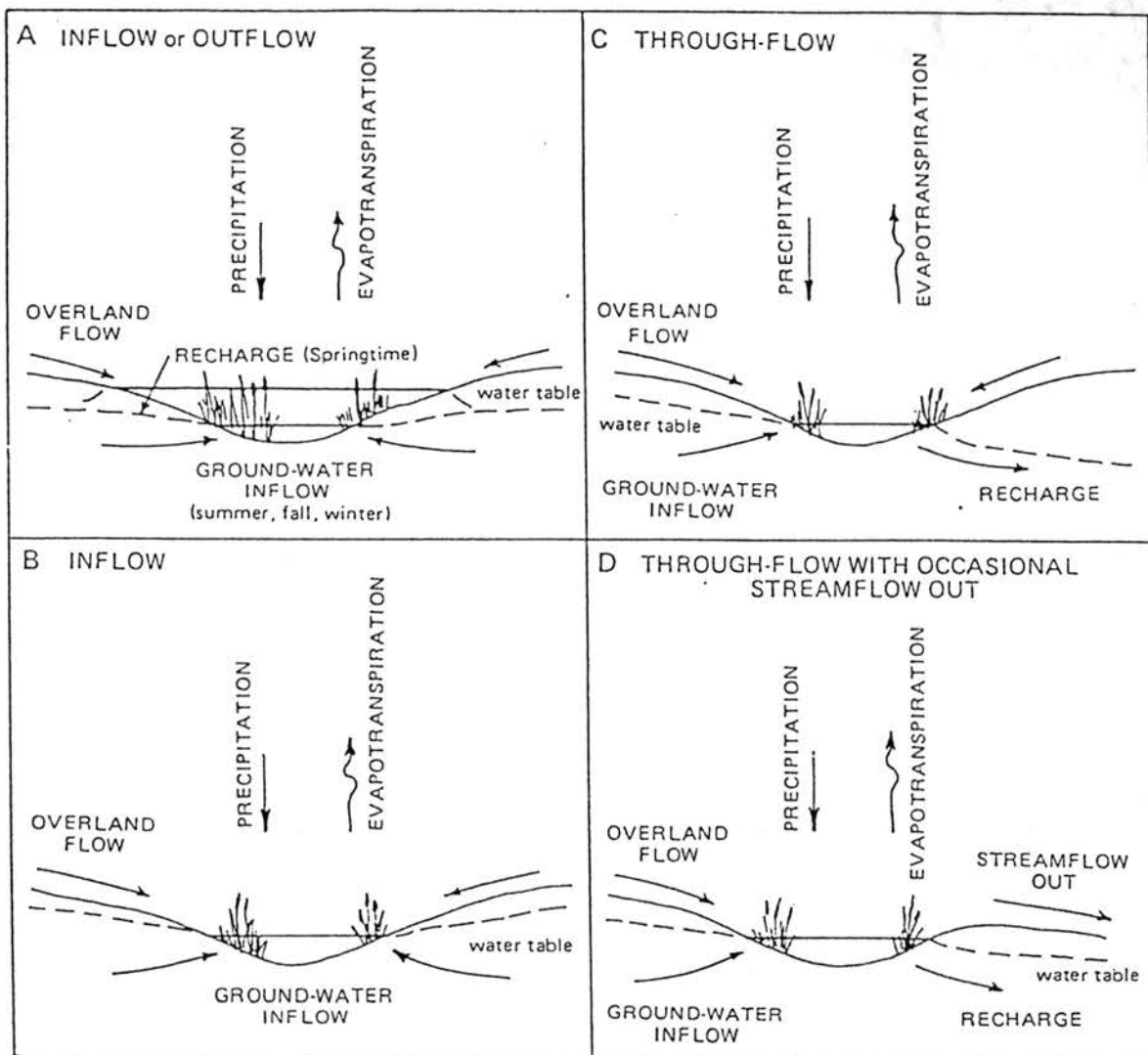


Figure 8. Flow components of ground-water depression wetlands.

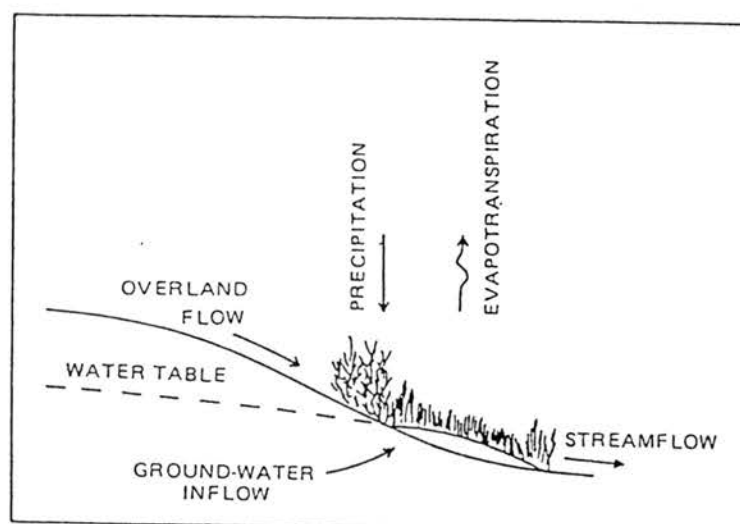


Figure 11. Flow components of ground-water slope wetlands.

STATE OF MINNESOTA

SF-00008-05

OFFICE INFORMATION MEMO

TO: <i>RON HARNODA</i>		DATE: <i>11-5-92</i>	TIME:
FROM: <i>Bill Clapp</i>		LOCATION: <i>BWSR</i>	LOCATION:
PHONE NO. ()		MESSAGE TAKEN BY	

- | | | |
|---------------------------------|--|--|
| ☐ Called | ☐ Please call | ☐ Was here to see you |
| ☐ Urgent | ☐ Will call again | ☐ Returned your call |

ACTION

- | | | |
|--|--|--|
| ☐ As we discussed | ☒ For your information | ☐ Per voice mail |
| ☐ As you requested | ☐ For your approval | ☒ Take appropriate action |
| ☐ Review and see me | ☐ For signature | ☐ Prepare reply for my sig. |
| ☐ Review and return | ☐ Notify staff | ☐ Reply and send me copy |
| | | ☐ File ☐ Dispose |

PHOTOCOPY

- | | | |
|---------------------|--|--------------------------------------|
| _____ No. of copies | ☐ One side only | ☐ Collate |
| _____ Date needed | ☐ Head to head | ☐ Staple |
| | ☐ Head to foot | ☐ Other _____ |

TYPING

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| _____ Date needed | ☐ Rough draft | ☐ Final copy |
| | ☐ Single space | ☐ Memo |
| | ☐ Double space | ☐ Letterhead |
| | ☐ Rush | ☐ Carbons _____ |

REMARKS/MESSAGES

mf -
for Board packet

STATE OF MINNESOTA
Office of the Attorney General

RECEIVED
NOV 09 1992

TO : RON HARNACK

DATE : November 3, 1992

FROM : BILL CLAPP
Special Assistant
Attorney General

PHONE : 296-0686

SUBJECT: POSITION OF BOARD MEMBERS DURING RULE HEARINGS

Ron, I think it would be a good idea for chairman Nielsen or you to remind the members of the board that they should maintain an appearance of impartiality during the rulemaking process.

I understand that members may be attending information meetings and the formal public hearings. The members' purpose in attending is to listen and learn, but inevitably citizens in attendance will want to draw them into discussions about the merits of the rule's content. The members' best bet is to tell people that the board has sent to hearing the best rule that representatives of all the various interest groups could come up with, and that the board wants people with ideas for rule improvement to present them to the administrative law judge, so he can digest them and make recommendations to the board.

The board members would not be worth their salt if they did not have ideas about what the rules should be like, but it is appropriate that until the ALJ's report is in, the members maintain impartial positions. What this rulemaking procedure is all about is due process, and publicly stated prejudgements by board members can encourage those not happy with the final rule to claim that their positions did not receive fair consideration, and to press those claims in an attack on the rule in court.

The board members of course have predispositions, just as judges do, but just as judges do they should refrain from conclusory positions on the rule contents until the hearings are over and all the arguments are in and analyzed by the ALJ. Then the board members can put their judgements to work.

I presume that the board members understand that they do not testify at the public hearings.

clap.ch7

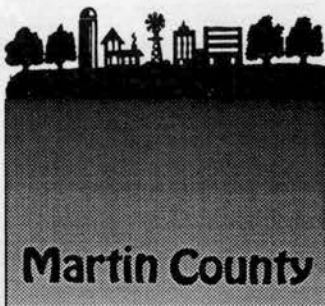
Ron -

ML

You should have support
letters from each SWCD
and County except
Blue Earth SWCD. Please
keep with Blue Earth
that River Basin Water
Quality Initiative.

SEP 29 1992

Chris



Agricultural Inspector/Water Plan Coordinator

Linda Meschke

(507) 238-3221 – Work • (507) 238-1122 – Home

Room 102, Courthouse • 201 Lake Avenue • Fairmont, MN 56031

September 22, 1992

Chris Hughes
BWSR Conservationist
South Central Region
Box 756
New Ulm, MN 56031

Dear Chris,

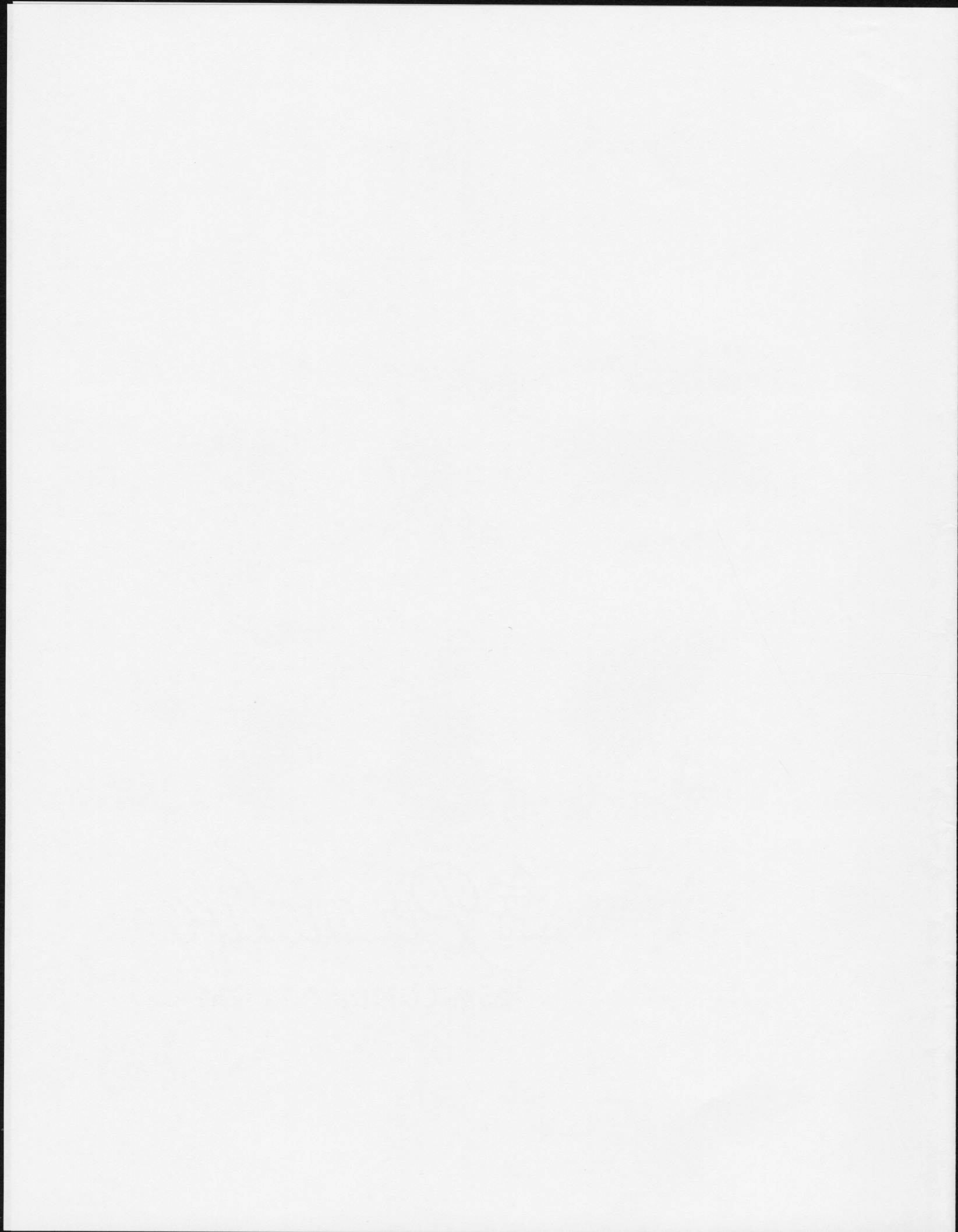
I am sending this letter to confirm Martin County Water Planning's commitment to working with Blue Earth, Faribault and Watonwan counties to address the water quality concerns in the Blue Earth River Basin.

Martin County has always been a leader in multi-agency cooperation and I look forward to working with the other counties, Minnesota Extension Service, SWCD's, crop consultants and agricultural leaders and educators in this effort. Please keep me informed of the progress and when you need further assistance please let me know.

Sincerely,

Linda Meschke

SEP 25 1992





Southbridge Office Building
155 South Wabasha St., Suite 104
St. Paul, Minnesota 55107

(612) 296-3767
Fax (612) 297-5615

Regional Offices

Northwest Region
1106 Paul Bunyan Drive, NE
Bemidji, MN 56601
218-755-3963

Northeast Region
394 South Lake Avenue
Room 403
Duluth, MN 55802
218-723-4752

West Central Region
503 Washington Street
Brainerd, MN 56401
218-828-2604

South Central Region
Box 756
New Ulm, MN 56073
507-359-6074

Southeast Region
Friedell Bldg., Room 100
1200 S. Broadway
Rochester, MN 55904
507-285-7458

Southwest Region
Box 267
1400 E. Lyon Street
Marshall, MN 56258
507-537-6060

East Central Region
Southbridge Office Building
155 South Wabasha St., Suite 104
St. Paul, MN 55107
612-296-3767

DATE: December 10, 1992

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

FROM: Ronald D. Harnack, Executive Director 

SUBJECT: December 16th Meeting

The Board of Water and Soil Resources will meet on Wednesday, December 16, 1992, beginning at 9:00 a.m. The meeting will be held in Room 112 of the State Capitol. Parking is available in Lot Q (one block northeast of the State Capitol). The agenda and informational materials are enclosed for your review.

Agenda summary:

1 - WETLANDS RULE HEARING UPDATE: We will have completed 5 of the 6 formal public hearings by the Board meeting. Alexandria and Thief River Falls were well attended both day and evening. I would like to take a few minutes and have the Board members attending those meetings give their perspective of the hearing and the major issues presented by individuals. DISCUSSION.

2 - CORE UPDATE: In your packet is the latest document reflecting CORE staff recommendations to the Environmental Services Committee of CORE. I would encourage each of you to read through the entire document. Reading select sections will not give the overall context of the documents options or recommendations. CORE's schedule is to finalize committee recommendations by January 12 and full CORE final recommendations the end of January. DISCUSSION.

3 - ROOT RIVER SWCD RIM PROPOSAL: In your packet is the proposal of the Root River SWCD. The proposal has two basic concepts; processing of easements and program eligibility and prioritization. We have defined a few key issues that will need to be addressed for us to finalize the pilot. Easement processing will require some legal issues to be addressed. I expect we can get those answers so that the processing component can be implemented with the February sign-up. The program eligibility and prioritization and dollar allocation are a bigger issue and

needs to be looked at in light of available dollars, BWSR's statewide priorities, and the demands for the priority dollars. Additional information is in the packet. **DISCUSSION.**

4 - **WATER PLAN APPROVALS:** The subcommittee meets on December 15 to review and develop recommendations to the Board. In addition, the Snake River Watershed District petition will need to be discussed in light of the respective water plans and the commitment of the local units of government to a comprehensive joint powers agreement (JPA). The Board will need to decide if they feel the commitment is sufficient and how long do we want to give them to finalize the JPA. Staff has suggested that 60 days is an adequate period of time and that they would provide the Board with a fully executed JPA for the February Board meeting. Staff provided the counties with specific items we believed were necessary for a JPA to function is capacity to adequately address the matters of the watershed. This information is included in your packet. **DECISION.**

5 - **STRATEGIC PLAN/WATER MANAGEMENT:** We discussed with you the concept at the last meeting. Doug has prepared some additional information for discussion. We have discussed the approach at the recent conventions of the respective associations and there is support from those areas. Appointment of Board members to serve on a committee. **DISCUSSION.**

6 - **CHALLENGE GRANTS:** Doug provided you with some options for consideration at the last meeting and mailed some additional information to you after the meeting. The options included consideration of a multi-government approach, a county by county approach, a combination of each, and a special consideration for St. Louis County. Staff leans to the multi-government approach considering the limited dollars available and the effort required by locals and BWSR to put together individual proposals, and review and process the same. **DECISION.**

7 - **WIND EROSION/WINDBREAKS:** Chair Nielsen had asked the Department of Natural Resources (DNR) and the Department of Agriculture (MDA) to consider the issue and let us know what they can do to help address the problem. We will attempt to review the what's going on now; the shortcomings; what needs to be done; and what each of the agencies can do to make it happen. **DISCUSSION.**

8 - **WETLAND FUNCTIONS/GROUNDWATER RECHARGE:** Frequently groundwater recharge function of wetlands is over estimated and more often than not the function is not understood at all. As part of Wetlands Conservation Act we will continue this multi-part presentation on all the functions of wetlands.

BWSR Members, Advisors, and Staff
December 10, 1992
Page Three

9 - RICHFIELD-BLOOMINGTON WMO BOUNDARY CHANGE PETITION: The City of Richfield has petitioned the BWSR to remove parts of the Minnehaha Creek and Nine Mile Creek Watershed Districts and annex them to the Bloomington-Richfield WMO. The impetus for the petition is to provide an outlet for Wood Lake, a land-located lake in the MCWD. The City of Richfield apparently has the opportunity to time their plans for an outlet for the lake to a large storm water project which may be implemented in the near future. Neither the of the watershed districts have an approved water plan, however MCWD's draft plan calls for a feasibility study for the outlet for Wood Lake to be done 1997. Bruce Sandstrom will provide an overview of some of the potential issues and have asked that each of the impacted units of governments be represented to make brief statements of their concerns. It is hoped that this discussion will lead to some direction as to how the Board should proceed in dealing with the petition. DISCUSSION.

If you have any questions regarding items or need additional clarification, please feel free to call. Travel safely, I look forward to seeing you on the 16th!

RDH:mja
Enclosures

**BOARD OF WATER AND SOIL RESOURCES
ROOM 112, STATE CAPITOL
ST. PAUL, MINNESOTA 55155
DECEMBER 16, 1992**

PRELIMINARY AGENDA

- | | |
|------------|---|
| 9:00 a.m. | 1. Call to Order |
| | 2. Adopt Agenda |
| | 3. Approve Minutes of November 18, 1992 |
| | 4. Reports |
| | ● Chairman's Report - Jim Nielsen |
| | ● Executive Director's Report - Ron Harnack |
| | - Schestak Appeal |
| | ● BWSR Committee Reports |
| | - Dispute Resolution Committee - Jack Graba |
| | - Education Committee - Don Ogaard |
| | - Advisory Council on Wells and Borings - Warren Rodning |
| | - Feedlot Advisory Committee - Jim Rossman |
| | - Pesticide Advisory Committee - Don Warner |
| | - RIM Strategic Plan - John Brooks, Jr. |
| | - Wetlands Committee - Jim Nielsen |
| | - Finance Committee - Barbara Cobb |
| | - BWSR Agency Coordination Committee - Howard Peterson |
| 9:30 a.m. | 5. Wetlands Update - Greg Larson, John Jaschke |
| | 6. Water Plan Approvals - Doug Thomas |
| | ● Lake of the Woods |
| | ● Chisago |
| | ● Kanabec |
| | ● Pine |
| | 7. Strategic Plan/Water Management - Doug Thomas |
| | 8. Challenge Grants - Doug Thomas |
| 11:00 a.m. | 9. Education Workplan - Barbara Liukkonen |
| | 10. Wind Erosion and Windbreaks - Jim Lemmerman, Wayne Edgerton, Paul Burns |

Time	Topic
Noon	Lunch
1:00 p.m.	11. Root River SWCD RIM Proposal - Ron Harnack
	12. Wetland Functions/Groundwater Recharge - Eric Mohring
	13. WMO/WD Boundary Change - Bruce Sandstrom
2:00 p.m.	14. CORE Update - Ron Harnack, Jim Nielsen
2:30 p.m.	15. Advisor Comments • Marlin Libbesmeier, MAT • John Sumption, MACDE • Gary Nordstrom, SCS • Pat Wulff, MLA • Howard Peterson, MAWD • Danny Potter, MASWCD
	16. Board Issues - discussion, comments, action needed
	17. Upcoming Meetings • January 27, 1993, BWSR Meeting, St. Paul
3:00 p.m.	Adjourn

Snake River Watershed Organizational Structure

The draft agreement that has been prepared by the Snake River Counties represents a good effort in achieving many of the elements of a legal joint powers agreement. With a little more work a joint powers agreement which meets both the need of the counties and that which BWSR staff feels is and adequate JPA is close.

The BWSR's premise for recommending a joint powers agreement as the means of implementing an alternative structure is based on:

1. The counties in signing the stipulated agreement agreed to develop an alternative institutional structure to implement a Snake River Watershed protection program.
2. An alternative structure should be a formal agreement that allows for the same powers and tools that a watershed district, formed under 103D, would have.
3. Minnesota Statute Section 471.59, Joint Exercise of Powers, provides for a legal agreement between local units of government for the purpose of jointly exercising powers common to the local units of governments.
4. The alternative structure should provide for a long term approach that can withstand changes in elected boards over time.

Based on a review of watershed district law, and Minnesota Rules Chapter 8410, Metropolitan Surface Water Management, a joint powers agreement should include certain basic elements to achieve the same powers and intent of these laws and rules. A joint powers agreement then should include:

1. A purpose statement consistent with 103B.301 ("110B"), Comprehensive Local Water Planning, and 103D ("112"), Watershed District Law.
2. A description defining the boundary of the organization.
3. A requirement to adopt rules of order and procedure.
4. A process of establishing a annual budget and workplan.
5. A formula for determining each member's share of the annual operating budget.
6. A procedure providing for the establishment of citizen and technical advisory committees or other means of public participation.
7. A section establishing the powers and duties of the organization.

8. A section establishing the duties and terms of the officers of the organization, if a joint powers board is used.
9. A section defining the voting requirements for decision making and capital improvements consistent with Minnesota Statutes, section 103B.211, subdivision 1, paragraph (c).
10. A section outlining meetings to be scheduled at least annually.
11. A process for filling vacancies.
12. The duration of the agreement and a process for dissolution that provides for at least 90 day's notice of intent to dissolve to the affected counties and the BWSR.
13. A section defining how the membership will be represented, with the total number of representatives to be at least three.

Financing opportunities.

EXISTING PROGRAM DOLLARS THROUGH WATER PLANNING BASE GRANTS

COUNTY	LOCAL LEVY	BWSR BASE GRANT	POSSIBLE FUNDS DIRECTED TO SNAKE RIVER
AITKIN	4,571	32,929	7,000 estimate
KANABEC	2,254	35,246	18,500 estimate
MILLE LACS	3,577	33,923	2,500 estimate
PINE	4,926	32,574	7,538 committed in Plan

OTHER SOURCES

BWSR Challenge Grants

USGS cooperative Program

MPCA Clean Water Partnership

Initiative Funds

Cost-share dollars through the SWCD's

Special Taxing Districts - set up through authority given counties in 103B.301

December 9, 1992

This agreement is made between the Board of Water and Soil Resources (BWSR), the Sauk River Watershed District (SRWC) and Robert Schestak with respect to the appeal to the BWSR by Robert Schestak regarding a project assessment of the Sauk River Watershed District.

Whereas, Robert Schestak in his appeal wanted his assessment to reflect a lot by lot assessment rather than a consolidated lot assessment because this resulted in a reduced assessment.

Whereas, the SRWD intent of the consolidated lot assessment was to favor the landowner, and except for a few instances the consolidated lot assessment resulted in a reduced assessment.

Whereas, the SRWD, Robert Schestak, and BWSR have an interest in resolving this appeal without additional cost to each of the parties.

Whereas, the SRWD is willing to adjust the assessment to reflect the single lot assessment approach for this and similar instances as a means to resolve the appeal.

Whereas, Robert Schestak is willing to accept this single lot assessment approach as settlement of his appeal.

NOW THEREFORE BE IT RESOLVED THAT

The BWSR, SRWD, and Robert Schestak agree to the following conditions in settlement of the appeal:

1. The SRWD will, by resolution, at its next Board meeting direct the adjustment of the assessment to reflect the single lot assessment approach rather than the consolidated assessment approach to the benefit of Robert Schestak.
2. Robert Schestak accepts the action of the SRWD as settlement of his appeal upon receipt of the resolution of the SRWD.
3. BWSR will return to Robert Schestak the bond check for \$250.00 in recognition of settlement of appeal upon receipt of the resolution of the SRWD.

SIGNED:



Ronald D. Harnack, Executive Director
Board of Water and Soil Resources

Date: 12/9/92



Robert Schestak

Date: 12-9-92

Sauk River Watershed District

Date: _____

Farmers Face Their Biggest Test Ever

By DENNIS T. AVERY

America is tripling the tariff on some European wines because of something called rapeseed? The whole world's trading structure is at risk over a few tons of soybean meal? It sounds like more silly skirmishing in the world's endless farm subsidy wars.

But that sound you hear is actually the U.S. farming giant trying to shake off 50 years of rust and cobwebs, so it can earn more export dollars and save Asia's environment.

For decades, the U.S. was content to waste its big comparative advantage in agriculture. The European Economic Community's farmers would never have become big oilseed producers, never have triggered the General Agreement on Tariffs and Trade complaint that threatens their wine exports — except that American farm policy set aside U.S. cropland to make room for them.

Now, the intensity of global economic competition is belatedly forcing America — and our farmers — to try harder.

Another major signal: The National Grain and Feed Association has just launched a public campaign to reverse the set-aside policy that disarms our own agriculture. It is the first time an American agribusiness group has risked the farmers' disapproval over price supports in decades.

We may be seeing the first serious effort to generate real economic growth from and for American agriculture in at least 30 years.

The Danger

The danger is that our farm industry could get left on the sidelines even as the world triples its farm demand due to a larger and richer population:

- GATT's Uruguay Round is still deadlocked over farm subsidies. Worse, the world's pervasive farm import barriers will remain even if the U.S. and the EC agree on export subsidy reforms.

- The Soviet Union is about to become food self-sufficient. That will knock out 15% of the world's farm imports.

- New government reforms in Argentina could double that country's potential grain and oilseed exports.

- New technology is amplifying the

foolish drive for food self-sufficiency in countries that should import food. These countries are cheerfully displacing farm imports with costly chemicals, big irrigation dams — even plowing down tropical forests and fragile soils.

The grain and feed industry will undoubtedly be accused of self-interest as it tries to convince U.S. farmers they can make more money now by producing for export than by idling their land. But they are telling us honestly that America's whole farming sector will shrivel if it clings to set-asides. We have a stable, aging population eating oatmeal for breakfast instead of bacon and eggs. Our own pro-

The danger is that our farm industry could get left on the sidelines even as the world triples its farm demand due to a larger and richer population.

ductivity is rising with new seeds, new farming systems and — soon — biotechnology. That means domestic demand for fewer acres.

Three-fourths of the growth in world food demand will be in densely populated Asia. But U.S. farmers cannot move their acres overseas.

Earlier this year, I testified to the Joint Economic Committee of Congress that with free trade American farmers could earn an additional \$50 billion a year from expanded exports of commodities. Purdue University studies show the U.S. could earn an added \$40 billion a year from higher exports of value-added meats and processed foods — with most of the jobs in rural areas. Taxpayers would save at least \$15 billion a year on farm subsidies.

But Congress continues to divert 60 million acres of the world's prime farmland. It has been claiming for 50 years that this will force overseas buyers to pay us a "fair" price for our food. In reality, the set-aside policy has stimulated farm investments in other countries.

Since the U.S. has the only agriculture in the world that can cut its costs by expanding output, the set-aside program is the second-dumbest farm policy in history. Only Stalin's collective farms were more foolish.

Set-asides are now being undercut by

new high-yield technology all over the world:

- Western Europe's farms have high-yield seeds, getting up to five feedings of fertilizer and fungicides per year. This has shifted the EC from 35 million tons of grain imports per year to 35 million tons of exports.

- In Southeast Asia, biotechnology has quadrupled the output of oil palm trees.

- India closed its borders to cooking oil imports and consumer prices tripled. Indian sunflower-seed production has suddenly soared from 300,000 tons in 1988 to a projected 2.2 million tons in 1993 — on costly irrigated land.

- Indonesia has recently announced it will clear 1.5 million acres of tropical forest to grow soybeans, while 50 million acres of prime soybean land lie uncropped in the U.S. and Argentina.

In the past decade, world consumption of grain and oilseeds has increased by 400 million tons (grain equivalent). But trade has increased only 29 million tons. Trade is supplying only 6% of the world's increased demand for meat. This orgy of self-sufficiency is taking place even though comparative advantages in farming (soils, climate, water) are bigger and more permanent than in manufacturing.

This farm self-sufficiency is encouraged by the GATT's international farm trade rules. Punitive tariffs, phony labeling requirements and numerical import quotas are all violations of the GATT — except in farm products.

The Uruguay Round will do little or nothing to open farm import barriers in the densely populated, poor-diet Asian Tiger countries.

The U.S. is the 400-pound gorilla of trade. But Washington has preferred to buy off America's farmers with set-aside payments rather than seek better GATT rules. Meanwhile, the farm payments have risen from \$1 billion per year in the early 1970s to as much as \$26 billion, while our farm export share declined. Washing-

ton has carefully nurtured the idea that it will take better care of farmers than the market — because it likes having a leash on the farm vote.

U.S. farmers haven't noticed that rich-country governments are breaking their promises to farmers all over the world — due to surpluses.

- The EC has just reneged on 30 years of price-support promises. It will now make poverty payments to small farmers, while its commercial farmers go bankrupt.

- Japan is trying to destroy its part-time farmers as its import barriers crumble.

- Sweden is reneging honorably, with a five-year buyout of farm subsidy franchises.

What the U.S. needs is a farm policy that drives single-mindedly for full farm trade liberalization. That means:

- No set-asides, because set-asides shackle our farms' productive power.

- An income safety net rather than price supports, because high price supports give extra incentives to farmers everywhere else.

- No phony "conservation reserves" that take good land out of production.

- An all-out effort to get a new GATT Round — fast — that will fully open farm trade.

Vital, Dangerous Campaign

America won't get this aggressive trade-oriented farm policy unless farmers believe they can earn more from exports than from federal payments that Washington can no longer afford.

The Grain and Feed Association has taken up a vital, dangerous campaign. But don't cry for the grain and feed guys if their campaign fails. They will have fought the good fight. Cry instead for:

- The American farmer, who will see both his livelihood and his community shrivel needlessly.

- The American economy, losing one of its strong comparative advantages when we need economic growth.

- And hardest for Asia's environment and wildlife habitat, which will be plowed down as a sacrifice to the foolish god of food self-sufficiency.

Mr. Avery is director of global food issues at the Hudson Institute.

The Right Kind of Teamwork

orm

ard free trade. The on, armed with the ion of those whose ounced trade sanc- f at least \$300 mil- st France and its t clear what practi- will have, given the nd the 30-day grace- tions come into ef- ssuring to see that pe, such as British Michael Heseltine, an alarm over the

sumers shouldn't s much for French because the French sidies to oil seeds, C has already sug- ounterretaliate, so istry will suffer. : bombs in a trade

ope now faces the ; to re-evaluate its /. Thus far the mil- who would benefit ATT deal have put heir governments. lists have painted r of national will- le Sam — when in : by a few French ch workers) to im- on the rest of the upon the world. re unemployment exerted sufficient te a GATT deal mers also benefit ies).

GATT process en- sm by setting up a nates with trade otations fail. The und is in fact try- lispute settlement which the GATT U.S. does not come irely clean hands;

Kan U. Does this put us out of business?

NOV 16 1992

THE ONCE AND FUTURE CHEESE

One truism everyone seems to take for granted these days is, *Our manufacturing sector is running out of gas.* Oh, we used to really have it—the ability to come up with new ideas and then produce them quicker than the other guys. We were the cheese.

Now, our big companies are at risk of being blown away by competitors abroad. While the Japanese and other competitors seem bent on doing a better job for customers, American companies appear to be balking at the challenge. Indeed, we are more comfortable farming out the work of manufacturing to other companies and other countries—we call it "partnering."

Over the past few months I've been conversing with someone who sees a cure to this deterioration—or at least an approach to a cure. And wouldn't you know—it starts with computers.

Mel Stuckey is his name, and an odd word, *demassification*, is his game. Stuckey is CEO of Fourth Shift Corp., a manufacturing-software firm in Bloomington, Minn.

One issue obsesses him: how to make big, centralized companies work again. "Based upon what I have seen," Stuckey says, "I am convinced that sheer mass and overcentralization are the twin nemeses of the large multinational corporation."

DEMASS IN A DEMITASSE

"In their quest for greater flexibility," Stuckey says, "American businesses have tried changing just about everything. They've tried management by objective, total quality management, team-building, just-in-time—you name it, they've tried it. One thing they haven't changed, though, is the fundamental shape of their companies. The massive company of today is a prisoner of massive computing; both are in trouble. The solution for each is to demassify."

His book *Demass: Transforming the Dinosaur Corporation* (Productivity Press, \$24.95) describes a kind of big company that is a star cluster of many smaller, virtually independent companies.

A demassified 3M, for instance, no longer would be comprised of a score of product divisions yoked together and sharing corporate resources. Instead, it would become a "street of shops" of perhaps 300 to 400 different companies. Some of these companies would create consumer products—tapes, glues, medical instruments and so on. The others would provide services to other companies. Central secretarial services, for example, either would ship half of its typists and clerks down to business units or create a central accounting business charged with making a measurable profit. Other demassifiable services might be marketing, accounting, human resources and MIS. Each unit would determine how to make

a profit. It even could hawk its services outside the company. The point is, each would be on its own to sink or swim; it would not be guaranteed an existence within a massive corporate bureaucracy.

PCs ENABLE THE CHANGE

Stuckey's demass declares war on bloated centralized management—even when it is nominally decentralized. And what drives demass is the development of the local-area network (LAN) and client-server systems.

One underpinning for the success of any demassified entity is information—getting it fast and retaining its accuracy. When getting needed operational information takes too long or is too difficult, everyone gets frustrated, and quality and time-to-market head south. Then the finger-pointing begins.

Therefore, vital operating information and effective information-processing tools must be at the finger tips of the people managing and working in each business unit. Instead of having to serve at the altar of centralized accounting, centralized purchasing and centralized MIS, each business unit should have its own information-processing systems and tools.

The idea of the mega-company (3M, GM, IBM—all those M companies) always relied on the mainframe computer. No way could a company the size of, say, General

RIGHTSIZING MAY BE THE KEY

TO GETTING AMERICAN

INDUSTRY BACK ON TRACK—

AND WE CAN'T DO IT WITHOUT

PERSONAL COMPUTERS.

BY

Michael Finley

LAN to serve as the sole computer system for a business of 100-200 employees, which is the target size for Stuckey's demassified business units. You could, of course, put a mainframe or minicomputer in a small business, but why? The cost of maintaining such a large system for such a small business makes it unfeasible, not to mention unwieldy.

GETTING A GRASP ON REALITY

On the plus side, downsizing from mainframes and minis to PCs does terrific things at the business-unit level. Suddenly

industrial savants they once were. Top press and shareholders will make m out of senior management, turning i quarter's promises against them.

Something's got to give. Ordinarily you'd bet against the fork-lift operator for the chief information officer. But maybe not this time.

"First of all, senior execs of big companies never have been good Svengalis," Stuckey says. "You can pretend to know every facet of a \$12 billion corporation only so long, and truth catches up to you. Now is a tin more honest approach to managing. Instead of the top-down know-it-all, going to see the demassified, bottom orchestrator."

"Meanwhile, CEOs will get the d. they really need—news of independ business-unit successes and failures, something they never got before, wh thousand departments mopped up m of dollars of allocations with hardly true accountability."

IT ALL BOILS DOWN TO THIS

"Demass," Stuckey says, "takes the computing power to give customers they want and puts it in the hands of who can do something with it—the company's many small independent business units. Meanwhile, it gives managers what they have sorely need these years—information about what works and doesn't work down in the trenches."

Have any companies actually demassified? Stuckey cites a dozen i process, including Xerox, Eastman K Asca Brown Boveri and Electrolux. Dozens more are nibbling at the cone

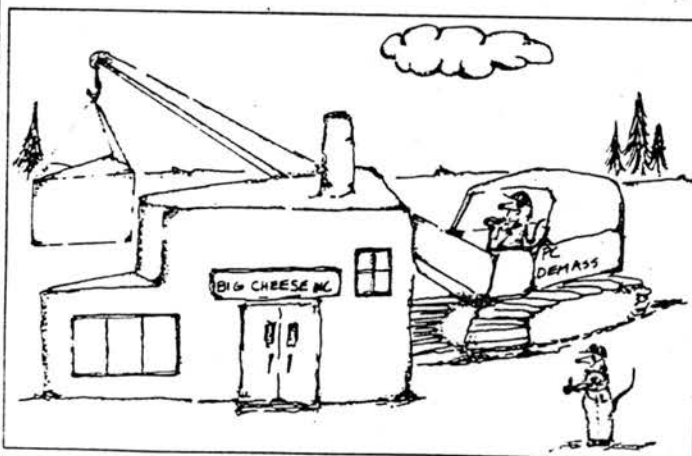
This means several things for com users. First, those of us who have cor age on the PC standard made the righ choice. Big iron still has its uses, but corporation of tomorrow will be run i the desktop.

Second, it means a new era of empowerment for employees of large corporations. Local access means the of the mainframe game of "Mother N. I?" If you have a good idea in the bus units, it has a fighting chance to perec its way upward, sideways and diagon through the organization.

In the demassified corporation, bot individuals and teams matter. Even so will be a tremendous mess as network within networks within networks striv standardize communications without reverting to mainframe fascism.

"Demass, when it comes, will be lik loop-de-loop," Stuckey says. "Some d you won't know which way is up. It's rough ride at first, but it's exhilarating."

(Contributing editor Michael Finley is Paul-based writer specializing in syst technology, management and quality.



Mills function without its big iron. And mainframe computers still have a place in modern management—mainly as storage devices. But computer functionality has migrated away from large systems to desktop systems. Ask any professional—engineer, designer, trainer or public-relations worker—if he or she would rather work with a PC or a mainframe terminal. The PC wins hands down with its speed, flexibility, accessibility and ease of use. Today, it is no sweat for a modest-sized

everyone there understands the equipment, has access to the information and the information is—drum roll, please—accurate. The average worker, instead of being an accountant or an extrusions technician or a fork-lift operator, is now a partner in making his or her business unit a going concern. Great!

On the minus side, central or divisional management no longer has its mainframe-driven, push-pull system for predicting profits and losses. CEOs wouldn't be the

CORE

STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

203 Administration Building, 50 Sherburne Ave., St. Paul MN 55155
(612) 297-1090 Fax (612) 297-1117

December 11, 1992

TO: State Agencies and Interested Citizens

FROM: Nancy Feldman, CORE Program Analysis Team Leader

RE: Request for Public Comment on Environmental Services Recommendations

In March, the Commission on Reform and Efficiency (CORE) embarked upon a study to examine the effectiveness and efficiency of Minnesota's environmental services system from the perspective of customers.

The Commission's Program Analysis Working Committee, chaired by Jack Eugster, met with state agency heads and legislators last summer and received comprehensive briefings from staff on the current system and opportunities for reform. The Committee also approved nine major findings in September and October, which described problems in the system.

Many individuals inside and outside government have spent considerable time meeting with our project staff to provide valuable insights into the workings of our environmental system. We appreciate that help, and now invite you to comment on the results of the CORE study.

On December 8, the Working Committee made reform decisions in the areas of organizational and policy complexity in the state's environmental service system. On January 12, 1993, the Committee is scheduled to take final action on recommendations in those two areas as well as make recommendations on intergovernmental complexity.

We welcome your written comments on the December 8 decisions and on issues outlined in the enclosed CORE summary document. Please submit written comments by December 28 and send them to:

CORE, Environmental Services Project, 203 Administration Bldg.,
50 Sherburne Avenue, St. Paul, MN 55155

If you have questions about the document, please call any of the following staff, Virginia Reiner (612) 296-6098, Jim Cox (612) 297-7696, Liz Fedor (612) 297-7697 or me at (612) 296-9021. In February, CORE's final environmental recommendations will be presented to the Governor and Legislature. Thank you for your interest in this CORE project.

COMMISSION
ON REFORM
AND EFFICIENCY

C
O
R
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Environmental Services

Project

Draft
Recommendations

December 11, 1992

INTRODUCTION

This document summarizes decisions made by CORE's Program Analysis Working Committee regarding recommended reforms to Minnesota's Environmental Services System.

The CORE Committee action occurred on December 8, 1992, and the Committee is scheduled to take final action on environmental recommendations on January 12, 1993. During that interim period, CORE staff members are developing the reform concepts to provide more specifics on implementation of these ideas.

Between December 11 and 28, the CORE Working Committee is soliciting written public comment on its actions. The Committee will be given written summaries of those comments and suggestions at its January meeting.

This report outlines the Committee's decisions in three sections:

1. Organizational Complexity (Page 2)
2. Policy Complexity (Page 5)
3. Intergovernmental Complexity (Page 8)

- Department of Trade and Economic Development's outdoor recreation grant program would be transferred to a new environmental agency.
- Environmental Quality Board would be abolished. Its functions would be assigned to the two new environmental agencies, other appropriate state agencies, and the Secretary of the Environment.

In the preceding explanation, a number of agencies listed would have their programs and responsibilities transferred to the two new agencies. In some cases, one department's programs may indeed be dispersed between the two departments. In other cases, a department's programs may all be reassigned to one of the agencies. The precise locations for these departments' functions were not determined at the December 8 Working Committee meeting.

Recommendations on the division of responsibilities between the two agencies will be discussed further at the January 12 Working Committee meeting.

2. Role of Boards

RECOMMENDATION

The Committee decided to encourage citizen participation in the environmental system through service on citizen advisory committees. Broad input on issue identification, major policy decisions, and customer service issues would be provided to the secretary and the two agency administrators through citizen membership on advisory committees. More detail on the number and composition of advisory committees will be presented to the Committee in January.

The Committee abolished the Minnesota Pollution Control Agency Board, the Board of Water and Soil Resources and the Environmental Quality Board.

It decided to create a citizens' Environmental Appeals Board, which would be advisory to the Secretary of the Environment. Board membership and criteria for appeals are also to be discussed in January.

In general terms, the Committee supports the establishment of advisory committees that will ensure that citizens of Minnesota have sufficient input into the operation of the proposed two-agency environmental service system.

II. POLICY COMPLEXITY

1. Conflict Management

RECOMMENDATION

Vest the Secretary with authority to resolve conflicts on the use and protection of environmental resources. The Secretary's office would develop conflict management approaches, including mediation and other tools. The Secretary would promote the convening of stakeholders early in the process to reduce the number of legal battles.

To assist the Secretary with resolving the conflict, create a citizens' Environmental Appeals Board with expertise in the environmental area. Members of the Board should be highly qualified, with backgrounds in science and professions related to the environmental area. The Board would be a resource for the Secretary and the Secretary would be responsible to consult with the Board, give its recommendations serious consideration, and explain the rationale when the final decisions differ from the Board's recommendation. Further details regarding the Board's operation will be developed for discussion in January.

2. Improving the Command and Control Regulatory Approach

Enforcement

RECOMMENDATION

Develop a standardized approach to delegating environmental programs from the state to local government. Consider as a model the delegation of environmental programs by the Commissioner of Health to Community Health Service agencies.

RECOMMENDATION

Provide each agency with similar legal authority and legal tools to enforce compliance with all environmental programs.

Rules

RECOMMENDATION

The Secretary should work towards creating a uniform environmental code, a set of rules which brings together all the rules relating to environmental management and protection that are currently scattered throughout the authorities of several state agencies. In the compilation of this code, emphasize performance standards and compliance requirements based on outcome measures and ambient standards.

RECOMMENDATION

The Secretary should present to the legislature for review all rules which propose to exceed federal regulations. The legislature would be required to act within a specified time frame to veto the implementation of a more stringent rule.

RECOMMENDATION

Allow regional office directors to grant waivers to a rule if the purpose of the rule is clear and the party affected by the rule can show in writing that:

1. waiving the rule would not impede the accomplishment of the rule purpose;
2. implementing the rule would hinder the accomplishment of the rule purpose;
3. implementing the rule would seriously impair the accomplishment of another, equally important environmental goal.

RECOMMENDATION

Focus the scope of rules to target the most common situations which cause environmental problems, rather than every possible hazard. Although rules should not be "incident driven", the scope of the rule should consider the risks of the hazard being regulated, with the most comprehensive scope reserved for those hazards that pose the greatest risks.

RECOMMENDATION

Impose an obligation on the Secretary to ensure that each agency periodically submits a list of rules to be repealed because they are obsolete or no longer necessary.

3. Alternative Approaches to Achieving Environmental Compliance

RECOMMENDATION

In planning how to achieve compliance with environmental goals, the following approaches should be considered in addition to command and control regulation:

- A. Analysis of the applicability of market approaches including pollution charge systems (fees and taxes) and marketable permits.
- B. Use of mechanisms to increase consumer awareness of environmentally safe products and environmental violators. Such approaches should include review of products for meeting various environmental criteria and recognition and financial rewards for outstanding environmental performance and innovation.
- C. Focus efforts on pollution prevention through provision of training and technical assistance.

4. Permit Coordination and Reduction

DIRECTION TO STAFF

Evaluate what assistance to customers might still be required, if any, within the newly streamlined organization structure. Incorporate into the new organizational structure approaches such as a permit coordination unit, generic permits, or permit "caseworkers" as needed to create a more effective system for the customer, with no increase in costs.

5. Customer Access

RECOMMENDATION

The Attorney General should consider creating an office of environmental advocacy, similar to the existing consumer advocates, but dealing with environmental issues.

III. INTERGOVERNMENTAL COMPLEXITY

Background

In contrast to the recommendations discussed above dealing with Organizational Complexity (Part I) and Policy Complexity (Part II), the CORE Program Analysis Working Committee made no selections among the options presented dealing with Intergovernmental Complexity at its meeting on December 8, 1992. The committee, instead, directed staff to develop more information on the impact which these options would have on the role and authority of local governments, particularly those which provided for the creation of locally controlled regional natural resource districts. Of particular concern were questions about: 1) how regional districts would be organized and governed, and 2) how decisions would be made at a regional level to provide and fund projects at the local level.

Written comments are, therefore, invited with regard to all options outlined in the December 8, 1992 staff report (pp. 46-59). Readers may want to consult this report for more detail regarding the "pros and cons" presented for each option. The remainder of this document will summarize the background and options discussed in the report. Comments addressed to the central questions raised by the Working Committee are particularly encouraged.

Staff noted that recommendation options presented to the committee dealt with only two of the issues evolving from CORE Findings: 1) reducing the number and type of governmental units involved in environmental service delivery, and 2) defining the basis of regional environmental services planning, management, and regulation. This was in response to the long standing practice in the state of addressing problems by creating special purpose governments rather than relying upon existing general purpose governments.

It was recognized that reducing the number of governments by itself would not solve the complexity that exists in environmental services. However, it might constitute an important first step and could facilitate addressing other key issues at a later date, such as the breadth and scope of planning and regulatory processes, as well as the sometimes competing and redundant roles of townships, municipalities, and county governments.

The focus of the recommendation options was special purpose governments, i.e., soil and water conservation districts, watershed districts, lake improvement districts, and conservation districts throughout the state, and regional organizations and governments involved in environmental services within the

metropolitan area. In each option the committee had the flexibility to include (abolish) or not include (not abolish) each type of special purpose government noted above.

Four recommendation options were developed for the non-metropolitan area and four parallel and related options for the metropolitan area. These "paired" sets of recommendations differed only to the extent necessary to accommodate the unique governance issues in the metropolitan area. Three sets of options provided for the abolition of special purpose governments. A fourth option provided for establishing guidelines and recommended a legislatively established state-local task force to undertake a comprehensive re-examination of intergovernmental relations in environmental services in the state.

For purposes of summary, the related non-metropolitan and metropolitan options will be outlined in sets, noting where differences exist in the metropolitan option. Labeling of options (i.e., A, B, C, and D) match the labeling in the December 8 report.

A. Transfer of Authority to County Governments

Option A provided for the abolition of soil and water conservation districts, watershed districts, lake improvement districts, and conservation districts and the transfer of their authority and responsibilities to county governments. In the metropolitan area, this option also included watershed management organizations.

B/C. Transfer of Authority to Regional Natural Resource Districts

Option B and Option C provided for the transfer of authority to regional natural resource districts. It is important at the outset to distinguish between the locally controlled and governed regional natural resource districts envisioned in Option B and Option C and state government regional service delivery districts. Although geographically these new districts might well have the same boundaries as existing or new state government regional districts, governmentally they would be "creatures" of local government rather than political subdivisions of state government. The recommendation options did not visualize these new districts as new regional units of governments. Whether established through "joint powers agreements" or some other existing or new mechanism, the new districts would be cooperative planning, management, and regulatory entities which would carry out their responsibilities on a regional level, but be accountable to local governments.

Option B provided for the abolition of soil and water conservation districts, watershed districts, lake improvement districts, and conservation districts and the transfer of their authority to locally controlled and governed regional natural resource districts. Under this option, the regional natural resources district in the metropolitan area would have the same boundaries of and be administered by the Metropolitan Council. The Metropolitan Waste Control Commission, the Metropolitan Parks and Open Space Commission and the Metropolitan Mosquito Control District would be also abolished and their authority and responsibilities transferred to the Metropolitan Council.

Option C also provided for the abolition of soil and water conservation districts, watershed districts, lake improvement districts, and conservation districts and for the transfer of their authority to regional natural resource districts. However, in the non-metropolitan area, water planning, management, and regulatory responsibilities of county governments would also be transferred to the regional natural resources district. In the metropolitan area, Option C would not alter county responsibilities but the regional natural resources district would be established independent of the Metropolitan Council. Authority of the Metropolitan Council, Metropolitan Waste Control Commission, and Metropolitan Parks and Open Space Commission would not be changed under this option (except as might be required in delineating the responsibilities of the new and separate regional natural resources district). The Metropolitan Mosquito Control District would be abolished and its authority transferred to the new regional natural resources district.

Finally, the committee was presented with three options for determining the basis of regional district boundaries outside of the metropolitan area. One option was to base boundaries on those of existing governmental units (i.e., county boundaries). A second and third option would establish boundaries based upon "environmental" criteria -- either watershed area aggregations or eco-regions. Given that the legislature has established one all-encompassing definition of "metropolitan area" (Minn. Stat. § 473.121, Subd. 2) for a variety of purposes including that of specifying the jurisdiction of the Metropolitan Council, this definition was also used to define the boundaries of the regional natural resources district in the seven-county "Twin Cities" region.

D. Establish Guidelines and Defer to State-Local Task Force

This option acknowledges the need to reduce complexity by examining the roles of all governments and organizations involved in environmental services and recommends that a task force be established by the legislature with the specific charge to: 1) reduce the number of governments, 2) increase mechanisms to facilitate regional planning and service delivery based upon boundaries appropriate for natural resources planning and service delivery, and 3) rely, to the extent possible, upon general purpose as opposed to special purpose governments. This task force would include representation from state government, the various types of local governments in the state, environmental interest groups, and the citizenry in general. It would be required to report to Governor and the legislature not later than two years following its creation.

Conclusion

Based upon further refinement of these options and a review of public comments, staff will present final recommendations to the Working Committee on the issue of intergovernmental complexity at the next committee meeting on January 12, 1993.

COMMISSION
ON REFORM
AND EFFICIENCY

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Environmental Services
Project

Draft
Recommendation
Options

December 8, 1992

CORE

ENVIRONMENTAL SERVICES PROJECT

SUMMARY OF FINDINGS

CORE FINDING #5: The current environmental system relies upon the customer to coordinate among the agencies, instead of the agencies presenting a coordinated response to the customer.

CORE FINDING #6: Minnesota's governmental structure in environmental services over the past several decades has grown by a process of addition, fragmentation and specialization rather than by subtraction, combination, consolidation and services integration. No consistent organizational or administrative pattern exists with regard to the responsibilities of departments, offices, boards, commissions and other agencies.

CORE FINDING #7: Several barriers have prevented the Environmental Quality Board (EQB) from exercising strong leadership as a planning, coordinating and oversight body in the environmental service system.

CORE FINDING #8: The linkage between the fees paid for environmental programs and the achievement of environmental policy goals is confused and unclear to payers of fees and to the general public.

CORE FINDING #9: The existing multi-layered, fragmented, environmental advocacy system makes it difficult to manage conflicts among competing interests in a timely fashion.

CORE

ENVIRONMENTAL SERVICES PROJECT

SUMMARY OF FINDINGS

PREFACE: Environmental programs more than most areas of public policy, provide services and relate to customers that often have competing and seemingly irreconcilable interests. Any system established to resolve conflict among these interests should be efficient and effective. Of equal importance, it should be fair and equitable. Striking a balance between these two objectives may be the greatest challenge to policy makers and advocates of change and reform.

CORE FINDING #1: Environmental services programs in Minnesota are carried out by a complex and fragmented maze of federal, state and local agencies. This governmental complexity results in: 1) unclear, overlapping and redundant lines of authority, responsibility and accountability; 2) increased cost to the customer and taxpayer; and, 3) customer dissatisfaction.

CORE FINDING #2: Minnesota's environmental system could be categorized as a collection of advocacy agencies, whereby each agency presents one or more differing perspectives, such as the environmentalist, conservationist, public health guardian and business proponent. At times, these separate and clashing perspectives lead to administrative gridlock, which means customers of the system cannot get decisions from the state.

CORE FINDING #3: The environmental system relies too heavily upon centralized decision-making, which has produced significant alienation in non-metropolitan counties. Many rural citizens are dissatisfied with their interactions with the centralized bureaucracy, and perplexed as to why state agencies do not assign more authority to regional agency offices.

CORE FINDING #4: The environmental system relies heavily on "command and control" regulatory processes to implement environmental goals rather than using a balanced mix of diverse approaches to achieving compliance with the goals.

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INTRODUCTION

The charge for the Environmental Services Project was to examine how effectively and efficiently environmental policies and programs are administered in Minnesota from the perspective of the customers or users of state environmental agency services.

In conducting this examination, CORE produced a series of nine findings which detailed the current status of the environmental system. The major themes expressed in the findings were:

- **The system is fragmented.** At the state level, there are over 30 agencies with environmental responsibilities. Statewide, there are 87 counties, 856 municipalities, 1801 townships, 41 watershed districts and 91 soil and water conservation districts, all with some responsibility for environmental programs.
- **The processes are unresponsive to citizen needs.** As the number of agencies with regulatory authority has multiplied, decision making has slowed and citizen access to the system has become more complicated.
- **The system is overly prescriptive.** Inflexible, detailed rules make it difficult to achieve compliance with environmental goals in a timely, cost-effective manner.
- **Existing conflict resolution processes are time consuming and costly.** Environmental programs, more than most areas of public policy, provide services and relate to customers that often have competing and seemingly irreconcilable interests. Government officials often must decide what resolution will balance the competing interests, the private rights with the public interest. Too often, the outcome is lengthy court cases or political battles before the Legislature.

In this decision document, staff developed distinct options to address these multiple themes and the findings. A range of options in the areas of organizational complexity, policy complexity and intergovernmental complexity is provided with varying degrees of change required for implementation. The options were developed to clearly distinguish the tradeoffs each entails and the values each incorporates.

However, in designing the system, it is not necessary to maintain such clear distinctions. Options can be combined, modified or otherwise altered to achieve the desired results and internal consistency. Staff recommendations should not be a constraint to this process, but rather an aid. The overall goal of the process is to outline a system that brings the expertise and perspectives of the different state agencies into a system that works better for the citizens of Minnesota and works better to protect the quality of the environment and natural resources of Minnesota.

I. ORGANIZATIONAL COMPLEXITY

The thrust behind the recommendation options on organizational complexity is a commitment to improved delivery of environmental services. By strengthening the accountability of the system, CORE hopes to improve the administration of the state's environmental policies. In turn, these improvements should benefit the general public, environmentalists and the regulated community.

The reforms also are intended to foster thoughtful and timely decision-making in the environmental service system. Changes are designed to promote an integrated, well-coordinated state response to citizens who utilize the system.

In this section on organizational complexity, the Working Committee is provided with recommendation options on: 1) State Agency Organizational Structure, 2) Uses of Regional and Central Offices, and 3) Role of Boards.

Various options are described, pros and cons are identified and staff recommendations are offered for consideration. After the Working Committee makes choices in the following areas, more detailed information on the recommendations selected will be presented at the January 12 Working Committee meeting.

Based on the strong direction set by the CORE Commission on November 24, it is assumed that changes in state agency structure and procedures will not result in additional costs. This means that any increased spending on new initiatives must be offset with cost reductions in other areas. With this financial parameter, it is understood that reallocations of resources would occur within the environmental service system. Further fiscal analysis will be done on final recommendations and presented at the January 12th Working Committee meeting.

1. State Agency Organizational Structure

OPTIONS

- A. Consolidate Environmental Functions into a Single Mega-Agency.
- B. Consolidate Environmental Functions into Two Agencies, with or without a Secretary.
- C. Preserve Existing Advocacy System; Add Environmental Secretary.

D. Establish Environmental Secretary and Eco-region Service Delivery.

In all of the following options, single or multiple agencies incorporate regulatory and non-regulatory responsibilities. This means that a single agency would provide technical assistance and carry out enforcement actions in a particular area, such as water.

To the degree that is practical, service and regulatory functions would be separated within an agency. Separation would allow technical assistance units to have their own identities, which would encourage the regulated community to access services. However, by locating regulatory and non-regulatory functions in the same agency, the employees would be able to unify behind an agency's common mission.

All four of the following organizational options would eliminate the Environmental Quality Board. During its research phase, CORE found that the current EQB has a multiplicity of roles--watchdog, planner and policy analyst, inter-agency coordinator, conflict manager, public access body, and operating agency.

It has been difficult for EQB to do an effective job of performing all those roles. Therefore, in CORE's options for organizational restructuring, the EQB would be abolished and its many functions dispersed. The operating and planning functions would be transferred to the consolidated agency or agencies. The conflict management, watchdog and public access functions could be assumed by an Environmental Appeals Board and Office of Public Advocacy. Finally, the inter-agency coordination functions could be absorbed by an Environmental Secretary or the commissioners of the consolidated agencies.

The Working Committee may want to consider retaining EQB, but focus its role on a few of the functions described above. Because EQB's role is integrated within the larger environmental system, the Committee can evaluate EQB's role after selecting one of the agency configurations described in Options A through D.

DISCUSSION

- A. Consolidate Environmental Functions into a Single Mega-Agency.
Consolidate all environmental functions at the state level into the Department

of the Environment. The Department would be headed by a commissioner appointed by the governor.

A single agency could be organized in numerous ways. One approach, which was considered during the 1992 legislative session, would assign responsibilities to four large divisions: environmental protection, conservation or natural resource management, enforcement and administration.

Transfer of Authority

The programs and authority that currently reside in the following departments would be transferred to the new Department of the Environment:

Department of Natural Resources: All functions.

Pollution Control Agency: All functions would be transferred and citizens' board would be abolished.

Department of Health: Functions in the current Division of Environmental Health that deal with the natural environment would be transferred; functions that focus on indoor air quality and other factors in the indoor environment would be retained in the Health Department.

Department of Agriculture: Environmental regulatory functions would be transferred to the new department, including the department's responsibilities in preventing groundwater contamination. Responsibilities to be transferred include: fertilizer regulation, water monitoring for pesticides and fertilizer, pesticide plan/regulation and registration, ag chemical incident response/cleanup, and water pesticide collection. Educational programs to promote sustainable agriculture would remain in the Agriculture Department.

Board of Water and Soil Resources: All authority would be transferred to the new agency; current BWSR board, consisting of local government officials and citizens, would be converted into an advisory board.

Office of Waste Management: All functions.

Department of Trade and Economic Development: Wastewater treatment grants, outdoor recreation grants, and the permit coordination functions would be transferred.

Harmful Substances, Petroleum Tank Release, Agriculture Chemical Response Compensation Boards: Powers would be transferred to new department; commissioner would be given discretion to determine structure for administering these programs.

The plan as outlined abolishes the Pollution Control Agency Board, which consists of nine citizen members charged with the authority of the agency. Also, the plan would convert the Board of Water and Soil Resources into an advisory board.

Abolish EQB; Establish Citizens' Environmental Appeals Board

Under a mega-agency plan, the Environmental Quality Board would be eliminated and its current responsibilities could be reassigned in the following manner: transfer EQB program responsibilities to the Department of the Environment, establish a citizens' Environmental Appeals Board to handle appeals of the mega-agency's decisions, and assign planning functions to the new agency and a group of agency commissioners with related environmental responsibilities.

Operating activities, such as genetically engineered organisms regulation and water planning, would move to the new department.

A five to nine-member citizens' Environmental Appeals Board could be established, which would hear appeals of Department of Environment decisions and advocate on behalf of the public interest. In tandem with the Environmental Appeals Board, an Office of Assistance and Public Advocacy could be established to assist citizens in obtaining information from the Department of the Environment and in helping citizens, local governments and businesses in preparing their appeals to the Appeals Board.

There is a danger that an overwhelming number of decisions would be referred to the Appeals Board. Therefore, if the Working Committee selects the Appeals Board option to serve as a watchdog over the staff agency's decisions, criteria would be developed to define uses for the Appeals Board. The intent of the Appeals Board in this system is to preserve the positive aspects of the current citizen boards, and to give people an opportunity to state their concerns in public before a multi-member citizen board. The mere existence of this Appeals Board would act as an incentive to agency administrators to involve affected parties in open discussions before permitting and other decisions are made.

Policy planners would be located within the large Department of the Environment. In addition, under this plan, the commissioners of the Departments of the Environment, Transportation, Public Service and Trade and Economic Development could meet on an as needed basis to develop long-term, broad environmental policy goals.

A bill that would consolidate all environmental functions into one large agency was considered during the 1992 legislative session by several legislative committees. The legislature took no action on the bill and decided to wait for CORE's analysis and recommendations.

Pros

- 1) Consolidates authority and accountability into one state agency, so the Governor and Legislature can hold the department's top administrators accountable for the performance of the environmental service system.
- 2) Could reduce customer confusion, because one agency handles all environmental matters.
- 3) Eliminates turf battles between agencies.
- 4) Could aid in implementing sustainable development and integrated resource management philosophy, because all of the environmental policy administrators would be located in a single agency reporting to a single commissioner.
- 5) Addresses the Governor's span of control management issue. Under this scenario, the Governor would directly oversee one agency commissioner on the environment as compared to several commissioners under the present system.

Cons

- 1) Single agency may be so large that it is overly bureaucratic and unresponsive to citizens.
- 2) Some advocacy perspectives may be submerged within the large agency, so all viewpoints would not be given a fair hearing.
- 3) Disagreements that now occur between agencies in public may be

transferred to private disagreements within the large agency. The public may have less access to the conflict resolution and decision-making processes.

4) Agency could get bogged down in competition between the environmental protection and natural resource management staff. The organization may be incapable of pursuing a unified mission, because of philosophical differences.

5) It is difficult to integrate widely differing programs into a single structure.

- B. Consolidate Environmental Functions into Two Agencies with or without a Secretary.** Consolidate all environmental functions at the state level into a Department of Natural Resources and a Department of Environmental Protection. Resource management functions would rest in the DNR, and the pollution prevention and control functions would be consolidated in the new Department of Environmental Protection. Both of these large agencies would contain service and regulatory functions.

The new Department of Environmental Protection could encompass the following areas: Waste, Remediation, Air Quality, Water Quality, and Support Services. The Department of Natural Resources would include the following areas though they could be organized differently: Enforcement, Forestry, Fisheries and Wildlife, Minerals, Recreation (Parks and Trails), Waters and Support Services.

Both departments would have some responsibility in water. DNR would focus on management issues, including water quantity, while the Department of Environmental Protection would concentrate on water quality issues.

The two departments would be headed by commissioners. The Working Committee may also wish to consider this option in the context of adding an Environmental secretary. CORE's Executive Reorganization Committee is considering a secretary model for the Executive Branch and this Working Committee has already endorsed a secretary model for the broad human services area. See Options C and D in this document, which also incorporate an Environmental secretary, for a more complete description of secretarial responsibilities and functions.

Under this option, a secretary would report to the Governor and would have substantial authority over the agency commissioners, including budget control. A major benefit of the secretary model is improving the Governor's span of

management. The Governor would oversee six to 10 full-time secretaries as opposed to 26 cabinet-level agency heads.

Transfer of Authority

Under this proposal the following would be eliminated, and functions transferred to the two agencies:

PCA Board

Office of Waste Management

Board of Water and Soil Resources: Agency eliminated, functions transferred and members could sit on advisory board.

Harmful Substances, Petroleum Tank Release and Agriculture Compensation Boards: Boards eliminated and responsibilities shifted to the Department of Environmental Protection.

Health and Agriculture functions, as identified in the mega-agency proposal, would be transferred out of the Agronomy Division and the Environmental Health Division into the two new agencies.

The Department of Trade and Economic Development's programs on wastewater treatment and outdoor recreation grants would be shifted to the two agencies, as would the environmental permit coordination responsibility.

Abolish EQB, Establish Citizens' Environmental Appeals Board

Under a two-agency plan, the Environmental Quality Board would be eliminated and its current responsibilities could be reassigned in the following manner: transfer EQB program responsibilities to the two environmental agencies, establish a citizens' Environmental Appeals Board to handle appeals of the two-agency decisions, and assign planning functions to the two agencies and a group of agency commissioners.

Operating activities, such as genetically engineered organisms regulation and water planning, would move to the two departments.

A five to nine-member citizens' Environmental Appeals Board could be established, which would hear appeals of Department of Natural Resources

and Department of Environmental Protection decisions and advocate on behalf of the public interest. In tandem with the Environmental Appeals Board, an Office of Assistance and Public Advocacy could be established to assist citizens in obtaining information from the two departments and in helping citizens, local governments, and businesses in preparing their appeals to the Appeals Board.

If the Working Committee supports the Appeals Board option, more detailed information will be provided in January on board membership and its specific authority. Criteria which defines when the Appeals Board process can be used would also be presented in January.

Policy planners would be located within the two large departments. In addition, under this plan, the commissioners of the Departments of Natural Resources, Environmental Protection, Transportation, Public Service and Trade and Economic Development could meet on an as needed basis to develop long-term, broad environmental policy goals.

Pros

- 1) Consolidates authority and accountability into two state agencies, so the Governor and Legislature can hold the departments' top administrators accountable for the performance of the environmental service system.
- 2) Natural resource management and pollution prevention and regulation require different missions, which supports dividing the environmental responsibility into two separate agencies.
- 3) From a citizen access and service delivery standpoint, a two-agency structure may represent optimal size agencies.
- 4) Natural resources has a long history, a different body of law and well-defined users. Environmental protection is still evolving, with more volatility and less consensus among the users. It has different federal interactions (Environmental Protection Agency) and law.
- 5) This option is less disruptive than a super-agency for existing users of state agencies.
- 6) Similar to the mega-agency proposal, this option addresses the governor's span of control management issue.

Cons

- 1) Two agencies could promote turf wars between two large agencies, which have acquired more state programs and authority.
- 2) It would take time and resources to develop coordination between the two state agencies.
- 3) Depending upon agency management and authority dispersal, this option does not necessarily lead to better customer service.
- 4) Because both agencies affect the environment and have regulatory authority, there would still be some customer confusion over who to deal with on a particular matter.
- 5) This option does not promote the integration of environmental management and pollution prevention.

- C. Preserve Existing Advocacy System, Add Environmental secretary. This option would retain all or a portion of the six major agencies that have regulatory and non-regulatory roles in the environmental services system: DNR, PCA, Agriculture, Health, BWSR, and OWM.

The PCA Board would be abolished and its powers transferred to the commissioner of the PCA.

Under this plan, a secretary of the Environment would be named. The secretary would report to the Governor and be responsible for carrying out the Governor's environmental policy initiatives and overseeing the administration and implementation of current state laws by the various environmental agencies.

Potential responsibilities for the secretary include the following:

1. Direct strategic planning, policy development and operational planning for the environmental area.
2. Appoint agency heads or make appointment recommendations to the Governor.
3. Supervise agency heads and hold them accountable for their actions.

4. Direct the formulation of a comprehensive program budget for the environmental area.
5. Resolve administrative, jurisdictional, operational, program or policy conflicts between agencies or officials assigned to the secretary.
6. Reorganize and reassign programs and program budgets to improve operations among the agencies assigned to the secretary.

Abolish EQB, Establish Appeals Board

The secretary would also serve as chair of a new Environmental Appeals Board, which would consist of the secretary and six citizen members appointed by the Governor. The Board would hear appeals of decisions made by state agencies, and serve as a check on the power of the individual agency commissioners. The existence of the Appeals Board would promote citizen access to the environmental system. Agencies which involve stakeholders early in the decision-making process would likely avoid numerous appeals to the Board. However, some of the most contentious issues would surface at the Appeals Board where citizens would be guaranteed the right to make their cases in public.

The current EQB has multiple roles and its membership consists of six citizens and nine state agency commissioners. Under this plan, only the six citizens and the new secretary of the Environment would sit on a board to hear appeals. In addition, the body would promote the use of new dispute resolution processes in agencies to bring interested parties into the conflict management discussions as early as possible.

The secretary would be required to establish mechanisms to ensure effective coordination among environmental agencies and to develop short-term and long-term policy plans.

Pros

- 1) Ensures that multiple perspectives will be heard.
- 2) Could be implemented in the short-term, because it causes the least disruption to the current system.
- 3) Secretariat would provide improved accountability to the state's citizens

and allow the Governor to promote clear environmental priorities.

4) Environmental Appeals Board would preserve citizen access and serve as a check on individual agency powers.

5) Creating a secretary position, which would contain systemwide authority, would put greater emphasis on long-term planning. Also, the secretary could ensure that the Environmental Policy Act and other state laws are effectively implemented.

6) This model would reduce the Governor's span of control, because one secretary would be reporting directly to the governor in place of multiple commissioners.

Cons

1) Proposal would preserve much of the current fragmented system at the state agency level, which has caused customer complaints.

2) Secretariat would create another level of government.

3) Unless it is accompanied by technology improvements, decentralization of employees and organizational culture changes, this structure plan would not necessarily lead to improved customer service.

4) Unless the individual agencies are flattened, decision-making authority is delegated and inter-agency cooperation is improved, the secretary alone would not be able to produce better customer service.

5) Because each of the advocacy agencies would remain intact with their internal and external constituencies, the new secretary would need to be exceedingly skilled to pull the agencies together behind a unified mission.

- D. Establish Environmental secretary and Eco-region Service Delivery. Under this plan, a secretary of the Environment would be based in St. Paul with a smaller, centralized core staff. The vast majority of environmental services staff would be decentralized to the state's eight eco-regions, which would each be assigned a Regional Office Director with considerable flexibility.

DNR, MPCA, BWSR, OWM and EQB would be abolished. The environmental functions located in the Health and Agriculture Departments would be transferred. All of these environmental functions now located in seven state agencies would fall under the guidance of the new secretary of the Environment, who would assign personnel and programs to eco-regions based on their unique needs.

The seven natural eco-regions in the state are: Northern Lakes and Forests (NE MN), Northern Minnesota Wetlands (North-Central MN), Red River Valley (NW MN), North Central Hardwood Forest (Diagonal Mass Cuts From NW to SE MN), Northern Glaciated Plains (SW Strip), Western Cornbelt Plains (South-Central MN) and Driftless Area (SE MN). In addition, the Twin Cities metropolitan area would be designated as an eighth service delivery unit called the Urban Eco-region.

This proposal builds on a foundation of mutual dependence and interaction between the people and the natural resources in the distinct eco-regions. The environment (the land, the water, and the air) affects and determines the economy (industries that are viable based on the natural resources) and both shape the attitudes and welfare of the people who depend on both for survival.

Because the eight eco-regions have distinct natural resources and problems, they require specialized expertise and efforts. (The current Department of Natural Resources is responding to those unique needs now through decentralization of many of its employees. They are dispersed based on the eco-systems that need to be managed). This proposal expands on the decentralization already occurring with DNR and BWSR employees, but incorporates a strong emphasis on regionalism. That means more authority would be shifted to eco-region directors to allow for more effective management. It should be noted that all staff would not be based solely in eight eco-region offices and the small central office in St. Paul. As is presently the case, staff will also be dispersed to field locations that allow them to manage resources and serve customers.

Each eco-region would have an Office of the Environment, which would offer all regulatory and assistance functions now provided by existing state agencies. To coordinate among eco-regions and to ensure that no eco-region decisions impair the common good or the public interest of the state as a whole, the Governor would appoint a secretary of the Environment. Each Regional Office Director would report to the secretary, whose authority would include

budget and staffing powers. Also reporting to the secretary would be the Director of an Environmental Appeals Board and the Director of the Office of Federal Research and Regulation.

The Eco-region System would be constructed as follows:

Governor: Appoint secretary of the Environment and Environmental Appeals Board members.

Secretary of the Environment:

1. Coordinate implementation of policy among the regions, ensuring that each regional director has met federal and state statutory requirements.
2. Exercise oversight so policy implementation in one region does not impair the interests of the state as a whole.
3. Ensure that policy or administration decisions that differ between eco-regions are in fact based on differences in environmental factors.
4. Allocate resources to eco-regions so each region can fulfill its responsibilities to the customers and natural and environmental resources to be managed.
5. Supervise the Regional Office Directors, and top administrators of the Environmental Appeals Board and Office of Federal Research and Regulation.
6. Draft legislation, meet with governor and legislators, and testify at public hearings.

Environmental Appeals Board, Office of Assistance and Public Advocacy: This office will provide comprehensive assistance with conflict prevention and resolution. It would have the authority to review decisions of Regional Directors on request. It would affirm, modify or reverse the decisions, but its emphasis would be on offering Regional Directors services to bring stakeholders to the table prior to the Director making a decision. These could include facilitators, mediators or public advocates. This office serves as a check on the authority of the Regional Directors and provides an administrative forum for conflict resolution outside the judicial forum.

Office of Federal Research and Regulation: This office would be the contact point for federal government interaction, including administration of federal programs and grants. It would also monitor national research and technology developments and identify private funding sources for application in Minnesota.

Regional Office Directors: Each Director would serve as the steward of the eco-region, and would be responsible for sustainable development of the region and for achieving compliance with environmental laws and regulations that address the unique needs of the eco-region.

Eco-regions would not be uniform in size, staffing or budget. They would have different mixes of services, technical expertise, and rules provision. They would have different emphases on natural resource management and environmental regulation. They would have uniform responsibility for stewardship, sustainable development, and achieving compliance with environmental policies set by Congress and the Legislature. Both the secretary and the Environmental Appeals Board would provide oversight on accountability.

Under this plan, it is assumed the number of state employees working in the environmental service system would remain relatively constant. It is possible that some savings could be achieved through reductions in upper management administrators though these could be off-set by increases needed in other areas.

Pros

- 1) Decentralized eco-region management would locate state employees and administrative decision-makers close to the customer, where citizens would gain access to the services.
- 2) Proposal would strengthen the state's ability to protect the quality of the environment. Resources would be deployed based on the needs of the environment and its users. There would be integration of natural resource management and pollution prevention responsibilities.
- 3) Proposal would diffuse current turf battles among separate state agencies, which now have the top decision-makers centralized in the Twin Cities.
- 4) Proposal recognizes the ecological diversity of the state, and how the land-based natural resources are also integrated into the economies of the various parts of the state. Citizens would have access to state government service delivery, and would have a common interest in responsibly using and preserving the resources of their area.

5) Major state leaders are talking about the need to implement sustainable development policies, which promote both environmental stewardship and economic responsibility. Managing by eco-region could make it easier to achieve the twin goals.

6) Structure allows for maximum regionalization, but preserves statewide policy goals and implementation through the existence of the secretary and Appeals Board.

Cons

1) The natural eco-regions do not follow county boundaries, so the state eco-region interaction with county governments needs to be clarified.

2) Relocation of state personnel to regional eco-region offices and field locations would require an upfront transition cost.

3) A bold change of this nature would take time to implement. It would require involvement and commitment from stakeholders.

4) Proposal requires strong champions inside and outside government to overcome resistance from those who favor incremental change and fine-tuning of the current system.

5) Eco-region delivery would involve duplication of functions that are now centralized.

6) By shifting power to regional directors, there could be a lack of uniformity in administration of state laws.

E. **Amendments to Organizational Structure.** In options A, B and D, personnel from six state agencies (DNR, PCA, Health, Agriculture, OWM and BWSR) are consolidated into one or two agencies. They are then deployed in new configurations designed to maximize efficiency and provide better customer service. The Working Committee may wish to discuss retaining some functions in the current agencies; and the following are possible amendments to options explained above.

1. Preserve the Agriculture Department's role as a regulator of pesticides and fertilizers. Taking this action would accept the department's argument that

it is best positioned to achieve compliance from farmers.

2. Retain the Office of Waste Management as a separate agency. Doing so would promote separation of regulatory and service functions in the solid waste area. The PCA would regulate solid waste and the OWM would continue to provide technical assistance and grants.
3. Keep the Environmental Health Division within the Department of Health on the rationale that the public health perspective may be submerged within the larger Department of Environmental Protection.
4. Retain the Board of Water and Soil Resources as a free-standing agency. This would allow local government units to continue to have a major access point to the environmental service system.
5. Retain the Environmental Quality Board (EQB) in its current or redesigned form. Committee may wish to reshape the EQB's role in light of decisions made on organizational structure.

STAFF RECOMMENDATION

Staff believe that two options can be supported, depending on the general direction the Working Committee wishes to take: Option B, Consolidate Environmental Functions into Two Agencies, and Option D, Environmental secretary and Eco-region Service Delivery.

The Two-Agency Approach involves major structural change, and the Eco-region Approach is innovative and bold. Both are valid options, and deserve consideration.

Option B:

The Two Agency Approach emphasizes accountability to citizens, the governor and the legislature. By reducing the number of major environmental agencies from seven to two, it would be clear that the commissioners of the DNR and DEP would be responsible for the system's performance.

The Committee also could add an Environmental secretary to this option to further consolidate authority and improve system accountability.

The two agency commissioners would have enhanced authority through this restructuring option. Yet their expanded agencies could still be accessible to citizens.

In addition, this proposal recognizes the differences in customers, law and constituencies between the DNR and new Department of Environmental Protection. Managing resources and regulating pollution are sufficiently different that they merit two departments.

Finally, many would argue a two-agency consolidation proposal is superior to a mega-agency. This proposal should be more customer friendly than a mega-agency, which could promote extensive internal conflicts. In addition, this proposal is less disruptive to users and administrators of the environmental service system.

Option D:

The Eco-region option is attractive because it gives top priority to both the environment and customers or citizens. It emphasizes citizen access by deploying human and financial resources to where they are needed in the seven natural eco-regions and the metropolitan urban eco-region. This not only brings state employees closer to customers, but it places paramount importance on protecting the natural environment and managing resources.

Outside the metro area, Minnesota's economy is still natural-resource based, including agriculture, mining, tourism, and wood products. This proposal recognizes that connection. It would allow the state regional directors to have the specialized expertise on site to effectively manage the resources and provide information and regulatory decisions to citizens and companies.

The highly developed nature of the metropolitan area is recognized through the Urban Eco-region. State environmental service personnel would be assigned to meet the diverse needs of the metro area, which vary in comparison to other parts of the state. For example, the Urban Eco-region would differ from the non-metro areas in that it would have substantially more staff available for air quality permits.

A secretary of the Environment, based in St. Paul, would supervise the eight Eco-region directors to ensure that statewide policy goals are met and provide systemwide accountability to the Legislature and Governor.

2. REGIONAL/CENTRAL OFFICES

NOTE: If the Working Committee selects the Eco-region Service Delivery Model described above, there is no need to discuss this section. If other options are selected, the following issue needs to be addressed.

Four agencies—DNR, PCA, Health and BWSR—have staff assigned to regional offices in 11 Minnesota communities. DNR and BWSR have a majority of their employees decentralized, and PCA, Health, Agriculture, OWM and EQB have a majority of their employees based in the Twin Cities. Generally, in the environmental services system, major policy and program decisions are made in the central offices.

OPTIONS

- A. Expand Regional Office Role, Number of Decentralized Staff.
- B. Co-Locate State Agency Regional Offices.
- C. Preserve Current Allocation of Responsibilities.

DISCUSSION

- A. **Expand Regional Office Role, Number of Decentralized Staff.** Under this option, the state would respond to citizen concerns about decision-makers being located closer to the customers. Authority on permitting and other program decisions would be transferred from division directors to regional directors. Division directors would play more of a planning and advisory role, and the decision-making would be delegated down to the regions.

Where it makes sense from service delivery and efficiency standpoints, employees would be decentralized to regional offices and field locations to be more accessible to citizens and closer to the resources being managed and activity being regulated.

Pros

- 1) Customers have greater access to technical assistance and decision-makers.

- 2) More employees in the field could promote more cross-disciplinary field could promote cooperation among different environmental programs.
- 3) Greater emphasis on decentralization and regionalization places a priority on integrated resource management practices and provides more human resources to do a better job of environmental stewardship.
- 4) Through decentralization, state employees may increase their understanding of regional problems and non-environmental factors that affect environmental decisions.

Cons

- 1) Administratively, there could be an unnecessary duplication of some functions. In addition, regionalization involves a risk that some state laws and policies will not be administered uniformly.
- 2) Employees located close to the customers will have to withstand political pressures for projects that may help the economy, but hurt the environment.
- 3) Because it takes time to review permit applications, this change may not reduce the turnaround time as radically as consumers desire.
- 4) Decentralization costs money for relocating employees and leasing/building appropriate office space.

- B. Co-locate State Agency Regional Offices. Under this option, Regional Offices for employees administering state environmental programs would be located in the same cities. Where it is cost-effective, employees would be located in the same building in the city.

Pros

- 1) Co-location would emphasize customer convenience and promote one-stop shopping.
- 2) Co-location would foster more communication and cooperation among state environmental employees. It would facilitate communication to serve customers, but also serve an inter-disciplinary educational function.

- 3) Co-location would allow employees from different agencies to share support staff, equipment and other administrative costs.

Cons

- 1) If separate state agencies are retained, separate agency budgets could lead to unequal support and commitment to regional offices.
 - 2) Different agency lines of authority could still provide different directions to staff based in the regional offices or at field locations.
 - 3) Unless regional offices are given more decision-making authority, co-location would have a limited impact.
 - 4) There is a financial cost attached to co-location.
- C. **Preserve Current Allocation of Responsibilities.** Under this option, the state would not attempt to further decentralize employees. Also, it would preserve major policy and program authority at the centralized offices in the Twin Cities. Regional offices would continue to serve some administrative functions, and staff presently assigned to regional offices and field locations would be maintained with their current duties.

Pros

- 1) Preserving the status quo means the state would not incur transition costs associated with reforms.
- 2) Citizens who have interacted with regional offices and field staff understand the current system, and they would need to adapt to new delivery models.

Cons

- 1) Many citizens and local government officials interviewed by CORE strongly stated a desire for further decentralization and regionalization to improve the quality of service delivery.
- 2) CORE is examining the system from the perspective of customers. It is quite logical to locate the service providers where the customers need service.

The status quo is contrary to this notion.

STAFF RECOMMENDATION

The top priority of staff is Option A, Expanding the Regional Office Role and Decentralizing the Number of Staff. The scope of this CORE project is an examination of the efficiency and effectiveness of the system from a customer perspective. Decentralizing employees and shifting more authority to regional offices is a major step toward addressing customer access and satisfaction concerns.

As an additional recommendation, staff see value in co-locating state agencies as described in Option B. It would promote more convenient citizen access as well as encourage greater cooperation among environmental employees in different disciplines. However, costs vs. benefits would need to be further evaluated. These changes could be phased in as financial resources become available.

3. ROLE OF BOARDS

In connection with the first section on State Agency Organizational Structure, the role of boards must be clarified. Specific decisions need to be made on the future of the existing Board of Water and Soil Resources, Pollution Control Agency Board, and the Environmental Quality Board. In addition, all of the alternative structures recommend establishment of an Environmental Appeals Board, which the Working Committee needs to accept, reject or modify.

There are many options for the Working Committee, ranging from no boards to one or more of the choices outlined below as options A to D. These options are not all mutually exclusive.

OPTIONS

- A. Limit Citizen Participation to Advisory Boards.
- B. Preserve Citizen Policy-making/Administrative Board(s).
- C. Establishment of an Environmental Appeals Board.

- D. Utilization of Inter-Agency Coordination Board.
- E. No Permanent Boards Would Exist in the Environmental Area
- A. **Limit Citizen Participation to Advisory Boards.** Under this option, all direct line authority would be concentrated in agency commissioners, regional directors, or a secretary. Since all would be direct or indirect appointees of the governor, the governor would ultimately be responsible.

Citizen advisory boards could be appointed by the administrators to get broad input on issue identification, policy positions and customer service demands.

Pros

- 1) Citizen input would be preserved.
- 2) Accountability would be clear, because authority would be consolidated into the hands of specific administrators.
- 3) Elimination of boards could speed decision-making.
- 4) There would be single lines of authority for staff, who would understand who is in charge.

Cons

- 1) Change would take power away from citizens who currently hold important positions on decision-making boards.
- 2) Some decisions are so critical and affect the livelihood and public health of so many citizens that they should not be made by a single individual. An argument can be made that the decision-making should be shared and made in public, and that adequate opportunities should be provided for citizen input.
- 3) Abolishing citizen boards could mean decisions are made in private instead of in public.
- 4) Citizens' ability to make arguments in public will hinge on the management style of administrators, who can determine whether or not they

wish to have extensive public input.

- B. **Preserve Citizen Policy-making/Administrative Board(s).** Under this option, at least one board with full or partial citizen membership would be preserved. The board would interpret legislative policy, and provide direction to agency administrators.

Final decisions on the elimination or retention of the MPCA and BWSR boards should be discussed in this context.

Pros

- 1) Assures consideration of broad perspectives in decision-making.
- 2) Tempers narrow, scientific disciplines with other social and economic factors.
- 3) Guarantees citizen access to decision-making.
- 4) Provides forum for debate of issues outside legislature.

Cons

- 1) Disperses authority, so it is difficult to establish accountability in the environmental service system.
- 2) Can be cumbersome and time-consuming to administer.
- 3) Boards compete with the Legislature for the policy-making role.
- 4) Because members are part-time and turn over, some may lack the understanding of complex problems to make good decisions.
- 5) Some policy-making boards are unable to resist assuming a role in day-to-day administrative issues.

- C. **Establishment of an Environmental Appeals Board.** Under this option, the decisions of an agency commissioner or eco-region director could be appealed to a citizens' board.

Pros

- 1) Is an alternative to more expensive, time-consuming legal battles.
- 2) Guarantees that citizens get a fair, public hearing of their issues.
- 3) Provides a check on the power of agency administrators.
- 4) Is an incentive for agency administrators to bring stakeholders together and engage in positive conflict management processes.
- 5) Recognizes that conflict is a given in the environmental arena, and the appeals board provides a forum for making the conflicts and perspectives explicit in public.

Cons

- 1) Dilutes authority of executive administrators.
 - 2) Creates another conflict resolution mechanism, which is a weakness---unless the Appeals Board picks up some of the conflict resolution powers located elsewhere, such as BWSR, EQB, etc.
 - 3) Effectiveness rests with the quality of the appointments to the board.
 - 4) Creates another avenue for conflicts, and many may still end up in litigation.
- D. Utilization of Inter-Agency Coordination Board. Under this option, an inter-agency coordination cluster or board would be designated to handle issues that cross agency boundaries and engage in long-term planning. Its membership could be mandated or left up to the discretion of the Governor or a secretary of the Environment. The intent of this type of board would be to carry out some of the responsibilities now assumed by the Environmental Quality Board.

Pros

- 1) Because environmental issues are linked with other state departments---energy policy in Public Service, economic development in Trade and

Economic Development, and environmental impacts of transportation routes in Transportation--it can be argued there is a need for long-term policy planning and coordination that encompasses many departments.

2) Preserving the existence of an inter-agency coordination board may make it more likely that meetings will be held, communication will occur and long-term plans will be drafted.

3) A formal structure would encourage ongoing relationships between key agency commissioners.

Cons

1) Some agency commissioners have expressed dissatisfaction with the effectiveness of the current EQB, which is designed to facilitate long-term planning and inter-agency coordination.

2) The degree of cooperation and communication that occurs between agencies may depend more upon the leadership in those agencies than on the existence of a formal coordinating structure.

3) There currently are seven state agencies with major environmental responsibilities. If the number of separate agencies with environmental responsibilities is reduced, there may be less need for an institutionalized coordinating mechanism such as the current EQB.

- E. No Permanent Boards Would Exist in the Environmental Area. Under this option, all boards would be eliminated. Citizens would communicate with agency officials via meetings and other opportunities. Conflicts would be resolved within the agency setting, the courts or legislature.

Pros

1) Elimination of boards shrinks the size of state government.

2) Administrators and other employees would not have to devote time to staffing boards and developing materials for members.

3) Clear lines of accountability would be obvious.

Cons

- 1) It is probably anathema in Minnesota to eliminate all boards, including advisory boards. Minnesotans possess a strong desire to have access to the system and participate fully. (The Office of Waste Management, which has only 55 employees, currently has five advisory committees with 70 members.)
- 2) Without some formal advisory boards, agencies would still need to spend money on public meetings and other vehicles to stay in touch with customers.

STAFF RECOMMENDATION

Approval of Options A and C are favored by staff. The existence of citizen advisory boards is supported, because they provide an effective means of ensuring public access and input.

An Appeals Board (Option C) is included in each of the state agency organizational options outlined at the beginning of this report. The Environmental Appeals Board is included in the scenarios for several reasons.

One major Environmental Appeals Board would give citizens the option of appealing an agency decision without having to file a lawsuit.

It would guarantee citizens a public forum, which is now provided through the Pollution Control Agency Board and Environmental Quality Board. Those two boards would be abolished under several of the streamlining options.

The Environmental Appeals Board staff could promote the use of innovative conflict management approaches, which involve key affected parties at the beginning of the process. However, when people feel decisions are arbitrary or their concerns are not heard, they would have the safeguard of the Environmental Appeals Board.

II. POLICY COMPLEXITY

1. Conflict Management

There are many dimensions to conflict throughout the environmental system, from an individual and an agency disagreeing over law, to governmental units colliding on priorities, to very different interests competing for use of the same resource. The choice of organizational options will to a greater or lesser extent affect the management of conflict and the types of conflicts that can be managed. What follows below is a discussion of various conflict management options, some of which have been discussed in the preceding organizational complexity section. The options are not necessarily mutually exclusive. Some combination of approaches and assignment of responsibilities is possible, depending on the organizational solution chosen. This section provides an opportunity to review the organizational choices in the context of this pervasive concern.

OPTIONS

- A. Enhance the existing authority of the Environmental Quality Board (EQB) to resolve conflicts involving state agencies with regard to programs, rules, permits and procedures.
- B. Give secretary the authority to resolve conflicts involving state agencies with regard to programs, rules, permits and procedures.
- C. Create a citizen environmental appeals board to review administrative decisions on appeal with its final decision binding.
- D. Create a new environmental conflict management office to promote conflict management throughout the system and serve as an open, objective forum for discussion of competing interests and needs.

DISCUSSION

- A. Enhance the Environmental Quality Board authority. This would involve at a minimum, developing a formal process for conflict resolution to promote its use and acceptability, and providing EQB with the authority to compel compliance with its decision. It would include clarifying the overlap with BWSR authority in the water area.

Pros

- 1) The EQB provides an existing opportunity for all viewpoints to be heard because all agencies and citizens are represented.
- 2) The EQB forum is open, accessible and familiar to the citizens.
- 3) EQB can handle responsibilities that cross agency lines and which may otherwise be inadequately addressed by an individual agency.

Cons

- 1) Historically, EQB members have been reluctant to be openly critical of other EQB members' decisions.
 - 2) Although EQB presently has the authority to resolve conflicts, it has been little used.
 - 3) EQB's focus is not conflict resolution; its multiple responsibilities lead it to be more active in other areas, such as environmental review and planning.
- B. Give the secretary authority to resolve conflicts. This would provide the secretary with ability to overrule individual agency administrative decisions and decide conflicts in perspectives and priorities among agencies. The secretary could also investigate conflicts between an individual and an agency.

Pros

- 1) The secretary as an appointee reporting directly to the Governor would have a broad perspective and political accountability.
- 2) The secretary could have multiple tools to manage conflicts among agencies, including budgetary and personnel authority which could be used to focus priorities.
- 3) The secretary could monitor unclear or conflicting legislative directives and report to the Governor the need to propose policy changes which clarify direction or set priorities.

Cons

- 1) Access to the secretary may be unequal or difficult for the public or certain interests, depending on the secretary's full responsibilities and location.
- 2) Secretary may be too "political" in resolving conflicts between competing interests, not reflective of balancing all interests or ignoring long-term interests.
- 3) Secretary could operate in a "closed" decision-making process rather than an open process with written findings.

- C. Create a citizen environmental appeals board to review administrative decisions on appeal with its final decision binding. This would create a check on the discretion of agency administrators to assure complete and equal balancing of perspectives, interests, and access. The decision of the appeals board would be binding on the agency rather than advisory. Criteria for appeal of selected decisions would need to be developed as well as the composition and qualifications of members of the appeals board. This would also require repeal of EQB, BWSR authority.

Possible amendments to this option that may be considered are:

1. Have the appeals board be advisory to the secretary who would make the final decision.
2. Have the appeals board consist of environmental lawyers rather than citizens.

Pros

- 1) Board would provide an opportunity for all viewpoints to be heard before multiple members with varied expertise and experience, promoting balance and weighing competing interests.
- 2) Board operation would be open, accessible, and its decisions written with the rationale explained.

Cons

- 1) Board could create merely another battleground for conflicts, with final resolution still being the courts or Legislature.
- 2) Board would operate to review a decision that has been made, contributing to adversarial mindset.

- D. **New Environmental Conflict Management Office.** This would create a new office which would attempt to systematically reduce dependence on processes that promote conflict and build in procedures that may minimize conflicts at the start. It would provide an objective, neutral forum for convening stakeholders on an equal status and for identification of stakeholder needs and concerns. When it is used, who can request its use and who pays for the services would need to be decided.

Pros

- 1) Specific expertise in the office could expedite conflict resolution because staff would be familiar with environmental issues, terminology and law as well as stakeholder interests. Staff could provide an open, objective forum for discussion of these interests with knowledge of relevant information, issues and concerns.
- 2) Specific office focused on conflict management could work to create other improvements that would manage conflict better in the environmental area. These changes could include standardized procedures for convening affected parties, training environmental staff in conflict management, and developing flexible approaches to decision-making.
- 3) Specific office could operate to assist competing interests in resolving conflict among themselves prior to finalizing a decision; this approach would help avoid adversarial attitudes.

Cons

- 1) Creates a new office that provides services available in a generalized sense in both private and public sectors.

- 2) Unless the office is perceived as objective, knowledgeable, and able to implement outcomes of process, there may be no commitment to its use. Litigation or legislative action may continue to be preferred over administrative conflict management.
- 3) Conflict management processes can be lengthy and staff intensive; funding and availability of service are concerns.

STAFF RECOMMENDATION

COMBINE OPTIONS B, C AND D to create a comprehensive approach to managing environmental conflict.

Conflict among competing interests is so endemic to the environmental area that it warrants a special focus in the environmental system. Creating a special focus by developing special conflict management expertise in the office of the secretary could catalyze improvements throughout the system in the timeliness and long term acceptance of decisions. A proactive emphasis on services to staff and stakeholders that emphasizes conflict management and stakeholder needs from earliest interaction could reduce the costs associated with more adversarial approaches. If early involvement fails to provide a decision accepted by all stakeholders, then the appeals board provides another objective forum for review of the decision and a quicker, less costly alternative to the courts. The secretary who oversees both functions could monitor issues which are best resolved through the legislative process.

2. Command and Control Approach

What follows are options for recommendations to improve the command and control regulatory approach. Each would demand varying commitments of staff and funding resources. Each could be implemented by itself or in conjunction with one or more other suggestions or recommendations. The staff has ordered these options in their recommended priority for consideration. If selected, staff would further develop the option into a recommendation with direction on scope, implementation responsibility and timeframes.

Enforcement

- A. Standardize the process of delegation of programs.

- B. Standardize enforcement tools in all environmental media and agencies.
- C. Create a uniform environmental code.

Rules

- D. Exceed federal regulations on a selective basis.
- E. Base compliance requirements in rules on ambient standards/outcome measures.
- F. Allow waivers to be granted to rules upon demonstration of cause.
- G. Focus rule scope to target the most common hazards rather than every possible hazard.
- H. Provide incentives to repeal obsolete rules; expedite repeal process.

DISCUSSION

Enforcement

- A. Standardize the process of delegation of programs. The federal government delegates enforcement of programs to the state; the state delegates enforcement of some state/federal programs to local government. However, no consistent pattern, process or format is available for this process at either the federal level or state level; arrangements differ from program to program. The review of program operations is also very different among programs. The terms and procedures for delegation could be developed to streamline the process and improve accountability. Once delegated, the delegating party should not interfere in operation of program, unless program outcomes are not met. Criteria would need to be developed for rescinding delegation.

Pros

- 1) Would clarify responsibilities, accountability and expectations.
- 2) Could simplify administration.
- 3) Could promote the delegation of programs.

Cons

- 1) Would require significant effort to advance at the federal level where programs are independently managed and not integrated.
- 2) Could require a shift in agency approach from that of oversight to partnership.

- B. **Standardize enforcement tools in all environmental media and agencies.** Due to the piecemeal development of environmental programs over time, agencies have been given different authorities to address environmental problems. For example, some lack authority to issue administrative penalty orders; some have discretion to set administrative penalties, others do not. The civil and criminal penalties may vary significantly in different media. Although not every tool needs to be used in every situation, each agency should have access to every tool and the same ability to enforce compliance.

Pro

- 1) Would clarify the enforcement process for both the regulators and regulated parties, making it more understandable and equitable, especially for multiple permittees.
- 2) Gives agencies an array of tools so most effective tool for given situation can be used.

Con

- 1) Not all agencies would be trained in or familiar with the use of the entire range of tools.
 - 2) Some legal staff effort would be needed to evaluate and compare the statutory authority of different agencies. (Note: Some of this work has been done for some programs of the PCA.)
- C. **Create a uniform environmental code.** Rules and statutes relating to environmental protection and natural resources are scattered throughout the authorities of several state agencies and local governments. The process of compiling them into one environmental code could ease compliance and

expedite repeal of obsolete and inconsistent directives. Although some initiatives have been made in certain areas, a comprehensive review is lacking.

Pros

- 1) Would reduce redundancy and inconsistent approaches.
- 2) Could promote compliance by making it easier to become aware of statutory obligations.

Cons

- 1) Unlikely to work unless the number of agencies with separate authorities in law is also reduced or some single ultimate authority is made responsible.
- 2) Would require significant legal research and consultation.

Rules

The options for recommendations offered below suggest new options or approaches in the application and development of rules. They are options that embody tradeoffs rather than perfect solutions, but warrant active consideration during rule development. They are consistent with the overall reform of the rulemaking process under consideration by another working committee of CORE.

- D. Exceed federal regulations on a selective basis. There is a cost to parties to comply with a multitude of different regulations. The costs should be weighed against other societal goals and economic factors. Such weighing is most appropriately done by the Legislature. When rules are developed from federal regulations, the Legislature should decide if, when, and where exceeding federal minimum standards is desirable. Alternatively, the Legislature could require the agency to prove that the federal regulation would not adequately achieve the environmental objective set by the Legislature before a rule can be more stringent than the federal regulation. Likewise, the same standard should apply to county ordinances in areas where state rules are effective.

Pros

- 1) Would reduce cost to affected parties to become familiar with and comply with multiple rules.
- 2) Could enhance compliance by removing confusion over what was required for compliance and by implementing controls and practices already in place in other states.

Cons

- 1) Would constrain ability of state government to exceed federal standards.
- 2) Would make it more difficult to address unique needs.
- 3) Could delay needed rules.

- E. Base compliance requirements in rules on ambient standards/outcome measures. Ambient standards specify the desired outcome or environmental quality to be protected or achieved. Equipment, operation or discharge standards detail specific methodology required. The development of specific, technology-based standards imposes a significant burden for both the regulated and the regulators. Technology may not anticipate every problem, may overcorrect or may be unavailable, unproven or unsuitable for older plants. Familiarity with its operation may be uneven among regulators and the regulated community. Monitoring to verify its use and maintenance is difficult. Whenever possible, new rules should emphasize outcomes and accountability of the permittee for achieving ambient standards.

Pros

- 1) Allows flexibility to choose most cost-effective compliance option, reducing economic burden of compliance.
- 2) Allows for innovation in control technology.
- 3) Could create an incentive for better operation and maintenance because the choice of the technology is made by the people who will operate it.

Cons

- 1) When violations of ambient standards occur, it may difficult to determine the cause of the violation and affix responsibility for correction.
 - 2) Methods would need to be developed to ensure accountability for outcomes. Site specific analyses would be staff intensive.
 - 3) Would not encourage going beyond the standard.
 - 4) Compliance burdens could change as numbers of permittees change.
- F. Allow waivers to be granted to rules/statutes. Rules which are prescriptive should be amenable to waivers from the administrative authority. If the purpose of the rule is clear, and the party affected by the rule or implementing the rule can show in writing that implementing the rule: 1) would not impede the accomplishment of the purpose, or 2) would hinder the accomplishment of the purpose, or 3) would seriously impair the accomplishment of another, equally important environmental purpose, the administrative authority should have the ability to waive the rule for a trial period to evaluate its need or to design an alternative approach.

Pros

- 1) Could eliminate unnecessary economic burdens.
- 2) Could allow for experimentation and innovation.
- 3) Could promote a more holistic integration of rules and environmental objectives.

Cons

- 1) Failure to meet the purpose of the rule could cause environmental degradation.
 - 2) Staff would be needed to evaluate the impact of the waiver.
- G. Focus rule scope to target most common hazards rather than every possible hazard. Too often rules are driven by extraordinary incidents or operations

which cause an excessively stringent standard to be created to apply to everyone. Rules should seek to address the most common situations or operations, rather than unusual or rare situations.

Pro

Focusing on the most common situations could significantly decrease the economic burden while effectively addressing situations creating the significant majority of environmental problems.

Con

There is a risk of some unanticipated or rare incidents occurring. This may be an unacceptable tradeoff for some people.

- H. Provide incentives to repeal obsolete rules; expedite repeal process. Rule "housekeeping" tends to be ignored by agencies due to cumbersome rulemaking process. Use of a convenient vehicle to repeal unneeded rules similar to the revisor's bill to clean up statutes could reduce rule "clutter."

Pro

Makes it easier for affected party to understand what is required to comply.

Con

Requires some staff time to maintain current rules. This may not be a priority given other agency responsibilities.

3. Alternative Approaches to Environmental Compliance.

Command and control is not the only way to achieve environmental goals. What follows below are options for recommendations related to creating a mix of approaches to achieve environmental compliance other than command and control. Again, these are not mutually exclusive, nor is the list exhaustive. If selected for recommendation, staff would prepare a more detailed plan for implementation.

OPTIONS

- A. Analyze the applicability of market approaches such as pollution charge systems (fees and taxes) and marketable permits.
- B. Develop mechanisms and use the media to provide information to consumers about products/violators so that the marketplace is used to enforce environmentally desirable choices.
- C. Focus staffing on pollution prevention by allocating more staff to training and technical assistance.

DISCUSSION

- A. Analyze the applicability of market approaches such as pollution charge systems (fees and taxes) and marketable permits.

Market approaches are a needed tool to achieving environmental compliance. How, when and where they can be implemented should be part of the analysis which agencies use to determine how to achieve environmental compliance. Increased awareness of the importance of the environment, acceptance of environmental constraints, and recognition of the limits of the command and control system are factors that will facilitate transition to market approaches.

Further explanation and a discussion of the pros and cons of the approaches cited below can be found in CORE work paper entitled "Market Approaches to Environmental Regulations" prepared by Robert Wider of the Minnesota Mutual Life Insurance Company.

a. Pollution Charges.

CORE finding #8 reported that the linkage between the fees paid for environmental programs and the achievement of environmental policy goals is confused and unclear to payers of the fees and the general public. It stressed the need for clarification and communication about the nature of fees in the environmental area. Most of what are termed "fees" are actually better described as pollution charges, regulatory charges, or special taxes. Unfortunately, multiple or competing uses for the revenue from these fees have negatively affected willingness to pay. What follows is a suggested

recommendation to address these concerns.

The Legislature should clearly delineate the purpose of fees imposed in the environmental area: 1) direct user-benefit fees, 2) charges to promote compliance through internalizing pollution costs, or 3) special taxes to raise revenue for public but targeted environmental purposes. Fees should not be used for other than their defined purpose. Where appropriate, use of direct charges on pollution should be increased, similar to the charge now being implemented on air emissions.

b. Marketable permits.

While emissions trading has been applied mostly in the air pollution area, increasing attention is being paid to the applicability of permit trading in other media such as water and solid waste disposal. Although difficulties exist in terms of needed information and multiple sources, it is an effort that warrants continued attention. Suggested recommendation:

Agencies should be encouraged to develop and implement a marketable permits concept for environmental media, subject to ongoing review and evaluation.

- B. Develop mechanisms and use the media to provide information to consumers about products/violators to utilize the marketplace to enforce environmentally desirable choices. Fundamentally, it is the choices of individuals which create incentives to pollute or protect the environment. Disclosure of more information to consumers and the education of consumers could bring the powerful forces of the marketplace and public opinion to bear on environmental violators, prompting quicker responses than enforcement of rules. What follows are some approaches to using this power of choice.**

- a. Create a review commission to evaluate the environmental safety of products and provide a "seal" of safety. This approach is currently being used in Canada and Germany with commissions established by the government. Some voluntary systems are under development in the U.S. Their use is limited.**

Pro

Taps consumer buying and decision-making power, factoring it into the competitive market place.

Cons

- 1) Very expensive to establish the expertise and compile the data to review the products.
- 2) May best be operated at the national level.

b. More active recognition and publicity for both permit violators and environmental innovators who go beyond the requirements for compliance. Use funds from administrative fines to provide rewards for outstanding environmental performance.

Pro

Creates strong incentives for good performance while discouraging poor performance.

Con

Funds might better be used for other purposes.

- C. **Focus staffing on pollution prevention by allocating more staff to training and technical assistance.** CORE Finding #4 reported the desire of many persons to have a more balanced mix of tools to achieve environmental compliance. Training and technical assistance were two frequently mentioned.

Pro

Focusing efforts in this area can prevent pollution and reduce the efforts needed to remedy problems caused by non-compliance.

Con

Could result in shift of staff from other needed functions.

4. Permit Coordination and Reduction

Improvement of permit coordination, reduction of numbers of permits required, and the timeliness of permit processing will all be affected by changes made in organizational complexity and policy implementation discussed above. If further improvement is warranted, the following options for recommendations could also improve permit processing. Again, the options are not mutually exclusive, but consideration should be given to how they may be implemented with the options selected for organizational change and policy implementation.

OPTIONS

- A. Develop an effective permit coordination unit.
- B. Eliminate redundant, obsolete, superseded permits.
- C. Evaluate multiple permits required on a topic and designate a lead agency to coordinate all related permits.
- D. Develop generic types of permits for specific target populations.
- E. Assign a "caseworker" from an agency to assist applicant with obtaining all needed information and permit contacts.

DISCUSSION

- A. **Develop an effective permit coordination unit.** The permit coordination function as currently described in statute is not functioning at intended or needed levels. Unit should be transferred into an environmental agency, supported with a clear mandate, experienced staff, outreach to potential users and clear expectations for performance. Strong commitment to its success by the Governor and secretary is essential.

Pros

- 1) Would assist the applicant in understanding permit requirements and pursuing all permits in a coordinated rather than haphazard or sequential manner.
- 2) Could reduce delays which would create cost savings for applicant.

Cons

- 1) Requires a commitment of experienced staff familiar with the details of permit requirements and cooperation of all agencies and programs involved. This is costly and hard to maintain.
- 2) Requires clear support of top level authority for continued commitment.

- B. Eliminate redundant, obsolete, superseded permits. Some agencies have mentioned that permit "housekeeping" is overdue. Environmental regulation has increased dramatically in the last 20 years, but an evaluation and elimination of some historical permits is lacking. Funding and an easy process to eliminate the responsibilities could help.

Pro

Reduces number of permits required for both agency and regulated party.

Con

Would require funding for staffing to do analysis and process repeals.

- C. Evaluate multiple permits required on a topic and designate a lead agency to coordinate all related permits. Permits which cross agency responsibilities create special coordination problems. Targeting one agency with the most critical or comprehensive permit review with the responsibility to contact other agencies and coordinate all related permits would eliminate this burden from the public.

Pro

- 1) Customer deals only with one agency.
- 2) Could create incentive for agencies to coordinate on permits.

Con

- 1) Could compromise independent review by agencies.

2) Would create administrative staffing difficulties.

- D. Develop generic types of permits for specific target populations. Some populations such as small businesses or businesses with one product could benefit from a "generic" permit that is standardized according to well-known criteria for issuance. A simple demonstration of meeting the criteria or definition could expedite the issuance of the permit.

Pro

Clearly communicates criteria to regulated parties which may catalyze some evaluation of regulated processes.

Con

Could result in insufficient review of site specific characteristics and hazards.

- E. Assign a "caseworker" from an agency to assist applicant with getting all needed information and permit contacts both internally and with other agencies.

Pro

A caseworker could guide the customer through the process and be the contact point for customer on questions and information gathering.

Con

Would require increased staff who were knowledgeable about the specifics of permitting.

5. CUSTOMER ACCESS

After making decisions on state organizational and policy complexity, it is useful for the Working Committee to take one final look at the issue of customer access. Based on the reforms approved, what citizen access mechanisms are incorporated into the environmental system, and are they adequate? Is an Office of Public Advocacy needed? Should the state make a heavier financial investment in providing better access to public information?

- A. **Status Quo.** Preserve existing avenues for communicating with state agencies--boards, public meetings, customer service surveys, phone, fax and written communication. Take advantage of current educational opportunities, including printed materials, videos and training sessions.

SUB-OPTION: CORE also could recommend that agencies use fewer, but more meaningful opportunities, for input. The intent would be to attract a broad cross-section of citizens in greater numbers for public input.

- B. **Create an Office of Public Advocacy.** **OPTION 1:** This Office could assist citizens in obtaining information from the environmental agency or agencies. Further, it could help citizens prepare their appeals to the Appeals Board. It could contain legal and scientific expertise.

OPTION 2: This Office could initiate reviews and raise issues on behalf of the public, instead of strictly responding to citizen requests. Because of the highly technical nature of environmental issues, some would argue for this proactive role. A staff committed to developing technical expertise and presenting issues to the public would be in an excellent position to understand the range of environmental impacts from proposals. This Office would not be located within any environmental agency, but would operate independently on behalf of the broad public interest.

- C. **Improve Information Access.** This option can be selected exclusively or in combination with option B. Establish on-line data bases, install remote site terminals, create an information ombudsman office, upgrade regional offices information capabilities and utilize agency hotlines. Cost is obviously a consideration with this option.

III. INTERGOVERNMENTAL COMPLEXITY

BACKGROUND

The problems addressed in these recommendations relate largely to the problems of governmental complexity outlined in Finding #1 and Finding #6. It was noted that the state has mandated many responsibilities to the local level and created various types of special purpose governments to carry out functions in environmental services. It has also in many cases provided local governments with the option of assuming responsibilities directly or relying upon the state or some other unit of local government. Currently, over 2,900 separate and independent units of governments and governmental organizations are involved or potentially involved in environmental service programs.

Given the immense complexity of intergovernmental relations in the environmental field, it will be impossible to precisely identify the impact of recommended changes on each of the potentially affected governments and organizations without considerable further study and discussions with representatives of affected agencies and other interested parties. The following recommendation options are designed to provide clear but general direction rather than specific operational details. The latter can be further developed once the Working Committee decides upon the preferred options. Ultimately, however, operational details would be developed as part an implementation process once recommendations are considered by the Governor and the Legislature. This process would necessarily need to involve representation from the various interested parties.

The major questions to be addressed in the following options are limited to two broad objectives which evolved from CORE Findings: 1) reducing the number and type of governmental units involved in service delivery, including those in the metropolitan area, and 2) reforming and redefining the number and basis of regional service delivery systems in the state. Many other key issues identified in the Findings are not addressed. Examples are: 1) the excessive detail and complicated procedures relating to natural resources planning, management and regulation prescribed in current legislation, 2) the differences which exist in the allocation of responsibility for environmental protection and management of different resources media (e.g., air, water, solid waste, etc.), 3) the scope and breadth of regulations in natural resources management and environmental protection in Minnesota delegated to local governments, and 4) the overlapping and often competing roles of townships, municipalities, and counties in environmental resources programs. These issues could be more effectively addressed once recommended changes in state organizational structure and policy complexity discussed in Part I and Part II and those in this section were implemented.

1. Number, Type, and Responsibilities of Local Governments in Environmental Services
-- Non-Metropolitan Area

OPTIONS

- A. Abolish special purpose environmental services governments and transfer authority to counties.
- B. Abolish special purpose environmental services governments and transfer authority to regional natural resource districts.
- C. Abolish special purpose environmental services governments and transfer their authority along with that of county governments relating to environmental services programs (beginning initially with that of county water planning, management and regulatory authority) to regional natural resource districts.
- D. Conduct a comprehensive re-examination of state-local relations and responsibilities in environmental services.

DISCUSSION

- A. Abolish special purpose environmental services governments and transfer authority to counties. This option would abolish special purpose governments dealing with environmental services (i.e., soil and water conservation districts, watershed districts, and lake improvement districts) and transfer their authority, responsibilities and resources to county governments. Authority and responsibilities of municipal and township governments would not be changed. Existing multi-jurisdictional organizations established by joint powers agreements outside the metropolitan area would not be changed. It should be noted that soil and water conservation districts differ significantly from the other governments which would be abolished. They are governed by elected supervisors and have no regulatory or taxing authority. This recommendation could be modified to exclude soil and water conservation districts.

Pros

- 1) Would reduce the number of governments involved in decisions and focus accountability on elected and appointed officials of general local government.
- 2) Would facilitate establishment of uniform procedures throughout the state.

- 3) Would encourage more integrated and comprehensive resources planning by eliminating governmental units with narrow areas of responsibility.
- 4) Would facilitate inter-local cooperation and agreements by focusing responsibilities in general purpose governments.
- 5) Would simplify government by reducing the number of governmental units with which citizens and other governments must interact.

Cons

- 1) Not all county governments are equally capable of assuming the responsibilities of those governments being abolished.
- 2) Problems are not identical and uniform throughout the state and uniform procedures would establish unnecessary requirements in some parts of the state.
- 3) Does not recognize that many problems frequently transcend county boundaries.
- 4) Would reduce citizen participation in government by reducing the opportunities for holding elected or appointed office.

- B. Abolish environmental services special purpose governments and transfer authority to regional natural resource districts. This option is similar to Option A except that authority, responsibilities and resources of abolished special purpose environmental services governments would be transferred to newly established locally governed and controlled regional districts. State agencies would coordinate regional activities with these districts. Natural resource district headquarters and field offices would be located in cities conveniently located within each region. Where possible, they could be co-located with existing state regional and field offices. As noted under Option A, soil and water conservation districts could be excluded from this option given the difference between them and other districts included in the option. Although authority would be transferred to new regional districts, actual service delivery could be localized to the extent necessary to facilitate citizen access and customer convenience. This option reduces the number of governments involved in decision making, but does not require that all services be literally delivered at the regional level. It is assumed that

conveniently located field services would be continued under this option.

Pros

- 1) Would reduce the number the number of governments involved in decisions.
- 2) Would provide a mechanism throughout the state for coordinating planning and regulatory decisions and policy on a regional basis.
- 3) Would establish a regionally based system for regulatory and resource management.
- 4) Would encourage and facilitate coordination of local programs on a regional basis and with regionally based state programs.

Cons

- 1) Would reduce local control by moving decisions to a regional organization.
- 2) Regional organizations might be too large to adequately consider local needs and flexibility.
- 3) Replacing well established local units of government with new regional governments could complicate rather than simplify decision making processes. Having regional offices which are part of state government and regional offices that are carrying out local responsibilities might also add confusion.

A final factor which must be determined under option B is the characteristic to be utilized in defining the boundaries of natural resource districts. It should be noted that these districts are for purposes of defining the service area of newly established regional districts that are coalitions of local governments. They should not be confused with regional districts and boundaries used by state agencies for organizing state-delivered services.

In each of the three alternatives outlined below, in addition to deciding upon the basis of boundaries, a decision is needed about general size and number of districts to be established. The size of districts should be large enough to effectively carry out regional planning and service delivery but not so large as to create unacceptable barriers to citizen access and customer convenience. The three proposed alternatives are:

- B-1) County boundaries -- Regions could be created by aggregating a number of contiguous counties. Precedent exists for this in the form of economic development districts and the regional service delivery boundaries of the Department of Natural Resources, Pollution Control Agency, Department of Health, Department of Transportation, and Board of Water and Soil Resources.

Pros

- 1) Organizes policy decisions on the same basis as established governmental units, facilitates coordination of environmental policy with other governmental responsibilities, and focuses accountability on elected and appointed officials of existing governmental units.
- 2) Utilizes governmental and regional boundaries with which the citizenry is generally familiar.

Cons

- 1) Problems with which regional natural sources district will deal do not follow county lines.
- 2) Might decrease incentives for local governmental units to cooperate on solving multi-jurisdictional problems.

- B-2) Watershed areas -- Regional districts would be based on aggregations of contiguous natural watershed drainage areas. There are 81 major definable watershed units and nine river basins in Minnesota. The Department of Natural Resources has identified ten watershed unit aggregations that could be used as boundaries of natural resource districts.

Pros

- 1) Districts would lend themselves to more effective natural resources planning since watersheds are readily definable, based upon scientifically determined criteria and of direct relevance to many environmental problems in connection with which government has responsibility.
- 2) Watersheds can be aggregated in a manner which corresponds to major drainage issues thus, facilitating more effective water resources management and planning.

Cons

1) Governmental decision making is carried out primarily by separate governmental units. Service areas which do not correspond to those units could create political and constituency confusion.

2) Watersheds not only transcend county boundaries, they also transcend state lines. Policy development based upon watersheds might, therefore, be complicated by interstate issues.

3) Distribution of state and federal funds is frequently based upon formulae linked to formal government jurisdictions; districts which do not correspond to these boundaries will make the distribution of funds and collection of revenue more complicated.

B-3) Ecological factors -- Regional districts could be based upon ecological criteria. Several variations are available utilizing these kinds of factors. Eco-regions take climate, bedrock, soil, topography, and plant and animal life into consideration in addition to watershed boundaries. Seven eco-regions have been identified in Minnesota. The smaller an eco-region, the more similar it is throughout. Another variation is the landscape region. These can be divided into "formations," of which there are three in Minnesota, or "landscapes," of which there are eighteen.

Pros

1) The advantages of basing natural resource districts on ecological factors are very similar to those outlined above with respect to watersheds. Moreover, they would take into consideration a number of factors in addition to watershed drainage boundaries and recognize the synergistic interrelationship of numerous other factors such as soil type, vegetation type, geology, and climate.

Cons

1) The disadvantages of basing natural resource districts on ecological factors are very similar to those outlined above with respect to watersheds. They are also somewhat more difficult to define precisely than watersheds and like watersheds have interstate dimensions.

- C. Abolish special purpose environmental services governments and transfer their authority along with that of county governments relating to environmental services programs (beginning initially with that of county water planning, management, and regulatory authority) to regional natural resource districts. This option is identical to Option B except that local water planning and management responsibility now authorized at the county level would also be transferred to the regional natural resource districts. It is not possible at this point to provide complete details on the precise county powers which would be transferred or the impact which this would have on other county responsibilities in the area of environmental services. The intent of this option is to establish the principle of regionalization of the planning, management, and regulation of environmental services functions and to reduce the number of governments involved further than provided in Option B.

Pros

- 1) The advantages of this option are similar to those outlined in connection with Option 2. In addition, the transfer of authority from the counties to the districts would further reduce governmental complexity and facilitate region-wide comprehensive natural resources planning, regulation, and resources management.

Cons

- 1) The disadvantages of this option are similar to those outlined in connection with Option B. In addition, it would reduce the ability of counties to engage in comprehensive natural resources planning, reduce local control, and would be considered unfair to those counties which have devoted considerable resources to developing county-based water plans.

The issue of the characteristics to be used in defining district boundaries would also need to be determined under this option. The alternatives and pros and cons are identical to those described above for option B.

- D. Conduct a comprehensive re-examination of state-local relation and responsibilities in environmental services in the non-metropolitan area. This option acknowledges the need to reduce complexity by examining the roles of all governments and organizations involved in environmental services and

recommends that a task force be established by the Legislature with the specific mandate and charges to submit recommendations which would: 1) reduce the number of governments, 2) increase mechanisms to facilitate regional planning and service delivery based upon boundaries appropriate for natural resources planning and service delivery, 3) reduce the amount of overlap, duplication, and time periods prescribed for planning review, comment, and approval, 4) rely, to the maximum extent possible, upon general purpose as opposed to special purpose governments. This task force would include representation from the various types of local governments in the state, environmental interest groups, and the citizenry in general. It would be required to report to Governor and the Legislature not later than two years following its creation.

Pros

- 1) Would establish very specific overall direction for change but depend upon the expertise of state and local officials, environmental interest groups, and other citizens to work out the details of proposed change.
- 2) Would involve the least disruption of current authority and delivery systems and, therefore, encourage cooperation by interests with a stake in maintaining the current system.
- 3) Would focus the first stage of reform at the state level and allow these changes to be taken into consideration in reforming state-local relations.

Cons

- 1) Would delay changing the current pattern of intergovernmental complexity in state-local relations which is a source of much frustration to customers and the citizenry in general.
- 2) Would imply that the most critical problems that have been identified were related to state government issues rather than a combination of issues at all levels of government.
- 3) Would continue customer dissatisfaction and fail to immediately clarify lines of accountability for decisions.

STAFF RECOMMENDATION

STAFF RECOMMENDATION

Staff recommends Option C.

Staff recommends Option C.

The abolition of special purpose environmental services governments and the transfer of their authority and resources along with that of the authority of county governments for environmental services to regional natural resource districts. The intent of the option is to begin the transfer of county authority initially in the area of water planning, management and regulation with an examination of additional environmental programs and services at a later date. Of the four options, this one reduces governmental complexity to the greatest degree. It also provides a framework for facilitating natural resources planning, management, and regulation on a regional basis.

Staff presents two options to the Working Committee with regard to the basis of regional boundaries. If it wishes to maximize the organizational inter-relationships with existing units of local government, county boundaries (i.e., Sub-option B-1) would be the best choice. If it chooses to maximize the potential of the new districts to link natural resources programs more directly to "environmental" factors, particularly those related to water resource planning, regulation, and management, watershed boundaries (i.e., Sub-option B-2) would be the best choice.

2. Number, Type, and Responsibilities of Local Governments in Environmental Services -- Metropolitan Area

OPTIONS

- A. Abolish special purpose environmental services governments except for existing region-wide organizations and transfer responsibilities to counties.
- B. Abolish special purpose environmental services governments and organizations and regional environmental organizations except for the Metropolitan Council, and transfer authority to a regional natural resource district based upon the boundaries of and administered by the Metropolitan Council.
- C. Abolish special purpose governments and organizations and regional environmental organizations except for the Metropolitan Council and transfer authority to a newly created regional natural resources district independent of the Metropolitan Council.

- D. Conduct a comprehensive re-examination of state-local relations and responsibilities in the metropolitan area.

DISCUSSION

- A. Abolish special purpose environmental services governments except for existing region-wide organizations and transfer responsibilities to counties. This option would abolish special purpose governments dealing with environmental services (i.e., soil and water conservation districts, watershed districts, and conservation districts) and joint powers watershed management organizations and transfer their authority, responsibilities and resources to county governments. Authority and responsibilities of municipal and township governments would not be changed. Moreover, this option would not change the structure, authority, or responsibilities of region-wide special districts connected with the Metropolitan Council (i.e., Metropolitan Waste Control Commission and Metropolitan Parks and Open Space Commission) nor the Metropolitan Mosquito Control District. As noted above under Option A, soil and water conservation districts differ in many ways from other governments and organizations included in this option, and similarly could be excluded from it.

Pros

- 1) Would reduce the number of governments and organizations involved in decisions and focus accountability on elected and appointed officials of general local government.
- 2) Would facilitate establishment of uniform procedures throughout the metropolitan area similar to those in the rest of state.
- 3) Would encourage more integrated and comprehensive resources planning by eliminating governmental units with narrow areas of responsibility.
- 4) Would simplify government by reducing the number of governmental units with which citizens and other governments must interact.

Cons

- 1) Problems are not identical and uniform throughout the metropolitan area and uniform procedures would establish unnecessary requirements in some parts of the

area.

- 2) Does not recognize that many problems follow "natural" boundaries rather than those of county boundaries or the regional organizations.
 - 3) Would reduce opportunities for citizen participation in government.
- B. Abolish special purpose governments and organizations and regional environmental organizations except for the Metropolitan Council, and create a regional natural resource district based upon the boundaries of and administered by the Metropolitan Council. This option would abolish special purpose governments dealing with environmental services (i.e., soil and water conservation districts, watershed districts, lake improvement districts, and conservation districts) and joint powers watershed management organizations, the Metropolitan Waste Control Commission, the Metropolitan Parks and Open Space Commission, and the Metropolitan Mosquito Control District and transfer their authority, responsibilities and resources to a natural resources district the boundaries of which would be identical to and which would be administered by the Metropolitan Council. This district would be analogous to that recommended for the remainder of the state under Option C in Section 1 except that district boundaries would not be based upon watersheds. Authority and responsibilities of municipal and township governments would not be changed.

Pros

- 1) Would reduce the number the number of governments and organizations involved in decisions.
- 2) Would focus responsibility and increase accountability throughout the metropolitan area for coordinating planning and regulatory decisions and policy on a regional basis.
- 3) Would establish a more comprehensive regionally based system for regulatory and resource management.
- 4) Would facilitate coordination of local programs with regionally based state programs and establish an organization analogous to those in the remainder of the state which can relate to state programs.

Cons

- 1) Would reduce local control by moving decisions to a regional organization.
- 2) Regional organizations could be too large to adequately consider local needs and flexibility.
- 3) Replacing well established local units of government and organizations with new regional governments could complicate rather than simplify decision making processes.
- 4) There is currently a degree of organizational separation between the Metropolitan Council and its responsibilities for planning and regulation and that of operating entities such as the Metropolitan Waste Control Commission. This option would eliminate that separation.
- 5) The focus of responsibility, mission, and governance of the Metropolitan Council is currently under review by the Governor and by the Council itself. It would be premature to recommend expanding the role of the council until these issues are settled.

- C. Abolish special purpose governments and organizations and regional environmental organizations except for the Metropolitan Council and transfer authority to a newly created natural resources district independent of the Metropolitan Council. This option would be similar to Option B except that the responsibilities of abolished special purpose governments and organizations would be transferred to a newly created regional natural resources district which would be independent of the Metropolitan Council. Existing region-wide organizations except the Metropolitan Mosquito Control District (which would be abolished) would not be affected under this option.

Pros

- 1) Would reduce the number of governments and organizations involved in environmental services programs.
- 2) Would provide a separate organizational focus for environmental services programs and insulate environmental services programs from the issues and politics affecting other regional programs.

- 3) Would disrupt existing region-wide organizations the least and not introduce a discussion of governance issues.

Cons

- 1) Would introduce an additional separate and independent region-wide organization in the metropolitan area.
 - 2) Would complicate lines of accountability and create possible confusion on the part of the citizenry about the relationship between the new organization and existing region-wide organizations.
 - 3) Would create barriers to comprehensive planning and integrated resource management since many of the responsibilities affecting environmental services (e.g., regional land use planning, regional transportation planning, regional open space and recreation, and regional housing and redevelopment) would remain outside of its purview.
- D. A comprehensive re-examination of state-local relations and responsibilities in environmental services in the metropolitan area. This option is identical to Option D in Section 1.

STAFF RECOMMENDATION

Staff recommends either Option B or Option C.

Staff recommends that a metropolitan natural resources district be established in the metropolitan area which to the extent possible would be identical to that established in other regions of the state. However, the Legislature has chosen to define "metropolitan area" in Minnesota Statutes for a host of purposes and to define it differently in this case would seem to complicate matters to an unnecessary degree. Therefore, the option of basing the regional district boundaries on watershed lines is not considered a viable option.

The Working Committee can choose from two options both of which create regional natural districts. Option B would be the best choice if the committee believes that it is important to establish regional natural resources planning, management, and regulation within the existing regional governance

framework of the Metropolitan Council. Option C would be the best choice if the committee believes that the natural resources district should be independent of the Metropolitan Council. As in the case of the earlier staff recommendation, governmental complexity would be reduced to a greater degree under Option B or C than under the other alternatives. It also establishes a framework for regional natural resources planning utilizing the existing definition of metropolitan area.

EXECUTIVE SUMMARY FOR THE
EROSION, SEDIMENT AND WATER QUALITY
MANAGEMENT PROGRAM
(i.e., THE COST-SHARE PROGRAM)

WHAT THE LAW SAYS:

"The State Board may allocate available funds to SWCDs to share the cost of systems or practices for erosion or sedimentation control or water quality improvement that are designed to protect and improve soil and water resources" (cit.: Minnesota Statutes Section 103C.501, subd. 1.)

BACKGROUND

An annual allocation is made available to the 91 soil and water conservation districts (SWCDs) in Minnesota through the Erosion, Sedimentation and Water Quality Management Program, commonly referred to as the State Cost-Share Program. The Program provides said funding to SWCDs, which in turn contract (for up to two years) with landowners to provide funding to address the high priority erosion, sedimentation and water quality concerns identified as existing within that district in their Annual and Comprehensive Plans.

Since the initial Program funding in 1978, \$ 1,500,000 has been appropriated annually by the legislature for disbursement by the BWSR to the SWCDs of Minnesota. This annual total is allocated to the SWCDs in the state in the following proportions:

1. Seventy per cent of the funds are allocated for addressing high priority erosion, sedimentation, or water quality problems identified in the Comprehensive and Annual Plans of the SWCDs. Individual allocation amounts given to SWCDs are based on a formula which considers currently available information on factors including soil erosion and animal feedlots within a district.
2. Remaining Program funds may be used as follows:
no more than 20 per cent of the funds may be used for either technical assistance and administration of the SWCDs, or for lower priority erosion, sedimentation or water quality problems.
3. Ten per cent of the funds are annually allocated to SWCDs on a competitive basis through the Special Projects portion of the program, the intent of which is to provide funding for innovative erosion control projects or practices that would not normally be funded using the portion of the Cost-Share funding described in Item 1 above.
4. Since 1984 the BWSR (and its predecessor, the Soil and Water Conservation Board) has been authorized to retain an appropriation until spent. This funding is accrued and then allocated at either the end of the calendar year to districts with specific project funding needs, or, it is added to the 10 per cent

Special Projects allocation given out in the beginning of the State's fiscal year.

There are currently nine general "practices" for which a landowner may receive Cost-Share funding, including:

- Erosion control structures
- Stripcropping
- Terraces
- Stormwater control systems
- Field windbreaks
- Animal waste control systems
- Critical area stabilization, and
- Streambank, lakeshore and roadside stabilization

A practice may be defined as an activity or series of activities intended to control soil erosion or sedimentation or improve water quality. Although practices are primarily structural in nature, practices that are cultural in nature such as stripcropping and field windbreak establishment may also be eligible for cost-sharing. Each practice must be planned, designed and installed by a qualified individual who is competent and capable of doing such work.

PAYMENT RATES AND REQUIREMENTS

While maximum payment rates vary between practices (usually up to 50 or 75 per cent of total cost), there are some general requirements that may be applied regardless of the type of practice installed. They include that cost-shared practices must:

- * Be permanent, i.e., projects must have a life expectancy of no less than ten years (possibly longer).
- * Have a primary purpose of erosion or sediment control or water quality protection
- * Not be solely production oriented

In addition:

- * The landowner may be liable for monetary damages if a practice is not timely installed or maintained. Landowners are provided information about practice operation and maintenance.

Oversight and administration of individual Cost-Sharing contracts is the responsibility of the local SWCD and its Board of Supervisors.

Landowners interested in receiving Cost-Share Program financial and technical assistance may apply for such assistance through their local SWCDs.

Roll Over of Cost Share Program Funding

With the (SWCB and then) BWSR having "roll over" authority to re-allocate Cost Share Program funding since 1984, recipient SWCDs have been able to apply for funds from this program at this time of year, for use on projects above and beyond what they'd received (and used) in the fiscal year's initial allocation. What is being re-allocated are all Cost Share Program fund returns accumulated by the BWSR over the last 6 months.

For the re-allocation of 1992 accumulated funding, applications from SWCDs are being accepted until 12/21/92. On that date, the BWSR-staffed Grants Team will meet to consider the prioritizing of certain types of projects or project (target) areas. These might include, but will not be limited to:

- *portions of the Minnesota River, where non point source pollution reduction projects are submitted for consideration;
- *projects that will enable the BWSR to meet the matching financial requirements of the Environmental Protection Agency Section 319 program funding (namely, the Feedlot Technician position and the Northshore Engineer position)

Also on the agenda for that meeting will be the review of a new process, to be considered for use in reviewing competitive SWCD grant applications, allowing for greater BWSR field staff input in reviewing future funding applications.

Final staff recommendations for use of Cost Share Program Roll Over funding will be provided for consideration by the Board at the January Meeting.

1992 Amount available for re-allocation to SWCDs: \$248,397



Board member Update

Nov. 1992

The mission of the Board of Water and Soil Resources is to provide leadership enabling local governments to properly manage water and soil resources and to help all citizens be stewards of our irreplaceable natural resources.

Southern Region

- A RIM Reserve/Permanent Wetland Preserves training session was held in New Ulm on November 5. New Ulm Board Conservationist (B.C.) Tom Fischer developed/revised overheads which he and B.C. Chris Hughes used for their portions of the session; RIM Realty Specialist Steve Miller conducted most of the session. Similar sessions were also held in Marshall on November 4 and in Rochester on November 12.
- On November 10, Rochester B.C. Dave Peterson met with the Root River SWCD and the BWSR RIM committee to explore the SWCD's proposal to assume RIM easement operation at the local level as a pilot program. It appeared to be a successful meeting.
- The Wetland Conservation Act (WCA) monopolized November. A total of six information sessions were held (three for LGUs and three for the public) in Marshall, Mankato and Rochester. Combined attendance for all six meetings was approximately 180. Tom Fischer spent many hours developing draft overheads which were edited by central office staff members Lynette Morrisette, John Jaschke and Greg Larson for presentation use at the information meetings. A special thanks goes out to John Jaschke and Greg Larson for doing such a fine job on these information sessions.
- Chris Hughes and Tom Fischer conducted a meeting of the thirteen county South Central Minnesota Comprehensive Water Planning group on November 6. The meeting's purpose was to share 1992 water plan accomplishments, to generate work ideas for future work plans and to look at the possibility of multi-county project ideas. One potential project is a non-point source plan for the entire Blue Earth River basin with emphasis on implementation. The group will apply to the

BWSR for challenge grant funding. A total of 23 individuals from the 13 counties attended, along with representatives from the Department of Agriculture, the Department of Health, the Minnesota Extension Service, the Minnesota Geologic Survey and the Pollution Control Agency.

- Most of the southern staff participated in a 205j3 Wetlands Function and Values Workshop conducted by Dr. Henry Quade of Mankato State University in Fairmont on November 12 and 13. Dr. Quade gave an extensive one-day classroom presentation followed by a one-day field tour on issues determining wetland values and the Cowardin Wetland Classification. The workshop was worthwhile, giving initial hands-on training for functions and values of wetlands. Workshop participants were mostly county water plan coordinators, Pollution Control Agency (PCA) staff and BWSR staff.
- During November, Sara Johnson spent two days in Cambridge helping Isanti SWCD load The Accountant on their computer system. Another day was spent at Cragun's with the secretaries from Areas I, II and III. With the end of the year coming up, Sara has also been preparing instructions for the annual reports and planning the year-end training sessions.

Northern Region

- All of the northern board conservationists were involved in at least one public information meeting for the WCA in November. Attendance was good in the north, with about 130 people attending the Alexandria meeting and between 50 and 75 attending at Thief River Falls, Detroit Lakes, Grand Rapids, and Brainerd. These meetings proved to be a good warm-up for the December public hearings.

- Board Conservationists Keith Grow and Dan Steward began working on a project in Todd County to fund low cost options for feedlot projects. They met with the Todd SWCD, PCA regional staff and members of the Sauk River Watershed District in November to discuss getting the project off the ground. They hope to target some feedlots in the Sauk River Watershed and put together a demonstration of successful low cost feedlot systems that will help protect the water quality of the Sauk River Watershed.
- Keith also spent a fair amount of time helping to mitigate an appeal of an assessment regarding the Big Birch Project in the Sauk River Watershed District. Keith verified that the Watershed District followed the proper procedures in determining the assessments as dictated by law. He also helped get the landowner and the WD together to reach a successful solution and keep the appeal out of court.
- B.C. Dale Krystosek met with the Pelican River Watershed District and the Becker SWCD to discuss implementation opportunities for the Detroit Lake/Lake Sally Clean Water Partnership Project. There is a lot of opportunity for these two local units to get some sound resource work done in this resort community. Dale will keep us posted.
- Dale and B.C. Bill Best attended The International Coalition (TIC) conference in Fargo. Sounds like the hot topic there was permitting of water detention projects in the Red River Valley.
- Bill was also busy working with water planning coordinators gearing up for the water plan budgets and work plans. These must be in to the BWSR by January 15 for counties to qualify for base grant funding.
- B.C. Mark Nelson and North Shore Engineer Jack Salmela met with landowners along the north shore in November. Central office staff members Eric Mohring and Al Kean joined them as they studied some potential erosion control sites. Jack continues to make progress along the north shore, lining up many of the details necessary for the complex projects that face us along the Lake Superior shoreline.
- When Mark wasn't busy with Jack peering over cliffs into Lake Superior he was working with Bob Pigeon forming a Lake Superior Association of SWCDs. The goals of

this group are to share knowledge, apply for grants, and speak with a united voice on issues relating to SWCD roles in Lake Superior protection.

Metro Region

- Since the onset of winter, development has slowed down, meaning metro staff has been participating in fewer Wetland Conservation Act Technical Evaluation Panels. Staff has been able to focus on RIM, Permanent Wetland Preserves, and water planning. Other items that will get more attention include:
 - finalizing the guidelines on the Redding ponding requirement for developments creating one acre or more of impervious surface
 - review of status reports on metro ditches
 - contacting local government units who were formerly exempt from 509 water planning requirements and plotting a course of action.
- During the last several months, staff members have been involved with several controversies relating to watershed district projects--the Smetana Lake Project (Nine Mile Creek Watershed District), the Starling Lake Project (Riley-Purgatory Creek Watershed District), and the Locke Lake Project (Rice Creek Watershed District). No appeals have been filed with the BWSR, but all cases involved at least the threat of appeals by aggrieved parties.
- Staff also took advantage of the Department of Labor and Industry's warehouse in used furniture, acquiring about \$3000 of used furniture at no cost to the BWSR.

Land & Water Section

- John Jaschke and Greg Larson have been busy traveling around the state attending the public information meetings (Nov. 17-Dec. 3) and the public hearings (Dec. 7-17). Response has been varied depending upon the area of the state, with the most concerns being expressed in the northern portion of the state. More on this next month when the meetings are completed!