



Minnesota Board of Water and Soil Resources.
Minutes.

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6/22/94

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DATE: June 14, 1994

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

FROM: Ronald D. Harnack, Executive Director

SUBJECT: June 22nd BWSR Meeting

The Board of Water and Soil Resources (BWSR) will meet on Wednesday, June 22, 1994, 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.

JUNE BOARD MEETING AGENDA SUMMARY

1 - WETLANDS ADOPTION STATUS

Last month the Board adopted a resolution to send a letter to the five counties. There have been some meetings with some of the counties and some of the counties have had board meetings to discuss the letter. Others have not had meetings to date and therefore have not discussed the letter. We have not received any resolutions from counties to date. Staff has reviewed the options of the Board for addressing counties that have not adopted:

a) four of the five counties are in violation of the grant and could be asked to return all the dollars granted; to return only the wetland portion of the funds (allow them to keep and transfer the SWCD portion of the grant);

b) take legal action to secure compliance with the provisions of the grant;

c) formally initiate action under the Wetland Conservation Act (WCA) law and rules relating to counties that have not adopted (extend the moratorium until county adopts). The effectiveness of this is dependant on exercising the appropriate cease and desist orders and other enforcement actions of the Department of Natural Resources (DNR) as provided in the law. To date, both the DNR and BWSR have been very tolerant and focused on working through the legislative process and communication with the counties. However, the formal action of the Board last month should result in a more rigorous effort on the part of DNR Enforcement. Staff is communicating with Regional Enforcement staff on this matter.

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The provisions of the rule Chapter 8420.0260 **PENALTY FOR LOCAL GOVERNMENT UNIT FAILURE TO APPLY LAW** is attached.

2 - COST-SHARE; GENERAL SERVICES; RIM SERVICES; SPECIAL PROJECTS; AND SLR GRANTS ALLOCATION:

The staff has reviewed the various grants consistent with past policies and procedures of the Board and recommends approval of the allocations. Wayne will review the grants and the criteria for allocation. The spreadsheet of the allocations is attached for your information.
DECISION ITEM.

3 - COST-SHARE ALLOCATION FORMULA CHANGE REQUEST OF Minnesota Association of Soil and Water Conservation Districts (MASWCD):

The MASWCD has requested that the Board consider changing the cost-share formula for distribution of cost-share funds and also change the process by which the funds are allocated to the individual SWCD's. The request has two basic elements:

1) To allocate dollars to the MASWCD's seven areas and allow the areas to distribute the dollars among the SWCDs in the area. This would increase the flexibility of the SWCDs to further target resources within the geographic areas of the state; would allow the areas to redistribute roll-over funds within the area; increase the flexibility to address staffing issues within the area; could shift funds from one county to another within the area based on regional or area priorities; could target specific types of conservation measures within the area. Each area would need to develop a process that would be approved by the Board prior to next years allocation.

2) To allocate the cost-share funds on an equitable basis between the seven areas. Although this option is one of equality it does pose some very significant policy issues of the Board:

a - Takes about \$70,000 out of the Minnesota River basin and distributes it among the other areas;

b - Shifts the emphasis of the funds from agricultural soil conservation and conservation practices to other areas;

This change modifies the Board's policy to focus on the Minnesota River basin; brings into question legislative intent for the appropriation to accelerate cost-share in the Minnesota River; modifies the Boards policy on soil conservation targeting as stated in the strategic plan.

In addition, the Board has approved retooling of the entire cost-share program, which the allocation is a part, with a timeframe of early 1995. This retooling will consider process, eligibility, impacts of the revolving loan fund, etc.

As in the enclosed MASWCD Cost-Share Allocation Proposal, staff also recommends changes in the proposal as noted.

The enclosures also depict present area allocations and MASWCD's proposed area allocations.

The staff Management Team recommends that the Board endorse the concept of area allocations and distributions based on the current formula. Formalization of redistribution of the funds should be considered as part of the whole cost-share retooling process for next year. The MASWCD cost-share committee is a valuable group to keep part of the retooling initiative and the process needs to continue to integrate issues, concerns and ideas into retooling review, assessment, options and decision. **DISCUSSION & DECISION.**

4 - LOCAL WATER PLANNING RULE REVISION:

The change in legislation the past two years, the inception of new programs the last two years and the timeframe for second generation water plans suggests that the local water planning and implementation rules be revised. Doug Thomas has been accumulating issues and needs from local governments and field staff the last year and has put some effort into suggesting some revisions. Endorsement to continue the process would permit the proper notices of rule amendment to be published and for some of the public input to formally begin. The attached information reviews suggested issues and offers draft resolution for the Board's consideration. **DISCUSSION & DECISION.**

5 - PER DIEM & EXPENSES POLICY:

I have discussed the policy with the state auditor's office and with Matt Seltzer, BWSR's attorney general representative, and there does not appear to be any legal problems with the policy. However, they would be providing some additional input prior to the Board meeting. Since the legislative audit is being done on BWSR programs I have asked them to also review the policy. The policy is attached for your information and review. **DISCUSSION & DECISION.**

6 - 1995 FARM PROGRAM ISSUES:

The Farm Policy Committee of the Board met last week to review some of the issues relating to formulation of a Board position on the future of the federal farm program. Jim Birkholz also met with an interagency group to review issues as part of the same effort to provide the Governor with a position to carry on behalf of the state. The attached information summarizes the discussion from the Board committee only. We will be facilitating another discussion with interest groups after the Board endorses the BWSR position. Hopefully, the BWSR position can provide the framework for the Governor's position as well, recognizing that the other agencies may have differing positions that need to be incorporated or rationalized. **DISCUSSION & DECISION.**

BWSR Members, Advisors, and Staff
June 14, 1994
Page Four

7 - 1994 BOARD MEETING SCHEDULE & TENTATIVE AGENDAS

- July 27 & 28: Board meeting and tour; Brainerd
* RIM/PWP RULES
* SOIL CONSERVATION COMMITTEE REPORT
* BWSR PROGRAM ASSESSMENTS
- August 24: Board meeting; Capitol
* WATERSHED DISTRICT PLAN GUIDELINES
* RIM/PWP SIGN-UP PRIORITIES
* PROGRAM ASSESSMENTS
- September 28:²⁹ Board meeting and tour; Metro Region
* BWSR BUDGET INITIATIVES
* BWSR LEGISLATIVE INITIATIVES
- October ²⁶28: Board meeting; Capitol
* BWSR LEGISLATIVE INITIATIVES
* WETLANDS ISSUES
* LOCAL WATER PLANNING RULES
- Nov/Dec
December ⁷or 14: Board meeting; Capitol, **decision needed on date of combined November/December meeting.**
* LOCAL WATER PLAN APPROVAL
* LOCAL WATER MANAGEMENT GRANTS
* WETLANDS ISSUES/REPORT OF WHAC

If you have any questions or need additional information please feel free to call. See you on the 22nd!

RDH:mja
Enc.

**BOARD OF WATER AND SOIL RESOURCES
ROOM 112, STATE CAPITOL
75 CONSTITUTION AVENUE
ST. PAUL, MINNESOTA 55155
JUNE 22, 1994**

PRELIMINARY AGENDA

- | | |
|------------|--|
| 9:00 a.m. | 1. Call Meeting to Order |
| | 2. Adopt Agenda |
| | 3. Approve Minutes of May 25, 1994 |
| | 4. Reports <ul style="list-style-type: none">● Chairman's Report - Jim Nielsen● Executive Director's Report - Ron Harnack● Committee Reports |
| 9:30 a.m. | 5. Wetlands Adoption Status - Ron Harnack |
| 10:00 a.m. | 6. Cost-Share; General Services; RIM Services; Special Projects;
and SLR Grants Allocation - Wayne Zellmer |
| | 7. Cost-Share Allocation Formula Change Request of MASWCD -
Wayne Zellmer |
| 11:00 a.m. | 8. Local Water Planning Rule Revision - Doug Thomas |
| | 9. Per Diem and Expense Policy - Ron Harnack |
| Noon | Lunch |
| 1:00 p.m. | 10. 1995 Farm Program Issues - Jim Birkholz |
| | 11. 1994 BWSR Meeting Schedule and Tentative Agendas |
| | 12. Advisor Comments <ul style="list-style-type: none">● Gary Nordstrom, SCS● Pat Wulff, MLA● Dan Livdahl, MACDE● Howard Peterson, MAWD● Allan Oehlke, MASWCD● Franklin Denn, MAT |
| | 13. Board Issues - discussion, comments, action needed |
| 3:00 p.m. | Adjourn |

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SA: MS s 14.06; 103B.101;
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8420.0260 PENALTY FOR LOC

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days upon agreement by the local government unit that it will
assume its duties under this chapter and the act. If at the end
of the initial 60-day moratorium an agreement has not been made
for the local government unit to apply the law, the board can
extend the moratorium until the local government unit agrees to
apply the law.

If the board has information that a local government unit
is not following this chapter or the act in making exemption,
no-loss, replacement plan, or banking determinations, the board
shall notify the local government unit of its concerns. If not
satisfied with the local government unit's response, the board
shall ask the local government unit to appear at a hearing
before the board to discuss the matter. If it is determined at
the hearing, that corrective action is necessary, the board
shall write the local government unit directing specific
corrective action within 60 days. The notice shall explain the
reason for the action.

If, after the 60-day period described in this part the
local government unit has not corrected the problem to the
satisfaction of the board, the board shall take appropriate
legal action to ensure compliance.

SA: MS s 14.06; 103B.101; 103B.3355
HIST: 18 SR 274

8420.0270 COMPENSATION.

Replacement plan applicants who have completed the local
government unit process and the board appeal process, and the
plan has not been approved as submitted, may apply to the board
for compensation under Minnesota Statutes, section 103G.237.

The application must identify the applicant, locate the
wetland, and refer the board to its appeal file in the matter.

The application must include an agreement that in exchange

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law to the facts, including this chapter; and if the local government unit made no procedural errors prejudicial to a party. Otherwise, the board will reverse the decision, amend it, or remand it with instructions for further proceedings.

SA: MS s 14.06; 103B.101; 103B.3355

HIST: 18 SR 274

8420.0260 PENALTY FOR LOCAL GOVERNMENT UNIT FAILURE TO APPLY LAW.

The board shall send copies of this chapter to all local government units at least 60 days before July 1, 1993. By January 1, 1994, each local government unit of the state, except tribal lands, shall acknowledge to the board that it is assuming its responsibilities under this chapter and the act. Local government units from which an affirmative response is not received will be given notice by the board that there is a 60-day moratorium in the local government unit's jurisdiction on exemption, no-loss, replacement plan, and banking determinations. The board will end the moratorium within the 60 days upon agreement by the local government unit that it will assume its duties under this chapter and the act. If at the end of the initial 60-day moratorium an agreement has not been made for the local government unit to apply the law, the board can extend the moratorium until the local government unit agrees to apply the law.

If the board has information that a local government unit is not following this chapter or the act in making exemption, no-loss, replacement plan, or banking determinations, the board shall notify the local government unit of its concerns. If not satisfied with the local government unit's response, the board shall ask the local government unit to appear at a hearing before the board to discuss the matter. If it is determined at the hearing, that corrective action is necessary, the board shall write the local government unit directing specific corrective action within 60 days. The notice shall explain the reason for the action.

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The BWSR will serve to minimize the potential water and soil resources problems associated with urbanization by assisting local governments in developing and implementing effective local water management plans and coordinating with other state agencies and the Metropolitan Council in establishing water planning and management policies.

4. Forest Lands

The proper use and management of forest lands is imperative to maintain and improve water quality, the forestry economy, wildlife habitat, and the recreation and tourism industries. Forty-three percent of Minnesota's forest resources are found on small tracts or private lands. The Department of Natural Resources Division of Forestry is the lead state agency in forest management. The Division of Forestry annually provides guidance to about one-fifth of the state's individual private forest landowners with professional advice or technical assistance. Soil and water conservation districts could deliver guidance to additional private forest landowners, but presently they lack technical expertise in forestry.

It is the BWSR's position that:

1. Expertise in forestry management techniques needs to be delivered to a greater number of private owners of small forest tracts.
2. Incentive programs should be available to private owners of small forest tracts to encourage sound forest management practices.

The BWSR will serve an important role in forest management by facilitating, coordinating, and promoting DNR and SWCD activities so that Minnesota forest landowners receive sound guidance on managing for multiple uses and environmental protection.

B. NONPOINT SOURCE POLLUTION

Nonpoint sources of pollution are defined as land management or land use activities that contribute to water pollution as a result of runoff into surface waters or seepage into groundwater. Nonpoint sources are distinguished from point sources in that they can be

generated by a variety of land use practices over broad areas of land. Examples of potential sources of nonpoint pollutants include agricultural runoff, wind erosion, feedlot runoff, urban runoff, runoff from forestry and mining activities, and leachate from septic systems. The primary pollutants contained in the runoff from these sources are soil particles, nutrients, and pesticides. Despite significant efforts and expenditures to address point sources, Minnesota's surface water quality still has not attained the federal Clean Water Act's "fishable and swimmable" goal. Nonpoint sources are the most significant sources of water pollution and the major contributors to eutrophication and degradation of water quality in our lakes and streams.

The Minnesota Pollution Control Agency is the state agency responsible for developing Minnesota's nonpoint source pollution management program in accordance with requirements of the federal Environmental Protection Agency. Minnesota agencies have developed handbooks describing various land management practices that can help reduce nonpoint source pollution in urban, agricultural, and forested areas. These practices are called "best management practices" or "BMPs". The Minnesota Department of Agriculture has specific responsibilities under state and federal law for regulating agricultural pesticides and nutrients. Local units of government are authorized to foster proper land use management through information and education, cost-sharing and other incentives, and land use controls.

It is the BWSR's position that:

1. Best management practices should be used on all Minnesota lands.
2. Minimum use of pesticide and fertilizer should be encouraged, consistent with good production practices.
3. Concepts such as "sustainable agriculture" and "watershed-based management" should be promoted and supported through incentive programs.
4. Local government development and delivery of educational programs on nonpoint source pollution and adoption and enforcement of land use controls to prevent nonpoint source pollution should be encouraged and supported.

The BWSR will work to provide local governments with the tools to carry out effective nonpoint source pollution control programs.

C. SOIL CONSERVATION

Close to one-half of Minnesota's total land area is used for growing crops. Agricultural use dominates the western and southern portions of the state, comprising over 90% of the land area in some counties. Cultivation makes the land surface more susceptible to erosion from the forces of water and wind. Total soil erosion in Minnesota is estimated to be in excess of 150 million tons per year with over 96 percent attributed to cropland. Although the effect of this soil loss on crop production varies, it usually increases costs and makes the soils less productive. Soil disturbing activities also take place on the over 13 million acres of public and private commercial forests in Minnesota. In addition, intensive land development and rapid urbanization is occurring in the Twin Cities Metropolitan Area, Rochester and St. Cloud, and in the areas between these cities. The way these agricultural, forested, and urbanizing lands are managed has significant effects on both water quality and quantity.

The erosion rate at which a particular soil can sustain its productivity is called the soil loss tolerance or "T". Values of T range from 1 to 5 tons per acre per year, depending on the soil type. In 1982 the USDA Soil Conservation Service estimated that over one-half of Minnesota's cropland was eroding at a rate in excess of the tolerable level. In 1987 the Soil Conservation Service estimated that our cultivated lands had an average annual soil loss of over 7 tons per acre, or over twice the soil loss tolerance rate. Excessive soil losses not only reduce or destroy the productivity of the land as well as unprotected crops, but cause several other harmful off-site environmental effects. These off-site impacts include siltation of streams, drainageways, lakes, and reservoirs; impairment of fish and wildlife habitat; air pollution from wind eroded soil particles; and degradation of water quality. Although government programs to control excessive soil loss have been in place since the 1930's, excessive soil erosion continues. Conservation farming practices such as conservation tillage,

crop rotation, contour farming, strip cropping, terracing, and the use of field windbreaks can reduce erosion and its associated harmful impacts.

Controlling soil erosion rates below that which can, over the long term, sustain the productive capacity of agricultural soils does not necessarily eliminate water quality problems caused by sediment. Water quality problems, due to sedimentation, can still occur even when soil losses are controlled to rates less than soil loss tolerance levels for maintenance of long term soil productivity. Thus, the single greatest threat to of the state's surface water quality is soil erosion. Sediment is, by volume, the greatest pollutant of our surface water. Recent estimates indicate that off-site damages from erosion and sedimentation actually exceed soil productivity losses by a large margin. Soil erosion by water and wind are naturally occurring events. However, increasing demands from agricultural, forestry, mining, and urban development have accelerated the erosion process. Effective soil conservation practices have been developed for both agricultural and non-agricultural land uses.

Local governmental units with planning and zoning authority can adopt ordinances requiring landowners to control soil erosion. Special "soil loss limits" legislation was enacted in 1984 that established procedures for implementing local soil loss ordinances and specified a technical role for soil and water conservation districts. As of July 1, 1990, three counties have enacted ordinances directed at soil erosion control using their general planning and zoning authority rather than the soil loss limits law.

The 1985 federal farm bill included a provision called "conservation compliance" that requires persons farming certain highly erodible lands to fully implement a conservation farm plan by January 1, 1995 to remain eligible for federal farm program benefits including price and income supports. Because most farmers participate in the farm program, conservation compliance should have significant agricultural soil erosion control benefits.

It is the BWSR's position that:

1. Land retirement programs should be targeted to the highest priority marginal agricultural lands and sensitive lands.
2. Land treatment cost-share programs should be targeted to productive lands that are erosion-prone.
3. Retired marginal agricultural lands with severe erosion potential should not be brought back into agricultural production unless they are effectively managed to prevent excessive soil loss.
4. Soil loss on all lands should be controlled or reduced to levels at or below soil loss tolerances by the year 2000.
5. Local adoption of erosion and sediment control ordinances should be promoted and supported in both rural and urban areas as part of the local water planning process, and local units of government that take the initiative to adopt and enforce erosion and sediment control ordinances should be rewarded.
6. Local governments and state agencies should be authorized to assess owners of severely-eroding lands for the public costs of removing the landowners' eroded soils from adjoining public property and right-of-way in cases where owners refuse to take reasonable steps to prevent excessive soil loss.

D. WATER QUANTITY MANAGEMENT

Water quantity management deals with actions that affect water runoff, detention, retention, diversion, appropriation, and use. Issues involving water quantity management are most apparent when precipitation varies greatly from normal. In times when precipitation greatly exceeds normal we experience flooding; in times when precipitation is greatly below normal we experience drought. The economic impacts of both flooding and drought can be great. Flood damages alone are estimated at \$130 million annually in Minnesota. Water supply problems in times of drought can have even greater economic impacts because of lost agricultural income. Water supply problems can also be caused by contamination of surface or ground water. The true costs of finding adequate supplies of good quality drinking water

or trying to clean up contaminated supplies are significant and are an incentive to promote the wise use and conservation of water resources.

The water quantity management issue is particularly significant for the BWSR because local government plays a major role in regulating activities directly affecting water quantity. Both state and federal floodplain management and flood control programs rely upon local implementation. Land use regulations that control runoff rates and volumes, and urban water use restrictions are implemented primarily by local government. Water supply, through municipal systems, is also a local responsibility; both federal and state regulations require the local water supplier to develop water conservation plans. The Department of Natural Resources Division of Waters has the responsibility for state regulation of water appropriations.

It is the BWSR's position that:

1. Every owner of land has a responsibility for the runoff from their property.
2. Runoff should be managed to minimize property loss and environmental damage by moderating high flows and maintaining low flows of streams.
3. Natural retention systems should be preserved and properly used to the maximum practical extent in managing surface water runoff and ground water recharge.
4. Water conservation policies and programs should be strengthened and drought planning should be undertaken at both local and state levels.

IV. RESOURCE MANAGEMENT STRATEGIES

The BWSR achieves its resource management goals primarily through the actions of local governments. The basic strategy of the BWSR is to empower local governments to be effective resource managers.

Successful implementation of comprehensive local programs for the protection and management of water and soil resources will require the use of several management



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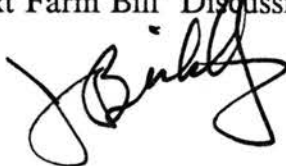
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DATE: May 24, 1994
TO: Participants in "Building the Next Farm Bill" Discussion
FROM: Jim Birkholz, Assistant Director 

Attached is a meeting summary and list of attendees from our April 8 meeting. I appreciate everyone's participation and contributions. It was difficult to get into too much detail at such a brief meeting, but the discussion and sharing of perspectives was valuable at this point.

It was expressed at the conclusion of the meeting that specific farm bill proposals should be identified so the group can focus its attention on them. Since that time, the agency heads who meet regularly as the "Environmental Cluster" of the Governor's cabinet have further discussed pursuing specific farm bill initiatives. They have authorized staff of these agencies to draft a farm bill position statement for consideration by Governor Carlson. This position, when adopted, could be promoted via the Midwest and National Governor's Conferences. We would like to use yourself, your organization and others on the attached mailing list (along with other appropriate organizations as discussed) as a sounding board to help us firm up the best possible position recommendation. We hope that giving you some specifics to react to will result in an effective use of your time and expertise.

In order to prepare a position statement for the Governor, the agencies will be meeting in June to put some details on paper to give you something specific to react to. Hopefully, we can meet again as a large group in mid-summer to scrutinize these specifics.

Again, I appreciate everyone's interest and participation in this farm bill discussion. I look forward to working with you on the specifics.

JB:mja
cc: D. James Nielsen
Enc.

PS: The state environmental cluster agencies are:
Board of Water and Soil Resources
Department of Agriculture
Department of Natural Resources
Pollution Control Agency
Department of Health
Office of Waste Management

BUILDING THE NEXT FEDERAL FARM BILL: CONSERVATION PROVISIONS

APRIL 8, 1994

KELLY INN

ST. PAUL, MINNESOTA

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Wayne Edgerton	Department of Natural Resources	612-297-8341
Tim Teynor	Minnesota Department of Agriculture	612-282-6805
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Tom Cochrane	Minnesota Agri-Growth Council	612-854-1665
Gerald Lacey	Minnesota Barley Growers Association	218-458-2511
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Tom McGraw	Minnesota Corn Growers Association	612-833-2200
Dave Behm	Board of Water and Soil Resources	612-296-0880
Rollin Dennistoun	Minnesota Agri-Growth Council	612-432-5662
Dave Weirens	Association of Minnesota Counties	612-224-3344
Joe Duggan	Pheasants Forever	612-481-7142
Kevin Lines	Department of Natural Resources-Wildlife	612-296-0704
Bob Pigeon	Minnesota Association of Soil and Water Conservation Districts - Area III	612-629-2665
Jim Nielsen	Board of Water and Soil Resources	612-343-2806
Todd Rongstad	Minnesota Farm Bureau	612-739-7200
Pat Henderson	American Oat Association	612-542-9817
Kim Chapman	The Nature Conservancy	612-331-0758
Jim Birkholz	Board of Water and Soil Resources	612-296-0879

MEETING SUMMARY

BUILDING THE NEXT FARM BILL: CONSERVATION PROVISIONS

April 8, 1993

Kelly Inn, St. Paul

The purpose of the meeting was to bring together knowledgeable individuals to share "Minnesota" perspectives regarding the conservation provisions of the next federal farm bill. It may be possible to develop a shared Minnesota position which can be communicated to Congress. Hopefully, at a minimum, the communication that takes place will be useful for the participating organizations to strengthen their own positions on the farm bill.

About twenty five individuals attended the meeting (list attached). Fourteen organizations were represented including agriculture, environment, conservation and industry. Jim Nielsen, Chairman of the Minnesota Board of Water and Soil Resources, welcomed everyone and emphasized that this group can help advance a position for the Governor to promote via the Midwest and National Governor's Conferences. It was also noted that much groundwork has already been laid on these issues by efforts such as the "CRP Issue Forum" sponsored by the Agricultural Environment Forum, the "Farmland Policy Action for Minnesota" paper facilitated by Steve Taff, U of M, the sustainable development Agriculture Team process underway at the Minnesota Environmental Quality Board, and many other efforts by various individuals and organizations.

The two hour roundtable discussion which followed raised several issues. Rather than assign comments to the person making them, similar comments have been grouped together as listed below:

1. There were several comments made supporting a shift in federal farm policy away from commodity based payments to stewardship based payments. There are many difficulties in doing so, however. It was also suggested that if this transition is made for agriculture then it should be done in the context of a broader public policy debate which encompasses other societal programs which seek to stabilize personal income such as social security, among others. Some felt that it is important to allow more flexibility for crops which can be grown. Perennial crops which require less tillage activities should also be promoted.

2. Industry needs to be brought into the discussion more at future meetings of this group. Some suggested organizations were: Farm Implement Dealers Association, Farmer Elevator Association, Northwest Grain Terminal Association, Association of Agricultural Dealers, Cenex, Vocational Agriculture, Rural Bankers Association, Minnesota Dairy Farmers.

3. There is concern over "prescription farming" mandates. Overly simplistic solutions will not be well accepted because they do not make sense on specific field applications. Incentives, including investment credits for new equipment and technology which help accomplish stewardship goals are one example of a better approach. The bottom line is that if farmers have control in decision making they will better support changes in farming techniques.

4. Creating more value added processing in Minnesota rather than shipping raw commodities to other locations is needed to add profitability to agriculture so that stewardship needs can be addressed by producers.

4. We need to keep in mind that, more than ever before, international trade agreements and import/export policies of other nations (also their impact on major agricultural commodity corporations) will have an ever greater impact on shaping federal farm policy.

5. There are probably more points of agreement among the groups regarding farm bill issues than one would imagine. DNR distributed copies of a "vision" paper regarding the farm bill. Enough comments were made as to the consistency of many of the points in the paper with other organization's views to suggest that this diverse group could actually negotiate a further agreement on the details of how such a vision could actually be implemented.

6. Rural communities are changing. Many smaller communities are no longer self sustaining service centers for agricultural areas. Multi-county areas are being served from fewer, larger communities. We must have a broader understanding of these larger geographic "communities" and perhaps an agreement on a preferred future in order to address many farm bill related issues.

7. St. Paul is not a very good meeting place for some of the agricultural organizations. The discussion needs to be brought to the groups at other locations.

It was agreed that it is useful to get this group together. The next task is to work on more specific provisions for the next farm bill. BWSR will organize future meetings. Stay tuned!

Notes by Jim Birkholz, BWSR

MN BOARD OF WATER AND SOIL RESOURCES

PERSPECTIVES ON THE NEXT FARM BILL

●A Broad View on Natural Resource Goals

Background

Many parties involved in discussions on the next federal farm bill have forwarded excellent suggestions for restructuring the farm program to provide more incentives or requirements for farm operators to achieve environmental protection. A somewhat overlooked area is that of basic strategies to enhance our national soil and water resource base; which is the source of most of our national wealth and environmental well being. A recent study completed by the National Research Council suggests some strategies to pursue. It's a good role for BWSR to pursue the initiatives suggested in this study given our role as Minnesota's lead agency for soil and water resource management.

Staff recommends that the Board:

Endorse the findings of the Committee on Long-Range Soil and Water Conservation of the Board on Agriculture of the National Research Council. This study released in 1993 recommends four major objectives for the management of soil and water resources:

1. Conserve and enhance soil quality as a fundamental first step to environmental improvement.

High quality soils can prevent water pollution by absorbing and partitioning rainfall and by breaking down potential pollution. High quality soils are the first step to improving water quality. Soils can suffer from compaction, loss of organic matter, salinization, acidification and loss of biological activity. Erosion control helps protect soil quality but there is more to it. A national goal to protect soil quality should give soil quality the same attention that is given to water and air quality.

2. Increase nutrient, pesticide, and irrigation use efficiencies in farming systems.

Agricultural inputs such as fertilizers, pesticides and irrigation water must be used more efficiently. Efficient use can prevent pollution at its source. The technology is available to accomplish more efficient use. Policies should focus on making this technology available to all farmers.

3. Increase the resistance of farming systems to erosion and runoff; and

We must continue our quest to make all erodible lands more resistant to erosion. Structural conservation practices such as grassed waterways, terraces and water and sediment control basins will continue to be important. Conservation tillage is currently being used to prevent soil erosion and enhance soil quality on about 30 percent of our cropland. This great success story needs to continue to be built upon.

4. Make greater use of field and landscape buffer zones.

Buffer zones of vegetation along streams, rivers and lakes must also be a component of conservation systems. Protecting existing riparian vegetation as well as establishing grass strips in key locations, fencing to control livestock access, and creation of wetlands will help.

Federal farm policies put in place in the next farm bill should provide support for these four major opportunities to enhance environmental protection.

● Program recommendations

1. **Conservation Reserve Program**--we support the position of the National Association of State Conservation Agencies which is attached.
2. **Conservation Compliance**--we support the continuation of conservation requirements for the most erodible land. This should not deter us from incentive based approaches to get all soil losses down to tolerable levels on all land. This strategy dovetails nicely with the focus on soil quality mentioned above.
3. **Sodbuster**--we support the continuation of sodbuster compliance for participation in the federal farm program.
4. **Swampbuster**--we support the continuation of this program requirement to maintain our wetland base.
5. **Coordination with state and local programs.** The next farm bill should offer incentives to better streamline and coordinate the implementation of federal, state and local programs for efficiency and to avoid confusing farmers as to the programs which are available. Cost sharing and easement programs are examples of where streamlining could be explored.

We believe that a three part approach is best for federal farm policy:

1. **Cross compliance** should continue to be used as an effective tool to prevent severe erosion and protect wetlands.
2. **Green payments** should be used as incentives for stewardship. Funds should be available for cost sharing and loans for both structural and management conservation practices, technology transfer for sustainable agriculture practices, long term contracts and easements, and practices which have as their main focus the enhancement of soil quality and the increase of input use efficiencies.
3. **Bad actor regulations** to deal with severe erosion or water quality problems should be implemented by local or state governments. Farmers who demonstrate good stewardship should not be penalized by those who do not. Federal agencies should support local and state enforcement efforts.

5/94

THE NATIONAL ASSOCIATION OF STATE CONSERVATION AGENCIES

POLICY ON THE CONTINUATION OF THE CONSERVATION RESERVE PROGRAM

BACKGROUND

The Conservation Title of the 1985 Food Security Act provided a means to voluntarily retire highly erodible cropland from production for a period of ten years. This program, entitled the Conservation Reserve Program (CRP), was designed to accomplish several objectives. First it provided a mechanism to stimulate a reduction in available cropland acres thus assisting in the reduction of agricultural commodity crop surpluses. These surpluses were deemed to be responsible for lower food and feed grain prices and resulting higher government farm program costs.

Second, it was designed to address soil erosion and resulting water quality problems.

Third, it was designed to provide additional wildlife habitat and enhance recreation opportunities.

The estimated annual rate of soil loss from erosion is 698 million tons which equates to 19 tons per year for each acre enrolled in the Program. To date, 377,000 contracts have been written involving over 36.5 million acres of land. The Program can be given credit for a 22% reduction in erosion nationwide when compared to cropland erosion rates previous to its implementation.

Funds have not been appropriated to allow additional signups during the recent year, even though the Program is short of its originally intended target of 40 to 50 million reserve acres. Initial CRP contracts will expire in 1995. The Program has been termed a success in reducing agricultural commodity crop surpluses, reducing erosion on highly erodible lands and in providing wildlife habitat. In view of the fact there is a concern that many of the CRP lands will be placed back in production causing environmental reversals, NASCA supports an extension of the Conservation Reserve Program with the following recommendations:

EXTENSION OF CRP CONTRACTS

- NASCA supports an extension of all contracts expiring in FY 95 to allow contract holders ample time to review and participate in programs without loss of farm income due to possible eligibility changes in the 1995 Farm Bill. Since it may not be economically feasible to extend all CRP contracts beyond FY 96, that decision should be made as the 1995 Farm Bill is placed in effect.

OTHER INCENTIVES FOR EXPIRING CONTRACTS

- Cost share incentives should be provided to encourage alternative land uses that retain permanent cover and benefits.

- Crop base protection should be extended if the land is kept in permanent cover.
- Allow CRP to be used as permanent set-aside for commodity program requirements.
- Crop base acres associated with contracts should be able to be transferred or sold if the land remains in permanent cover with an appropriate land use management plan.

EXPIRING CRP CONTRACTS

- NASCA supports the continuation of existing CRP contracts on Class IVe lands and above with an erosion index of 8 or greater.
- NASCA supports the continuation of CRP contracts on vegetated areas associated with wetlands, filter strips and riparian areas, buffers, areas critically impacted with the Endangered Species (ESA), water quality sensitive areas and critical wildlife habitat.
- NASCA strongly supports that a Basic Conservation System Plan (BCS) to "T" be require for all CRP lands placed back into crop production.

EXTENSION OF CRP PROGRAM

- NASCA supports legislation to allow continuation of the CRP for Highly Erodible Cropland on Class IVe lands and above with an erodibility index of 8 or greater. There is no reason to believe that all lands suitable for the program have been enrolled. Given changing economic conditions and ownership, these lands could be enrolled in the program in the future.
- NASCA supports the enrollment of environmentally sensitive areas such as those associated with wetlands, filter strips, riparian areas and buffers.
- NASCA suggests that contracts should be based on acre average rental rates but should provide for reduced payments for grazing, haying, or grass seed harvesting while adhering to a conservation or rangeland management plan.
- NASCA supports flexibility to adapt the CRP to similar state programs rather than functioning in competition to the state programs.

Policy adopted by the National Association of Conservation Agencies on February 1, 1994.



June 8, 1994

TO : Board Members
FROM : Wayne Zellmer, Grants Coordinator
RE : Fiscal Year 1995 Grant Allocations

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This month seven grant funds are scheduled to be allocated to Soil and Water Conservation Districts for FY 1995. Funding recommendations and allocation details for each fund follow in narratives and on a spreadsheet.

Regular State Cost-Share Program - \$1,264,900 - These are grants for the installation of soil and water conservation practices. These grants are allocated using a complex formula involving factors relating to physical conditions in the SWCD including critical sedimentation, high priority feedlots within shoreland areas, and ag erosion needs. These allocations have remained unchanged since 1987. SWCD allocation recommendations are shown on spreadsheet.

Special Minnesota River Basin Fund - \$500,000 - This fund is to be used in the Minnesota River Basin for the acceleration of the application of water quality improvement practices. The Board decided at their January 1994 Board Meeting to allocate FY 94 funds to the Redwood-Cottonwood Rivers Control Area (RCRCA), Blue Earth River Basin Initiative (BERBI), and Cottonwood SWCD. It was the Board's decision that these three recipients are to receive high priority consideration for the allocation of FY 95 funds. They have requested the following FY 95 funds:

	<u>Technical</u>	<u>Practices</u>
RCRCA	\$20,000	\$200,000
BERBI	\$30,000	\$200,000
Cottonwood SWCD	none	none

To continue the same watershed based approach employed by the Board in the allocation of FY 94 funds, staff recommends that these requests be funded, and the remaining \$50,000 allocated to SLR/Special Project requests in the MN River Basin.

Staff also recommends that BWSR should make a long term funding commitment of five years for these two technical positions. This commitment will instill quality and stability in these positions.

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Streambank, Lakeshore, and Roadside (SLR) - \$159,000 - This grant is for funding solutions to sediment or erosion control problems located on streambank, lakeshore, or roadside sites. Applications are competitive and are accepted annually from SWCDs acting on behalf of other LGUs.

A separate itemization, brief synopsis, and staff funding recommendation is included in Board packet.

Special Projects - \$159,160 - This grant is to SWCDs to address erosion, sediment control, water quality protection, or improvement measures. Innovative and unique projects are given highest priority. Applications are competitive and are accepted annually from SWCDs.

A separate itemization, brief synopsis, and staff funding recommendation is included in Board packet.

Special Roll-Over Fund - \$80,824 - Last fall BWSR applied to the Federal Emergency Management Agency (FEMA) for flood recovery assistance. This \$742,000 request was for the repair of conservation practices damaged by the Flood of 1993 which were previously state funded. Initially, FEMA indicated they would fully fund this request and BWSR passed on this message to the affected SWCDs and landowners. But recently, FEMA has informed BWSR that \$80,824 of this request is ineligible.

Consequently, BWSR staff recommends that \$80,824 from cost-share roll-over be allocated to fund these 27 repairs in 11 SWCDs. These repairs are primarily grassed waterway and terrace practices. Also, this action will reduce the Special Project fund from \$239,984 to \$159,160.

This recommendation is itemized on the enclosed spreadsheet.

General Services Grant - \$879,754 - This grant is to SWCDs for expenditures necessary to the operations of the district. It is non-competitive and historically has remained consistent.

This recommendation is itemized on the enclosed spreadsheet.

RIM Reserve Service Grant - \$800,000 - This grant is allocated to SWCDs as compensation for local delivery of the RIM Reserve Program and the conveyance of easements. The grant amount is reflected by the amount of RIM Reserve activity in the SWCD. Grants are calculated using the methodology presented at last month's Board Meeting.

This recommendation is itemized on the enclosed spreadsheet.

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FY 1995 GRANTS TO SOIL AND WATER CONSERVATION DISTRICTS

STAFF RECOMMENDATION (JUNE 8, 1994)

SWCD	REGULAR ALLOCATION	SLR/SPECIAL PROJECTS	SPECIAL ROLL-OVER	GENERAL SERVICES	RIM SERVICES	GRANT TOTALS
FUND TOTAL	\$1,764,900	\$368,060	\$80,824	\$879,754	\$800,000	\$3,893,538
AITKIN	\$5,468			\$9,245	\$1,250	\$15,963
ANOKA	\$12,085	\$30,000		\$9,398	\$1,250	\$52,733
BECKER	\$27,527			\$9,034	\$4,250	\$40,811
BELTRAMI	\$10,673	\$48,750		\$9,109	\$4,250	\$72,782
BENTON	\$10,288			\$9,072	\$8,000	\$27,360
BIG STONE	\$15,653	\$18,535		\$9,012	\$4,250	\$47,450
BLUE EARTH	\$22,162	\$56,750		\$9,117	\$8,000	\$96,029
BROWN	\$13,739	\$28,875		\$10,034	\$23,500	\$76,148
CARLTON	\$5,312			\$9,109	\$1,000	\$15,421
CARVER	\$21,100		\$4,200	\$9,139	\$8,000	\$42,439
CASS	\$7,763	\$4,700		\$9,282	\$1,250	\$22,995
CHIPPEWA	\$11,821			\$9,012	\$13,000	\$33,833
CHISAGO	\$12,434			\$9,177	\$4,250	\$25,861
CLAY	\$20,633			\$9,072	\$4,250	\$33,955
CLEARWATER	\$9,140			\$9,049	\$1,250	\$19,439
COOK	\$3,135			\$9,027	\$1,250	\$13,412
COTTONWOOD	\$16,648			\$9,027	\$8,000	\$33,675
CROW WING	\$6,368			\$9,297	\$1,000	\$16,665
DAKOTA	\$25,223			\$9,237	\$4,250	\$38,710
DODGE	\$12,206			\$9,012	\$4,250	\$25,468
DOUGLAS	\$19,329			\$9,327	\$13,000	\$41,656
FARIBAULT	\$244,887			\$9,034	\$4,250	\$258,171
FILLMORE	\$26,909			\$9,049	\$4,250	\$40,208
FREEBORN	\$19,176		\$5,350	\$8,997	\$13,000	\$46,523
GOODHUE	\$28,670		\$27,500	\$9,064	\$13,000	\$78,234
GRANT	\$12,007			\$9,072	\$1,250	\$22,329
HENNEPIN	\$12,511			\$10,169	\$8,000	\$30,680
HUBBARD	\$6,769			\$9,034	\$4,250	\$20,053
ISANTI	\$7,992			\$9,042	\$4,250	\$21,284
ITASCA	\$5,850	\$17,560		\$9,275	\$1,250	\$33,935
JACKSON	\$17,952			\$9,042	\$23,500	\$50,494

FY 1995 GRANTS TO SOIL AND WATER CONSERVATION DISTRICTS

STAFF RECOMMENDATION (JUNE 8, 1994)

SWCD	REGULAR ALLOCATION	SLR/SPECIAL PROJECTS	SPECIAL ROLL-OVER	GENERAL SERVICES	RIM SERVICES	GRANT TOTALS
KANABEC	\$6,921	\$11,250		\$9,072	\$4,250	\$31,493
KANDIYOHI	\$16,648	\$6,850		\$9,049	\$23,500	\$56,047
KITTSO	\$6,845			\$9,034	\$4,250	\$20,129
KOOCHICHING	\$3,245			\$9,087	\$1,000	\$13,332
LAC QUI PARLE	\$24,538			\$9,042	\$4,250	\$37,830
LAKE	\$5,084			\$9,094	\$1,000	\$15,178
LAKE OF THE WOODS	\$4,090			\$9,117	\$1,250	\$14,457
LE SUEUR	\$19,176			\$9,094	\$13,000	\$41,270
LINCOLN	\$13,892	\$21,425	\$2,500	\$9,004	\$4,250	\$51,071
LYON	\$17,492			\$9,109	\$13,000	\$39,601
MC LEOD	\$15,958			\$9,079	\$13,000	\$38,037
MAHNOMEN	\$8,456			\$8,982	\$1,250	\$18,688
MARSHALL-BELTRAMI	\$5,855			\$9,087	\$4,250	\$19,192
MARSHALL	\$10,287			\$9,012	\$4,250	\$23,549
MARTIN	\$24,461		\$3,845	\$9,034	\$13,000	\$50,340
MEEKER	\$19,862			\$9,087	\$36,000	\$64,949
MILLE LACS	\$9,526			\$9,170	\$4,250	\$22,946
MORRISON	\$24,305			\$9,200	\$8,000	\$41,505
MOWER	\$10,139	\$3,618		\$8,997	\$8,000	\$30,754
MURRAY	\$14,272		\$500	\$9,087	\$13,000	\$36,859
NICOLLET	\$10,436			\$9,049	\$13,000	\$32,485
NOBLES	\$26,366		\$10,200	\$9,117	\$4,250	\$49,933
NORMAN	\$16,801			\$8,997	\$13,000	\$38,798
OLMSTED	\$35,556			\$9,072	\$4,250	\$48,878
EAST OTTER TAIL	\$22,623			\$9,162	\$4,250	\$36,035
WEST OTTER TAIL	\$23,711			\$9,162	\$23,500	\$56,373
PENNINGTON	\$4,323	\$37,063		\$8,997	\$1,250	\$51,633
PINE	\$10,673			\$9,124	\$1,250	\$21,047
PIPESTONE	\$15,268			\$9,034	\$4,250	\$28,552
EAST POLK	\$11,897			\$9,023	\$4,250	\$25,170
WEST POLK	\$18,486		\$410	\$9,023	\$1,250	\$29,169
POPE	\$23,542	\$13,189		\$9,027	\$8,000	\$53,758

FY 1995 GRANTS TO SOIL AND WATER CONSERVATION DISTRICTS

STAFF RECOMMENDATION (JUNE 8, 1994)

SWCD	REGULAR ALLOCATION	SLR/SPECIAL PROJECTS	SPECIAL ROLL-OVER	GENERAL SERVICES	RIM SERVICES	GRANT TOTALS
RAMSEY	\$9,683	\$6,478		\$9,290	\$1,000	\$26,451
RED LAKE	\$6,845			\$8,997	\$4,250	\$20,092
REDWOOD	\$231,363			\$9,049	\$23,500	\$263,912
RENVILLE	\$11,130			\$8,997	\$36,000	\$56,127
RICE	\$17,558			\$9,034	\$23,500	\$50,092
ROCK	\$15,794		\$17,500	\$9,019	\$8,000	\$50,313
ROOT RIVER	\$21,698			\$8,982	\$23,500	\$54,180
ROSEAU	\$11,669			\$9,027	\$1,750	\$22,446
NORTH ST. LOUIS	\$4,244			\$9,282	\$1,250	\$14,776
SOUTH ST. LOUIS	\$7,607	\$20,000		\$9,433	\$1,250	\$38,290
SCOTT	\$19,709			\$9,673	\$8,000	\$37,382
SHERBURNE	\$4,856	\$20,000		\$9,177	\$4,250	\$38,283
SIBLEY	\$13,020			\$9,160	\$23,500	\$45,680
STEARNS	\$43,607			\$9,342	\$8,000	\$60,949
STEELE	\$10,292			\$9,049	\$8,000	\$27,341
STEVENS	\$19,384			\$9,042	\$8,000	\$36,426
SWIFT	\$11,440			\$8,989	\$8,000	\$28,429
TODD	\$21,243			\$9,170	\$1,750	\$32,163
TRAVERSE	\$7,231	\$23,017		\$9,034	\$1,250	\$40,532
WABASHA	\$20,775			\$9,072	\$4,250	\$34,097
WADENA	\$6,232			\$9,012	\$4,250	\$19,494
WASECA	\$10,218			\$9,079	\$23,500	\$42,797
WASHINGTON	\$12,741			\$9,267	\$4,250	\$26,258
WATONWAN	\$8,913		\$3,169	\$9,079	\$23,500	\$44,661
WILKIN	\$11,211			\$8,997	\$13,000	\$33,208
WINONA	\$17,105			\$9,124	\$4,250	\$30,479
WRIGHT	\$17,940			\$9,410	\$13,000	\$40,350
YELLOW MEDICINE	\$16,573		\$5,100	\$9,094	\$23,500	\$54,267
ALLOCATED TOTAL	\$1,762,245 - 50,000	\$368,060	\$80,274	\$830,670	\$762,000	\$3,803,249
BALANCE	\$2,655		\$550	\$49,084	\$38,000	

NOTES:

Stevens regular cost—share allocation reduced \$2,641 for program violations. This is the final installment.
Pennington regular cost—share allocation reduced \$3,262 for program violations. This is the final installment.

Faribault regular cost—share allocation includes \$230,000 for Special MN River Basin Funding to BERBI.
Redwood regular cost—share allocation includes \$220,000 for Special MN River Basin Funding to RCRCA.

SLR/Special Projects Fund Total of \$368,060 includes \$50,000 for Special MN River Basin funding.

Regular cost—share allocation balance to be made part of December, 1994, roll—over allocation.

Balance in RIM Services to be allocated as special projects in January, 1995.

Balance in general services to be used for purchases on behalf of SWCDs such as raingages and stationary; also, \$24,000 of this balance will be used for funding Mary Mueller's technical support position in the Minnesota River Basin for FYs 94 and 95.

Brown general services grant includes \$1,000 for Envirothon expenses at national competition.

STREAMBANK, LAKESHORE, & ROADSIDE AND SPECIAL PROJECT GRANTS

BELOW IS A BRIEF SYNOPSIS OF THIS YEAR'S APPLICATIONS FOR SLR AND SPECIAL PROJECTS FUNDS. THE GRANTS TEAM HAS REVIEWED, SCORED, AND RANKED EACH APPLICATION ACCORDING TO CRITERIA ESTABLISHED IN COST-SHARE GUIDELINES. THE SHADED PROJECTS ARE RECOMMENDED FOR FUNDING.

AN EXAMPLE OF EACH SCORESHEET FOLLOWS AT END OF LIST.

AVAILABLE SLR AND SPECIAL PROJECT FUNDS = \$368,060

TOTAL SLR AND SPECIAL PROJECT REQUESTS = \$561,246

SWCD	SLR or SPECIAL PROJECT	REQUEST AMOUNT \$	PROJECT
ANOKA	SPECIAL PROJECT	\$30,000.00	LABELLE POND
Severe erosion along banks of LaBelle Pond. 14 homeowners affected by shoreland erosion. Project would control runoff from impervious surfaces and establish vegetation.			
BELTRAMI	SPECIAL PROJECT	\$48,750.00	BEMIDJI
This project is part of a large stormwater treatment project for Lake Bemidji. Sediment traps and detention basins to be constructed. Nutrient and sediment reduction to the lake will result.			
BIG STONE	SLR	\$18,535.00	WHETSTONE R.
Erosion occurring along streambank of Big Stone Lake and Whetstone River causing increased sediment delivery and nutrient loading. '700 feet of riprap to be installed.			
BLUE EARTH	SLR	\$25,000.00	LE SUEUR R. D
Severe bank erosion occurring along 3,500 feet of Le Sueur River and threatening township road. Project consists of re-shaping and riprapping.			
BLUE EARTH	SLR	\$31,000.00	BLUE EARTH R.
Severe bank erosion along Blue Earth River contributing large sediment loads and threatening Vernon Center treatment plant. Sidesloping and riprap to be installed.			
BLUE EARTH	SLR	\$25,750.00	LE SUEUR R. M
Bank of Le Sueur River collapsing, threatening township road, and loading sediment into river. Rockfill and a gabion wall will be constructed to stabilize bank.			
BROWN	SPECIAL PROJECT	\$25,950.00	L. COTTONWOOD R.
Runoff from 200 head dairy cow operation directly enters Little Cottonwood River. An animal waste management system will be constructed.			
BROWN	SPECIAL PROJECT	\$37,500.00	COUNTRY CLUB
Large gullies forming on golf course along Cottonwood River. (Project details are unclear)			
BROWN	SPECIAL PROJECT	\$28,875.00	MOUND CREEK
Runoff from feedlot entering Mound Creek. An animal waste system to be constructed. This site is downstream of Wellner-Hagemen reservoir.			

CARVER	SPECIAL PROJECT	\$4,700.00	KETTLER SC
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Improper culvert placement causing gully erosion.

CASS	SPECIAL PROJECT	\$4,700.00	BEAVER CREEK
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Project will include construction of an alternative cattle watering facility on Beaver Creek. Rock crossings and livestock exclusion by fencing would be installed.

GOODHUE	SLR	\$49,250.00	CANNON R.
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Bank erosion occurring along 800 feet of Cannon River. Erosion contributing large sediment loads. Riprap, reshape, and revegetate.

HENNEPIN	SLR	\$12,287.80	SPURZEM L.
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Wave action is eroding shoreline of Spurzem Lake. Shoreline to be reshaped, riprapped, and revegetated.

ITASCA	SPECIAL PROJECT	\$17,560.00	JACKSON
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45 head animal waste storage system adjacent to the Mississippi River. Project will exclude cattle and include a management plan.

KANABEC	SPECIAL PROJECT	\$11,250.00	ANN L.
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Impoundment structure controlling Ann Lake outlet threatening to fail and drain lake. Structure to be rebuilt. Lake is important wildlife and recreational area.

KANDIYOHI	SLR	\$6,850.00	MEDAYTO AVE.
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Riprap installation to control shoreline erosion on Green Lake. Runoff and erosion from parking and boat landing areas to be reduced. Pond skimmers to be purchased.

LINCOLN	SLR	\$21,425.00	L. HENDRICKS
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Lake Hendricks shoreline being undermined by wave action. Lake sedimentation is also occurring. Slide slopes to be flattened and riprapped.

LYON	SLR	\$8,087.15	L. YANKTON
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Flooding has caused shoreline erosion on Lake Yankton. Side slopes will be flattened and riprapped.

MOWER	SPECIAL PROJECT	\$3,618.00	L. FLORENCE
-------	-----------------	------------	-------------

Gully formed in former lake bed of Lake Florence. Project would remove damaged dam and reshape and seed lake bed. To be used as park and nature area.

MURRAY	SLR	\$17,325.00	COUNTRY CLUB
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Streambank erosion occurring along Beaver Creek causing damage to golf course and trees. Riprap and revegetate 1,650 feet.

PENNINGTON	SLR	\$8,087.50	COUNTY ROAD 61
------------	-----	------------	----------------

Drop structure and riprap to be installed at lower end of a public drainage ditch. The site has active erosion on sideslopes, especially on an area adjacent to a trailer court.

PENNINGTON	SLR	\$10,000.00	GOLF COURSE
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1,050' of streambank erosion occurring on Thief River undermining a parking lot, fairway, bridge, and 2 1/2 acres of mature oaks. A previous adjacent SLR project is threatened.

PENNINGTON	SLR	\$27,063.00	DITCH 30
Road side slopes sliding into drainage ditch causing sedimentation in ditch, Thief River, and the City of Thief River's reservoir. Side slopes to be stabilized with Tensar Geogrids			
POPE	SPECIAL PROJECT	\$2,189.00	SIMON LAKE
Lower outlet of Simon Lake to prevent shoreline erosion. Years ago natural outlet was raised for road construction. Water quality degradation has resulted.			
POPE	SLR	\$11,000.00	PELICAN LAKE
High water causing township road to slump into Pelican Lake. Replace fill, topsoil and riprap.			
RAMSEY	SLR	\$6,478.60	RICE CREEK
Severely eroding streambank contributing sediment to Rice Creek and threatening city well. 150 feet of earth fill and riprap to be placed.			
REDWOOD	SLR	\$5,000.00	REDWOOD R.
Bank erosion along the Redwood River to be controlled by sidesloping and revegetating '260 feet of shoreline. Project includes willow post plantings.			
SHERBURNE	SLR	\$20,000.00	MISS. R. RIPRAP
Severe bank erosion problem along Mississippi River bank in Elk River. '175 feet of riprap will be placed to prevent shoreline loss and sediment contribution.			
SOUTH ST. LOUIS	SPECIAL PROJECT	\$20,000.00	L. SUPERIOR
Wave action damaging rock revetment of downtown lakewalk in Duluth. Revetment to be re-engineered and rebuilt. This site is a national attraction.			
TRAVERSE	SLR	\$23,017.50	WISKOW
Riverbank erosion on the Little Minnesota River causing degradation of water quality, sedimentation, and property loss. Riprap will be installed to solve problem.			

STREAMBANK, LAKESHORE, AND ROADSIDE
APPLICATION SCORING CRITERIA

SWCD TRAVERSE

SCORE 48

PROJECT WISKOW RIPRAP

TOTAL COST \$46,035

FUNDING REQUEST 23,017.50

FUNDING RECOMMENDATION

PROJECT DESCRIPTION: RIVERBANK EROSION TO BE CONTROLLED BY
RIPRAP

SCORING

Public Benefits (max. 5 points each)

Public Education

2

Water Quality Impact

5

Fish and Wildlife Benefit

5

Recreational Benefit

1

LGU Sponsored (other than SWCD)

0

Effectiveness (max. 5 points each)

Anticipated Project Effectiveness

5

Anticipated Project Longevity

5

BWSR Cost-Share Efficiency (max. 5 points each)

Previously BWSR Cost-Shared

0

Other Public Matching

0

Project Maintainability

5

Program Suitability

5

Project Completion (max. 5 points each)

Is Project a Proceeding Phase

0

Project Complete In 1 Year

5

Previous BWSR Involvement

0

Available Technical Expertise

5

Minnesota Priority (max. 5 points)

5

TOTAL 48

Comments:

Reviewed By WAYNE ZELLNER

Date 4/27/94

SPECIAL PROJECT
APPLICATION SCORING CRITERIA

SWCD CARVER

SCORE 36

PROJECT Kettler SC

TOTAL COST \$4,700

FUNDING REQUEST \$4,700

FUNDING RECOMMENDATION

PROJECT DESCRIPTION: stormwater control

SCORING

Project Innovativeness (max. 5 points each)

New Technology

1

Multi-Agency Involvement

3

Demonstration Potential

2

Public Benefit (max. 10 points)

2

Effectiveness (max. 5 points each)

Anticipated Project Effectiveness

5

Anticipated Project Longevity

4

Extent of Land/Water Benefitted

4

BWSR Cost-Share Efficiency (max. 5 points each)

Previously BWSR Cost-Shared

0

Other Public Matching

20

Project Maintainability

3

Program Suitability

4

Project Completion (max. 5 points each)

Is Project a Proceeding Phase

0

Previous BWSR Involvement

0

Available Technical Expertise

5

Minnesota Priority (max. 5 points)

3

TOTAL 36

Comments: brief application -

Reviewed By David Sill

Date 6/3/94

FINAL COPY

STATE COST SHARE PROGRAM

1 308 614.00

**** \$1,309,000.00 TOTAL DOLLARS AVAILABLE STATEWIDE FOR COST-SHARE

****\$1,309,000.00 DIVIDED BY 7 = \$187,000.00 AVAILABLE PER AREA

(EACH AREA MAY CHOOSE TO DIVIDE THE \$187,000.00 DIFFERENTLY.)

		EQUAL		
AREA	DISTRICT NAME	EXISTING ALLOCATION	ALLOCATION	INCREASE/ DECREASE
1	BELTRAMI	10,254.00	13,357.14	3,103.14
1	CLEARWATER	8,551.00	13,357.14	4,806.14
1	EAST POLK	11,614.00	13,357.14	1,743.14
1	HUBBARD	5,916.00	13,357.14	7,441.14
1	KITTSO	6,000.00	13,357.14	7,357.14
1	LAKE OF THE WOODS	2,939.00	13,357.14	10,418.14
1	MAHNOMEN	7,790.00	13,357.14	5,567.14
1	MARSHALL	9,825.00	13,357.14	3,532.14
1	MARSHALL-BELTRAM	4,901.00	13,357.14	8,456.14
1	NORMAN	17,063.00	13,357.14	(3,705.86)
1	PENNINGTON	9,242.00	13,357.14	4,115.14
1	RED LAKE	6,000.00	13,357.14	7,357.14
1	ROSEAU	11,360.00	13,357.14	1,997.14
1	WEST POLK	18,935.00	13,357.14	(5,577.86)
TOTAL ALLOCATION		130,390.00	187,000.00	56,610.00 INCREASE

STATE COST SHARE PROGRAM

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(EACH AREA MAY CHOOSE TO DIVIDE THE \$187,000.00 DIFFERENTLY.)

		EXISTING		INCREASE/ DECREASE
AREA	DISTRICT NAME	ALLOCATION	ALLOCATION	
2	BECKER	28,981.00	12,466.67	(16,514.33)
2	CASS	7,021.00	12,466.67	5,445.67
2	CLAY	21,321.00	12,466.67	(8,854.33)
2	CROW WING	5,233.00	12,466.67	7,233.67
2	DOUGLAS	18,282.00	12,466.67	(5,815.33)
2	EAST OTTER TAIL	23,532.00	12,466.67	(11,065.33)
2	GRANT	11,004.00	12,466.67	1,462.67
2	MORRISON	25,400.00	12,466.67	(12,933.33)
2	POPE	24,553.00	12,466.67	(12,086.33)
2	STEVENS	22,596.00	12,466.67	(10,129.33)
2	TODD	21,998.00	12,466.67	(9,531.33)
2	TRAVERSE	6,429.00	12,466.67	6,037.67
2	WADENA	5,319.00	12,466.67	7,147.67
2	WEST OTTER TAIL	24,723.00	12,466.67	(12,256.33)
2	WILKIN	10,852.00	12,466.67	1,614.67
TOTAL ALLOCATION		257,244.00	187,000.00	(70,244.00) DECREASE

STATE COST SHARE PROGRAM

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		<i>EQUAL</i>		
AREA	DISTRICT NAME	EXISTING ALLOCATION	ALLOCATION	INCREASE/ DECREASE
3	AITKIN	4,470.00	14,384.62	9,914.62
3	CARLTON	4,297.00	14,384.62	10,087.62
3	CHISAGO	12,211.00	14,384.62	2,173.62
3	COOK	1,832.00	14,384.62	12,552.62
3	ISANTI	7,275.00	14,384.62	7,109.62
3	ITASCA	4,895.00	14,384.62	9,489.62
3	KANABEC	6,085.00	14,384.62	8,299.62
3	KOOCHICHING	2,001.00	14,384.62	12,383.62
3	LAKE	4,044.00	14,384.62	10,340.62
3	MILLE LACS	8,979.00	14,384.62	5,405.62
3	NORTH ST. LOUIS	3,110.00	14,384.62	11,274.62
3	PINE	10,254.00	14,384.62	4,130.62
3	SOUTH ST. LOUIS	6,847.00	14,384.62	7,537.62
TOTAL ALLOCATION		76,300.00	187,000.00	110,700.00 INCREASE

STATE COST SHARE PROGRAM

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		EQUAL		
AREA	DISTRICT NAME	EXISTING ALLOCATION	ALLOCATION	INCREASE/ DECREASE
4	ANOKA	6,323.00	17,000.00	10,677.00
4	BENTON	9,826.00	17,000.00	7,174.00
4	CARVER	21,839.00	17,000.00	(4,839.00)
4	DAKOTA	26,421.00	17,000.00	(9,421.00)
4	HENNEPIN	12,296.00	17,000.00	4,704.00
4	RAMSEY	9,154.00	17,000.00	7,846.00
4	SCOTT	20,294.00	17,000.00	(3,294.00)
4	SHERBURNE	3,791.00	17,000.00	13,209.00
4	STEARNS	46,847.00	17,000.00	(29,847.00)
4	WASHINGTON	12,552.00	17,000.00	4,448.00
4	WRIGHT	18,328.00	17,000.00	(1,328.00)
TOTAL ALLOCATION		187,671.00	187,000.00	(671.00) DECREASE

STATE COST SHARE PROGRAM

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(EACH AREA MAY CHOOSE TO DIVIDE THE \$187,000.00 DIFFERENTLY.)

		<i>EQUAL</i>		
AREA	DISTRICT NAME	EXISTING ALLOCATION	ALLOCATION	INCREASE/ DECREASE
5	BIG STONE	15,679.00	13,357.14	(2,321.86)
5	CHIPPEWA	10,847.00	13,357.14	2,510.14
5	COTTONWOOD	16,893.00	13,357.14	(3,535.86)
5	JACKSON	18,342.00	13,357.14	(4,984.86)
5	LAC QUI PARLE	25,659.00	13,357.14	(12,301.86)
5	LINCLON	13,830.00	13,357.14	(472.86)
5	LYON	17,723.00	13,357.14	(4,365.86)
5	MURRAY	14,253.00	13,357.14	(895.86)
5	NOBLES	25,020.00	13,357.14	(11,662.86)
5	PIPESTONE	15,359.00	13,357.14	(2,001.86)
5	REDWOOD	11,021.00	13,357.14	2,336.14
5	ROCK	15,944.00	13,357.14	(2,586.86)
5	SWIFT	11,106.00	13,357.14	2,251.14
5	YELLOW MEDICINE	15,413.00	13,357.14	(2,055.86)
TOTAL ALLOCATION		227,089.00	187,000.00	(40,089.00) DECREASE

STATE COST SHARE PROGRAM

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		EXISTING		INCREASE/ DECREASE
AREA	DISTRICT NAME	ALLOCATION	ALLOCATION	
6	BLUE EARTH	23,019.00	14,384.62	(8,634.38)
6	BROWN	13,661.00	14,384.62	723.62
6	KANDIYOHI	16,893.00	14,384.62	(2,508.38)
6	FARIBAULT	14,936.00	14,384.62	(551.38)
6	LESUEUR	19,702.00	14,384.62	(5,317.38)
6	MARTIN	25,574.00	14,384.62	(11,189.38)
6	MC LEOD	16,126.00	14,384.62	(1,741.38)
6	MEEKER	20,464.00	14,384.62	(6,079.38)
6	NICOLLET	9,991.00	14,384.62	4,393.62
6	RENVILLE	10,762.00	14,384.62	3,622.62
6	SIBLEY	12,862.00	14,384.62	1,522.62
6	WASECA	9,748.00	14,384.62	4,636.62
6	WATONWAN	8,298.00	14,384.62	6,086.62
TOTAL ALLOCATION		202,036.00	187,000.00	(15,036.00) DECREASE

STATE COST SHARE PROGRAM

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(EACH AREA MAY CHOOSE TO DIVIDE THE \$187,000.00 DIFFERENTLY.)

		EQUAL		
AREA	DISTRICT NAME	EXISTING ALLOCATION	ALLOCATION	INCREASE/ DECREASE
7	DODGE	11,957.00	17,000.00	5,043.00
7	FILLMORE	28,294.00	17,000.00	(11,294.00)
7	FREEBORN	19,702.00	17,000.00	(2,702.00)
7	GOODHUE	31,251.00	17,000.00	(14,251.00)
7	MOWER	9,660.00	17,000.00	7,340.00
7	OLMSTED	37,902.00	17,000.00	(20,902.00)
7	RICE	17,904.00	17,000.00	(904.00)
7	ROOT RIVER	22,504.00	17,000.00	(5,504.00)
7	STEELE	9,831.00	17,000.00	7,169.00
7	WABASHA	21,478.00	17,000.00	(4,478.00)
7	WINONA	17,401.00	17,000.00	(401.00)
TOTAL ALLOCATION		227,884.00	187,000.00	(40,884.00) DECREASE

Board FY1 - Wayne
May '94

MASWCD COST SHARE COMMITTEE
MEETING MINUTES
ST. PAUL, MINNESOTA MAY 10, 1994

Attending: Russ Ruud, (Chair), Tom Peterson, Brad Grant, Wayne Zellmar, D'Wayne DeZiel, LeAnn Buck

The Committee reviewed the 1992 MASWCD cost-share allocation proposal. The proposal was prepared in 1992 by the cost-share committee, reviewed by the MASWCD Board of Directors, and passed as new business during the 1992 MASWCD Convention. BWSR is currently reviewing the cost-share allocation process. The committee reviewed the proposal. Clarification of the cost-share allocation includes:

1. Authorization from BWSR to establish Area Cost Share Committees. Composition of Area Cost-Share Committees includes:

- A. Voting member on the committee will be the chair or a delegated supervisor from each SWCD in the area
- B. MASWCD Area Director to be the non-voting chairperson of the committee
- C. BWSR Board Conservationists will serve as advisors to the committee for the MASWCD administrative area that he/she is responsible for.
- D. MACDE Area Director will serve as an advisor to this committee.

2. Each Area Cost-Share Committee shall establish area priorities for fund dispersal within BWSR guidelines.

- A. Each Area Cost-Share committee shall submit SWCD cost-share allocation distribution by June 1 to BWSR
- B. BWSR is the fiscal agent for cost-share dollars
- C. SWCDs pay their own expenses for attending area cost-share meetings
- D. Local Water Plans and SWCD annual plans ^{must} ~~should~~ be the basis for SWCD area priorities
- E. Rollover funds remain within the area for reallocation by the Area Cost-Share Committee

3. The Area Cost-Share Committee will identify technical and administrative funds requested by each SWCD not to exceed the administrative cap of 20% (BWSR Rules)

~~4. BWSR to provide clerical services to the Area Cost-Share Committee. Services include: minutes, record keeping, meeting announcements.~~

5. Total regular cost-share dollars to be equally divided between the seven MASWCD administrative regions. (Not to include SLR and special projects funds)

Discussion included the next step for the allocation revision process. The proposal is first recommended to the BWSR grant team (BWSR staff). The grant team will review all cost-share recommendations and procedures. One recommendation besides MASWCD's proposal would to take our initial proposal but include a stipulation that the allocation to a SWCD could only increase or decrease by a certain percentage (i.e. 10% or 20%). This would have to be "policed" at the local level.

THE MANAGEMENT

TEAM

The next step would be for the grant team's recommendation to be reviewed by ~~Greg~~ ~~Larson~~, BWSR, to make sure that the recommendation follows existing policies and procedures.

IMPLEMENT ALLOCATION PROCEDURE

The last step is for the BWSR Board of Directors to ~~review the revisions at the June 1994 Board meeting.~~

Currently BWSR is requesting implementing the cost-share allocation revisions for FY '95. The cost-share rules would be expected to be completed for FY '96.

Discussion followed pertaining to the inability for SWCDs to host area committee meetings prior to the upcoming allocation process. There is not enough time to implement this on the area level this year. An extra year would also allow for SWCDs to see how the cost-share program will be affected by the State Revolving Fund (SRF).

The MASWCD Cost-Share Committee recommends to BWSR:

- FY '95 (July 1, 1994 - June 30, 1995) - The cost-share allocation remain as it currently is.
- FY '96 (July 1, 1995 - June 30, 1996) - The cost-share allocation be changed for implementation at the area level.

~~The revised cost-share rules adoption would be delayed until July 1, 1996 (instead of July 1995).~~

March 1995 - Area Cost-Share Meetings would be held to determine area cost-share priorities.

June 1, 1995 - BWSR receives area priorities

Late June, 1995 - BWSR Board of Directors approves of cost-share allocations.

This information will be discussed during the MASWCD May, 1994 Board of Directors meeting. Russ Ruud, as Chair of the Cost-Share Committee, will attend the June 1994 BWSR Board meeting.

BWSR COST-SHARE PROGRAMS SYNOPSIS

Streambank, Lakeshore, and Roadside - For solving sediment or erosion control problems located on streambank, lakeshore, or roadside sites

Application Information: Applications for competitive funding are accepted annually from SWCDs, acting on behalf of other LGUs.

Clientele: Units of Government

Local Administration: SWCDs sponsor applications

Milestones: April 1: Deadline for submittal of applications from SWCDs
April-June: Applications are screened and scored by the Grants Team and other appropriate BWSR staff
June: Recommendations for funding are brought before the Board for approval
July: Grant Agreements are sent to SWCDs
August: Funds are sent out to the SWCDs

Minnesota Forestry Improvement Program - To provide cost-share assistance to non-industrial private woodland owners to apply conservation practices to benefit water quality

Application Information: SWCDs apply for funding based on local need

Clientele: Private landowners

Local Administration: SWCDs

Milestones: May 31: Deadline for submittal of applications from SWCDs
June: Applications screened and recommended for funding
July: Grant agreements are sent to SWCDs
August: Funds are sent out to the SWCDs

Natural Resources Block Grant - Non-competitive grants to assist local governments in managing important shorelands, wetlands, and water resources.

Application Information: Counties may apply annually

Clientele: Counties

Local Administration: Counties or a designated LGU/Water Plan Coordinator

Milestones: October: Application period announced in State Register
December: Counties set final budgets, including required commitment of local match; Board authorizes allocations
January: Application period closes. Grant agreements are sent out to counties. Application review process begins
February: Grant funds distributed

Challenge Grants - Provide competitive grant monies to counties and watershed management organizations to assist the acceleration and implementation of high priority actions in their state approved and locally adopted water plans.

Applicant Information: Counties may apply biannually on a competitive basis

Clientele: Counties and watershed management organizations

Local Administration: Counties, designated LGU, or a watershed management organization

Milestones: March: 60 day application period announced in State Register
May: Ranking and scoring of applications via an interagency review committee.
June: Recommendations approved at Board Meeting
July: Allocations distributed

Ron



June 2, 1994

Southbridge Office Building
155 S. Wabasha Street
Suite 104
St. Paul, MN 55107
(612) 296-3767
Fax (612) 297-5615

TO : Jerry Heil, MDA

FROM : Wayne Zellmer

RE : BWSR Cost-Share Programs

Field Offices

Northern Region:

394 S. Lake Avenue
Room 403
Duluth, MN 55802
(218) 723-4752
Fax (218) 723-4794

3217 Bemidji Avenue N.
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Fax (218) 755-4201

217 S. 7th Street
Suite 202
Brainerd, MN 56401-3660
(218) 828-2383
Fax (218) 828-6036

Southern Region:

P.O. Box 756
Highway 15 S.
New Ulm, MN 56073
(507) 359-6074
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1200 S. Broadway
Room 144
Rochester, MN 55904
(507) 285-7458

P.O. Box 267
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Marshall, MN 56258
(507) 537-6060
Fax (507) 537-6368

Metro Region:

Southbridge Office Building
155 S. Wabasha Street
Suite 104
St. Paul, MN 55107
(612) 296-3767
Fax (612) 297-5615

Ron asked me to provide you with this brief synopsis. He thought it might be useful in illustrating how our cost-share programs operate on a calendar basis. All of these programs have potential to complement the SRF at the local level.

If you have any questions about this synopsis, please let me know.

An Equal
Opportunity Employer

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Abandoned Well Sealing - Grants made available to counties to seal high priority abandoned wells
Applicant Information: Counties may apply when application periods are announced. Fund availability is intermittent.

Clientele: Counties

Local Administration: County or designated LGUs

Milestones: When funding is available, announcement will be made to counties who may apply. Board will approve.

State Cost-Share Program - Grants to SWCDs for the installation of soil and water conservation practices

Applicant Information: Funding allocation based on formula

Clientele: Landowners or LGUs

Local Administration: SWCDs

Milestones: June: Allocation recommendation given to the Board for approval
July: Grant agreements sent to SWCDs
August: Funding sent to the SWCDs

Special Projects - Grants to SWCDs which address erosion, sediment control, water quality protection or improvement measures

Applicant Information: Competitive applications received from SWCDs

Clientele: Landowners or LGUs

Local Administration: SWCDs

Milestones: April 1: Application deadline
June: Review of applications by G-Team and Board approval
July: Grant agreements are sent to SWCDs
August: Funding sent to the SWCDs

Roll-Over Program - Grants by application to SWCDs which address high priority sediment and erosion control problems

Applicant Information: SWCDs who have encumbered their regular allocation may apply

Clientele: Landowners or LGUs

Local Administration: SWCDs

Milestones: November: Application deadline
December: Grants Team review and Board approval
January: Grant Agreements are sent to SWCDs
February: Funding sent to the SWCDs

Special Minnesota River Basin Fund - Special funding to accelerate the application of soil and water conservation practices in the MN River Basin

Applicant Information: Priority will be given to applicants who have addressed a watershed approach. Application is competitive.

Clientele: Landowners or LGUs

Local Administration: SWCDs or Joint Powers Boards

Milestones: May: Application deadline
June: Grants Team Review and Board approval
July: Grant agreements are sent to SWCDs
August: Funding sent to the SWCDs

Ron H

DRAFT

MEETING SUMMARY
FIVE COUNTIES NOT ADOPTING WETLAND CONSERVATION ACT
JUNE 10, 1994

LOCATION: Beltrami County Courthouse, Bemidji, MN

Attendance list is attached.

BWSR Board Members in attendance: Ted H

BWSR Staff in attendance: John Jaschke, F

Meeting began at 10:10 a.m. at the Beltrami County Courthouse. The purpose of the meeting was to discuss issues and concerns regarding the Wetland Conservation Act. The counties did not adopt the Wetland Conservation Act.

agenda
#5

1. **Liability.** Counties have some concerns that the Wetland Conservation Act could subject them to legal liability regarding decisions they make.
2. **Takings.** Again, the counties are concerned that the Wetland Conservation Act will be challenged in court and that the counties paying compensation to landowners for a law mandated by the state.
3. **Landowner Rights.** The counties feel that certain previously existing landowners rights such as ditch maintenance rights --based on assessments paid, not on -- should remain as they were prior to the enactment of the Wetland Conservation Act.
4. **Economic Aspects of Mitigation.** The northern counties feel that because their land values are much lower than other parts of the state that this will adversely effect their ability to replace these wetlands since doing so in areas where wetland restorations are readily available will result in a much higher cost for the wetland replacement site than the wetland impact site will be worth when drained or filled. They feel some sort of system that would allow the wetland banking system to subsidize replacement for northern Minnesota may solve this discrepancy.
5. **Wetland Classification.** The northern counties believe that wetland identification/delineation methodologies are wrong some in some cases (e.g. when vegetation removable has occurred). This may be more a lack of understanding about what the scientific definition of a wetland is.
6. **Wetland Creation.** Some of the counties are concerned that wetlands created by certain techniques will not be given credit for mitigation. However, they are unclear about what limitations there are on wetland creations for replacement.

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LOCATION: Beltrami County Courthouse, Bemidji, MN

Attendance list is attached.

BWSR Board Members in attendance: Ted Hvidsten, Ted Lovdahl
BWSR Staff in attendance: John Jaschke, Ron Shelito, Brian Dwight

Meeting began at 10:10 a.m. at the Beltrami County Courthouse. The purpose of the meeting was to discuss issues and concerns with commissioners of the five counties that have not adopted the Wetland Conservation Act. A listing of the issues is as follows:

1. **Liability.** Counties have some concerns about how their actions under the Wetland Conservation Act could subject them to legal challenges from landowners and others regarding decisions they make.
2. **Takings.** Again, the counties are concerned that their actions under the Wetland Conservation Act will be challenged in court and result in the counties paying compensation to landowners for a law mandated by the state.
3. **Landowner Rights.** The counties feel that certain previously existing landowners rights such as ditch maintenance rights --based on assessments paid, not on -- should remain as they were prior to the enactment of the Wetland Conservation Act.
4. **Economic Aspects of Mitigation.** The northern counties feel that because their land values are much lower than other parts of the state that this will adversely effect their ability to replace these wetlands since doing so in areas where wetland restorations are readily available will result in a much higher cost for the wetland replacement site than the wetland impact site will be worth when drained or filled. They feel some sort of system that would allow the wetland banking system to subsidize replacement for northern Minnesota may solve this discrepancy.
5. **Wetland Classification.** The northern counties believe that wetland identification/delineation methodologies are wrong some in some cases (e.g. when vegetation removable has occurred). This may be more a lack of understanding about what the scientific definition of a wetland is.
6. **Wetland Creation.** Some of the counties are concerned that wetlands created by certain techniques will not be given credit for mitigation. However, they are unclear about what limitations there are on wetland creations for replacement.

7. **Wetland Credits for prior restorations.** Some officials of the counties feel they should be given replacement/banking credits for wetlands restored or created prior to the enactment of the Wetland Conservation Act.
8. **Pre-settlement Wetlands.** The counties are unclear about what the word "presettlement" means and do not understand that the only context in which this term is used is in describing the amount of wetland that remains in Minnesota. However, they do feel that there should be a more thorough and accurate assessment of original vs. current wetland acreage.
9. **Regionalization of the Wetland Conservation Act.** The counties feel that the Wetland Conservation Act is broadly written to cover the entire state and that their part of the state which has a great deal of wetland remaining is being harmed because of the excess drainage of wetlands which has occurred in the southern part of the state.
10. **Wetland Valuation.** They feel that some wetlands are more valuable than others and that replacement should occur based on wetland functions and values rather than acreage.
11. **Wetland Replacement on State and Federal Land.** The counties feel that they should be able to use state and federal land for replacement sites or banking sites. Although this is not restricted in the Wetland Conservation Act, apparently some of the state and federal land managers have decided that their policy is not to utilize these areas for wetland banking. Perhaps direction from the legislature is needed on this issue.
12. **Regulatory Simplification.** The counties are frustrated with the complexity of wetland regulation but do not understand how LGU administration of the Wetland Conservation Act provides opportunities for simplification via general permits and the Interagency MOU.
13. **Enforcement.** Some of the county commissioners have heard stories correct or otherwise that enforcement of the Wetland Conservation Act is inconsistent. Enforcement ought to be consistent and follow-up measures to discuss this issue with DNR are under way (June 23rd meeting).
14. **Local and Regional differences.** With regard to the subject of regionalization of Wetland Conservation Act, one county commissioner suggested establishing six or seven geo-regions in the state each with a separate "wetland resolution committee" established that would allow for interpretations and applications of the law to be applied fairly for each of these different regions. They believe that this would help to avoid enforcement and legal actions.

After the issues were discussed a format for dealing with them was laid out as follows:

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- a) it was clear that the commissioners and other local elected officials need to first understand the rule and law and then they can take appropriate actions to address some of the thought of the issues;
- b) identify the issues;
- c) determine why is an issue at hand for example, because of the law or the rule or interpretations of either;
- d) consider what other perspectives are with regard to the issue;
- e) determine what some possible solutions are to the issue.

The county commissioners agreed that they would like to have a BWSR presentation on the Wetland Conservation Act at a special meeting for each county or a couple of groups of counties and Brian Dwight would attend this meeting and give a five or six hour detailed overview of the Wetland Conservation Act. Mark Nelson would provide the same opportunity in Lake county. After these presentations are completed a meeting of the same group was scheduled for the afternoon of July 11, 1994 at 1:30 p.m. in the Beltrami County Courthouse to begin working on the various issues discussed.

Comments from Board Staff:

Board staff at this meeting did not attempt to leverage or even address the issue of adoption. It was felt that the Board as a whole and the Wetland Heritage Advisory Committee were the mechanisms to undertake any actions toward local government adoption of the Wetland Conservation Act.

It was clear that misperceptions are common and that specific situations when discussed in detail revealed the Wetland Conservation Act was not the problem in most of these cases.

There needs to be some consideration as to the level of validity the Board will give this group. The greatest difficulty this group will have is being able to understand or appreciate the view points of other interests. It may be advisable to invite local government representatives from counties in northern Minnesota who have adopted to participate in the meetings to provide that perspective. It may also be useful to develop groups like this in other parts of the state, i.e. metro and southern Minnesota to develop local government recommendations for changes to the Wetland Conservation Act if BWSR is to be pro-active in terms seeking legislative changes.

meeting summary drafted by John Jaschke

a:nocomtg.wca

c: Ron Harnack, Jim Birkholz, Greg Larson
Ron Shelito, Brian Dwight, Mark Nelson

6-10-94

Name

Representing

phone #

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7/28/94

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DATE: July 18, 1994

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

FROM: Ronald D. Harnack, Executive Director

SUBJECT: July 27-28, 1994 BWSR Tour and Meeting

The Board of Water and Soil Resources (BWSR) will meet on Thursday, July 28, 1994, beginning at 8:30 a.m. at Cragun's Conference Center (2001 Pine Beach Road) in Brainerd. The agenda and informational materials are enclosed for your review.

A sleeping room reservation has been made (see attached listing) for the nights of Tuesday, July 26 and Wednesday, July 27. The rooms have been direct billed (so you will not pay for it) and listed in your name under the group name Board of Water and Soil Resources. If you need to make any changes to this reservation, please call Cragun's directly at 1-800-272-4867. Your meals have also been direct billed - dinner on Tuesday night, breakfast, lunch and dinner on Wednesday, and breakfast and lunch on Thursday. Check-in time at Cragun's is 4:00 p.m. on Tuesday.

A tour of the Brainerd area has been scheduled for Wednesday, July 27, 1994. There will be a short meeting at 8:00 a.m. in Tech II to brief you on the tour and then the bus will depart from Cragun's at 8:45 a.m. You will have lunch at McGuire's on Whitefish Lake, continue the tour, and return to Cragun's about 4:00 p.m. Please dress casual and comfortable. Dinner is at 7:00 p.m., after dinner George Orning will speak on "Protecting the Lake Country".

The cost-share committee (Barb Cobb, Barb Uppgaard, Dwain Otte, Marv Tripp, Howard Peterson) will meet on Tuesday, July 26 at 5:00 p.m. in the Pioneer Room at Cragun's.

JULY BWSR MEETING AGENDA SUMMARY:

July 18, 1994

JULY BWSR MEETING AGENDA SUMMARY

1. RIM\PWP RULE ADOPTION: The public notice process has ended and there were no requests for formal public hearing. We did receive 4 comment letters from individuals and agencies. The comment letters are attached along with the staff response to the comments. Staff has incorporated minor changes to reflect some of the comments. None of the changes are considered significant. Therefore the staff recommendation is to adopt the rules as revised and authorize the Executive Director to sign necessary documents. **DECISION ITEM.**

2. MFIP, MINNESOTA FOREST IMPROVEMENT PROGRAM ALLOCATION: As you recall the biennial appropriation for MFIP was vetoed by the Governor. However, DNR determined that \$50,000 could be reallocated within their budget to permit a minimal level allocation for MFIP. BWSR & DNR staff have reviewed the requests and recommend approval of the attached allocation. **DECISION ITEM.**

3. SOIL CONSERVATION ADVISORY COMMITTEE REPORT & RECOMMENDATIONS: Three years ago the Board began a process of developing a soil conservation assessment and implementation initiative based on the Board's Strategic Plan. Staff has completed the process with the help of a advisory committee. Dave will present the background, the report recommendations, and set the tune for the Board to make some decisions on priority issues for policy and for funding this next biennium. There are some very significant issues relating to soil conservation that will guide soil conservation in Minnesota for some years to come. Please review the information included with a critical eye and in the context of the options presented and with the context of other initiatives that the Board may pursue as part of the agency wide program assessments. The soil conservation initiative assessment will be on the August agenda. **DISCUSSION ITEM.**

4. COST-SHARE ALLOCATION COMMITTEE REPORT: Last month Chair Nielsen appointed a committee to review the cost-share allocation information and to bring to the August meeting recommendations. An update from the committee will be reported. **DISCUSSION ITEM.**

5. WCA\CHALLENGE GRANT ELIGIBILITY: The Board will be considering challenge grant applications later this year as authorized most recently. A policy question that has risen needs Boards direction. There are still five counties that have not adopted the WCA and it appears that they will not adopt in near future. Should those counties be eligible for the challenge grant process. I feel that we should address this issue now so that staff have the benefit of the Board's direction during the review of the applications. Challenge grants are intended to further the counties creative and innovative initiatives of comprehensive water

management of which wetlands has been identified as a part. In addition most, if not all, the counties have identified wetlands as an important resource issue in their water plans. The Board would have three options:

1) Decide that the counties that have not adopted the WCA are not eligible for the challenge grant.

2) Decide that the counties that have not adopted the WCA are eligible for the challenge grant.

3) Decide to defer the decision to next month and decide as part of the challenge grant allocation process.

Since there will not be enough \$'s to go around anyway a decision by the Board for option 1 or 2 would make the allocation review and recommendation process much more efficient. **DECISION ITEM.**

6. PER DIEM & EXPENSE POLICY: We have received review from the State Auditor's Office, the Legislative Auditor's Office and from Matt Seltzer, Attorney General's Office. Each has a unique perspective that they had comments regarding. No one said that the policy as proposed was in violation of any law or state policy. One theme of the comments was the emphasis on "board activities" and that they must "constitute reasonable and necessary board business". Another concern was the per diem for travel. The comments suggests that the Board establish a timeframe for the meetings after which it is not reasonable to expect that the member would travel home the same day of the meeting. A suggestion is to set that time after which it is expected that the members will travel home on the day of the meeting. An example, if the meeting ends after 3:30 pm or 4:00 pm members would not be expected to travel that day and would be eligible for the per diem the next day. Another issue was that 4 hours of prep time should be considered a minimum for per diem and there needs to be proper accounting of the time so that we can deal with audits in the future.



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July 8, 1994

Gerald VanAmburg, President
Buffalo-Red Watershed District
123 Front Street
P.O. Box 341
Barnsville, MN 56514

Arvid Thompson, Chairman
Clay Co. Board of Commissioners
407 6th Street NE
Barnsville, MN 56514

Harold Lemke, Chairman
Elkton Township
Route 1, Box 13
Baker, MN 56513

Kenneth Johnson
Route 1, Box 125
Barnsville, MN 56514

Gentlemen:

On January 31, 1994 Mr. Kenneth Johnson of Barnsville, Minnesota contacted the BWSR for the purpose of seeking assistance in a dispute centered around flooding in connection with a township road, field approach, and Hay Creek. Shortly after that time Mr Johnson met with staff from the BWSR. Staff informed Mr. Johnson that because legal action had taken place in this matter the only role that BWSR could play would be to assist the parties through mediation. Mr Johnson indicated at that time that he would be willing to have BWSR attempt to mediate this dispute. Mr. Johnson contacted the BWSR, in writing, again on May 5th and June 25th, 1994 each time expressing his continued interest in BWSR assisting in this matter.

After careful consideration the BWSR is in a position to arrange mediation services, at no cost, through the Minnesota Office of Dispute Resolution. This Office has provided a wide range of mediation services throughout Minnesota and is staffed by a group of highly trained and qualified individuals. Your participation in this mediation is completely voluntary. If you agree to participate I would ask that each party complete the attached "Request for Mediation" form and return it to me at the BWSR office in St. Paul. If all parties agree and once we get all the forms back the BWSR will forward them to the Office of Dispute Resolution which will then contact all the parties and begin the mediation process. Also attached is "A Consumer Guide to Mediation" which explains the mediation process.

In closing I would strongly encourage each party to seriously consider its participation in this type of alternative dispute resolution. This position is supported by Judge Thomas M. Stringer in his Memorandum dated March 29, 1994 in which he strongly encouraged the parties to consider mediating this dispute through a neutral party. If any of the parties decide not to participate in this offer there will be no further participation by BWSR in this matter.

DT -
hope it works
RTH
7-11

GUIDING PRINCIPLES FOR AGRICULTURE AND CONSERVATION PROVISIONS OF THE 1995 FEDERAL FARM BILL

State of Minnesota Interagency Work Group

Agriculture has been, is and will continue to be a primary contributor to America's economic and social health. Today's paramount challenge to agriculture and federal farm policy is to provide a safe and abundant supply of food and fiber, healthy farm economies, vigorous overall economies and healthy natural environments. This would manifest a truly sustainable agricultural system - an absolutely essential goal for the long-term health of our nation.

Farmers are our most significant and important land managers. We must recognize their key role, as well as acknowledge a fundamental shift in society's attitude which is embodied in an increasing willingness to publicly fund protection of agricultural lands for future generations and a decreasing willingness to fund commodity based program payments to agriculture. Within this context a farm program must be crafted that protects public interests within the constraints of private property rights. Therefore, we assert that national agricultural policy should build on past successes and capitalize on the willingness of society to fund the protection of agricultural land. Since agriculture is carried out in this country in the context that federal farm program payments are essential to add economic stability, the transition should begin toward payments focused on primarily aiding and rewarding farmers who manage land in an environmentally sound manner.

In order to stabilize supplies and prices, and, in return, farm income, current federal farm programs transfer public revenues to the private agricultural sector through the vehicle of commodity control. The 1985 Food Security Act made a dramatic shift by linking environmental protection requirements to eligibility for program payments, a concept which is referred to as "conservation compliance". The 1990 Food, Agriculture, Conservation and Trade Act strengthened the conservation compliance feature. We should continue this trend toward a stewardship-based rather than a commodity-based payment system. A stewardship-based system should reward farmers who voluntarily employ management practices that provide societal benefits such as protecting our land and water from long term degradation. Incentives must be offered to offset the economic and weather related risk factors that often prevent farmers from making management decisions which protect land and water. A stewardship-based system would provide farmers the freedom to select which crops to plant based on profitability and soil capability rather than commodity crop program acreage mandates. This system should be based on building up and maintaining soil quality, preventing both on and off site pollution at its source and would encourage appropriate restoration and maintenance of desirable plant and animal communities to insure recreational and economic uses. New tracking systems to objectively and fairly determine farm compliance with a stewardship based system must also be developed. Compliance should be determined based on meeting goals, allowing creativity and flexibility, not on a rigidly prescribed set of practices.

The societal focus of the federal farm program should be to maintain a substantial number of farmers as owner operators, both experienced and beginning farmers. Environmental protection goals can best be met by private farmers who are equipped to make good management decisions for their farms in the context of a farm bill which provides incentives for good stewardship. The most motivated stewards are those who have a stake in the outcome of their decision-making. Having farmers who both own and operate their farming operations is vital to good nationwide stewardship.

The farm bill should contain the tools to accomplish the environmental goals for agriculture spelled out in other environmental protection laws such as the Clean Water Act, Safe Drinking Water Act, Endangered Species Act and others. This process offers a coordinated framework and will continue to build upon the

working relationships farmers have built with government through the various programs contained in "farm bills" over the years. Farmers should be involved in policy discussions, setting of standards and goals which are consistent with profitable farming, and other aspects of implementing future federal farm policy.

Program Features

Features of a program necessary to begin the task of accomplishing these objectives are:

1. The implementation of whole farm natural resource management plans should eventually be required for producers to receive program payments (stewardship payments). This system should be tested with pilot projects to gain experience in this concept. It should then be phased in over an agreed-to number of years in order to phase out the use of commodity crop bases to determine payments. Early in the transition, payments would be commodity based, phasing to a combination of commodity and stewardship payments, then becoming totally based on stewardship. Plans should incorporate profitability and farm family quality of life, while attaining environmental protection. The plans should focus on: conserving and enhancing soil quality as a fundamental first step to environmental improvement; increasing nutrient, pesticide and irrigation use efficiencies; making erodible lands more resistant to erosion and runoff; and, making greater use of field and landscape buffer zones where appropriate along streams, rivers, drainage systems, lakes and wetlands. Plans should result in environmental protection and enhanced fish and wildlife habitat. USDA should take the lead to develop methods to monitor the results of whole farm management plan implementation. The existing USDA Forest Stewardship Program for private woodland owners should be built upon as a vehicle for implementing management plans for the forested areas of farms.

2. Shift set aside programs from annual to multi-year options and blend them with existing land retirement programs such as the Conservation Reserve Program and Wetland Reserve Program to more comprehensively accomplish whole farm natural resource management objectives as well as meet commodity supply control targets of the federal government. Cropland most sensitive to environmental damage should be the target of long-term or permanent retirement. A full range of options should be developed for this initiative which includes short and long term contracts and optional conservation easements (terms could vary from limiting certain uses to complete protection). To accomplish the protection needed, funding for the Conservation Reserve Program and the Wetland Reserve Program must be continued at a level sufficient to protect the current national investment in the environment.

3. Broader opportunities for public input should be built into the decision-making process at all levels of delivery of federal farm programs. Local, state and federal government, farm organizations, environmental organizations, sporting groups and others should be consulted on a regular basis by the decisionmaking bureaucracy of federal farm programs.

4. In addition to supporting USDA agencies, the federal government should provide grants to states to implement many of the environmental goals of the farm bill. In the past two decades state and local governments have vastly increased their staff and budgets directed toward farmland conservation issues. A system of grants would foster a true partnership between federal, state and local governments and result in more coordination of program delivery to farmers. Such an initiative should include incentives to establish state and local capabilities where they do not exist. Such a process has been shown to be effective for implementing other federal programs such as US Forest Service grants to state forestry agencies for Forest Stewardship, the Cooperative Extension Service, and EPA grants to states under both the Clean Drinking Water Act and the Clean Water Act (Sec. 319 grants for nonpoint source pollution control).

In addition, grants could help develop and refine regulations which would be implemented by state and local governments to deal with severe erosion or water quality problems caused by farmers who choose not to practice good stewardship. Federal agencies should support local and state enforcement efforts which provide for a coordinated national strategy implemented through statewide framework approaches which allow for adjustments to local geographic conditions. By dealing with farmers who choose not to correct

environmental problems in a timely manner through a cooperative federal, state and local effort, regulations can be used sparingly but effectively. Farmers who demonstrate good stewardship can benefit from incentive programs without being penalized by those who choose not to.

5. More agricultural research and information and education efforts should be directed toward sustainable agriculture practices. Sustainable agriculture in this context consists of farming systems which provide sustained economic return to the producer while also emphasizing long term stewardship which results in environmental protection. Research and development for the adoption of sustainable agriculture systems should be encouraged by grants, cost sharing and other appropriate incentives.

6. International trade agreements which involve agricultural commodities should seek to raise international environmental protection standards towards U.S. levels wherever possible. Agricultural commodities produced for export in the context of a stewardship based farm program in the United States will produce more desirable environmental protection than the same commodities produced in some countries, particularly low-income developing countries which require less environmental protection. While it is a complex issue, the U.S. should resist lowering its environmental protection standards to remain competitive and, instead, pursue ways to improve international standards by agreeing to "intermediate" environmental standards for low-income developing countries to keep them moving in a positive direction regarding environmental protection.

Summary

To accomplish the goals of this program, it will be essential to begin the transition from program payments based on commodities to payments based on stewardship. After more than sixty years of commodity based payments, the transition will be challenging. It should not happen suddenly. Rather it should be made in increments over the course of several years. This way, innovations can be tried, adjustments can be made and farmers can gradually become accustomed to the shift. Economic incentives for stewardship must remain at sufficiently high levels to ensure widespread participation of landowners in the program.

The fact that the costs of managing cropland in an environmentally sensitive manner are so much less than the costs of cleaning up damage which results from poorly managed cropland, make it imperative for Congress to adequately fund the next farm bill. Failure to do so will leave a legacy of environmental damages to be corrected by future generations. By using the farm bill as the vehicle to promote stewardship based farming, we can embrace the opportunity to bring together profitable crop and livestock production with environmentally based farm management to achieve the nation's goals of a vigorous economy and quality environment.



July 25, 1994

TO : Board Members

FROM : *Wayne* Zellmer, Grants Coordinator

RE : Cottonwood SWCD Cost-Share Waiver Request (see enclosed)

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BACKGROUND

In 1991, the Cottonwood SWCD, along with ACP funding, granted State Cost-Share funding for a 75% total cost-share rate, to a local landowner, Harlan Rasmussen, on the construction of an animal waste storage system. Due to a technical oversight, the system was constructed underdesigned. In 1993, with State Cost-Share funds, an unsuccessful attempt was made to alleviate the error in construction. In both constructions, Rasmussen contributed 25%. The Cottonwood SWCD and the Soil Conservation Service were responsible for the engineering errors.

SITUATION

The Cottonwood SWCD and the Soil Conservation Service are proposing 100% cost-share to correctly construct this practice as follows:

State Cost-Share	\$6,000	75%
SCS	<u>\$2,000</u>	25%
Total	\$8,000	100%

The Cottonwood SWCD recognizes that State Cost-Share Rules limit state and federal combined cost-share contributions to 75%. The Cottonwood SWCD is requesting that the Board waive the 75% limit to allow 100% total cost-share to correctly install this practice. Construction is scheduled for August, 1994.

Options (see rule 8400.1950 and 8400.2800)

A) The Board waives the 75% state and federal combined contributions limit to allow 100% cost-share as requested by the Cottonwood SWCD.

B) No waiver is approved. State and federal cost-share contributions combined must not exceed 75%. The remaining 25% must come from the landowner or the SWCD.

C) The landowner should be responsible for 25% of the original project cost only, as if it was correctly designed and constructed in 1991.

The BWSR staff recognizes that all participants in this project have acted in good faith to satisfactorily complete this project. The Cottonwood SWCD, the SCS, and the landowner have agreed to option A and rapid satisfactory completion of this project is needed. Option A is recommended.

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CONSERVATION DISTRICT

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MINNESOTA

SOIL AND WATER CONSERVATION DISTRICTS

July 11, 1994

Board of Water and Soil Resources
Wayne Zellmer
Southbridge Office Building, Suite #104
155 South Wabasha
St Paul MN 55107

Dear Mr. Zellmer:

The Cottonwood Soil and Water Conservation District is requesting a Waiver from the Board of Water and Soil Resources to cost-share with a landowner in our county for 100% of total construction costs. The following is an explanation of the nature of the request and the dollar figures involved.

In January, 1991 Harlan Rasmussen requested cost-share assistance to complete an Animal Waste Storage System with the Cottonwood SWCD. At that time Cost-Share contract #91-03 had a cost estimate of \$23,333.00. The Cottonwood SWCD cost-shared to a maximum \$7,000.00 combined with \$10,500.00 from ACP. At the completion of the Ag Waste System the total cost was \$16,088.76, and the following payments were made on September 26, 1991:

\$16,088.76	x	.75	=	\$12,066.57	
			-	<u>6,033.00</u>	ACP C-S
				\$ 6,033.57	State C-S
				\$16,088.76	
			-	<u>12,066.57</u>	
				\$ 4,022.19	Landowners Expense

After the installation of the Ag Waste System it was discovered that the storage pond was undersized. Incorrect information by the farmer and incorrect measurements by the SWCD/SCS Field Office staff led to the decrease in the pond capacity because it resulted in the drainage area being calculated to small. In addition the installation of the south diversion was constructed farther out than planned and the drainage area enlarged even more for the storage pond.

In 1993 construction was attempted to correct the situation by installing a diversion with State Cost-Share funds. Cost-Share contract #93-02 had an estimated cost of \$1,000.00. The Cottonwood SWCD cost-shared up to \$750.00 for the project.

At the completion of the Diversion construction the total cost was \$361.50, and the following payments were made on November 24, 1992:

\$ 361.50 x .75 = \$ 271.13 State C-S

\$ 361.50	
- 271.13	
<u> </u>	\$ 90.37 Landowners Expense

The Cottonwood SWCD and the Soil Conservation Service are proposing cost-sharing at 100% since mistakes were made by all parties involved, including the SWCD/SCS local staff. The landowner assumed the storage pond built in 1991 would be of adequate size and it is not. Also the landowner was assured that the problem would be corrected in 1993 with the addition of the new diversion and it was not. Because the landowner has given funds to build fence and grass seeding which will have to be redone with the enlargements, he feels that he should not have to pay for the completion of the new work. The Cottonwood SWCD and SCS would like to resolve this project positively so the SWCD can continue to provide credible assistance to the area landowners.

At this time the Soil Conservation Service has granted to reimburse Harlan Rasmussen for 25 percent of the cost, up to a maximum payment of \$2,000.00, for modifying the Ag Waste Holding Pond constructed in the fall of 1991. And in conjunction the Cottonwood SWCD would like to cost-share 75%, with the Special Grant received from the BWSR for the Wellner-Hageman Reservoir and Mound Creek Watershed.

Total cost of the Storage Pond enlargement is \$8,000.00 at 75% cost-share the SWCD will pay up to \$6,000.00.

Cost-Estimate for Enlargement Project:

Salvaging and Spreading Topsoil	\$ 500.00
Common Excavation	1,050.00
Earthfill-Class C	5,300.00
6" PE Tubing	450.00
Waterway	450.00
Seeding, Mulch, Fertilizer	<u>250.00</u>
	\$8,000.00

The Cottonwood SWCD is requesting from the Board of Water and Soil Resources a Waiver to cost-share 100% with Harlan Rasmussen for the enlargement of his Ag Waste Storage Pond. To have construction of this project completed this summer the SWCD is requesting a response from the Board as soon as possible.

ADMINISTRATIVE: KAY CLARK

SUPERVISOR COMPENSATION AND EXPENSES: Kay Clark requested the dates of special meetings that the Board of Supervisors had attended during the second quarter of 1994. The special meetings were as follows: March 28, RCRCA Meeting - Redwood Falls; April 6, Ditch Meeting - Windom; April 25, Ditch Meeting - Windom; May 18, Comprehensive Water Planning - Mankato; June 11, Riverfest Parade - Windom; June 17, SWCD Summer Tour - Cottonwood County; June 20, Pow-Wow Parade - Mt Lake; June 23, Area V Meeting - Marshall.

Motion by Jon Olson, second by Wilbert Anderson approve the list of special meetings and pay the compensation and expenses for the Board of Supervisors during the second quarter of 1994. Voting in favor were Arnold Regier, Jon Olson, Wilbert Anderson, Paul Maras, Verlyn Nickel. No negative votes. Motion carried.

COST-SHARE CONTRACT:

Contract #SP94-04 Harlan Rasmussen Amboy Township Section 11 NW1/4
Animal Waste Control System - Storage Pond
Total Cost \$8,000.00 Cost-Shared amount (75%) \$6,000.00

Motion by Verlyn Nickel, second by Paul Maras to approve the Cost-Share Contract #SP94-04 for Harlan Rasmussen. Voting in favor were Arnold Regier, Wilbert Anderson, Paul Maras, Verlyn Nickel. No negative votes. Motion carried.

REQUEST WAIVER FROM BWSR: Kay Clark informed the Board of Supervisors that a special waiver must be obtained from the Board of Water and Soil Resources to cost-share 100% with Harlan Rasmussen. The Soil Conservation Service has granted to reimburse Harlan Rasmussen for 25% of the total cost of this project, up to a maximum payment of \$2,000.00, for modifying the Ag Waste Holding Pond constructed in the fall of 1991. And in conjunction the Cottonwood SWCD would like to cost-share 75%, with the Special Grant received from the BWSR for the Wellner-Hageman Reservoir and Mound Creek Watershed.

Motion by Jon Olson, second by Wilbert Anderson to request a waiver from the Board of Water and Soil Resources for the Ag Waste Holding Pond, to be constructed for Harlan Rasmussen, at 100% cost-share. Voting in favor were Arnold Regier, Jon Olson, Wilbert Anderson, Paul Maras, Verlyn Nickel. No negative votes. Motion carried.

COST-SHARE CONTRACT PARTIAL PAYMENT: Kay Clark requested that the Board authorize Ardeen Clark, Cost-Share Contract #SP94-03, for work completed on a waterway. Because of the wet season the landowner has requested payment because finalization of the project will not be done until September. Cost of work completed is \$1,152.00 at 75% cost-share the partial payment will be \$864.00. Board Conservationist Tabor Hoek was contacted on June 21, 1994 and gave approval for this payment.

Motion by Verlyn Nickel, second by Jon Olson to authorize a partial payment to Ardeen Clark for Cost-Share Contract #SP94-03, in the amount of \$864.00. Voting in favor were Arnold Regier, Jon Olson, Wilbert Anderson, Paul Maras, Verlyn Nickel. No negative votes. Motion carried.



MINNESOTA BOARD OF WATER AND SOIL RESOURCES

COST-SHARE ASSISTANCE CONTRACT

Contract No. SP94-04	Individual GROUP CONTRACT	Priority Contract No. HIGH	Signed with ASCS NO - ASCS
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TO: Supervisors of Cottonwood YES - Soil Conserv. Service
Soil and Water Conservation District

FROM: * Land Occupier Harlan Rasmussen	Address RR 1 Box 69 Sanborn MN 56083
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Cooperators Agreement: ☒ Yes ☐ No Blanket County Agreement

Practice Location: 107N Town 36W Range 11 Section NW 1/4 Section Amboy Township

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

1. Cost-Share Practices Installed with Cost-Share Assistance Shall Be Properly Maintained. If the project is removed, or modified, during their minimum effective life (20 years) without consent of the Soil and Water Conservation District, the land occupier shall be liable for monetary damages, not to exceed the amount of financial assistance received from the district. If title to this land is transferred to another party before expiration of the aforementioned effective life, it shall be the responsibility of the land occupier who signed this contract to advise the new owner that this contract is in force.
2. Practices must be planned and installed in accordance with technical standards and specifications of SCS Tech. Guide.
3. Soil Conservation Service technician must make prior determination that the practices are needed on the site where they are to be installed, and that they are properly planned and installed.
4. Items of cost for which reimbursement is claimed on form WR-00963-01 are to be supported by receipts for payments and are to be verified by the district board as practical and reasonable.
5. An increase in the practice units and/or cost must be approved by the district as a condition to increases in cost-share payments.
6. This contract, when approved by the Soil and Water Conservation District, will remain in effect unless cancelled by mutual agreement, except that if installations of practices covered by this contract have not been started by December 21, 1995 (date), this contract will be automatically terminated on that date.
7. Practices will be installed by June 21, 1996 (date) unless this contract is amended by mutual consent to reschedule the work and funding.

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

Practice	Type Requested	Amount Requested	Cost Estimate
(1) <u>Animal Waste Control System</u>	<u>Waste Pond</u>	<u>1</u>	<u>\$8,000.00</u>

(2) Date	Land Occupier's Signature	Address
<u>6/8/94</u>	<u>Harlan Rasmussen</u>	<u>RR 1 Box 69</u>

Technician's Certification - Need and Estimate of Cost

I have viewed the site where the above listed practices are to be installed and find that they are needed and that the estimated quantities and cost are practical and reasonable

Practice: Animal Waste System Type Needed: Waste Pond Amount Needed: 1 Cost Estimate: 8,000
(Other comments may be included on attached sheets.)

(3) Date	Technician's Signature
<u>6/8/94</u>	<u>Larry Moran</u>

(4) SWCD action on cost-sharing not to exceed \$ 6,000.00 on the basis of 75 % (\$2,000.00 SCS)

(5) Approved by: Arnold Reiser 6-22-94
(Chair, Soil and Water Conservation District) (Date)

(6) From WR-00963-01: \$ _____ Authorized for payment

(7) Approved by: _____
(Chair, Soil and Water Conservation District) (Date)

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



United States
Department of
Agriculture

Soil
Conservation
Service

1401 Peterson Street
Marshall, MN 56258
507/537-0541

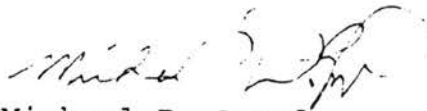
June 30, 1994

Harlan Rassmussen
RR 1 Box 69
Sanborn, MN 56083

Dear Mr. Rassmussen:

This letter is to inform you that the Soil Conservation Service has agreed to reimburse you for 25 percent of the cost, up to a maximum payment of \$2000 (two thousand dollars), for modifying your waste holding pond constructed in the fall of 1991. After you have been provided an SCS approved plan for the modifications, it is your responsibility to hire and pay a contractor to complete the modifications according to the SCS specifications in the plan. When the work has been completed and certified as meeting SCS specifications, you should provide SCS with a copy of the contractor's billings. At that time, the SCS Minnesota budget and finance section will authorize payment to you. I understand that you have secured local cost-sharing for some of the remaining 75%.

Please note that the modifications will require a revision to your MPCA permit. The SCS will provide you with a set of plans and specifications to submit with your application to MPCA for the revision. SCS can not authorize the start of construction of the modifications without the revised permit.


Michael D. Appel,
Area Conservationist

cc: Gary R. Nordstrom, State Conservationist, SCS, St. Paul, MN
John C. Brach, State Conservation Engineer, SCS, St. Paul, MN
Paul A. Bridgland, Area Engineer, SCS, Marshall, MN
Gary D. Moreau, District Conservationist, SCS, Windom, MN



The Soil Conservation Service
is an agency of the
SCS-AS-1
Department of Agriculture

AN EQUAL OPPORTUNITY EMPLOYER

Jul 5 07:59 1994 Page 1

From uucp Fri Jul 1 17:30 EDT 1994
>From pab Fri Jul 1 16:23 CDT 1994 remote from mn5ao
To: windo!gdm
Subject: rassmussen cost est

Here is a break down of the cost-shared items:

Salvaging and Spreading	1 JOB @	\$500.00	\$	500.00
Topsoil				
Common Excavation	700 CY @	1.50	\$	1050.00
Earthfill-Class C	2650 CY @	2.00		5300.00
6" PE Tubing	75 LF @	6.00		450.00
Waterway	150 LF @	3.00		450.00
Seeding, Mulch, Fert.	0.5 AC @	500.00		250.00
				=====
	Total:		\$	8000.00

Paul A. Bridgland
Area Engineer
Marshall, Minnesota
Tel: (507)537-0541
Fax: (507)537-0734
email: mn5a0!pab

district board reach an impasse, the land occupier may petition in writing for a hearing before the state board. If it grants the hearing, which shall be informal, the state board or a referee appointed by it shall hear all testimony offered, and shall accept written testimony for ten days after the hearing. The referee, if one is used, shall report his findings and recommendation to the state board, which shall within 60 days of the hearing date make its decision on the appeal, upholding, reversing, or amending the decision of the district board.

8400.1950 VARIANCES.

If a district board feels that a particular requirement of parts 8400.0100 to 8400.2900 prevents an erosion or sedimentation control or water quality project from being installed, a request for a variance may be filed with the director of the state board. The request must be in writing and contain:

A. the name and address of the district board making the request and the signature of the district chairperson;

B. the nature of the variance being sought, including an identification of the applicable rule from which the variance is sought, the time period for which it is sought, and the reason for seeking the variance;

C. a statement of alternatives for dealing with the installation of the affected project if the variance is not granted; and

D. a statement of the effects on applicable natural resources and the public if the variance is granted.

Variance requests must be submitted to the director at least 30 days prior to the state board meeting at which the variance is requested to be heard. Within 45 days after the meeting, the state board must approve or deny the variance request and provide written notification of the decision to the applicant. A variance will not be granted if it is in conflict with any statute. The state board may grant a variance upon such conditions as it may prescribe.

If a variance has been granted by the state board, the district board holding the variance may file with the state board at any time a written request for modification or amendment of the variance. The request for modification or amendment, and the state board's consideration of the request, shall comply with requirements of this part.

roadside areas against erosion by vegetative or structural means.

Subp. 2. Purpose. The purpose of streambank, lakeshore, and roadside stabilization is to control erosion or protect or improve water quality.

Subp. 3. Applicability. Streambank, lakeshore, and roadside stabilization may be used on eroding or sediment producing areas on streambank, lakeshore, or roadside sites where vegetative or structural measures are needed to correct the problem.

Subp. 4. Policy. Cost-sharing is authorized for:

A. earthwork, materials, seed, and seedings necessary to stabilize the area;

B. temporary materials and seedings necessary to stabilize the area during construction; and

C. permanent fencing of the area as determined by the district board.

Permanent fencing may be used as the sole remedy if it is determined by the district board to be the most practical solution, except that fencing of property boundaries and roads is ineligible for cost-sharing.

Subp. 5. Cost-sharing limit. Cost-sharing may not exceed 50 percent of total eligible project costs.

8400.2800 MAXIMUM RATES.

The maximum percent of the total cost of a practice installed to control a high priority erosion or water quality problem that may be funded by state

cost-share funds is 75 percent except as stated in part 8400.2100, subpart 4. The maximum percent of the total cost of a practice installed to control a secondary priority nonshoreland erosion problem that may be funded by state cost-share funds is 50 percent except as stated in part 8400.2100, subpart 4. State cost-share funds may be matched with federal money or other state funds except as stated in part 8400.2100, subpart 4. The combined state and federal amount may not exceed the maximum rates in this part or part 8400.2705, subpart 5.



Board member Update

July 1994

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

- Wetland Conservation Act (WCA) activities/administration by local governmental units (LGUs) was on the increase in the south central counties. Board conservationists (BCs) have been involved in various levels of participation from reassuring telephone calls to on-site inspections with the technical panels. Overall, LGUs are doing a good job of administration.
- The "River Warren" Research Committee made itself a little more known during the month of June. Representatives spoke to the DNR and BWSR staff in New Ulm as well as to the Area VI supervisors and staff in LeCenter. This group is critical of the Minnesota River Assessment Project (MRAP) report because of its focus on agricultural land rather than the landscape of the River Warren (bluff to bluff) which they claim is where much of the sediment in the Minnesota River originates.
- This month BC Chris Hughes assisted with GIS EPPL 7/Local Water Planning Interface installations in Lincoln, Nicollet, and Waseca Counties. With these installations, the southern region is now approximately 25 percent completed; the goal is to have 29 installations completed by mid-winter.
- Sign-up for residents in Watonwan County concerned about septic system enforcement was more than 122 as of June 2, 1994; the feedlot sign-up had reached 35. These individuals have shown an interest in addressing their problems -- if in fact they are problems. Although Regional Supervisor Jeff Nielsen believes this is typical of other county's needs, he has not seen nor heard of sign-ups in counties (such as Waseca or Lesueur) where similar enforcement activity has taken place. As was pointed out at the June 21 meeting of Area VI of the Minnesota Association of Soil and Water Conservation Districts (MASWCD), SWCDs need to provide information to their association or BWSR regarding marketing, design, sign-off, construction, or administrative needs, particularly in view of the State Revolving Fund (SRF), enforcement, and Minnesota River emphasis.
- BCs Tom Fischer, Chris Hughes, and David Sill assisted BWSR Design Engineer Tom Wenzel in completing a survey of the Waseca Experiment Station's recently acquired "wetland farm." In addition to the experiment station using the farm for wetland/farm research, this farm will become the permanent site for the annual WCA advanced delineation training sessions for LGUs in southern Minnesota. This will be an excellent site and opportunity for southern Minnesota

LGUs to sharpen their wetland delineation skills on land that is all too familiar to them--crop land.

- On June 15th, BC Tabor Hoek and DNR staff finalized plans with technical staff of SWCDs and SCS in the southwest region to develop conservation plans on DNR wildlife areas. Plans initially will concentrate on lowering erosion rates on DNR cropland areas to at least "T," the tolerable soil loss to sustain crop productivity, as well as on treatment of site specific erosion problems such as gullies or streambank/lakeshore erosion. Future planning will address water quality standards along with erosion. With DNR being the largest farmer in Minnesota (30,000+ acres under cultivation), this activity will have significant impact on erosion control and public perception.
- Rochester BC Pete Waller's transfer to the Brainerd BWSR office was effective July 5. All of us in the southern region will miss Pete and wish him success in his new work area. We welcome Mary Kells as our new board conservationist in the Rochester office. Mary is very familiar with the activities of local government and BWSR. She started her career in conservation with the Lac qui Parle SWCD as district technician and secretary; from there she moved on to be the coordinator of the Tri-County Conservation Project in the Clearwater River Watershed District; and most recently Mary served as the district manager for the Goodhue SWCD.

Northern Region

The northern region staff had a busy month of June. The highlights are worth further study.

- Duluth BC Mark Nelson did his time in the swamp during June, assisting Pine SWCD on five cease and desist orders. Mark reports many proposed wetland impacts around Hinkley where rapid development in the fast food trade is occurring as a result of the casino. Mark met with Lake County hoping to get them to adopt the Wetland Conservation Act (WCA). Lake, along with four other counties, have still not adopted WCA.
- BC Bill Best reports a new arrival to his family, Ryan Thomas, born May 28. Bill subsequently took a couple weeks off to be home with his family. Congrats to Bill and Ellen. When Bill was brushing up his child-rearing skills, he was busy installing the Land Management Information Center's (LMIC's) Local Water Planning Interface (that's computer stuff) and dataset on the Becker SWCD computer. The district had been chosen last year to be a test site for this system. We are continuing to work out the bugs and hope to be filling other LGU requests soon.
- The DNR hosted a calcareous fen training session for local SWCDs at the urging of Bill and BC Dale Krystosek. Dale and Bill felt it was important for locals and state folks to have an understanding of this rare and unique protected wetland; protected by WCA of course.
- Keith Grow, Brainerd BC, has working with the Snake River crew, Sherburne-Benton joint powers, and Mille Lacs and Pine counties in preparation of challenge grant proposals. Keith says that counties are getting more comfortable in looking at resource needs from a watershed basis and he expects to see some good challenge grant proposals come in. Keith also reports that a number of WCA banking plans are now being reviewed and approved for construction in his area. Some excellent sites are being proposed.

- Northern Supervisor Ron Shelito, Bemidji BC Brian Dwight, and Wetland Specialist John Jaschke met with Kooch, Pennington, Marshall, Lake, and Beltrami counties to discuss their failure to adopt WCA. Although the meeting had some tangible results, we are a long way off from convincing this group to adopt. In a word, they despise WCA, and they don't have much good to say about BWSR and the DNR either. We'll continue to work with this group as long as progress is being made.
- Pete Waller officially got promoted to the northern staff effective July 1. He spent the last two weeks of June getting his family moved and settled. Pete will spend most of July getting oriented to his new work area.

Metro Region

The BWSR Metro Region staff have been extremely busy lately, mostly with the WCA. Jim Haertel documented that he spent all but two work days during June on Technical Evaluation Panels (TEPs) or other WCA related work. Barbara Ohman also devoted a lion's share of her time to the WCA. Despite this, many workload elements of WCA are not getting done. Most other program efforts are consequently not being tended to well. These issues will come out more clearly in the agency program assessment.

Below are some emerging items of which the board should be aware:

- Regional Supervisor Bruce Sandstrom has been spending much of his time in discussions with state, local and regional agencies on the rapidly emerging issue of using wetlands for storm water management. A key issue is a conflict in state policies; one encourages use of wetlands for storm water treatment, while current PCA rules potentially greatly limit such use without pre-treatment prior to discharge. Also, the U.S. Army Corps of Engineers is now requiring 404 permits for impounding water in wetlands.
- Ramsey District Court issued a summary judgement on Ramsey County's appeal of Rice Creek WD's capital project on Locke Lake. The judgement affirmed the use of ad valorem funding across the watershed but decided that the project was invalid because of failure to follow proper procedure to amend their 509 plan. The city of Fridley has appealed the latter part of the decision. Fridley alleges that the proper procedures to amend the plan were followed and that the only appeal of the capital project was to the BWSR during the plan review process and they failed to appeal in a timely fashion. BWSR staff concurs with Fridley based on current knowledge of the facts.
- A developer in the city of Fridley has appealed the denial of a replacement plan to the BWSR. This matter will have to be decided by the BWSR at its August board meeting. Bruce will coordinate with staff member Doug Thomas in scheduling a meeting with the Dispute Resolution Committee (DRC) prior to the August board meeting.
- The Legislative Water Commission is meeting on August 23 to hear how water planning is going in the state. Metro and non-metro local water planners will be invited to give their perspectives. See Doug or Bruce for further information.

Engineering Section

Area II

- Darrell Apelgrain, BWSR Area II engineer, has orchestrated two meetings

since late June regarding the development of guidelines for road retention projects. Participants in this endeavor include several county engineers, DNR staff, Minnesota Department of Transportation (MnDOT) staff and Al Kean, BWSR chief engineer. Road retention project guidelines were recommended by the interagency flood hazard mitigation team last year.

- HDR Engineering continues to conduct engineering and environmental analyses necessary for the Environmental Assessment Worksheet (EAW) for the RW-22 floodwater detention project. HDR will provide technical input to the DNR, which will review and/or prepare the final EAW.

Feedlots

- Brad Matlack, feedlot specialist, recently provided three days of feedlot training for three new technicians hired for the Redwood River Phase II Clean Water Partnership. He was quite impressed with the enthusiasm and talent exhibited by these technicians, who are located in three different SWCDs. As far as we know, this is the first CWP grant to fund staffing for best management practices (BMPs) implementation.
- The EPA Section 319 grant that has funded Brad Matlack's position for the past year and a half will end on July 31, 1994. We intend to keep Brad on for several months thereafter to provide additional feedlot training for new technicians in the Minnesota River basin (i.e., Redwood River CWP and Blue Earth River Basin Initiative (BERBI) staff) and to help train a new feedlot specialist. Brad will also work to complete some feedlot designs that he is currently working on and provide some assistance to our lakeshore engineer, Gene Clark. It does

not appear that we will be able to fund a position for Brad beyond the end of October. Although we obtained one more year of 319 funding for a feedlot specialist, it is focused on the Minnesota River basin, with Marshall as the office location. We are in the process of filling that position.

Conservation easements

- The retooled application forms and procedures (Application Stage of the retooled program handbook) were mailed to SWCDs in late June. We have heard a number of positive reactions from districts regarding these application materials. Districts can now prepare applications for funding consideration by the BWSR in November. The due date for application submittal to BCs has been set for November 21, 1994.
- Program staff continue to work hard on the finalization of other sections of the retooled handbook. As is often the case, finalization takes longer than expected. Nevertheless, we are keeping the faith and remain confident in the value of our work. The majority of the handbook should be ready for distribution in late August. We intend to conduct two or three review/training sessions in late September and early October.
- We are preparing for discussions with the board in August regarding program funding priorities and the program workplan that was required by the FY95-96 funding appropriation (to be submitted to the Legislative Water Commission).
- We have heard that our second grant proposal under the North American Wetland Conservation Act (NAWCA) for wetland restorations in the Minnesota River basin has ranked quite high nation-

ally. This is a re-submittal of a revised proposal. The first try was unsuccessful.

Lakeshore engineering

- Construction of the Sucker Bay shoreline stabilization project began in early July. Progress has been very good to date. Phase I (rock buttress construction along 1,100 ft. of shoreline) is about half done as of this writing. Gene Clark, lakeshore engineer, has been fulfilling the construction inspection role for the landowners and So. St. Louis SWCD. Field surveys and design work for Phase II (upper surface and groundwater control) are progressing.
- Gene Clark and Al Kean have been collaborating on the final designs for the Two Harbors Campground and Sewall shoreline stabilization projects. We intend to have the plans and specifications for the Two Harbors project ready by early to mid-fall of this year for late fall or early winter construction. Final design of the Sewall project is planned for late fall or winter, with construction next spring.
- We recently received requests for assistance from Clearwater and Itasca SWCDs regarding shoreline and bank erosion problems. Gene visited a number of sites with district staff and provided some technical insights and direction. We must limit our involvement with these sites at this time due to the backlog of North Shore project work that exists. Gene has also visited a number of additional erosion sites along the North Shore during the past month.

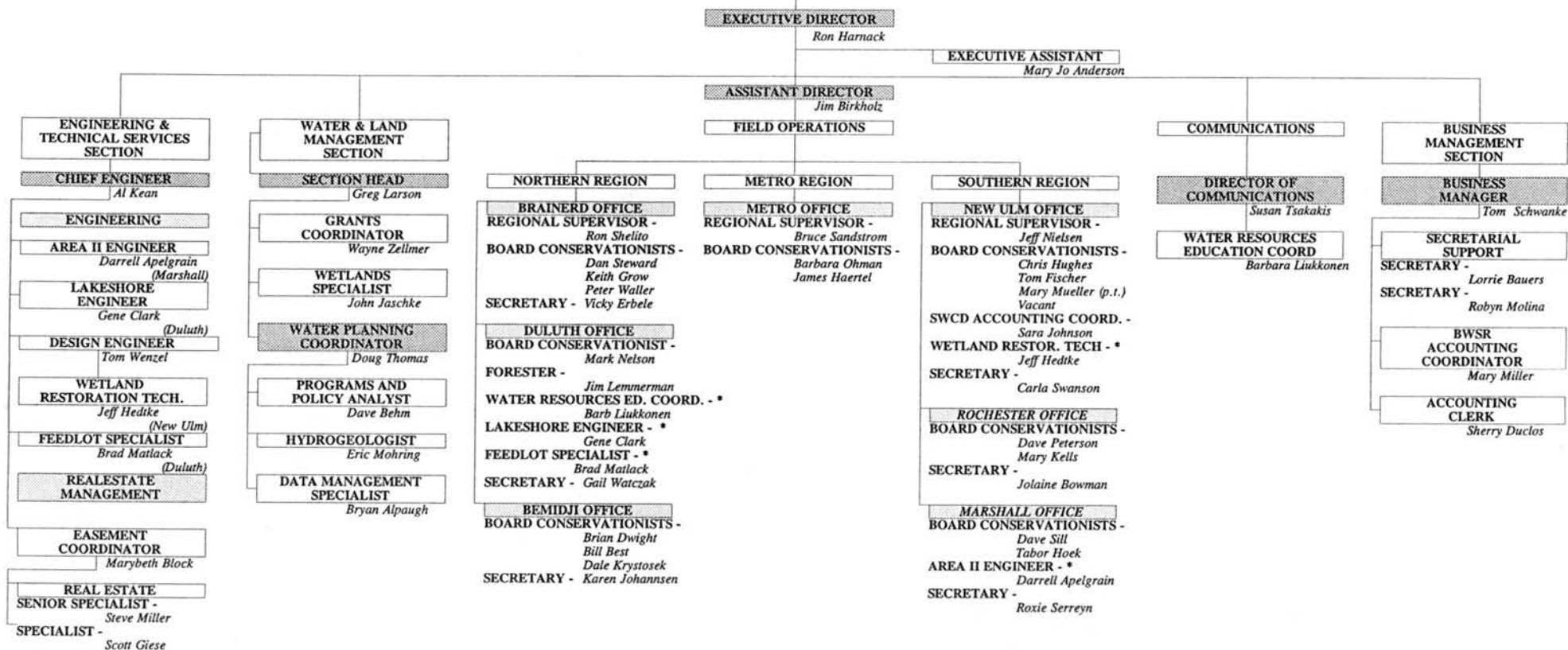
Other Engineering Activities

- The recently endorsed Conservation Partnership Technical Advisory Commit-

tee involving the MASWCD, the Minnesota Association of Conservation District Employees (MACDE), SCS and BWSR, met for the first time on July 22. Our primary short-term goal is to develop a consensus recommendation for technical assistance staffing via SRF implementation funds. This will require a broad look at future technical assistance staffing by all of the partners. Our first meeting focused on building a foundation for this work by identifying the desired attributes of an effective technical assistance delivery system and the impediments/problems with the current delivery system. Participation was good. We intend to have a recommendation to the board and SCS by September or early October.

MINNESOTA BOARD OF WATER AND SOIL RESOURCES

County Commissioners	SWCD Supervisors	Watershed Representative	Citizens	Agencies
Barbara Uppgaard Warren Rodning Jim Rossman	Tim Hvidsten Dwain Otte Ted Lovdahl, Jr	Barbara A. Cobb Marvell Tripp Howard L. Peterson	D. James Nielsen, Chair Glen Annexstad Kathleen Rohr	Department of Natural Resources Pollution Control Agency Department of Agriculture University of Minnesota Department of Health



* Specialists located in field offices but supervised by central office staff.

July 1994



Southbridge Office Building
155 S. Wabasha Street
Suite 104
St. Paul, MN 55107
(612) 296-3767
Fax (612) 297-5615

Field Offices

Northern Region:

394 S. Lake Avenue
Room 403
Duluth, MN 55802
(218) 723-4752
Fax (218) 723-4794

3217 Bemidji Avenue N.
Bemidji, MN 56601
(218) 755-4235
Fax (218) 755-4201

217 S. 7th Street
Suite 202
Brainerd, MN 56401-3660
(218) 828-2383
Fax (218) 828-6036

Southern Region:

P.O. Box 756
Highway 15 S.
New Ulm, MN 56073
(507) 359-6074
Fax (507) 359-6018

1200 S. Broadway
Room 135
Rochester, MN 55904
(507) 285-7458
Fax (507) 280-2875

P.O. Box 267
1400 E. Lyon Street
Marshall, MN 56258
(507) 537-6060
Fax (507) 537-6368

Metro Region:

Southbridge Office Building
155 S. Wabasha Street
Suite 104
St. Paul, MN 55107
(612) 282-5116
Fax (612) 297-5615

July 21, 1994

To: Metro Soil and Water Conservation Districts
Select Local Governments Administering the WCA

From: Bruce Sandstrom, Supervisor
BWSR Metro Region

Subject: **Scheduling of Technical Evaluation Panels**

As some of you may know, our Board Conservationists, Jim Haertel and Barbara Ohman, have been extremely busy attending the numerous Technical Evaluation Panels (TEPs) called by local governments administering the Wetland Conservation Act (WCA). This has drastically affected our ability to keep on track with other program responsibilities such as water plan review, state-cost share, agency coordination and conservation easements. Therefore in response to this issue Barbara and Jim have been instructed to only attend TEPs on two days each week. They will be able to attend TEPs on other days, but only after consultation with me when adequate justification is presented.

For your information Jim Haertel documented that he spent all but two days in June on TEPs and WCA issues. Barbara Ohman's effort was of similar scope.

Therefore, when scheduling TEPs after August 1, please try to schedule them on **Tuesdays and Thursdays with Jim Haertel** and on **Tuesdays and Wednesdays with Barbara Ohman**. Again, their availability to assist on TEPs on other days will be on a special request basis.

We desire to maintain a high level of service on TEP panels within the limits of our staffing. By scheduling TEPs on days set aside for this activity we hope to limit travel time and increase our efficiency.

This policy will remain in effect until December 1, 1994 at which time we will reassess the effectiveness of this policy in managing our workload. Please call me at 297-4958 if you have any questions.

cc BWSR Board Members
Ron Harnack

a:tep.pol

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July 18, 1994

Lee Ramsdell, Board Chair
Lake County
Lake County Courthouse
601 Third Avenue
Two Harbors, MN 55616

Southbridge Office Building
155 S. Wabasha Street
Suite 104
St. Paul, MN 55107
(612) 296-3767
Fax (612) 297-5615

Dear Commissioner Ramsdell:

WETLAND CONSERVATION ACT (WCA) MORATORIUM

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Since the Board of Water and Soil Resources (BWSR) has not received any indication of Lake County's adoption of the WCA (as requested in the letter to you dated June 3, 1994) the BWSR hereby notifies you that the moratorium on all wetland draining and filling continues in effect for all wetlands under the jurisdiction of the WCA until the County adopts the WCA Rules.

As mentioned before, the BWSR is willing to listen to the concerns your county and others have with the WCA. There may be opportunity for refinement through future law and rule changes. However, the BWSR is also required to ensure that the WCA is properly administered by local government and will be pursuing legal options toward this end.

The BWSR has adopted a position to allow finalization of the water management and shoreland portions of the Natural Resources Block Grant for this year. Attached is a revised agreement for your consideration.

If your county has adopted the WCA, please remit the supporting documentation immediately. If you have questions please direct them to Ron Shelito, Regional Supervisor, at (218) 828-2604.

Yours Truly,

D. James Nielsen
Chair

DJN/JJ

c: BWSR Members
Jerry Engelbrecht, DNR
Lake Co. Auditor
Frank Sawinski, President, AMC
Matt Seltzer, Assis. Attorney General

Mark Nelson
Dave Weirens, AMC
Lake Co. SWCD
Ron Shelito,

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July 18, 1994

Wade Pavleck, Board Chair
Koochiching County
County Administrator's Office
Koochiching County Courthouse
4TH Street and 7TH Avenue
International Falls, MN 56649

Dear Commissioner Pavleck:

WETLAND CONSERVATION ACT (WCA) BLOCK GRANT RETURN

Since the Board of Water and Soil Resources (BWSR) has not received any indication of Koochiching County's adoption of the WCA (as requested in the letter to you dated June 3, 1994) the BWSR hereby notifies you that:

1. The moratorium on all wetland draining and filling continues in effect for all wetlands under the jurisdiction of the WCA until the County adopts the WCA Rules.
2. The county is in breach of the Natural Resources Block Grant (NRBG) Agreement and ordered to return the WCA portion of the NRBG. The terms of the NRBG Agreement (attached) contract require that the county adopt and implement the WCA pursuant to MN Rules Chapter 8420. Koochiching County adopted a resolution stating that they would adopt and implement the WCA (attached). Koochiching County is in violation of the contract which awarded \$19,200 to the county and is hereby ordered to return this amount less the \$5,000 passed on to the Soil and Water Conservation District (SWCD) and any funds previously delegated to cities in Koochiching County administering the WCA. The BWSR has determined, based on the NRBG application and resolution that \$14,200 is the amount to be returned. Please provide documentation of all grant money distributed to other local governments.

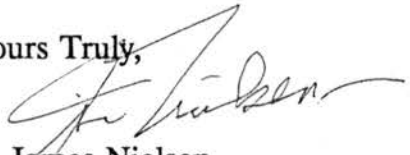
As mentioned before, the BWSR is willing to listen to the concerns your county and others have with the WCA. There may be opportunity for refinement through future law and rule changes. However, the BWSR is also required to ensure that the WCA is properly administered by local government and will pursue appropriate legal options toward this end.



If your county has adopted the WCA, please remit the supporting documentation immediately. If you have questions please direct them to Ron Shelito, Regional Supervisor, at (218) 828-2604.

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Yours Truly,


D. James Nielsen
Chair

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DJN/jj

c: BWSR Members
Dave Weirens, AMC
Frank Sawinski, President, AMC
Matt Seltzer, Assistant Attorney General
Ron Shelito
Mark Nelson
Jerry Engelbrecht, DNR Enforcement Supervisor
Koochiching County Auditor
Koochiching SWCD

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July 18, 1994

Gail Skare, Board Chair
Beltrami County
Beltrami County Courthouse
619 Beltrami Avenue NW
Bemidji, MN 56601

Dear Commissioner Skare:

WETLAND CONSERVATION ACT (WCA) BLOCK GRANT RETURN

Since the Board of Water and Soil Resources (BWSR) has not received any indication of Beltrami County's adoption of the WCA (as requested in the letter to you dated June 3, 1994) the BWSR hereby notifies you that:

1. The moratorium on all wetland draining and filling continues in effect for all wetlands under the jurisdiction of the WCA until the County adopts the WCA Rules.
2. The county is in breach of the Natural Resources Block Grant (NRBG) Agreement and ordered to return the WCA portion of the NRBG. The terms of the NRBG Agreement (attached) contract require that the county adopt and implement the WCA pursuant to MN Rules Chapter 8420. Beltrami County adopted a resolution stating that they would adopt and implement the WCA (attached). Beltrami County is in violation of the contract which awarded \$36,000 to the county and is hereby ordered to return this amount less the \$5,000 passed on to the Soil and Water Conservation District (SWCD) and any funds previously delegated to cities in Beltrami County administering the WCA. The BWSR has determined, based on the NRBG application and resolution that \$31,000 is the amount to be returned. Please provide documentation of all grant money distributed to other local governments.

As mentioned before, the BWSR is willing to listen to the concerns your county and others have with the WCA. There may be opportunity for refinement through future law and rule changes. However, the BWSR is also required to ensure that the WCA is properly administered by local government and will pursue appropriate legal options toward this end.

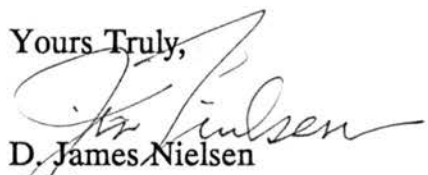
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If your county has adopted the WCA, please remit the supporting documentation immediately. If you have questions please direct them to Ron Shelito, Regional Supervisor, at (218) 828-2604.

Yours Truly,


D. James Nielsen
Chair

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DJN/jj

c: BWSR Members
Dave Weirens, AMC
Frank Sawinski, President, AMC
Matt Seltzer, Assistant Attorney General
Ron Shelito
Brian Dwight
Jerry Engelbrecht, DNR Enforcement Supervisor
Beltrami County Auditor
Beltrami SWCD

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July 18, 1994

Kenneth Murphy, Board Chair
Pennington County
Pennington County Courthouse
P.O. Box 616
Thief River Falls, MN 56701-0616

Dear Commissioner Murphy:

WETLAND CONSERVATION ACT (WCA) BLOCK GRANT RETURN

Since the Board of Water and Soil Resources (BWSR) has not received any indication of Pennington County's adoption of the WCA (as requested in the letter to you dated June 3, 1994) the BWSR hereby notifies you that:

1. The moratorium on all wetland draining and filling continues in effect for all wetlands under the jurisdiction of the WCA until the County adopts the WCA Rules.
2. The county is in breach of the Natural Resources Block Grant (NRBG) Agreement and ordered to return the WCA portion of the NRBG. The terms of the NRBG Agreement (attached) contract require that the county adopt and implement the WCA pursuant to MN Rules Chapter 8420. Pennington County adopted a resolution stating that they would adopt and implement the WCA (attached). Pennington County is in violation of the contract which awarded \$16,700 to the county and is hereby ordered to return this amount less the \$5,000 passed on to the Soil and Water Conservation District (SWCD) and any funds previously delegated to cities in Pennington County administering the WCA. The BWSR has determined, based on the NRBG application and resolution that \$11,700 is the amount to be returned. Please provide documentation of all grant money distributed to other local governments.

As mentioned before, the BWSR is willing to listen to the concerns your county and others have with the WCA. There may be opportunity for refinement through future law and rule changes. However, the BWSR is also required to ensure that the WCA is properly administered by local government and will pursue appropriate legal options toward this end.

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If your county has adopted the WCA, please remit the supporting documentation immediately. If you have questions please direct them to Ron Shelito, Regional Supervisor, at (218) 828-2604.

Yours Truly,

D. James Nielsen
Chair

DJN/jj

c: BWSR Members
Dave Weirens, AMC
Frank Sawinski, President, AMC
Matt Seltzer, Assistant Attorney General
Ron Shelito
Brian Dwight
Jerry Engelbrecht, DNR Enforcement Supervisor
Pennington County Auditor
Pennington SWCD

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July 18, 1994

DelRay Larson, Board Chair
Marshall County
Marshall County Courthouse
208 East Colvin Avenue
Warren, MN 56762

Dear Commissioner Larson:

WETLAND CONSERVATION ACT (WCA) BLOCK GRANT RETURN

Since the Board of Water and Soil Resources (BWSR) has not received any indication of Marshall County's adoption of the WCA (as requested in the letter to you dated June 3, 1994) the BWSR hereby notifies you that:

1. The moratorium on all wetland draining and filling continues in effect for all wetlands under the jurisdiction of the WCA until the County adopts the WCA Rules.
2. The county is in breach of the Natural Resources Block Grant (NRBG) Agreement and ordered to return the WCA portion of the NRBG. The terms of the NRBG Agreement (attached) contract require that the county adopt and implement the WCA pursuant to MN Rules Chapter 8420. Marshall County adopted a resolution stating that they would adopt and implement the WCA (attached). Marshall County is in violation of the contract which awarded \$19,200 to the county and is hereby ordered to return this amount less the \$5,000 passed on to the Soil and Water Conservation District (SWCD) and any funds previously delegated to cities in Marshall County administering the WCA. The BWSR has determined, based on the NRBG application and resolution that \$14,200 is the amount to be returned. Please provide documentation of all grant money distributed to other local governments.

As mentioned before, the BWSR is willing to listen to the concerns your county and others have with the WCA. There may be opportunity for refinement through future law and rule changes. However, the BWSR is also required to ensure that the WCA is properly administered by local government and will pursue appropriate legal options toward this end.

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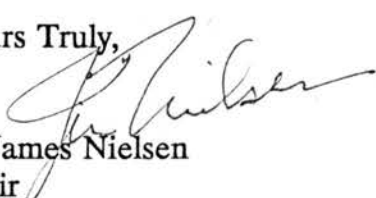
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If your county has adopted the WCA, please remit the supporting documentation immediately. If you have questions please direct them to Ron Shelito, Regional Supervisor, at (218) 828-2604.

Yours Truly,


D. James Nielsen
Chair

DJN/jj

c: BWSR Members
Dave Weirens, AMC
Frank Sawinski, President, AMC
Matt Seltzer, Assistant Attorney General
Ron Shelito
Brian Dwight
Jerry Engelbrecht, DNR Enforcement Supervisor
Marshall County Auditor
Marshall SWCD
Marshall-Beltrami SWCD

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DATE: August 15, 1994

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

FROM: Ronald D. Harnack, Executive Director 

SUBJECT: August 24th BWSR Meeting

The Board of Water and Soil Resources (BWSR) will meet on Wednesday, August 24, 1994, 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.

SUMMARY OF AUGUST 24, 1994 AGENDA

The formal meeting will start at 9:30 a.m. At 9:00 a.m. there will be a signing ceremony for the signing of the Interagency Memorandum of Understanding - Wetland Regulatory Simplification. Several agency commissioners and federal agency representatives will be on hand for the signing. This is one of the significant actions of the interagency coordination committee on wetlands that leads to reducing duplication and enhancing cooperation in wetland management and regulation in Minnesota.

Formal Agenda

- 1. COST-SHARE COMMITTEE ALLOCATION RECOMMENDATIONS:** The committee summary from their first meeting is attached. General focus is to support the area allocation using the existing formula. A number of refinements are recommended for the cost-share retooling process that will be completed by spring of 1995. The committee will be reporting to the BWSR on their recommendations for this effort. **DISCUSSION and DECISION.**
- 2. REINVEST IN MINNESOTA/PERMANENT WETLAND PRESERVES (RIM/PWP) EASEMENT FY 95-96 WORKPLAN AND ALLOCATIONS:** Each year the RIM Program requires that the BWSR review the workplan and make decisions regarding the

priorities for the year and the allocations for the state. Issues include focus on the Minnesota River and priorities for water quality, soil conservation and wildlife habitat in descending order of priority. Staff recommends that BWSR continue the Minnesota effort at 50% of the allocation; that the BWSR endorse the priority for water quality, soil conservation, and wildlife habitat (descending order); and endorse the payment schedule for the easements, all as included in Marybeth's attachments. **DECISION.**

3. **WATER PLANNING AND IMPLEMENTATION PROGRAM ASSESSMENT:** This is the beginning of the staff presentation of BWSR program assessments. The Board asked that these assessments be done as part of the Board's deliberations towards budget initiatives for FY 96-97. The focus of the assessments were to evaluate the adequacy of the resources to carry out the provisions of the law and rule relating to the program. If resources were judged to be deficient then the options presented include increasing the resources or to modify the program to be in line with available resources at BWSR and at the local government. In October, the Board will need to prioritize all the assessment needs and formulate a legislative initiative for the next two years. **DISCUSSION and DECISION.**
4. **SOIL CONSERVATION ASSESSMENT:** This assessment is a continuation of the discussion from last month. The committee met and will present a review of their recommended priorities for consideration. This assessment crosses a number of the Board's programs and therefore will be addressed in more than one assessment. The attached information on the effort will set the stage for the discussion and decision. **DECISION.**
5. **WATERSHED BOUNDARY CHANGES:** There were two petitions for watershed district boundary changes; neither is controversial and staff recommends Board approval. **DECISION.**
6. **METRO WATER PLANNING COMPLIANCE:** The Minnesota Chapter, National Audubon Society, represented by Dick Reynolds, has petitioned the BWSR to take action relating to WMO'S that have not adopted water management plans as required by law. The rule and the law lay out specific provisions for proceeding in this situation. The attached information on this issue sets forth the options for the BWSR. Since the Nine Mile Creek Watershed District has not developed a plan there is sufficient justification for the BWSR to direct an investigation by staff and to have staff report on the investigation and present action options for the Board. Mr. Reynolds will take a few minutes and review his concerns with the Board. Representatives from the Nine Mile Creek Watershed District may also be present to briefly respond to the issue. **DISCUSSION and DECISION.**

BWSR Members, Advisors, and Staff
August 15, 1994
Page Three

7. **WETLAND CONSERVATION ACT (WCA) ADOPTION:** To date we have received one response from the request to return the WCA portions for the block grant dollars. Koochiching County has sent their money back and has also sent a letter asking what we mean by appropriate legal actions will be pursued to ensure that all counties are administering the program. Note the letter in the packet. **DISCUSSION.**
8. **MIDDLE DES MOINES WATERSHED DISTRICT, STATE AUDIT:** The BWSR received an audit from the State Auditor regarding activities of the Middle Des Moines Watershed District. The report identified some significant irregularities in the actions of the Board of Managers. Although the BWSR has oversight over the Districts, the specific authority of the BWSR is limited. Please review the report. Staff will be meeting with the Board of Managers regarding the report and will present action items for the BWSR's consideration in September. **DISCUSSION.**

If you have any questions or need additional information please feel free to call. See you on the 24th!

RDH:mja
Enc.

**BOARD OF WATER AND SOIL RESOURCES
ROOM 112, STATE CAPITOL
75 CONSTITUTION AVENUE
ST. PAUL, MINNESOTA 55155
AUGUST 24, 1994**

PRELIMINARY AGENDA

- | | | |
|------------|-----|--|
| 9:00 a.m. | 1. | Signing of Interagency Memorandum of Understanding
Wetland Regulatory Simplification |
| 9:30 a.m. | 2. | Call Meeting to Order |
| | 3. | Adopt Agenda |
| | 4. | Approve Minutes of July 28, 1994 |
| | 5. | Reports <ul style="list-style-type: none">● Chairman's Report - Jim Nielsen● Executive Director's Report - Ron Harnack● Committee Reports |
| 10:00 a.m. | 6. | Cost-Share Committee Allocation Recommendation - Wayne Zellmer |
| | 7. | Reinvest In Minnesota/Permanent Wetland Preserves
(RIM/PWP) Easement FY 95-96 Workplan and Allocations -
Marybeth Block |
| 11:00 a.m. | 8. | Water Planning and Implementation Program Assessment -
Doug Thomas |
| | 9. | Soil Conservation Program Assessment - Dave Behm |
| | 10. | Watershed District Boundary Change - Doug Thomas <ul style="list-style-type: none">● Nine Mile Creek Watershed District● Riley-Purgatory-Bluff Creek Watershed District |
| 11:30 a.m. | 11. | Metro Water Planning Compliance/Dick Reynolds, Minnesota
Chapter, National Audubon Society - Bruce Sandstrom |
| Noon | | Lunch |

- 1:00 p.m.
13. Wetland Conservation Act (WCA) Adoption Status - Ron Harnack
 14. Middle Des Moines Watershed District State Audit - Ron Harnack
 15. Advisor Comments
 - Gary Nordstrom, SCS
 - Pat Wulff, MLA
 - Dan Livdahl, MACDE
 - Howard Peterson, MAWD
 - Allan Oehlke, MASWCD
 - Franklin Denn, MAT
 16. Board Issues - discussion, comments, action needed
- 3:00 p.m. Adjourn

**BOARD OF WATER & SOIL RESOURCES
ROOM - TECH II
CRAGUN'S CONFERENCE CENTER
2001 PINE BEACH ROAD WEST
BRainerd, MN 56401
July 28, 1994**

APPOINTED MEMBERS PRESENT: Jim Nielsen, Barb Uppgaard, Barb Cobb, Ted Lovdahl, Warren Rodning, Dwain Otte, Glenn Annexstad, Howard Peterson, Kathleen Roer, Marvell Tripp, Jim Rossman and Tim Hvidsten.

AGENCY MEMBERS PRESENT:

Fred Bergsrud, Minnesota Extension Service (MES)
Wayne Anderson, Pollution Control Agency (PCA)
Mark Dietrich, Minnesota Department of Agriculture (MDA)

AGENCY MEMBERS ABSENT:

Kim Benson-Johnson, Minnesota Department of Health (MDH)
Wayne Edgerton, Minnesota Department of Natural Resources (DNR)

OTHERS PRESENT:

Pat Wulff, Minnesota Lakes Association (MLA)
Gary Nordstrom, Soil Conservation Service (SCS)

STAFF PRESENT:

Ron Harnack
Dave Behm
Wayne Zellmer
Ron Shelito
Brian Dwight
Vicky Erbele

Chairman Nielsen called the meeting to order at 8:35 a.m.

Adopt Agenda - The agenda was approved as amended.

**** 94-38 Minutes of June 22, 1994** - Moved by Ted Lovdahl, seconded by Howard Peterson, to approve the minutes of the June 22, 1994, as circulated. Affirmative: Annexstad, Cobb, Hvidsten, Lovdahl, Otte, Peterson, Roer, Rodning, Rossman, Tripp, Uppgaard and Nielsen. Opposed: None. Carried.

Chairman's Report - Jim Nielsen reported that the Farm Bill Futures draft has received approval by the Department of Natural Resources (DNR). A copy of the draft is being distributed to farm and conservation groups for comment; responses should be received by mid-August. A "Mid-west Governor's Conference on the Future of the Farm Bill" will be held in Lincoln, Nebraska, on August 21-23, 1994. Chairman Nielsen would like to have the Governor use the draft document to present key issues in development of the next farm bill.

Director's Report: Ron Harnack reported that wetlands were a big work item for staff again this past month. One half of staff time in the northern region and metro region has been spent on wetlands.

Ron stated that during the Legislative Water Committee tour of Wilkin and Grant counties, there were four points (needs) identified: 1) research; 2) more emphasis on technical assistance; 3) the need for financial assistance; and 4) increased education about the relationship of the financial and conservation areas of farming.

Ron commented on interagency coordination. Staff has had meetings with agencies to address conflicts or perceived conflicts in the implementation of BWSR programs. Wetlands, stormwater and the ability of SWCDs to administer feedlot ordinances under agreements with the county are some of the issues that need to be addressed.

Ron has spent two days with BWSR Marshall staff and will spend time with other offices also.

Committee Reports:

Dispute Resolution Committee - Kathleen Roer reported that they need to set up meetings for the WCA reviews.

Education Committee - Tim Hvidsten reported that the Education Committee will meet today.

Feedlot Committee - James Rossman reported that the Feedlot Committee met on June 30, 1994, in Mankato. The Legislature established a committee to replace the Feedlot

Advisory Group (FLAG). The group is now progressing under the direction of the Pollution Control Agency and the Department of Agriculture.

Ron Harnack reported that they are in the process of filling the feedlot position in Marshall that was vacated when Brad Matlack moved to Duluth.

Reinvest In Minnesota/Permanent Wetland Preserves (RIM/PWP) Rule Adoption -

94-39 ** Dave Behm reported that he did not receive a request for a hearing in the rules; he did receive two written comments and responded to those comments. The changes resulting from the comments are considered insignificant and for clarification only. Motion made by Dwain Otte, seconded by Barb Cobb, to adopt the rule. Affirmative: Annexstad, Cobb, Hvidsten, Lovdahl, Otte, Peterson, Rodning, Roer, Rossman, Tripp, Uppgaard, and Nielsen. Opposed: None. Carried.

Cost-Share Allocation Committee Report - Wayne Zellmer gave an update on the cost-share revision effort. Dwain Otte was appointed chairman of the cost-share retooling committee. The committee made considerable progress towards a recommendation for the next BWSR meeting.

Soil Conservation Advisory Committee Report and Recommendations - Dave Behm presented the Soil Conservation Initiative Strategic Plan. Glenn Annexstad commended Dave for the good work putting the packet together. Discussion followed. Next month staff will present specific recommendations for endorsement.

Jim Rossman asked where the Conservation Reserve Program (CRP) stands. It was stated that congressional action will be required to continue the program. Most conservation organizations and states have taken positions supporting reauthorization and have presented criteria to focus or target available funding. BWSR has taken a position in the draft "farm bill initiative." Discussion followed regarding putting county dollars into soil survey updates and digitization.

Model ordinance is being sent to the local units of government.

94-40 ** **Minnesota Forestry Improvement Program (MFIP) Allocations -** Wayne Zellmer presented the Minnesota Forestry Improvement Program (MFIP) allocations. Motion was made by Barb Uppgaard, seconded by Lovdahl, to accept the allocation report. Affirmative: Annexstad, Cobb, Hvidsten, Lovdahl, Otte, Peterson, Rodning, Roer, Rossman, Tripp, Uppgaard, and Nielsen. Carried.

Ron Harnack gave the challenge grant report. There was a discussion about counties that have not accepted the Wetland Conservation Act (WCA). Should they be reviewed as eligible or ineligible? Also, it needs to be resolved whether they should be eligible for next year's block grant. The challenge grant criteria were sent out, it did not exempt the counties that have not adopted the WCA. Board discussed options and decided not to

take any action; therefore, the applications will be reviewed as part of the normal review process.

**
94-41

Cottonwood SWCD Waiver Request - Ron Harnack reported that the request was related to a design deficiency for a feedlot. Motion by Warren Rodning, seconded by Tripp, to approve the request. Affirmative: Annexstad, Cobb, Hvidsten, Lovdahl, Otte, Peterson, Rodning, Roer, Rossman, Tripp, Uppgaard, and Nielsen. Opposed: None. Carried.

**
94-42

Per Diem and Expense Policy - Ron Harnack reported on the per diem and expense policy. Discussion followed. Paragraph eight was changed to paragraph seven and reads as follows: "Travel by a Board member for a regular meeting, special meeting, or committee meeting exceeding 100 miles and up to 200 miles shall be entitled to claim one per diem for travel." Paragraph seven shall be numbered paragraph eight. A motion was made by Ted Lovdahl and seconded by Dwain Otte to accept the per diem and expense policy with the changes to Paragraphs seven and eight. Voting affirmative was Annexstad, Cobb, Hvidsten, Lovdahl, Otte, Peterson, Rodning, Roer, Rossman, Tripp, and Nielsen. Voting negative was Barb Uppgaard. Motion carried.

Advisory Reports:

Minnesota Lakes Association (MLA): Pat Wulff enjoyed the tour and was glad to see the Board focus efforts on lakes.

Soil Conservation Service (SCS): Gary Nordstrom commented that the 1995 appropriations went into conference yesterday, he has not heard results as yet. He is involved with launching the Americorp Program to assist students with college education costs. On August 16 there will be a session on total quality management.

Minnesota Association of Watershed Districts (MAWD): Howard Peterson reported that MAWD hosted a tour of the Upper Minnesota River Watershed. People on the tour (which included part of South Dakota) were enthusiastic about the accomplishments between South Dakota and Minnesota, he reported.

Barb Uppgaard said that she would like to have staff brought in from field offices to report at Board meetings. Ron Harnack said that it had been done in the past, however, time on the agenda became an issue.

Board members commented on Wednesday's tour. Consensus was that it was noted that it was a good tour; the breakout sessions were excellent; and it gave people in Greater Minnesota a chance to interact with all Board members.

Wayne Anderson, PCA, stated that the Federal Clean Water Act appears dead for this congressional session. Apparently, wetlands were the primary issue that caused the delay.

Mark Dietrich of the MDA talked about the Minnesota River Assessment Project and keeping farmers informed.

**
94-43 Moved by Ted Lovdahl, seconded by Warren Rodning, to adjourn the meeting at 12:00 p.m. Affirmative: Annexstad, Cobb, Hvidsten, Lovdahl, Otte, Peterson, Rodning, Roer, Rossman, Tripp, Uppgaard, and Nielsen. Opposed: None. Carried.

Respectfully submitted,

D. James Nielsen
Chairman

INTERAGENCY MEMORANDUM OF UNDERSTANDING for the State of Minnesota

WETLAND REGULATORY SIMPLIFICATION

I. WETLAND BANKING

WHEREAS, landowners that have received wetland project approvals, as required by state and federal laws, rules and regulations, should have access to all applicable replacement options; and

WHEREAS, the State Wetland Bank established by the Minnesota Wetland Conservation Act, Minn. Rules Chapter 8420, provides a potential option for compensatory mitigation through wetland replacement; and

WHEREAS, the participating Federal agencies concur that the State Wetland Bank is consistent with the Corps of Engineers (Corps) and Environmental Protection Agency (EPA) Mitigation Memorandum of Agreement dated February 7, 1990 and the Generic Mitigation Banking Guidelines promulgated by EPA - Region 5 and the Corps - St. Paul District on July 10, 1991; and,

WHEREAS, benefits of use of a wetland banking program include:

1. Appropriate and perpetual mitigation, pursuant to Wetland Conservation Act requirements, is assured as wetland replacement credits will meet the principles and procedures for review, deposit, auditing and monitoring as provided for in the Wetland Conservation Act.
2. More efficient and cost-effective mitigation will be realized as landowners will be able to seek wetland replacement that would likely meet all of the agencies' requirements for compensatory mitigation.
3. A positive balance of wetland acres will be realized as wetland restoration and creation projects must be completed and deposited before credits can be withdrawn; and

WHEREAS, Wetland bank credits provide a replacement option only where the proposed use of such credits meets all of the compensatory mitigation requirements (e.g., size, type and location) of the Federal, state or local approval agency(s); and

WHEREAS, the undersigned agencies concur that the consideration of state wetland bank credits should be allowed as a potential compensatory mitigation option by landowners if such option is consistent with the approval agency's applicable compensatory mitigation requirements; and

THEREFORE, the undersigned agencies concur that it is in the public's interest to allow use of the State Wetland Bank, where appropriate, as a compensatory option, and that the respective agencies will consider state wetland bank credits in applicable and appropriate situations.

II. STATEWIDE GENERAL PERMIT(s)

WHEREAS, federal wetland policy encourages the U.S. Army Corps of Engineers to issue Regional General Permits where state and/or local government regulations duplicate those of the Clean Water Act; and

WHEREAS, Federal wetland policy (as issued on August 24, 1993) states that "...PGPs (Programmatic General Permits) are extremely useful in reducing unnecessary duplication between Federal and non-Federal regulatory programs and in generally enhancing the role of State and local governments...in decisions regarding wetlands and other aquatic resources."; and

WHEREAS, the Wetland Conservation Act, as administered by local governments and overseen by state government, overlaps the wetland protection provisions of the Federal Clean Water Act for many projects; and

WHEREAS, implementation of the Statewide General Permit(s) is intended to provide:

- i.) increased efficiency for Federal, State and local government regulatory programs; and
- ii.) improved service to the regulated public by establishing "one-stop shopping", at the local government level, for seeking the approvals necessary to conduct many projects impacting wetlands; and,

WHEREAS, the Wetland Conservation Act requirements and the provisions of a Statewide General Permit(s) provide for oversight of local government activities by the Federal and State Governments and affected members of the public; and

THEREFORE, the undersigned agencies concur that it is in the public's interest to develop a Statewide General Permit(s) that effectively protects wetlands while minimizing regulatory duplication.

III. COLLABORATIVE EFFORTS

WHEREAS, through Inter-Agency Wetlands Group and other joint efforts, further opportunities exist for wetland regulatory simplification and coordination, including:

1. Development of an interagency wetlands newsletter service and brochures to a wide spectrum of public and private interests; and
2. Scientific training for agency staff (conducted by an interagency team) in wetland identification and delineation; and
3. Where appropriate -- reciprocal acceptance of wetland delineations completed under each agency's respective authority, if they are conducted consistent with the techniques prescribed in the present and future versions of the *Federal Manual for Identifying and Delineating Jurisdictional Wetlands*, the *U.S. Army Corps of Engineers Wetland Delineation Manual*, and the *National Food Security Act Manual*; and,
4. Comprehensive administrative training and guidance for agency staff implementing and complying with wetland regulations; and
5. Continued acceptance of the combined project notification/application form as a permit application form to all agencies for wetland projects; and
6. State Wetland Planning efforts; and
7. Coordination of wetland preservation and incentive programs.

THEREFORE, the undersigned agencies agree to undertake and continue these initiatives and other collaborative efforts resulting in effective wetland protection through regulatory simplification.

IV. GENERAL

1. The policy and procedures contained within this Memorandum of Understanding (MOU) do not create any rights, either substantive or procedural, enforceable by any party regarding an application for a permit or enforcement action brought by the United States or the State of Minnesota. Deviation or variance from the administrative procedures included in this MOU will not constitute a defense for violators or others concerned with any State or Federal enforcement action.

2. Nothing in this MOU is intended to diminish, modify, or otherwise affect statutory or regulatory authorities of any of the signatory agencies. All formal guidance interpreting this MOU and background materials upon which this MOU is based will be issued jointly by the agencies.
3. Nothing in this MOU will be construed as indicating a financial commitment by the signatory agencies for the expenditure of funds except as authorized by specific appropriations.
4. This MOU will take effect on the date of the last signature below and will continue in effect until modified or revoked by agreement of all signatory agencies. Any one of the signatory agencies may revoke its participation in this MOU by a 90 days prior written notice to all of the other signatory agencies. Modifications to this MOU may be made by mutual agreement and approval by all the signatory agencies. Such modifications will take effect upon signature of the modified document by all the signatory agencies.

[SIGNATURES]

Signature Date D. James Nielsen, Chairman, Board of Water & Soil Resources

Signature Date James T. Scott, Colonel, Corps of Engineers, District Engineer

Signature Date Chuck Williams, Commissioner, MN Pollution Control Agency

Signature Date Rod Sando, Commissioner, MN Dept. of Natural Resources

Signature Date Gary Nordstrom, SCS State Conservationist, USDA

Signature Date James N. Denn, Commissioner, MN Dept. of Transportation

Signature Date Dale Bryson, Water Division Director, Region 5 - USEPA

Signature Date Elton Redalen, Commissioner, MN Dept. of Agriculture

August 4, 1994

TO : Cost-Share Committee Members
FROM: ^{Wayne} Wayne Zellmer, Grants Coordinator
RE : BWSR Cost-Share Committee Notes

The Cost-Share Committee convened on July 26, 1994, and appeared to reach consensus on cost-share allocation and MASWCD's cost-share resolution as follows:

- 1) The "area cost-share concept" may allow SWCDs to have more local practical discretion and to establish regional priorities.
- 2) For now, the cost-share formula should remain as it is. Potential revision of the formula and updating data inputs should be part of the cost-share retooling and rule revision process.
And:
 - * Areas will keep roll-over \$.
 - * Special Project's Program as managed now will cease.
 - * Technical and administrative \$s will be managed by the areas.
- 3) Areas will allocate in accordance with BWSR's priorities, policies, and Strategic Plan.
- 4) Rule revision (allocation) needs to assess impact of SRF and potential increase in base funding to SWCDs (part of cost-share retooling).
- 5) An area may elect not to participate in the area cost-share allocation process. SWCDs in non-participating areas will receive allocations as in the past. It was felt that some areas may not participate due to the risk of SWCD's losing cost-share \$s.
- 6) Potential revision of the cost-share formula and updating data inputs should be part of the cost-share retooling process.

Russ Ruud and D'Wayne DeZiel will present these above items to MASWCD, MASWCDE, and SWCD Supervisors at the Stable Funding Conference on August 9, 1994. Dwain Otte was designated Committee chair.

The Cost-Share Committee will meet again:

WHEN : Monday, August 15, 1994, 10 AM
WHERE : Minnesota Department of Agriculture, Conference Room Four
PURPOSE: Prepare Committee recommendation for August Board Meeting

cc: Russ Ruud, MASWCD Dave Behm Greg Larson
D'Wayne DeZiel, MASWCD Ron Harnack

Program Assessment: Water Planning and Management

INTRODUCTION

This assessment will address three distinct aspects of water planning and management:

- 1) Metropolitan Surface Water Management (MSWM) pursuant to Minnesota Statutes (M.S.) section 103B.201;
- 2) Metropolitan Ground Water Management (MGWM) pursuant to M.S. section 103B.255; and
- 3) Local Water Planning (LWP) pursuant to M.S. section 103B.301.

These planning activities differ from the planning efforts of other local government unit (LGU) clientele assisted by the Board of Water and Soil Resources (Board) in that these activities are designed to provide a comprehensive approach to water management. Consequently, these activities ultimately provide the framework against which other local plans and official controls are reviewed. Other planning activities required of local units of government assisted by the BWSR include SWCD comprehensive plans, and Watershed District comprehensive watershed management plans.

PROGRAM DESCRIPTION: Metropolitan Water Management

The purpose of metropolitan water planning is to provide a framework and combination of authorities, including regulatory and financing mechanisms, under which:

- 1) forty six watershed management organizations (WMOs) prepare comprehensive water and related land resource management and protection plans, and
- 2) seven counties prepare ground water management and protection plans.

The resultant goal of water planning is the enhancement, coordination, and development of programs, policies, and official controls by 187 cities, and ___ townships within the metropolitan area for the protection of water and related land resources.

In the seven county metropolitan area, surface water planning is a statutorily mandated responsibility of WMOs. Ground water planning, however, is optional and the lead responsibility lies with the counties.

PROGRAM HISTORY: Metropolitan Water Management

The purposes for which MSWM was established remain valid today, 12 years after passage of the Act. The legislature and the public still regard issues like minimizing public expenditures to correct flooding, establishing uniform policies and official controls for the management of surface and ground waters, preventing sedimentation of eroded soil into surface waters, and enhancing fish and wildlife habitat and water recreational facilities as important priorities for the metropolitan area.

Since passage of the MSWM Act in 1982, two major transitional events occurred.

- 1) 1987: Act amended to include planning for ground water resources. Metropolitan counties authorized to develop and implement groundwater protection plans. Amendments also required comprehensive MSWM plans to conform with adopted ground water plans.
- 2) 1989: legislature established a task force to investigate MSWM. Task force recommended:
 - directing the Board to develop administrative rules for plan content and operation of WMOs,
 - requiring WMOs to provide written reports to the Board, and
 - directing the Board to provide greater oversight of plan implementation.

Both of these events resulted in a greater expectation of the Board to provide guidance, oversight, and coordination between LGUs and state agencies.

- 1982: ● Program established by legislature in 1982, was initially administered by Water Resources Board, a predecessors of the BWSR, and no new funding or staff was provided. Existing staff of the Water Resources Board included one director, one hydrologist, and one secretary. additionally no funding or staff was provided to any other applicable state agency or the Metropolitan Council yet all were required to provide data, consultation, and review plans. No state funding was available to the individual WMO's to assist in plan preparation.
- 1987: ● Statutory amendment provided authority to metropolitan area counties to voluntarily prepare ground water management plans. If a county prepares and adopts a MGWM plan, WMOs obligated to conform with the MSWM plan, and make revisions as needed to their MSWM plans. No additional funding or staff provided to the Water Resources Board, participating state agencies, or the Metropolitan Council.
- Board created through merger of Soil and Water Conservation Board, Water Resources Board, and Southern Minnesota River Basin Board. Five new staff provided at the time of merger to carry out the existing program responsibilities of the newly formed Board, yet none were directed for MSWM. Existing hydrologist position (from former Water Resources Board) reclassified as MSWM Coordinator.
- 1989: ● Legislature established Governor-appointed task force to review implementation of the Act. Recommendations included: (1) need to develop rules for plan content, (2) greater oversight of implementation by the Board, (3) better interagency coordination, and (4) greater reporting requirements by the WMOs.
- 1990: ● Ground Water Protection Act provided one hydrogeologist with 0.5 FTE directed to ground water management activities, including MGWM planning.

- Statutory amendments to MSWM Act require promulgation of administrative rules. Also placed greater emphasis on the Board for functions such as reporting and interagency coordination. No additional staff or monies were received to carry out this function.

1991: ● Board administrative reorganization created a Metropolitan Region, with the existing MSWM Coordinator reclassified as Metro Region Supervisor; this action resulted in a 0.6 FTE reduction of staff assistance from the position to MSWM.

1994: ● Metro Ditch Report. *(Doug suggests Bruce should provide some info here)*

PROGRAM STRENGTHS: Metropolitan Surface Water Management

- Provide metropolitan LGUs the ability to plan for and manage surface water on a watershed basis.
- Ability to strike a balance between the (a) need for growth, and the (b) protection of natural resources through public participation and review and approval of plans.
- The acceleration of capital improvement projects and programs where WMO's that have taken advantage of the ad-valorem taxing authority given to them under MSWM.

PROGRAM STRENGTHS: Metropolitan Ground Water Planning

- Provides metro counties with the ability to plan for and manage ground water. Metro Counties can be appropriate units of government for effective ground water planning and management.
- Uses existing authorities to protect ground water. Identifies effective programs for ground water protection. Develops an institutional framework for coordinated ground water management by local government.
- Fosters communication between metro counties on ground water issues (e.g. Metro Ground Water Alliance).
- Public involvement: has relied heavily on input of county residents and local water managers.
- Integrates local initiatives with state and federal programs (e.g. wellhead protection).
- Develops county-level ground water information management capabilities.
- Counties have developed the capability to provides technical assistance to cities and WMOs.
- Increases knowledge and awareness of ground water issues at the county level.

PROGRAM WEAKNESSES: Metropolitan Surface Water Management

- Program Implementation. Nine out of forty-six WMOs have not yet received approval of their first plan. Actual implementation of many plans is through local water plans prepared by cities and towns. Based on the annual reports

from WMOs submitted in 1993, only about 10% of the cities and towns had approved local water plans. This number is highly speculative because only 19 of the 46 WMOs reported to the Board in 1993.

- **Conflicting relationship with other federal and state laws.** M.S. 103B.201, subdivision (1) ("to protect, preserve, and use natural surface and groundwater storage and retention systems") appears to be in conflict with how the U.S. Army Corps of Engineers (USCOE) and the Minnesota Pollution Control Agency (MPCA) currently administer sections 401 and 404 of the Clean Water Act. This conflict arises when water quality standards such as depth of inundation by water unreasonably affect a wetland to be used for stormwater management when done as part of a comprehensive stormwater/wetland management plan. Conflicts also arise over misunderstandings of the scope and extent of USCOE and MPCA jurisdiction.
- **Ineffective financing authorities.**
 - (1) Many metropolitan area ditches were originally constructed for agricultural drainage, but now are used as part of a community's stormwater conveyance system. Most improvement or maintenance of these systems must be done as provided by Minnesota's Drainage Law, M.S. 103E, which authorizes financing of such projects on the basis of special assessments against benefitted properties. This system works well in an agricultural setting because a direct benefit or damage from the activity can be easily measured. However, this method of financing is cumbersome to use in an urbanizing area because of the number of small properties involved and the extreme difficulty in determine benefits and damages to those properties. The existing drainage law also makes it extremely difficult to abandon a public ditch and manage it under the guidance and policies of a MSWM plan.
 - (2) MSWM Act authorizes the use of ad-valorem levies to pay for the cost of planning and implementation of projects and programs identified in an approved plan. While the Board asserts that MSWM Act contains this authorization, many WMOs question this interpretation. Consequently, if the issue of financing remains unresolved, the potential for uniform success is limited. WMOs have also been unable to create sub-watershed tax districts and finance emergency projects identified in their approved plans.
- **Inadequate service to WMOs and member municipalities.** Statutory amendments in 1990 require the Board to address additional responsibilities for MSWM, such as: (a) review of all plans once every five years, (b) development of a model environmental management ordinance, (c) investigation of failures to implement WMO plans, (d) review of annual activity reports and financial audits, and, (e), as a result of the administrative rules promulgated as required, the Board must also conduct more detailed reviews of second generation plans. None of these requirements have been adequately addressed, and some have not been initiated with the current staffing levels. Concurrently, overall Board

staff assistance has declined by 0.75 FTE since 1989 due, in large part, to the reclassification of the MSWM Coordinator to Metro Region Supervisor, current workloads of the Board Conservationists to implement the Wetland Conservation Act.

- **Lack of financial assistance to WMOs and member municipalities.** Consequently, plan development and implementation have been delayed. The lack of financial assistance to these LGUs is particularly acute in the rural and semi-rural LGUs of this region which, by many measures, are much like their Greater Minnesota counterparts. In the metropolitan area, the only state grants provided are for county ground water planning. By comparison, in Greater Minnesota, non-competitive grants are available for both plan development (\$15,600 per county) and for plan implementation (\$37,500 less the required local levy). Also, current rules for the Local Water Resources Protection and Management Program do not allow WMOs to directly apply for and receive competitive grant funds for plan implementation. If a WMO wishes to apply for these funds, it must request them through a county to the Board.
- **Excessive fragmentation of municipal jurisdiction.** Currently, MSWM is based on 46 watershed units and many WMOs are small in size. Accordingly, some individual communities may lie within as many as four WMOs, each requiring them to develop a local plan that is compliant with the WMO's overall plan. Consequently, many communities delay development of local plans until all WMOs within their jurisdiction have completed their plans.

PROGRAM WEAKNESSES: Metropolitan Ground Water Planning

- Lack of support and commitment from some county boards to ground water planning.
- Lack of acceptance of county ground water planning efforts on the part of cities and WMOs. This has especially been the case in Hennepin County, where some cities and WMOs feel threatened by county ground water planning efforts, and have lobbied heavily to delay the approval, adoption, and implementation of the county ground water plan.
- Counties with no direct zoning authority (Hennepin and Ramsey) must rely on cooperation with cities and WMOs for final plan implementation.
- The fragmented institutional framework of water management in the metro area has limited the effectiveness of metro ground water planning.
- Lack of leadership and support from BWSR. Though BWSR has met its minimum statutory obligations for plan review and approval, the Board has not shown the same leadership and advocacy that it traditionally had shown with comprehensive local water planning efforts outstate. Due to workload issues, BWSR metro region staff have not been able to participate extensively. BWSR has not served as a liaison between county ground water planning and WMO planning. BWSR has not been a strong advocate for metro county ground water planning.

PROGRAM ALTERNATIVES: Metropolitan Surface Water Management

- 1) **Status Quo.** Maintain current levels of support including administration, outreach, funding, and legislative initiatives.

Staffing: No change.

Legislative Action: None.

Implications: Surface water management, based on hydrologic boundaries, will languish and legislative intent will not be met. LGUs will continue to spend time and money in a planning process that has little value to them due to unresolved interagency authorities and questions over financing. The Board will continue to be criticized for not effectively carrying out its responsibilities which will be evidenced by the number of incomplete and unadopted plans as well as the overall lack of implementation of local plans.

- 2) **Replace mandatory requirements with voluntary goals.** MSWM program would no longer be mandatory for WMOs, rather it would be offered as MSWM goals and authorities that could be voluntarily adopted by WMOs, similar to local water planning in Greater Minnesota.

Staffing: The existing staff complement of approximately 0.6 FTE (.4 FTE from regional supervisor and .2 FTE from BC's) would provide technical and administrative support to only those WMO's that are committed to achieving the goals and purposes of metropolitan surface water management.

Legislative Action: Elimination of the mandatory requirement for surface water management plans in the seven county metropolitan area.

Implications: Board and other agency staff would only work with those WMOs truly committed to surface water management, thereby optimizing extremely limited staff resources. However, the purpose of uniform stormwater, wetland, and ground water management within the metropolitan area and between local units of government would not be realized since it is already apparent that less than full participation of LGUs would occur. Counties would experience greater difficulty in implementing groundwater plans since much of the work is accomplished through the requirement for WMO and local plans to be in conformance with the groundwater plan.

- 3) **Full implementation of the Act.** All of the following suggested solutions should be considered together as one package, not as separate efforts.

Staffing: Four additional FTE positions: one program specialist, two Metro Region Board Conservationists, and one support staff. Additional consideration

must also be given to staff deficiencies in other state agencies and the Metropolitan Council.

Legislative Action: A legislative initiative is necessary to address: (a) organizational structure of WMOs including issues of consolidation and BWSR authority to order the formation of a watershed district, (b) clarification of financing authorities, (c) oversight role of the Board, (d) resolution of conflicting wetland and stormwater mandates, and (e) increasing access to state financial assistance.

Implications: If this alternative was implemented water management plans would be developed and implemented in a timely manner; improved inter agency coordination would result in limited conflict between the various state and federal water quality and quantity goals; regulatory simplification at the watershed and municipal level; improved quality of water resources in the metropolitan area would occur; there would be reduced expenditures for damages resulting from uncontrolled surface water; and, fish and wildlife habitat and water recreational facilities would be enhanced.

- 4) **Transfer authority to Metropolitan Council.** Metropolitan Council would administer MSWM as part of its "metropolitan systems" concept.

Staffing: Existing staff compliment (approximately 0.6 FTE combined total) would be reallocated to SWCD support, wetland conservation act administration, and interagency coordination. With this recommendation we believe it important for the Board to recognize that the Metropolitan Council would require additional staff to carryout these responsibilities.

Legislative Action: Requires changes to existing statute to transfer authorities.

Implications: Board's role would be reduced to an advisory and a plan reviewing capacity. Board would abdicate its role of empowering and assisting LGUs to plan for and manage its natural resources within the metropolitan area. Also, the ability of metropolitan LGUs to have access to the Board as a forum for water policy dispute resolution would be greatly diminished.

- 5) **Investigate a reorganization of Metropolitan Water Management.**

The purpose of this alternative would be to investigate the current water management structure and recommend alternatives. Outcomes of this process are unpredictable but could result in a program that favors more comprehensive organizations covering larger geographic areas, or giving counties a greater role.

Staffing: This alternative would require additional staff on a short term basis to staff the investigation, public input process, development of alternatives, and the legislative package.

Legislative Action: Requires special legislation similar to the creation of the metropolitan water management taskforce that was created in 1989.

Implications: This alternative would put the MSWM in a holding pattern during the period that the investigation would take place. The long term implication of this alternative may be the reduction of current fragmentation and conflicts. It may also provide for comprehensive management of water resources (both surface and ground water) in the metro area.

PROGRAM RECOMMENDATIONS: Metropolitan Surface Water Management

- Alternative 3: Staff believe that the Board should not abdicate its responsibility to LGUs in the metropolitan area in the area of water management. Staff believe that the Board's enabling legislation provides a unique and important liaison and function for the purpose of assisting LGUs through direct technical and administrative assistance, intervention, water policy dispute resolution, and funding.
- Staff further recommends that in the absence of pursuing Alternative 1, then Alternative 4 or 5 should be pursued.

PROGRAM ALTERNATIVES: Metropolitan Ground Water Planning

- 1) **Status Quo** Continue to meet the minimum requirements for plan review and approval of plans and updates. There would be some support for inter-county coordination such as is currently getting underway with the Metro Ground Water Alliance. There would be little additional effort to provide leadership to counties preparing or updating plans.

Staffing No change

Legislative Action: none

Implications: The Board would meet its minimum statutory requirements for plan review and approval. Inter-county coordination efforts would continue and receive some support from BWSR staff (mainly through the staff hydrogeologist). There will continue be a leadership and advocacy "vacuum" for the program. County Boards may withdraw support for ground water planning. It is likely that Hennepin, Washington, and Anoka counties will not adopt and implement plans. BWSR may be criticized for its lack of support and leadership. Other agencies (e.g. Met Council) will likely step into a leadership role in regional ground water management.

- 2) **Increased support, leadership and advocacy for Metro GW Planning**
Continue existing support for plan review and approval and for inter-county coordination. Increase support to counties preparing and revising plans.

Increased advocacy of metro county ground water planning - working with county boards, other state agencies to get greater support for the program. Increased support for coordinating WMO planning with metro ground water planning.

Staffing: An additional 0.5 FTE for greater involvement by metro region BCs. Some reallocation of central office hydrogeologist's time to the program.

Legislative Action: none

Implications: Program will have a better chance of meeting the ground water management needs of the metro area. County boards may be more likely to provide support for ground water planning efforts. County ground water planning will be better coordinated with metro surface water management. However the institutional problems of metro water management, (fragmentation, lack of coordination) which are inherent in the current system, will remain. Problems will certainly not disappear as a result of increased BWSR involvement.

3) **Investigate a reorganization of Metropolitan Water Management**

The purpose of this alternative would be to investigate the current water management structure and recommend alternatives. Outcomes of this process are unpredictable but could result in a program that favors more comprehensive organizations covering larger geographic areas, or giving counties a greater role.

Staffing: This alternative would require additional staff on a short term basis to staff the investigation, public input process, development of alternatives, and the legislative package.

Legislative Action: Requires special legislation similar to the creation of the metropolitan water management taskforce that was created in 1989.

Implications: This alternative would put the MSWM in a holding pattern during the period that the investigation would take place. The long term implication of this alternative may be the reduction of current fragmentation and conflicts. It may also provide for comprehensive management of water resources (both surface and ground water) in the metro area.

PROGRAM RECOMMENDATIONS: Metropolitan Ground Water Planning

If the Board chooses an expanded role in Metropolitan surface water management, then staff recommends that alternative 2 (increased support, leadership and advocacy for Metro Ground Water Planning) be followed. Staff also recommends that the entire metropolitan water management structure be examined for its effectiveness and possibly redesigned.

RELATIONSHIP TO STRATEGIC PLAN: Metropolitan Surface Water Management

The metropolitan surface water management act embodies many of the policies that the strategic plan of the Board addresses. The two main elements are:

Service to Local Units of Government - The BWSR provides local governments with guidelines, training, and technical assistance in developing, implementing, and administering water and soil resource management plans.

Coordination - The BWSR uses its members, local planning guidelines, rules, and staff assistance to foster communication, understanding, exchange of information and ideas, and working partnerships among Minnesota counties, soil and water conservation districts, watershed districts, other units of local government, regional development commissions, the metropolitan Council, state and federal agencies involved in water and soil resources management.

More specifically the strategic plan addresses urbanizing lands and states that BWSR will serve to minimize the potential water and soil problems associated with urbanization by assisting local governments in developing and implementing effective local water management plans and coordinating with other state agencies and the Metropolitan Council in establishing water planning and management policies.

PROGRAM DESCRIPTION: Local Water Planning

The purpose of local water planning is to provide a framework and combination of authorities, including regulatory and financing mechanisms, under which counties in Greater Minnesota can prepare and implement comprehensive management plans addressing surface water, ground water, and related land resources. The resultant goal of water planning is the enhancement, coordination, and development of programs, policies, and official controls by counties for the protection of water and related land resources.

In Greater Minnesota, water planning is a voluntary program. However, with the growing number of statutory and agency administrative references requiring a county to have an approved water plan as a condition of eligibility to participate in certain state programs or to receive certain state funds, the perception that the program is truly not voluntary is becoming more widespread.

PROGRAM HISTORY: Local Water Planning

All Greater Minnesota counties are participating and only one county does not have a state approved and locally adopted plan. The purposes for which local water planning were established in 1985 remain as valid and appropriate today.

Since 1985, three major transitional events have occurred.

- 1) 1989: Ground Water Protection Act --
 - (a) required objectives for wellhead protection and sensitive ground water areas be included in plans that are revised or updated after 1990; and

- (b) created the Local Water Resources Protection and Management Program (LWRPMP). LWRPMP provides non-competitive plan development funding and plan implementation grants to Minnesota counties.
- 2) 1990: legislation requiring counties to specify criteria for the control and management of stormwater due to the creation of impervious surfaces in conjunction with development activities. This was the first legislation that mandated an element of a county water plan which would directly impact cities. Cities would be affected because once a county specifies stormwater criteria in its water plan, the cities within that county must then bring their local plans and official controls into compliance with the relevant provisions of the county water plan.
- 3) 1993: Administrative rules promulgated for the Wetland Conservation Act require that a county identify in its local water plan high priority wetland preservation, restoration, and enhancement areas. County designation of these areas is a requirement in order for landowners to be eligible to participate in the Wetland Preserves Program.
- 1985: • Program established, administered by the Water Resources Board; no new staff provided. Existing staff included one executive director, one hydrologist, and one secretary.
- 1987: • Board created through merger of Soil and Water Conservation Board, Water Resources Board, and Southern Minnesota River Basin Board.
- Legislative Commission on Minnesota Resources (LCMR) funded a pilot program to provide grants to 52 counties to assist in their development of local water plans.
- 1988: Five new staff were requested to carry out the existing program responsibilities of the newly formed Board. Three of these positions directed to LWP as one coordinator and two field hydrologists (one designated to each half of the state).
- 1989: • Groundwater Protection Act. As indicated above, this legislation created the LWRPMP. Grants for the non-competitive base portion are calculated in part on the ability of a county to pay. A portion of the LWRPMP is also available to counties on a competitive basis. Three staff added with one directed to LWP as a field hydrologist. However, the administrative duties of LWRPMP were assumed by the existing LWP coordinator; consequently, available staff assistance from the LWP coordinator for the routine service to LGUs was reduced by 0.25 FTE.
- 1991: • Board administrative reorganization reclassified the three field hydrologists (whom had specialized in LWP service to LGUs) to Board Conservationists (with more generalized administrative responsibilities). This action resulted in each Board Conservationist assuming LWP

responsibilities within their work area, resulting in a net-gain for LWP services to LGUs. However, the result of this reorganization was the transfer of watershed district responsibilities to the LWP coordinator which further reduced the available staff assistance from the LWP coordinator for the routine service to LGUs by an additional 0.35 FTE.

- 1994:
- Completion of the Board administrative reorganization with respect to the LWP coordinator reclassified that position with additional responsibilities regarding the overall administration of the Water and Land Management Section. This action resulted in a cumulative availability of staff assistance from the LWP coordinator to provide routine service to LGUs to less than 0.25 FTE.

PROGRAM STRENGTHS: Local Water Planning

- Adequate Board staffing at program initiation.
- State grants provided incentive to counties to develop and implement their local water plans.
- Active participation by the state agency partners.
- Increased participation of counties in the planning and management of water and related land resources.
- Greater participation of counties through the Board in the development of environmental policy at the state and local level.
- Greater coordination of all the resource management partners at the local level.
- Increased local funding of natural resource protection efforts through the matching of available state and federal grant programs.
- Increased education, monitoring, data collection and implementation efforts at the county level.
- Creation of regional and watershed based Joint Powers Boards.
- Consolidation local assistance grants into the natural resources block grant. The block grant is an expanded version of the LWRPMP.

PROGRAM WEAKNESSES: Local Water Planning

- Potential for additional legislative mandates. Recently, the legislature has mandated certain requirements of local water plans (stormwater retention and wetland conservation act provisions). The success of LWP has been due in large part because it offers limited authorities and access to state resources *if* the county voluntarily participates -- participation enables each county to define the issues most important locally and to set their own priorities. The recent legislative trend to mandate plan elements must be guarded against, otherwise counties will perceive LWP as a state program rather than a local program, thus diminishing its potential success.
- Reduced Board central office staff support. The reduction in central office staff support has resulted in less than optimal coordination amongst the state agencies, loss of support to field staff, and an overall reduced emphasis on

local water planning within the agency.

- **Inadequate oversight of LWRPMP.** Serious weaknesses are occurring in the ability of Board staff to provide adequate administration, program guidance and oversight of LGU compliance. Reporting out of accomplishments provide to BWSR through the annual workplans and reports is not being done.
- **Inadequate technical assistance regarding watershed and ground water context of local water plans.** Greater emphasis is needed in the next two to three years as counties revise and update their plans.
- **Lack of involvement by cities.** Little participation by cities occurred during the first generation of local water plans. This occurred primarily because of the perception that local water planning was a county program.

PROGRAM ALTERNATIVES: Local Water Planning

1) Full implementation of LWP/LWRPMP.

Staffing: One additional FTE required for the Board to administer LWP and the LWRPMP.

Legislative Action: None

Implications: Adequate staff support to both the Board Conservationists and counties resulting in high quality second generation plans that address current weaknesses of plans including coordination with cities, establishing roles and responsibilities of the various resource partners in the county, and increasing the watershed context of plans. Greater ability to report out accomplishments of local water planning and present that information as it relates the performance standards that are established for the program. Ultimately this alternative will result improved water quality, enhanced fish and wildlife habitat, and increased water based recreational opportunities through the coordination amongst the local resource partners and acceleration of implementation activities based on a comprehensive plan.

2) Status Quo. Maintain current levels of support regarding administration, outreach, funding and legislative initiatives.

Staffing: No change.

Legislative Action: None.

Implications: Continued reduction of support services to the Board Conservationists and county coordinators. Likely continued criticism of the Board's fiscal administration and compliance oversight of the LWRPMP. Lack of proper oversight and support has the potential to reduce the current

enthusiasm for the program.

- 3) **Reduced services to LGUs.** Less emphasis on LWP would occur at all levels with the Board.

Staffing: No change. Existing field staff would focus more attention on programs like WCA, state revolving fund, and general support services to SWCD's and WD's. Central office staff would give its attention to program activities of WD's, state revolving fund, flood recovery efforts, compliance of grant programs.

Legislative Action: None, it would require however a policy decision on the part of Board to state what its priorities are and where limited staff assistance will be placed.

Implications: This alternative would result in the BWSR providing minimal support and guidance to counties for plan updates, technical and administrative assistance in plan implementation activities, and assistance with associated grant programs. Less interagency coordination would occur resulting in increased conflicts between counties, BWSR, and the agencies over local water plans and implementation programs. Lack of aggressive BWSR involvement will also result in less local coordination amongst the various resource partners and less acceptance of plans by the agencies.

PROGRAM RECOMMENDATIONS: Local Water Planning

Alternative 1: Staff believe that the Board needs to ensure the continued success of LWP. LWP is one of the most visible programs administered by the Board which directly seeks to empower LGUs with the necessary technical and financial assistance available from the State in assisting LGUs address their local resource management priorities.

RELATIONSHIP TO STRATEGIC PLAN: Local Water Planning

Much like the metropolitan surface water management act, the local water planning act also embodies many of the policies that the strategic plan of the Board addresses. The two main elements are:

Service to Local Units of Government - The BWSR provides local governments with guidelines, training, and technical assistance in developing, implementing, and administering water and soil resource management plans.

Coordination - The BWSR uses its members, local planning guidelines, rules, and staff assistance to foster communication, understanding, exchange of information and ideas, and working partnerships among Minnesota counties, soil and water conservation districts, watershed districts, other units of local government, regional development commissions, the metropolitan Council, state and federal agencies involved in water and soil resources management.

Specifically local water planning through its comprehensive approach to collecting data, assessing resource conditions, identifying problems and opportunities, establishing local priorities, establishing goals objectives and actions, and setting forth a implementation schedule empowers local government to address the same resource management issues as those of the Board in its strategic plan. Those issues include wetlands, marginal and sensitive lands, urbanizing lands, forest lands, nonpoint source pollution, soil conservation, and water quantity management. These same local plans further the BWSR mission through implementation of a combination of education, incentives, and regulation.

Koochiching County

Administration 283-6252
Assessor 283-6220
Attorney 283-6230
Auditor 283-6202
Clerk of Court 283-6261



**Courthouse, 715 4th St.
International Falls, Minnesota 56649**

Community Services 283-8405
Extension Service 283-6282
Highway Engineer 283-6284
Land Commissioner 283-6296
Nurses Office 283-6244
Recorder 283-6290
Solid Waste 283-6257
Sheriff 283-4416
Treasurer 283-6210
Veterans Service 283-6250
County FAX 283-6262

August 3, 1994

D. James Nielsen
MN Board of Water and Soil Resources
Southbridge Office Building
155 S. Wabasha Street
Suite 104
St. Paul, MN 55107

Dear Mr. Nielsen:

The Koochiching County Board of Commissioners reviewed your letter of July 18 at their regular board meeting of August 2.

Koochiching County does not recognize the Wetland Conservation Act pursuant to MN Rules Chapter 8420. To implement the existing rules would be financially detrimental to the taxpayers and land owners as Koochiching County is 80% wetland which means that most construction projects will be affected by the rules creating financial burdens and wetland replacement hardships.

The Board of Commissioners will continue to force this issue until suitable rules are established for counties with high percents of wetlands. With proper local management, counties like Koochiching County should never see their wetlands threatened.

In your letter of July 18 it is stated that BWSR is required to ensure that the WCA is properly administered by local government and will pursue appropriate legal options toward this end. The Board of Commissioners is requesting a response from you clarifying this statement.

We will await a response from you.

Sincerely,


Wade Pavleck
Board Chair
Koochiching County



MARK B. DAYTON
STATE AUDITOR

STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

SUITE 400
525 PARK STREET
SAINT PAUL 55103

(612) 296-2551

August 10, 1994

Mr. D. James Nielsen
Chair
Board of Water and Soil Resources
155 South Wabasha Street, Suite 104
Saint Paul, Minnesota 55107



Dear Mr. Nielsen:

Enclosed is a copy of our Special Report: An Investigation into Irregularities in the Middle Des Moines Watershed District. As the oversight agency for watershed districts within the State, we want to ensure you are informed about the violations uncovered during our investigation of the District.

We hope this special report will be of interest to your agency. If you have any questions or require additional information, please contact Paul L. Almirall, Deputy State Auditor for Special Investigations, at (612) 297-3162.

With best regards.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark B. Dayton".

Mark B. Dayton
State Auditor

MBD:rls
Enclosure

cc: Mr. Ron Harnack
Executive Director





MARK B. DAYTON
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

SUITE 400
525 PARK STREET
SAINT PAUL 55103

(612) 296-2551

SPECIAL REPORT

AN INVESTIGATION INTO IRREGULARITIES IN THE MIDDLE DES MOINES WATERSHED DISTRICT

Board of Managers
Middle Des Moines Watershed District
Heron Lake, Minnesota

The Office of the State Auditor — Special Investigations has completed an investigation into a citizen's complaints regarding the Middle Des Moines Watershed District (District). The Special Investigations unit was established to assist local governmental units, law enforcement agencies, public accounting firms, and citizens. Since the unit is a fact-finding entity and has no prosecutorial powers, its role is to evaluate allegations brought to this Office's attention, and when appropriate, provide specialized auditing techniques, initiate an independent investigation, or refer the matter to the appropriate oversight authorities.

On February 10, 1994, this Office received a complaint that the compensation paid to District managers frequently exceeded the statutory maximum. This Office conducted an inquiry designed to identify relevant legal requirements and determine whether sufficient evidence existed to warrant a special investigation. We examined documents provided by the District and reviewed provisions of Minn. Stat. Chapter 103D governing watershed districts. We found significant discrepancies between the amount of compensation we believed was authorized by statute and the amount claimed by individual managers. We determined that a special investigation was warranted to further analyze the discrepancies noted, interview the individual managers, and address other issues brought to this Office's attention. During our investigation, we continued our review of District records. Further, we obtained evidence and representations from the Board of Water and Soil Resources, Nobles County, and the managers, staff and attorney of the District.

This special report contains three sections. The first section, "Compensation," discusses our findings on allegations that the District managers were illegally compensated. The second section, "District President," details the results of our investigation into allegations of wrongdoing on the part of the District President. The third section, "Issues Resolved," summarizes the outcome of our review of the allegations which have been corrected by the District.



COMPENSATION

District Meetings

Minn. Stat. § 103D.315, subd. 8 states:

"The compensation of managers for meetings and for performance of other necessary duties may not exceed \$50 a day. Managers are entitled to reimbursement for traveling and other necessary expenses incurred in the performance of official duties."

Minn. Stat. § 645.45 provides that a day is comprised of "...the time from midnight to the next midnight..." unless the context of the statute clearly indicates a different meaning. In addition, Minn. Stat. § 471.655, subd. 1 indicates that the managers can receive travel reimbursement for actual use of the manager's own vehicle in the performance of duties in an amount determined by the District managers. We note that reimbursement is defined as a repayment for money spent. We believe payments received by the managers for time spent traveling is properly considered compensation. We note that the District manager who prepared the W-2 forms included payments received for travel time as part of the compensation reported to the Internal Revenue Service.

Annually, the managers establish the compensation and mileage rates at an organizational meeting. At the May 28, 1993 meeting of the District, the managers adopted a motion which set the compensation as follows: \$50 per meeting, \$10 per hour, and 28¢ per mile. We note that the meeting and hourly rates adopted at the organizational meetings for 1991 and 1992 were the same as those adopted at the 1993 meeting.

We reviewed the claims submitted to and paid by the District for the period January 1, 1991, through December 31, 1993. We recorded all instances where daily compensation (meetings, hourly wages and travel time) received by the current managers and a former manager exceeded \$50. Following is a chart which summarizes our findings:

<u>Manager</u>	<u>Year Appointed</u>	<u>Number of Instances</u>	<u>Aggregate Amount In Excess of \$50</u>
A	1970	64	\$ 2,257.50
B	1987	10	455.00
C	1989	43	1,397.00
D	1991	14	705.00
E	1993	5	160.00
Former	1984	18	555.00

We interviewed the current managers on June 13, 1994, and contacted the former manager by telephone on June 28, 1994. The current managers and former manager indicated that in addition to the compensation of \$50 per meeting and \$10 per hour for other district business which the manager receives, the manager is reimbursed for meals, mileage, and time spent traveling to District functions. If two meetings were held on the same day, the manager would be paid \$50 for each meeting for a total of \$100. Moreover, if travel was involved to attend a meeting, the

manager also received \$10 per hour for time spent traveling. All represented that this practice was based on the recommendations of the District's legal counsel.

District's legal counsel provided the managers and our Office with a memorandum dated June 9, 1994, which referred to the drainage code (Minn. Stat. Chapter 103E) and stated, in part: "Any compensation whether under the watershed act or under the drainage code is well within the statutory authority of the managers and the duties assigned to them by the Legislature."

Minn. Stat. § 103E.645, which was cited in the memorandum from District's legal counsel, states:

"Each member of the board may be paid a per diem under section 375.055, subdivision 1, and actual and necessary expenses incurred while actually employed in drainage proceedings or construction, or in the inspection of any drainage system if the board member is appointed to a committee for that purpose."

The "board" for the purposes of Minn. Stat. Chapter 103E is specifically defined in Minn. Stat. § 103E.005 to mean the Board of County Commissioners. We believe that the drainage laws cited by the District's legal counsel do not apply to watershed district managers.

As mentioned earlier, the managers represented that they relied on the advice received from the District's legal counsel regarding the amounts they could be paid for performing the necessary functions of a manager of the District. They also represented that they had questioned the propriety of the compensation plan designed by the District's legal counsel. We believe the managers' reliance on erroneous legal advice is not an excuse for accepting payments made in violation of the clear language of Minn. Stat. § 103D.315, subd. 8. We recommend that the District seek reimbursement from the managers for all payments which exceeded the maximum allowed by law.

Annual Conference

The Minnesota Constitution requires that all expenditures of public monies have a public purpose. The complainant questioned payments the District made on behalf of managers "A" and "C" for guest expenses at the 1993 annual Minnesota Watershed Association conference at Cragun's Resort, Brainerd, Minnesota.

We obtained and examined copies of the lodging invoices for managers "A" and "C" from Cragun's Resort. We found that the managers in question were each charged for a "couples" package by the resort. We also found that other District managers and staff attending the same conference were charged either a per person rate for a double occupancy package or the rate for a single occupancy package.

During the interviews, managers "A" and "C" admitted they were accompanied by personal guests at the 1993 annual conference. Both managers indicated that the District's legal counsel had advised that it was "okay" for the District to pay for the cost of the guests' expenses as a reward for all the unpaid assistance which the guests provided to the manager during the year.

Contrary to the position taken by the District's legal counsel, we believe that no public purpose was served when the District paid for the conference expenses incurred by the managers' guests.

Essentially, by paying the cost of the conference expenses incurred by the managers' guests, the District, on behalf of the managers, paid for a "gift" provided to the guests. We recommend that the managers reimburse the District \$105.54 each for the cost of their guests' expenses.

DISTRICT PRESIDENT

Conflict of Interest

Minn. Stat. § 471.87 provides that a public officer acting in his official capacity who is authorized to take part in any sale shall not voluntarily have a personal financial interest in that sale. During our investigation, we uncovered evidence that the District president had sold approximately 57.8 acres of property to the District.

During our interview with the District president, we learned that in the mid 1980's, the District conducted a survey. As a result of that survey, the District decided that additional land must be purchased to hold water in connection with a proposed ditch system. The District president identified a tract of land owned by the District president which met District requirements and offered to sell the land to the District.

We reviewed the minutes of the District meetings and found that at the November 18, 1989 meeting, the managers discussed purchasing approximately 45 acres of land which adjoined the District president's property. The purchase of this land was essential to including the District president's property in the proposed ditch system. We noted that the District president was present at that meeting and at subsequent meetings with the adjoining property owner. At the November 20, 1989 meeting, the adjoining property owner and the managers reached a tentative agreement for the District to purchase the adjoining property at a cost of \$1,000 per acre. An independent appraisal of the adjoining property was not requested or presented by the adjoining property owner or the managers. The District issued a check in the amount of \$46,831.15 to the adjoining property owner on August 18, 1990, to purchase the land.

At the District meeting held December 16, 1989, the managers, including the District president, discussed purchasing the District president's property. The District president agreed to an independent appraisal on the property. The appraised value of the land according to the February 12, 1990 appraisal obtained by the District was \$666 per acre for the parcel in question.

The District approved a motion at the February 24, 1990 meeting to purchase 17.5 acres of the District president's property for \$13,000 or \$742.86 per acre. The District president was not present at that meeting. According to the minutes of the March 17, 1990 meeting, the District president submitted a counter-proposal to sell 17.5 acres to the District for \$14,731.33 or \$841.79 per acre. In addition, the District president agreed to donate approximately 39 acres for which the State of Minnesota had paid the District president \$841.79 per acre to include in the Reinvest In Minnesota (RIM) project. Land restricted under RIM cannot be used by the owner for crops or other production. The District president did not participate in the motion, discussion, or vote on the counter-proposal, which was approved by the other managers. A District check in the amount of \$14,731 was issued to the District president on July 21, 1990, to purchase the land in question.

During our review of the statutes governing watershed districts, we noted that the District board of managers has the power to obtain land necessary for watershed projects through eminent domain. Due to the fact that this option for obtaining land is available to the District, we believe the District president's proposal to sell the property was entirely voluntary.

Based on the information provided to this Office, we believe the evidence indicates that a conflict of interest existed when the District president sold land to the District in violation of Minn. Stat. § 471.87.

Although the statute of limitations has expired for any criminal prosecution of this conflict of interest, we believe that the District president's actions constitute a serious breach of the public trust inherent in the appointed position.

Residence Outside the District

Minn. Stat. § 351.02 states that an office becomes vacant when the incumbent ceases to be an inhabitant of the district for which the incumbent was appointed. The Minnesota Office of the Attorney General has interpreted the word inhabitant to have the same meaning as residence for voting purposes.

Minn. Stat. § 200.031 states that residence is determined according to certain principles which include the following:

- The home where the individual intends to return when absent;
- The individual's intent to establish residence in another precinct;
- The location where the individual's family resides;
- The location where the individual establishes a home with the intent to remain there with or without the individual's family; and
- The location to which the individual moves with the intent to remain at that location.

The complainant alleges that the District president currently resides in a house in the City of Fulda, outside the District, and is no longer eligible to serve as a manager for the District.

This issue has been reviewed previously by the Nobles County Board of Commissioners. The District president had contacted the former County Auditor in March 1993 regarding the District president's move to the City of Fulda, the homestead on the farm property, and the possibility of a vacancy on the District board of managers. Included in the statement which the County Commissioners received from the District president at their meeting on July 20, 1993, was an attestation by the District president that he a) does not intend to change domiciles until retirement, b) maintains a primary residence at the farm in Nobles County, c) has homesteaded the farm in Nobles County, d) votes in Nobles County, and e) eats, sleeps and receives mail at the farm in Nobles County.

Based on the statement provided by the District president at the July 20, 1993 meeting, the Nobles County Commissioners requested an opinion from the Nobles County Attorney regarding the District president's residence. Because the County Attorney's associate had provided assistance to the District president on a homestead question, the County Attorney referred the request to an

outside attorney. The response provided by outside counsel indicates that insufficient information was presented to determine whether the District president clearly abandoned the farm in Nobles County and changed residency. The letter states, in part:

"Without facts that would clearly establish [abandonment of the original domicile], I do not believe that it can be said that [the District president] has lost eligibility for continued service because of a change of his residency or domicile."

We verified that the District president applied for and received a homestead classification for the farm in Nobles County. We also discovered that the house in the City of Fulda, located in Murray County, is not classified as homestead property.

We interviewed the District managers and staff to obtain additional information regarding the District president's residence. We were informed that when it is necessary to contact the District president during the evenings, calls are made to the house in the City of Fulda. Contacts made during the day are to the farm in Nobles County. The telephone number provided by most managers and the staff for the evening contacts was the same as the telephone number provided by directory assistance for the District president's Fulda house. We also found that the District president's wife, an employee of Nobles County, submitted a change of address to the county listing the new residence as the City of Fulda and is currently receiving round trip mileage reimbursements for the distance between the cities of Worthington and Fulda.

The Minnesota Office of the Attorney General stated in Op. Atty. Gen. 471-M, August 26, 1955, that the question of residency "...involves various issues of fact which are properly for the determination of the county board rather than this office." The current facts may indicate that the District president has established a new residence during the past year at the house in Fulda and may have vacated the position on the District board of managers. Therefore, we encourage the Nobles County Commissioners to review the facts and determine whether a vacancy exists in the District board of managers. We recommend that the facts also be reviewed by the Nobles County Assessor to determine occupancy for the purposes of the homestead classification.

Jack Creek Project

A December 30, 1991 agreement between a District property owner and the Department of Natural Resources (DNR) was copied to the District. The agreement stated that the District would remove a cattle pass from a channel at the District's expense and perform certain other tasks. Those tasks included, but were not limited to, reconstructing the channel and/or channel banks, protecting the channel banks from erosion with natural rock riprap, seeding the upper half of the bank, and finishing the bank to a two-to-one ratio side slope. The agreement indicated that the District would complete the project prior to crop planting or following harvest of 1992. As of June 30, 1994, the only portion of the project completed is the side located on the District president's property. The complainant believed the project's partial completion was solely for the benefit of the District president.

We reviewed the minutes of the District meetings and found that a motion was passed at the January 18, 1992 meeting to have a contractor remove the cattle pass. The minutes indicate that the District president was not present at that meeting. Upon review of the claims submitted to and paid

by the District, we discovered that the contractor submitted an invoice dated September 3, 1992, for work completed on the project. According to the invoice, the contractor removed the cattle pass and riprapped the north bank of the channel on September 1, 1992.

We contacted the contractor who confirmed that the south side of the project was not completed. The contractor stated that the project was not finished because the property owner had crops in the field and work could not be continued without damaging the crops. The contractor represented that the District president was to provide information as to when the crops were harvested. However, the contractor was told by the District president that the crops were still in the field when heavy snows covered the field and channel in November 1992. The contractor indicated that the project was further delayed in 1993 due to flooding and the resulting wet soil. According to the contractor, the equipment could not be maneuvered under such conditions. The contractor represented to this Office that the rock for the riprap has been delivered and, weather permitting, the project will be completed as soon as the crops adjacent to the south side of the channel are out of the field.

During our interview, the property owner stated that the DNR was notified approximately May 1994 that the project was not completed. The property owner indicated that the 1992 crops were harvested one or two weeks before the heavy snowfall in November 1992. The property owner also believed the ground at the project site was sufficiently dry during 1993 to allow for completion of the project. The property owner acknowledged that the contractors in southwest Minnesota were very busy during 1993 as a result of the flooding in the area but expressed concern that the delay in completing the project was causing further erosion of the channel bank.

We contacted the DNR and were informed that the District property owner notified the DNR on April 28, 1994, that the project was not complete. A representative from the DNR stated that the DNR is acting as a mediator to facilitate resolution between the property owner and the District. The DNR plans to monitor the project and request that the District complete the work as outlined in the December 30, 1991 agreement.

Although the delays in completing the project at Jack Creek may give the appearance that the District president manipulated circumstances to provide for advantageous conditions, we do not believe the delays were intentional and solely for the benefit of the District president. However, we recommend that the District monitor the project closely to ensure that the remaining work is completed in a timely manner.

ISSUES RESOLVED

Excess Property Tax Levy

Minn. Stat. § 466.06 provides the District the authority to levy separate property taxes for the amount of the liability insurance premium. The complainant alleged that statutes were violated when the District managers assessed more than was necessary for the District's liability insurance premium cost.

The Department of Revenue has general oversight concerning tax levies. The position of that department has been that the liability insurance levy is properly for the amount of the premium and that any excess collected falls within the administrative levy limitation. We noted that the total taxes assessed by the District managers for the liability insurance premium and the administrative costs were within the administrative levy limitation for the District.

There appears to be no statutory violation in the amount assessed by the District. However, we recommend that the District managers assess only the actual need for the liability insurance premium tax through the special levy and assess any excess in the administrative levy to ensure that the public is not misled.

Inaccurate Compensation Reported to the Internal Revenue Service

The complainant alleged that the District president improperly calculated the amount of compensation reported to the Internal Revenue Service.

We found that the District managers are aware of the reporting errors. They have represented to this Office that the District's audit firm is submitting corrected forms to the Internal Revenue Service.

Reimbursement Requests and Vendor Claims

During our investigation we noted that the supporting documentation for certain reimbursement requests was not adequate. In some instances, invoices to support the request were not available. We also noted that the claims submitted to and paid by the District were not always signed by the vendor requesting payment.

We found that the District's auditor commented on the findings in the management letter which accompanied the firm's audit report on the District's December 31, 1993 financial statements. The District has represented to this Office that procedures have been established to correct the internal control weaknesses noted by the audit firm.

* * * * *

This report will be filed with the Jackson County Attorney for institution of such criminal and civil proceedings as the law and the protection of the public interest shall require. This report will also be filed with the Minnesota Board of Water and Soil Resources.



Mark B. Dayton
State Auditor

August 10, 1994

NEWS RELEASE

For Immediate Release

Friday, August 19, 1994

For More Information Call:

Susan Tsakakis
612/297-1893



155 S. Wabasha Suite 104

Minnesota Board of Water & Soil Resources, 80 West Plato Blvd, St. Paul, MN 55107

AGENCIES AGREE TO SIMPLIFY WETLAND REGULATION

A step toward simplifying wetland regulation in Minnesota will take place on Wednesday, August 24, at 9 a.m. in room 112 of the State Capitol, when state and federal natural resource agencies sign an agreement that will eliminate one part of the often complex process of obtaining legal permission to work in a wetland.

"This agreement is in response to the frustration of farmers, landowners and developers over duplicative and complex wetland regulation," said Ron Harnack, executive director of the Minnesota Board of Water and Soil Resources (BWSR). "This agreement moves us closer to our goal of 'one-stop shopping,'" he said.

Since the Minnesota Wetland Conservation Act (WCA) became effective in 1992, state regulations have been generally stricter than federal regulations. This agreement reduces the resulting regulatory duplication and eliminates the need for approval for many projects from the U.S. Army Corps of Engineers (ACOE), as the ACOE regulations are effectively addressed by the state act.

"In the past, people have had to obtain approvals pertaining to both the state act and the federal regulations, even though by

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complying with the state act they had generally already met the federal requirements," Harnack said. "This agreement allows many project sponsors to skip that extra step."

Specifically, the following projects will no longer need approval from the ACOE if they have received the appropriate WCA approval:

- projects affecting less than one-half acre of wetland area
- on a pilot basis, projects effecting less than three acres in several trial locations

Overall, an estimated 50 to 60 percent of all wetland projects in Minnesota will no longer need an ACOE permit, said John Jaschke, wetland specialist for the BWSR. This translates into about 200 projects per year.

Also included in the agreement is consensus that the state Wetland Banking Program, which allows those proposing draining or filling a wetland to replace it through purchasing wetland credits, will be accepted by all the regulatory agencies.

The banking system simply makes it more convenient when draining or filling a wetland absolutely cannot be avoided, Harnack said. "Under Minnesota law, wetlands that are drained or filled must be replaced elsewhere," Harnack said. "Wetland banking gives people a means of doing that without actually having to go out and find a site, particularly since one may not be available within the time frame of the project," he said. Credits in the wetland bank represent already restored or created wetland areas.

Those who plan to attend the ceremony to sign the agreement

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for their agency include D. James Nielsen, chair of the BWSR; Ben Wopat, chief of the Regulatory Branch for the St. Paul district of the ACOE; Chuck Williams, commissioner of the Minnesota Pollution Control Agency; Rod Sando, commissioner of the Department of Natural Resources; Elton Redalen, commissioner of the Department of Agriculture; James Denn, commissioner of the Department of Transportation; and Doug Ehorn, chief of the Wetlands and Watersheds Section of the Waters Division of Region 5 of the U.S. Environmental Protection Agency. Gary Nordstrom, state conservationist for the USDA Soil Conservation Service, will have already signed the agreement and will be represented at the ceremony by Dave Benner, assistant state conservationist.

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NEWS RELEASE

For Immediate Release
September 16, 1994

For More Information Call:
Susan Tsakakis
Communications Director



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WATER QUALITY AND WATERSHED MANAGEMENT TOPICS FOR TOUR

Maintaining water quality through watershed management is the main topic of a Wednesday, September 28, tour planned for members of the Minnesota Board of Water and Soil Resources (BWSR).

Board members will stop at a variety of sites throughout the southern metropolitan area intended to educate them about water management problems facing urban fringe areas, according to Bruce Sandstrom, metropolitan regional supervisor for the BWSR.

"The issues illustrated by the stops are typical issues faced by developing suburbs: stormwater runoff, wetland losses, and the loss of agricultural lands to development," Sandstrom said. "All of these issues affect surface and ground water quality."

Stops on the tour include a fen in northern Savage that borders Eagle Creek, the only remaining trout stream in the seven county metropolitan area. Plans to develop the area surrounding the fen have generated some controversy and are currently being challenged by Trout Unlimited, a group promoting fishing in Minnesota.

The group will also stop at Crystal Lake in the

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Burnsville/Lakeville area. The lake is the subject of a pilot project that involves pumping water from the lake and using chemicals and holding ponds to remove phosphorous from the water before it is returned to the lake.

Other stops include the Eagan City Hall, for a presentation on what Sandstrom called "one of the most comprehensive municipal water management programs in the midwest"; a development project in Farmington; and a wetland banking site.

The day winds up with an issues forum from 3 p.m. to 4:30 at the Canterbury Inn in Shakopee.

The BWSR is an 18-member board that awards state funding for a variety of resource management programs, including the Minnesota Wetland Conservation Act; the Reinvest in Minnesota (RIM) Reserve Program; the Local Water Planning Program; and the state Water Quality Cost-Share Program.

The tour bus will leave from the Canterbury Inn in Shakopee at 8 a.m.

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NOTE TO MEDIA: Media are invited to attend all or part of the tour, or to meet the tour at a site. Please contact Susan Tsakakis, 297-1893, if you are interested.