



Minnesota Board of Water and Soil Resources.
Minutes.

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January 1998

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**BOARD OF WATER AND SOIL RESOURCES
CONFERENCE ROOM, ONE WEST WATER STREET
ST. PAUL, MINNESOTA 55107
JANUARY 28, 1998**

BOARD MEMBERS PRESENT:

Kathleen Roer, Barbara Uppgaard, Lee Coe, Darrell Bruggman, Jim Dahlvang, Dwain Otte, Marv Tripp, Allan Oehlke, Barb Cobb, Glenn Annexstad, Tim Hvidsten, Kelli Johnson

BOARD MEMBERS ABSENT:

Ginny Imholte
Jim Anderson, Minnesota Extension Service
Peder Larson, Pollution Control Agency
Rod Sando, Department of Natural Resources
Sharon Clark, Department of Agriculture

OTHERS PRESENT:

D'Wayne DeZiel, Minnesota Association of Soil & Water Conservation Districts (MASWCD)
Steve Hansen, Minnesota River Basin Joint Powers Board
Don Ogaard, Red River Management Board
Kim Benson-Johnson, Department of Health
Bill Stokes and Sylvia Ramford, Natural Resources Conservation Service (NRCS)
Dean Rebufoni, Star Tribune
David Phillips, Attorney General
Nick Tiedeken, Minnesota Department of Transportation
Mark Dittrich, Department of Agriculture
Wayne Edgerton, Department of Natural Resources
Wally Sparby, Farm Services Agency (FSA)

STAFF PRESENT:

Ron Harnack, Jim Birkholz, Jim Haertel, Doug Thomas, Greg Larson, Mary Jo Anderson, Jeff Nielsen.

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Chair Roer called the meeting to order at 9:05 a.m.

Chair Roer reported that Kelli Johnson will be in later, Sharon Clark is testifying this morning, and Ginny Imholte and Jim Anderson will not be at the meeting today.

Adopt Agenda - Chair Roer reported that changes to the agenda include: New Business - River Watch, Molly MacGregor is not able to be here today, so this will be on the agenda in February; Old Business - Soil and Water Conservation District (SWCD) Accounting Software has been added to the agenda; and Committee Recommendations - Wright County Water Plan has been added. Moved by Barb Uppgård, seconded by Marv Tripp to adopt the agenda as amended. Motion passed on a voice vote.

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98-01

Minutes of December 17, 1998 - Ron Harnack stated that a correction is needed on page two of the Executive Director's Report, It should read, "Ron stated that AMC would like to see agency liaisons with their policy committees." Moved by Lee Coe, seconded by Allan Oehlke, to approve the minutes of December 17, 1998 as corrected. Motion passed on a voice vote.

**
98-02

Chair's Report - Kathleen Roer reported that she broke her thumb, which has been an inconvenience in writing and signing her name. Chair Roer reported that she flew to Pipestone with members of the EQB to look at wind farms in Pipestone County; this is a good alternative energy resource. Chair Roer has been attending cluster meetings. The cluster meetings will be held weekly during the legislative session. Chair Roer attended the management team meeting as they reviewed the Management Analysis Division (MAD) assessment report of BWSR. Chair Roer stated that the report complimented BWSR staff. Chair Roer met with Ron and Marybeth Block to discuss the board member handbook, which will be distributed to members at the February retreat. Chair Roer also attended the metro-subcommittee meeting regarding Minnehaha Creek.

Executive Director's Report - Ron Harnack reported that the legislature is in session, their prediction at this time is to adjourn by Easter. Policy legislation needs to be out of the House by February 13 and February 20. Ron reported that he testified yesterday regarding the BWSR's budget, which will be continued next week. Ron will distribute the budget to members. Ron reported significant progress has been made with the Conservation Reserve Enhancement Program (CREP); which will be brought up later in the agenda. BWSR now has authors (Senator Stumpf and Representative Munger) for policy legislation on three technical issues: two dealing with wetlands (banking and replacement plan). Ron stated that the report on Minnehaha Creek has been submitted to Hennepin County. Ron commended Jim Haertel and metro staff for their working relationship with Minnehaha Creek Watershed District and Hennepin County. Ron stated that the feedlot GEIS discussion is continuing at EQB and the legislature, a hearing was held on Monday, BWSR was asked to testify.

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Ron reported that board appointments have not yet been made. Board members up for reappointment are: Tim Hvidsten, Marv Tripp, and Lee Coe; however Tim has not applied for reappointment. The reappointments will be made in the next two weeks.

Ron updated members on personnel items. Interviews have been held for Bryan Alpaugh's position. A candidate has been selected for the New Ulm database position, awaiting his acceptance.

Ron stated that he was pleased with MAD's assessment report, very complimentary of staff. Chair Roer read from a section in the assessment report where BWSR complimented Ron Harnack and staff.

Dispute Resolution Committee (DRC) - Marv Tripp reported that there are no pending appeals at this time.

Education and Public Relations Committee - Barb Uppgaard reported that the education committee will meet next month during the retreat. A draft of the education strategic plan will be available after the board retreat.

Cost-Share/Soil Conservation Committee - Dwain Otte reported that cost-share committee will meet after the Board meeting today; a report will be given at the February meeting.

Wetlands Committee - Darrell Bruggman reported that the wetlands committee has not met; the committee will meet in February.

Administrative Advisory Committee - Chair Roer reported that the Administrative Advisory Committee will meet after the BWSR meeting today to discuss the February retreat.

Financial Oversight Committee - Ron Harnack stated that a staff group have been established to work with the Financial Oversight Committee.

Feedlot Management Advisory Committee (FMAC) - Allan Oehlke reported that FMAC will meet in February. Topics of discussion include: smell issues on feedlots; MPCA standards are being challenged; certification and training for feedlot operators -- 45 counties are now permitting. Allan stated that the whole farm planning issue is being discussed regarding alternative feedlot planning for small operators, and stockpiling of manures. Allan stated that some organizations have suggested a moratorium, which ^{may be based on} is merely philosophy ^{mixing social + science issues} for social issues, there's not a water quality crisis in Minnesota. Allan made a motion, seconded by Glenn Annexstad, that BWSR does not support a moratorium, water quality issues are being addressed regarding feedlots, there is not a crisis in Minnesota. Allan Oehlke moved, seconded by Glenn Annexstad, that BWSR support MPCA in these issues. Discussion followed. Barb Uppgaard

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asked for more information if action is needed today. Chair Roer asked that information be provided to members so action can be taken at the February meeting. Allan stated that it may be too late to act in February, as a moratorium may be in place. Ron said that a moratorium will be the biggest political debate. Chair Roer suggested that BWSR defer this until February, and gather more information. Barb Uppgaard moved to table this until the February meeting, seconded by Tripp. The motion to table this until February was defeated. Chair Roer asked that Allan Oehlke put together two motions during the break for the BWSR to act on today.

Agency Reports

Mark Dittrich, Department of Agriculture reported that Sharon Clark is testifying today. Commissioner Gene Hugoson went to China with Governor Carlson.

Wayne Edgerton, DNR, stated that Commissioner Rod Sando is ill today. Wayne reported that DNR is deeply involved in the legislative session; as well as efforts to hold public information hearings on the wolf.

Committee Recommendations

Goodhue, Jackson, Olmsted and Watonwan County Comprehensive Local Water Plans -

98-03 Glenn Annexstad reported that the southern subcommittee reviewed the Goodhue, Jackson, Olmsted and Watonwan County Water Plans and recommends approval of these plans. Moved by Glenn Annexstad, seconded by Marv Tripp, to accept the southern subcommittee's recommendation to approve the Goodhue, Jackson, Olmsted and Watonwan County Comprehensive Local Water Plans. Motion passed on a voice vote.

Douglas, Pennington and Wright County Comprehensive Local Water Plans - Barb

98-04 Uppgaard reported that the northern subcommittee reviewed the Douglas, Pennington and Wright County Comprehensive Water Plans and recommends approval of the plans. Moved by Barb Uppgaard, seconded by Darrell Bruggman, to approve the Douglas, Pennington, and Wright County Comprehensive Water Plans. Barb stated that Wright County is close to the metro area, Douglas is in the heart of tourism, the subcommittee found it to be most interesting with the diversity among the counties. Motion passed on a voice vote.

Chair called for a break in the meeting at 10:30 a.m. - 10:50 a.m.

Background information regarding the feedlot issue was distributed.

New Business

Minnesota River Basin Joint Powers Board (MRBJPB) Report - Jeff Nielsen introduced Steve Hansen, executive director of MRBJPB. Steve complimented BWSR staff for their ongoing assistance. Steve explained the MRBJPB's goals, challenges, and visions. He asked for BWSR approval of the MRBJPB work plan and \$125,000 grant. Moved by Jim Dahlvang,

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98-05 seconded by Dwain Otte, to approve the 1998 work plan and grant to the MRBJPB. Motion passed on a voice vote. Mark Dittrich thanked Steve for pulling together the database team, it's very productive.

98-06 **Minnesota River Basin Water Quality Improvement Projects** - Jeff Nielsen explained the funding recommendations and amendments. Moved by Allan Oehlke, seconded by Glenn Annexstad, to approve the Minnesota River Basin Water Quality Improvement Projects as amended. Motion passed on a voice vote.

98-07 Allan Oehlke restated the earlier motion regarding the feedlot issues. Moved by Allan Oehlke, seconded by Glenn Annexstad, that BWSR does not believe that a water quality or human health crisis exists that warrants a statewide moratorium on new feedlots and the expansion of existing systems. Our preferred action is to support development of a generic Environmental Impact Statement on Feedlots, local official controls and MPCA feedlot rules. Motion passed on a voice vote. Kelli Johnson stated that MDH, PCA, and MDA work in cooperation and coordination on feedlot issues.

98-08 Moved by Allan Oehlke, seconded by Glenn Annexstad, to commend MPCA for their approach to the feedlot issue whereby they are approaching this controversial issue from the perspective of science. Motion passed on a voice vote. Chair Roer stated that she wished representation from MPCA would have been present for this discussion.

98-09 **Rice Creek Watershed District or MNDOT as WCA LGU in Audubon Appeal** - Jim Haertel reported that some minor changes had been made from the draft order that was sent out in the packet. Jim read the changes. Discussion followed. Moved by Glenn Annexstad, seconded by Allan Oehlke, that BWSR endorse the DRC's decision, Rice Creek Watershed District as LGU. The DRC decision was not a unanimous decision stated Marv Tripp. Wayne Edgerton stated that DNR supports this but just for this particular decision, otherwise state agencies would generally be the LGU on state lands. Motion passed on a voice vote. Marv Tripp opposed.

98-10 **Saint Paul Audubon Society vs. Rice Creek Watershed District, File 97-8** - Moved by Marv Tripp, seconded by Allan Oehlke, that BWSR support the DRC's unanimous decision to remand the matter to Rice Creek Watershed District. DNR requests that DNR be included in the TEP panel. Motion passed on a voice vote.

Old Business

Conservation Reserve Enhancement Program (CREP) - Greg Larson reported that a cordial review and agreement of the Memorandum of Agreement (MOA) was forwarded to Washington, D.C. this morning. Greg distributed the new MOA. Greg introduced Wally Sparby, director, Farm Services Agency. Mr. Sparby stated that FSA is excited about this MOA, he complimented Ron Harnack and Greg Larson for working on this. Greg stated that the main

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document replaces the earlier proposal that was submitted. Ron explained that the basic change in the MOA is "Although limited duration easements are authorized under RIM, and landowners seeking enrollment in CREP may apply for limited duration easements of twenty years or more, priority will continue to be given to permanent easements." The purpose of CREP is to improve and enhance water quality in the Minnesota River Basin with USDA. Ron stated that we still need formal approval and signing from Secretary Glickman and Governor Carlson, optimistic that this will be happen by February 17. Wally Sparby stated that everything is on the table; USDA will deal with this by next week.

Discussion followed. A drafted motion was distributed by Greg. Steve Hansen stated that the Minnesota River Basin Joint Powers Board endorsed this MOA from the beginning, he thanked Wally Sparby, FSA, and BWSR for the work that has been done on this. Moved by Barb Cobb, seconded by Dwain Otte, to endorse the Memorandum of Agreement for the Conservation Reserve Enhancement Program (dated January 27, 1998). Although we expect Secretary of Agriculture Glickman to approve the MOA very soon, this motion authorizes staff to begin the implementation of CREP -- with or without USDA endorsement -- on February 17, 1998.

98-11 Moved by Glenn Annexstad, seconded by Barb Uppgaard, to amend the motion, removing "with or without USDA endorsement". Motion passed on a voice vote. Chair Roer commended Ron, Greg, and FSA on their persistence, accommodating and flexibility to reach this recommendation.

98-12 **1997 Flood Recovery, Special Water Planning Challenge Grants** - Doug Thomas explained the background, the process, and staff recommendations. Moved by Hvidsten, seconded by Coe to approve the staff recommendation for funding seven applicants. Motion passed on a voice vote.

Advisory Comments

D'Wayne DeZiel, MASWCD, stated that Vern Wilker had knee surgery. D'Wayne stated that MASWCD is requesting legislative change to mileage rates for SWCDs.

Bill Stokes, NRCS, introduced Sylvia Ramford, information specialist. Bill reported that Dave Breitbach, conservation agronomist, has retired; the vacancy will be announced nationwide to fill this position. The district conservationist in Detroit Lakes retired; the vacancy has been advertised, the person will be selected within a week. The district conservationist position in Baudette will be filled within weeks; the person will serve Lake of the Woods and Koochiching. CRP sign-up in Minnesota totaled 500,000 acres. NRCS is hopeful that they will be notified by early February what will be accepted. Bill reported that Minnesota received \$4.5 million for EQIP. Bill reported that the Whitewater River signing ceremony will be held February 16 at 1:00 p.m. at the Whitewater Interpretive Center. Bill Hunt and Representative Gutnecht will be present. He stated that the planning process is underway for the Snake River watershed; planning for an off-channel storage area and a bypass channel around Warren.

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Don Ogaard stated that it was an enjoyable time while he served on BWSR. His activities now include treasurer on the Red River Basin Board. He commented on the flooding in the Red River Valley, four of last five years have had disease in the small grain crops; effect financially is beyond belief, large change in land ownerships, tremendous transitions, the impact of which is yet unknown.

Chair Roer reported that the BWSR Meeting and Retreat will be February 25-26 in St. Cloud.

Soil and Water Conservation District (SWCD) Accounting Software - Jim Birkholz explained that BWSR staff and an SWCD user evaluation panel (mostly employees) and the MASWCD Board of Directors have been working for more than a year on evaluating accounting software packages for SWCDs. At the completion of the evaluation process the employee panel recommended a package by KB Consultants. The MASWCD Board of Directors considered the matter and recommended a package called Quickbooks Pro. Jim stated that since there is still some disagreement around the state, staff recommends that BWSR respond to MASWCD's recommendation by asking them to further communicate with SWCD employees and boards to seek a more mutually agreeable recommendation. Discussion followed. Moved by Allan Oehlke, seconded by Lee Coe, that BWSR not recommend any particular accounting software; the choice is up to each SWCD. BWSR staff will continue to provide appropriate support. Motion passed on a voice vote.

Chair Roer adjourned the meeting at 12:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read 'Kathleen Roer', written in dark ink.

Kathleen Roer
Chair

New Business #1

**MINNESOTA RIVER BASIN JOINT POWERS BOARD
 EXPLANATION OF 1998 WORK PLAN**

This narrative supports the attached "Proposed Work Plan for the Minnesota River Basin Joint Powers Board" for the period of one (1) calendar year, 1998. The attached estimated budget reflects the costs attributed to the administration of Board for 1998.

WORK ELEMENT GOALS, VISIONS AND ACTIONS

Each of the following work element goals, visions and the actions taken by the MRBJPB in 1998 are based upon the recommendations of the Citizens Advisory Committee's (CAC) Report "Working Together: A Plan to Restore the Minnesota River" published in 1994 and in the process of being amended by the CAC.

A. Restore the Floodplains and Riparian Areas- The citizens thought that by merging federal/state/local interests landowners that own floodplain land could be incented to conserve their lands in conservation easements along the floodplain. Special consideration was to be given to areas between riparian and non-riparian sites to create corridors for wildlife.

Goals: To establish easements in the floodplain for water quality and wildlife benefits.

Vision: Green corridor extending along floodplain of main stem of the Minnesota River and its major tributaries. Move human activities, as much as feasible, out of the floodplain.

Actions: Promote the addition of riparian buffer strips to land contiguous to streams and ditches. Promote agroforestry by planting 3,000 hybrid poplar clones in the floodplain of the Minnesota River and sponsor discussion through our Agroforestry Subcommittee. Promote the placement of water quality enhancement projects within the floodplain through our Major Projects Team. Assist in marketing the Conservation Reserve Enhancement Program (CREP) within the floodplain of the Minnesota River by helping landowners understand the program and promoting RIM easements.

B. Restore Wetlands- Restoring wetlands and other water retention and natural filtration features are a high priority in the local water plans throughout the basin. Agricultural drainage and urban development has drastically altered the drainage patterns in the basin and has greatly contributed to the economic development of the region and the State of Minnesota. We realize that we cannot restore all of the wetlands that have been lost to drainage over the past 150 years but we can strategically restore wet areas to provide water quantity and quality benefits.

Goals: To establish specific wetlands that, if restored to their former ability to retain and filter water in the upland portions of the watershed, will reduce flooding downstream and improve water quality throughout the watershed.

Vision: Purchase or otherwise promote landowners to restore strategic wetlands to benefit theirs and their neighbor's land by reducing flooding and improving water quality. Educate drainage authorities in the potential benefits of strategic wetland restorations within drainage systems and provide incentives for landowners to work together to restore wet areas for water quantity and water quality benefits.

Actions: Provide educational forums to discuss water retention issues, highlight success stories at our Summer Conference, work to leverage resources for wetland restorations, help coordinate federal, state and local agencies in determining wetland restoration locations, and, promote major projects that replace strategically located wetland areas.

C. Manage Drainage Ditches and Storm Sewers as Tributaries- The citizens acknowledge that these drainage systems are in fact tributaries to the Minnesota River and, as such, should be managed to reduce the inputs of soil, phosphorus, nitrogen and other oxygen demanding materials. Over 90% of the wetlands that were existing in this geography prior to 1850 were drained to open up the land for agricultural production. The story is similar in urban areas in the eastern portion of the drainage basin with the Lower Minnesota River Watershed contributing significant loadings of sediment and phosphorus into the riverine system. The citizens' determined that ditch projects and other drainage related activities should be managed in ways that protect water quality for downstream users of the river.

Goals: To review the Drainage Code to provide clear guidance on how to determine costs and benefits of drainage projects considering the negative impacts the project may have on downstream users of the system. Encourage designs, maintenance, construction and operating guidelines that balance the water quantity/quality costs with the economic benefits derived from the system.

Vision: Encourage open discussion concerning drainage in the Minnesota River Basin from an agricultural and urban perspective and ensure that all parties are represented to allow revisions to the Drainage Code if acceptable, that will allow for enhancements of water quality and economic vitality. Prepare the basin landowners and cities and towns for the discussion relating the Zone of Hypoxia in the Gulf of Mexico to Minnesota River Basin activities.

Actions: Serve as the forum to discuss drainage issues that impact water quality/quantity and economics of the region. Incorporate issues discussion in our Summer Conference and in forums throughout the year. Help leverage resources to study and demonstrate urban Stormwater runoff and construction site runoff as contributors to water pollution in more urban areas.

D. Improve Land Management Practices- An estimated 92% of the land in the Minnesota River Basin is in agricultural production. However, data taken from actual monitoring and from data modeling identify that over two-thirds of the sediment and phosphorus come from the watersheds located in the lower Minnesota River watersheds. Whole farm planning and other agricultural best management practices are promoted while the improvement in the discharge of wastewater treatment plants are also forwarded in our community vision.

It is understood that all sources of pollution in the basin are considered to be responsible for the pollution of the river and every group has a part to play in its reduction.

Goals: To educate and provide technical assistance for landowners and communities to manage land in such ways as to improve the environmental, economic and community values.

Vision: Landowners and communities within the Minnesota River Basin will understand how their various land uses impact the water quality of the drainage basin and will seek out technical assistance and funding to reduce or eliminate the introduction of pollutants into the river system. If education and technical assistance on a voluntary basis does not provide the necessary improvements then a more regulatory approach should be considered.

Actions: Develop and promote locally lead watershed groups in all 12 major watersheds of the basin. Keep a regional outlook on zoning regulations and land use patterns to promote sustainable practices and to reduce detrimental practices throughout the basin.

E. Monitor Water Quality Throughout the Minnesota River Basin- The CAC recommended that the federal, state and local agencies coordinate their collective monitoring efforts to determine which segments of the river need the most attention for which pollutant.

Goals: To augment monitoring from an agency-sponsored activity with a citizens-based component where volunteers are trained on how to sample for water quality parameters and are then stored in a central repository. To ensure that permanent monitoring stations are funded and manned adequately to establish reputable long term trends in water quality.

Vision: To use Mankato State University as the established "Minnesota River Basin Data Center" to house and pedigree the monitoring data to ensure its reliability and to distribute the information free of charge to all interested parties. All groups should have free access to monitoring information to reduce confusion and to eliminate skepticism over the quality of the data.

Actions: Promote the creation of a citizen's based monitoring program throughout the basin. Get the Minnesota River Basin Data Center up and running to expand the information on various issues within the basin and then to actively train the leaders to monitor the correct parameters. Focus on the Watershed Implementation at the Local Level (WILL) process to include monitoring into the assessments for water quality improvement projects.

F. Establish a Minnesota River Commission to Oversee the Clean Up Effort- The CAC realized that in order for the clean up of the Minnesota River Basin to have a chance of success, a coordinating group must be established over the entire drainage basin that had jurisdictional control, had a citizen-based perspective, and one that had the ability to include all members of society into an active role in helping to improve the water quality of the basin. The MRBJPB was established to fulfill this role since the Counties have the jurisdictional responsibility for water quality and land use practices, the citizens are represented on the Comprehensive Water Planning Advisory Committees for each of the 37 counties in the group, and that all cities, towns, townships, businesses, environmental groups, sportsmen groups, federal, state, and local agencies have a part to play in the restoration process.

Goals: To ensure that the MRBJPB has adequate funding and support from all groups to successfully coordinate the preservation and clean up of the Minnesota River Basin.

Vision: For the Minnesota State Legislature to fund a portion of the administrative costs of the MRBJPB long term and for this amount to be matched with local funds as cash and in-kind contributions. The MRBJPB will help agencies and groups deliver their respective missions to the landowners and citizens of the Minnesota River Basin by adding value to the process.

Actions: Work with the State Legislature to increase Cost Share Funding for projects in the basin and to not lose focus on Minnesota River Basin improvements that have been realized over the past decade. Work to develop a strategic plan for the entire basin based upon the CAC recommendations.

G. Establish Local Joint Powers Boards- The CAC realized that only efforts developed and managed on the local level can have a chance at succeeding and that the organizational structure had to move from a county based to a major watershed based perspective.

Goals: To establish Major Watershed Teams in each of the 12 major watersheds based upon local leadership, citizen and landowner representation, and a very inclusive look at all sources of pollution to the tributary and hence, to the Minnesota River with an eye on environmental improvements, economic enhancements and community enrichments.

Vision: Each of these 12 major watersheds would interface with each other on a total basin by working through the MRBJPB.

Actions: Develop locally lead watershed teams in each of the 12 major watersheds.

H. Improve Technical Assistance to Local Governments- Technical assistance and support is critical for local governments and citizen's based groups to accelerate the clean up of the Minnesota River Basin.

Goals: To enter into successful partnerships with federal, state and local agencies and groups to share and network GIS capabilities, monitoring information, implementation strategies, and other support as needed.

Vision: All agencies and groups will work to leverage available resources to share positions, personnel and support as much as practical to leverage technical assistance delivery to the locals.

Actions: Use Data Review Team to identify and implement technical solutions to improve water quality in the basin. Work with all agencies and groups to include their needs in the strategic plan for the basin.

I. Engage the General Public- An essential element for the successful preservation and restoration of the Minnesota River Basin is to have citizen participation at all levels.

Goals: To create activities, events and outreach that allows citizens to create and sustain Minnesota River Basin improvement ideals.

Vision: To have all groups collaboratively work on educating the citizens and landowners in various and diverse ways with the message of cooperation and environmental, economic and community balance.

Actions: Sponsor educational outreach forums such as the "Phosphorus Forum", the Summer Conference, and media alerts. Continue to sponsor the "Minnesota River Basin Clean Up Day" throughout the basin on the national river clean up day in May. Sponsor the inaugural "Minnesota River Run, Ride & Row" to be held at every city and town along the Minnesota River on September 19, 1998. Continue to expand the representation on the CAC to include more cities and towns. Ensure the Data Center trains local leaders in water quality and quantity issues. Continue to create FACT SHEETS to inform the public on the technical aspects of the Minnesota River. And, continue to meet with local groups on Minnesota River Basin issues.

J. Enforce Existing Laws- The CAC determined that many Minnesota laws designed to protect water quality should be enforced if enforcement is determined to be the efficient course of action.

Goals: To determine which laws need to be actively enforced and those that should have a step-wise enforcement roll out for activities detrimental to the water quality of the Minnesota River Basin.

Vision: To create some sort of multi-agency task force to determine which laws need better enforcement in this geography and how enforcement should be managed. To perform an audit of various government agencies that are responsible for enforcement activities and hold those agencies accountable for enforcing laws of importance in the basin.

Actions: Support the county and state governments in the enforcement of rules and regulations.

K. Support Changes in Federal Farm Policy- Agriculture drives the economy of the Minnesota River Basin and Federal Farm Policy, in large part, drives agriculture.

Goals: To provide incentives for landowners actively using Best Management Practices on their lands and to influence Federal Farm Policy to reward "good actors" rather than to reward "bad actors".

Vision: Support the development of whole farm planning, River Friendly Farmers, and other programs that properly incent landowners to "do the right thing".

Actions: Distribute information and leverage funding to promote practices that will improve the water quality of the Minnesota River and its tributaries.

BWSR GRANT # 3
1998
Administrative Budget

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL	6 MO.
Salary	9600	9600	9600	9600	9600	9600	9600	9600	9600	9600	9600	9600	\$ 116,200	57,600
Insurance	292	292	292	292	292	292	292	292	292	292	292	292	\$ 3,504	1,750
Phone	420	420	420	420	420	420	420	420	420	420	420	420	\$ 5,040	2,500
Copier	260	260	260	260	260	260	260	260	260	260	260	260	\$ 3,120	1,600
Postage	220	220	220	220	220	220	220	220	220	220	220	220	\$ 2,640	1,300
Supplies	125	125	125	125	125	125	125	125	125	125	125	125	\$ 1,500	750
Meetings	185	185	185	185	185	185	185	185	185	185	185	185	\$ 2,220	1,100
Travel	320	320	320	320	320	320	320	320	320	320	320	320	\$ 3,840	1,900
Misc.	750	750	750	750	750	750	750	750	750	750	750	750	\$ 9,000	4,500
AMC	460	460	460	460	460	460	460	460	460	460	460	460	\$ 5,520	2,750
TOTAL	12632	12632	12632	12632	12632	12632	12632	12632	12632	12632	12632	12632	\$ 151,584	75,750

Notes:

The above budget is the estimate of the Administrative Costs attributed to the BWSR GRANT #3 the MRBJPB is requesting. An estimate of \$45,390.00 of this budget is attributed to the development of the specific Work Elements as defined in the attached worksheet. The total cost for 12 months is estimated to be \$151,584 with an additional cost of \$75,750 for the next 6 months totaling \$227,334 for 18 month period. Grant #3 in the amount of \$125,000 along with the Metropolitan Council Grant #2 in the amount of \$100,000 should almost cover the administrative costs for the next 18 months.

The MRBJPB will account for progress on each of the stated Work Elements as well as the total cost for administering the MRBJPB. A series of updates will be available upon request identifying the following:

Percent of Work Element Completed
 Total Dollars Spent
 Total GRANT # 3 Dollars Spent
 New or Revised Expense Estimates

JANUARY 1, 1998 - JUNE 30, 1999

PROPOSED WORK PLAN

MINNESOTA RIVER BASIN JOINT POWERS BOARD

Major Work Elements		Date	Action	Total Cost
Workshops:				
	"Hydrograph"	Mar-98	Workshop	200.00
	"Phosphorus and Sediment"	Jan-98	Workshop	200.00
	"Phosphorus Issues"	Mar-98	See Data Review	1,500.00
	"Bacteria"	May-98	See Data Review	1,500.00
	"Riparian Buffer Strips"	Nov-98	Workshop	200.00
	Others As Needed		See Data Review	
				3,600.00
Summer Conference:				
	Conference Site Selection	Nov-97	Choose Location	-
	Conference Committee Meeting	Dec-97	Agenda	120.00
	Conference Agenda Selection	Feb-98	Draft Agenda	120.00
	Committee Meeting	Mar-98	Speakers Identified	120.00
	Agenda and Topics Set	Apr-98	Agenda Set	-
	First Mailing	Apr-98	Mailing	1,000.00
	Second Mailing	May-98	Mailing	1,500.00
	Advertising and Marketing	Jun-98	Press Release(s)	-
	Conference Proceedings	Jul-98	Conference	10,000.00
				12,860.00

Development of Subcommittees:					
	Recreational Plan Development	Ongoing	Follow Plan		-
	Drainage	Oct-97	5 meetings/98		600.00
	Agro-Forestry	Jan-98	Spring Plantings		120.00
	Legislative Education	Oct-97	Active in Session		-
	Major Project Review Team	Nov-97	Selection 1-98		600.00
	Business Advisory Committee	Nov-97	Formed 2-98		750.00
	Local Joint Powers Board Liaison	Nov-97	Formed 2-98		120.00
	WILL Subcommittee	Ongoing	Follow Plan		400.00
	River Cities Coalition	Jan-98	Cities on Board		150.00
	Run, Ride & Row	Jul-97	Sept. 19, '98 Event		3,000.00
	Scenic By Way	Ongoing	Other Portions '98		300
	Others As Needed				-
					6,040.00
Minnesota River Basin Clean Up Day:					
	County by County Planning	Feb-98	TAC, CAC, etc.		120.00
	Request National Guard Help	Feb-98	Meet with Guard		-
	Work with DNR	Feb-98	Meet with DNR		-
	Secure Local Sponsors	Ongoing	Local Businesses		-
	Send our Press Release	Jul-98	Basin Wide		-
	Clean up Day Activities	Sep-98	Basin Wide		-
					120.00
Communications Plan:					
	Hire Intern from Humphrey Institute	Jan-98	Part Time Intern		10,800.00
	Basin Wide Information Document	Jan-98	Pull Info Together		750.00
	Formulate Media Advisories	Ongoing	Four Times/Year		400.00
	Distribute Information	Ongoing	Four Times/Year		4,000.00
	Solicit Opinions from Media	Ongoing	Connect with Media		-
					15,950.00

Strategic Planning:				
	Organize Strategic Planning Group	Nov-97	Organize Materials	-
	First Meeting	Dec-97	Organize Approach	-
	Facilitator	Dec-97	Choose Facilitator	-
	Strategic Action Plan Document	Jan-98	Create Draft Plan	150.00
	Commissioner Training	Feb-98	Board Update	-
	"Blue Ribbon Task Force" Meeting	Dec-97	Initial Meeting	120.00
	Master Plan Development	Jan-98	Draft Plan	150.00
	Incorporate Strategic Plan with WS Pla	Ongoing	WS Plan Developed	-
	Incorporate Clean Water Partnerships	Ongoing		-
	Incorporate County Water Plans	Ongoing		-
	Develop Major WS Goals	Ongoing		-
	Develop WILL in Major WS	Ongoing		-
	Written Plan for 1998	Mar-98	Final Plan	500.00
				920.00
Develop 5 Year Plan:				
	Strategic Planning Outcomes	Mar-98	Match Plan with Actio	-
	Major Watershed Plans	Ongoing	WS Plan Developed	-
	Agency Goals	Ongoing	WS Plan Developed	-
	County Goals	Ongoing	WS Plan Developed	-
	Citizen Goals	Ongoing	WS Plan Developed	-
	Cities' Goals	Ongoing	WS Plan Developed	-
Major Priority Project Implementation:				
	Application, Selection and Approval	Ongoing		-
	Board Review Procedure	Jan-98	Final Projects Approv	150.00
	Implementation	Apr-98	Projects Started	-
	Follow Up and Manage	May-98	Projects Ongoing	-
	Pursue Projects	Nov-98	Second Round	-
	Pursue Funding	Oct-98	Work with Legislature	-
	Develop Projects for Review	Nov-98	Review Process	150.00
				300.00

Minnesota River Basin Data Center:				
	Tie into Communications Plan	Mar-98	Training Begins	-
	Commissioner Training	Apr-98	Commissioner Info.	600.00
	Basin Wide Information Updated	Ongoing	Mailings and Updates	-
	Incorporate into Plan	Ongoing	Master Plan Update	-
				600.00
Data Review Team:				
	Create FACT SHEETS:			
	Overall Water Quality	Jul-97	Completed	-
	Phosphorus	Jan-98	Draft Fact Sheet	-
	Sediment	Jan-98	Draft Fact Sheet	-
	Bacteria	May-98	Draft Fact Sheet	-
	Water Quantity	Jul-98	Draft Fact Sheet	-
	Others As Needed	Ongoing	As Needed	-
Educational Outreach:				
	Kellogg Grant	Ongoing	Updated as Needed	-
	Met Council/Extension	Ongoing	Updated as Needed	-
	Others As Needed	Ongoing	Updated as Needed	-
	OEA Grant for Education & Training	Ongoing	Updated as Needed	-
Administrative Assistance:				
	Internships (2)	May-98	Summer Assistance	5,000.00
WORK ELEMENT TOTAL:				45,390.00

BWSR FUNDING APPROVAL - JANUARY 28, 1998

<u>Applicant & Project Title</u>	<u>Project Cost</u>	<u>Funding Request</u>	<u>Funding Approval</u>
Blue Earth River Basin Initiative Practical Stream Bank Stabilization Practices	\$212,500	\$ 80,000	\$ 80,000
Carver County SWCD Bioengineering and Construction Site Erosion Control For Sediment Reduction (new title)	48,675	15,337	15,337 (contingent #1)
Kandiyohi County SWCD Willmar Senior High School, Construct New Control Structure	10,713	5,000	5,000
Lyon County (LGU priority 1) Flood Water Retention Project on the Redwood River Basin (Three Mile Creek, tributary of Redwood River)	304,800	152,400	125,400 (contingent #2)
Lyon County (LGU priority 2) Flood Water Retention Project on the Redwood River Basin (Lone Tree Creek, tributary of Cottonwood River)	95,000	47,500	no funds
Scott County SWCD City of Savage Stream Bank Stabilization Projects	157,000	78,500	78,500
Sibley County Water Plan/SWCD Sibley County Subsurface Inlet Protection-Improvement Project	125,000	20,000	no funds
Watsonwan County Goose Lake Wetland Restoration (\$1,005,000 overall project cost, Federal \$\$s involved)	159,000	79,500	79,500 (contingent #3)
TOTAL \$	\$1,112,688	\$478,237	\$383,737
Available Funding	\$475,000		
Funding Approval	\$383,737		
Remaining Balance	\$ 91,263		

CONTINGENTS:

- #1 Reserve funding for LGU contingent upon LGU's further clarification of use of funds for eligible project costs...respond by March 1, 1998.
- #2 Reserve funding for LGU contingent upon LGU's clarification of all other funding in place for this project...respond by March 1, 1998.
 Contingent that these state appropriated funds only be used for added conservation and flood control costs. Cost-sharing will only be authorized for additional costs over and above normal road and bridge replacement costs. Also, contingent upon LGU supplying monitoring data that shows typical before / after water quality results for this or similar project.
- #3 Reserve funding for LGU contingent upon LGU reporting back to BWSR by December 31, 1998 on all other funding sources in place for project.

Motion #1

DeHlke moves that the BWSR ~~--in concert with the MPCA and MDH--~~ ^{ADA} does not believe that a water quality or human health crisis exists that warrants a statewide moratorium on new feedlots and the expansion of existing systems. Our preferred action is to support development of a generic Environmental Impact Statement on Feedlots, local official controls and MPCA feedlot rules.

Motion #2

_____ moves to commend MPCA for their approach to the feedlot issue whereby they are approaching this controversial issue from the perspective of science.



Minnesota Pollution Control Agency Feedlot Program Statistics

The following series of graphs were created from permit data stored in the *AGWASTE* Database at the MPCA. This database contains information on approximately 11,500 feedlot permits issued by the MPCA. The database does not contain the permits issued by delegated counties in the feedlot program. It is estimated that an additional 3800 permits have been issued by delegated counties.

- Graph 1. *Eight Year Feedlot Trends: Permits Issued by Year and Number of Animal Units 1990 to 1997.* This graph shows the number of permits issued by the MPCA, and the number of permits issued by animal unit (AU) size category for the last eight years
- Graph 2. *Number of permits Issued by Animal Type and Size Category: 1990 to 1997.* This graph shows the number of permit issued by the MPCA for each animal type by each size category.
- Graph 3. *MPCA Permitted Swine Feedlots by Size Category: 1990 to 1997.* This graph shows the total number of permits issued to feedlots that have swine from 1990 to 1997. It also shows the number permits issued each size category for each year.
- Graph 4. *MPCA Permitted Dairy Feedlots by Size Category: 1990 to 1997.* This graph shows the total number of permits issued to feedlots that have dairy cattle from 1990 to 1997. It also shows the number permits issued each size category for each year.
- Graph 5. *Permitted Earthen Structures by Animal Type: 1990 to 1997.* This graph shows the total number of permits issued that utilize an earthen structure for manure storage for each animal type.
- Graph 6. *Environmental Assessment Worksheets Performed on Feedlots: 1993 to 1997.* This graph shows the total number of Environmental Assessment Worksheets (EAW) performed by the MPCA, and the number of those of which were on feedlots.
- Graph 7. *Number of Civil and Criminal Enforcement Cases: Feedlot Program 1990 to 1997.* This graph shows the total number of enforcement cases completed by the Feedlot Program from 1990 to 1997.

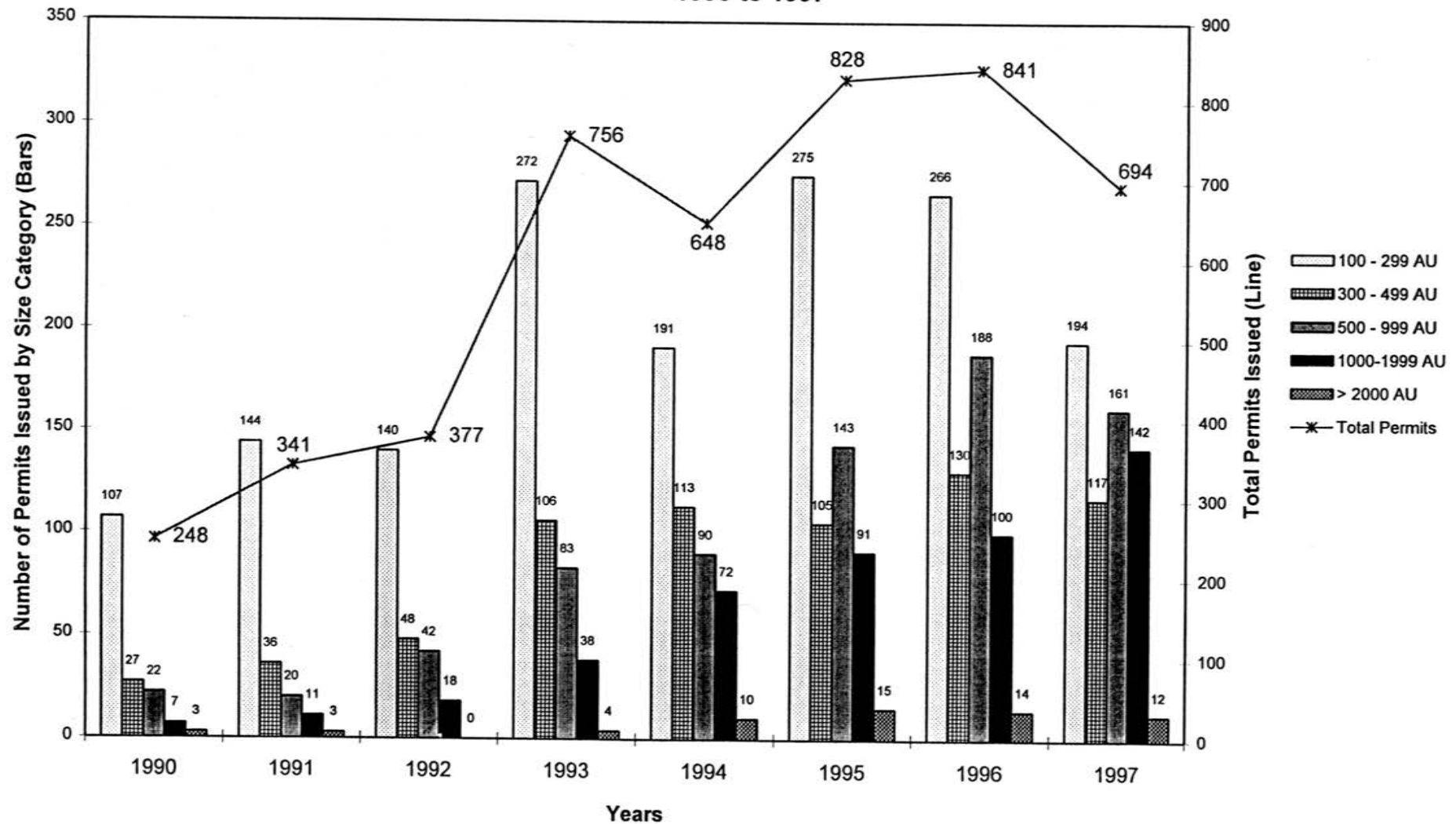
Graph 8. *Feedlot Size - Where are the animals?* This graph shows the total number of animal units in Minnesota for each year from 1989 to 1997, and the proportion of animal units in three feedlot size categories.

Graph 9. *Counties in the MPCA Feedlot Program.* This map shows the 48 counties that have applied for and received delegation to administer the Feedlot Program.

Eight Year Feedlot Trends

Permits Issued by Year and Number Animal Units

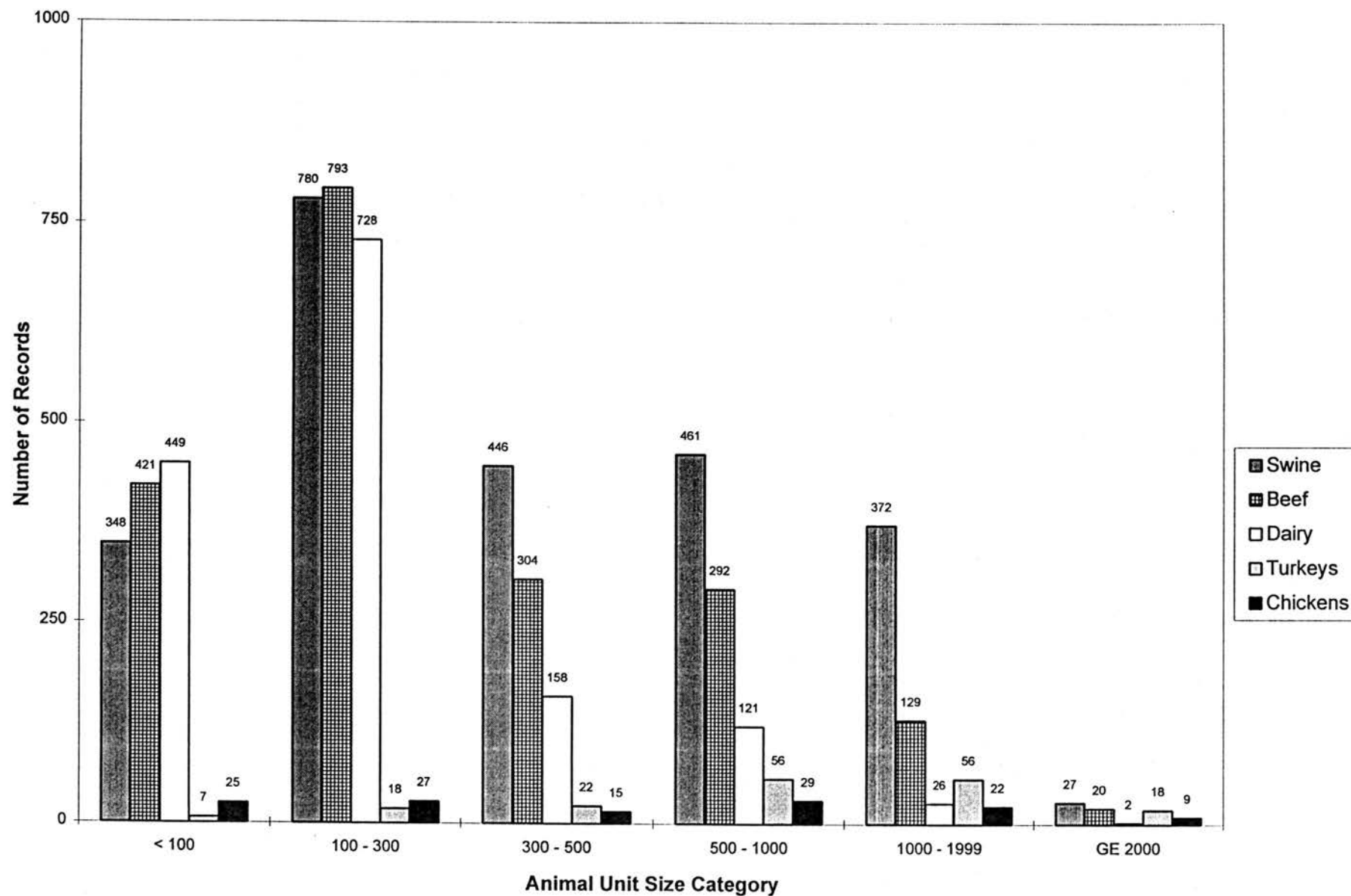
1990 to 1997



As of December 31, 1997

Graph 1.

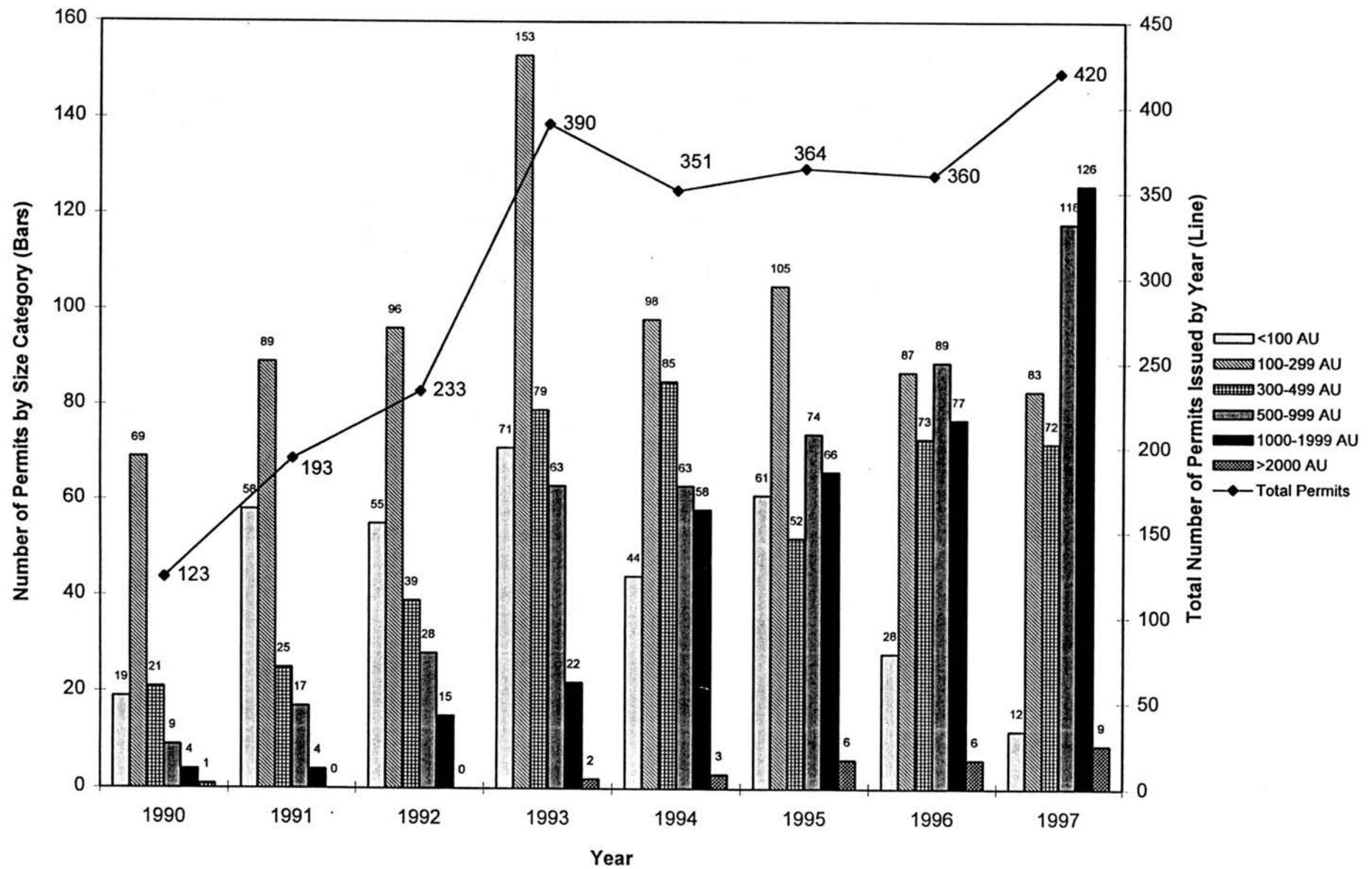
Number of Permits Issued by Animal Type and Size Category 1990 to 1997



As of December 31, 1997.

Graph 2.

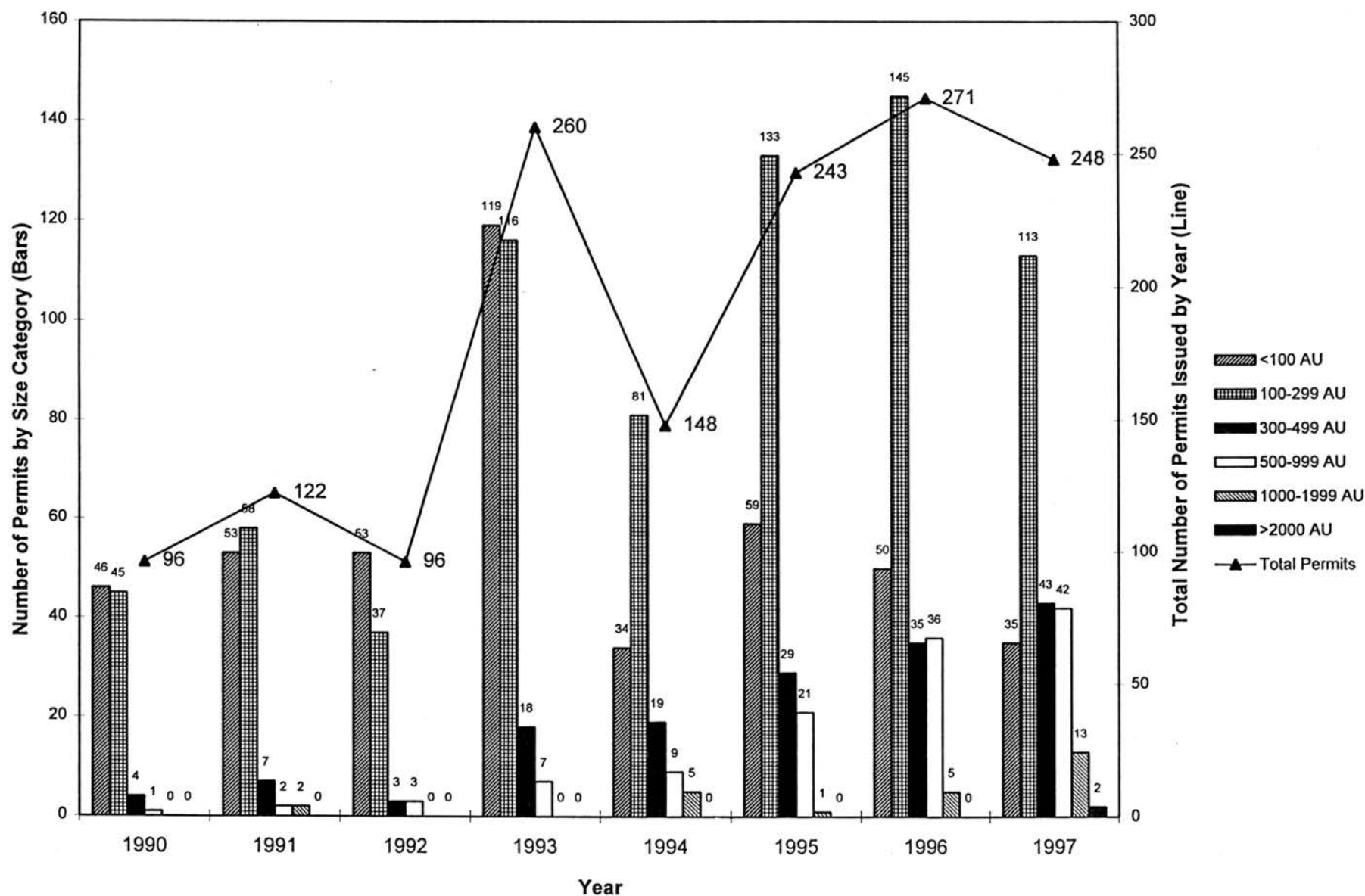
MPCA Permitted Swine Feedlots by Size Category 1990 to 1997



As of December 31, 1997

Graph 3.

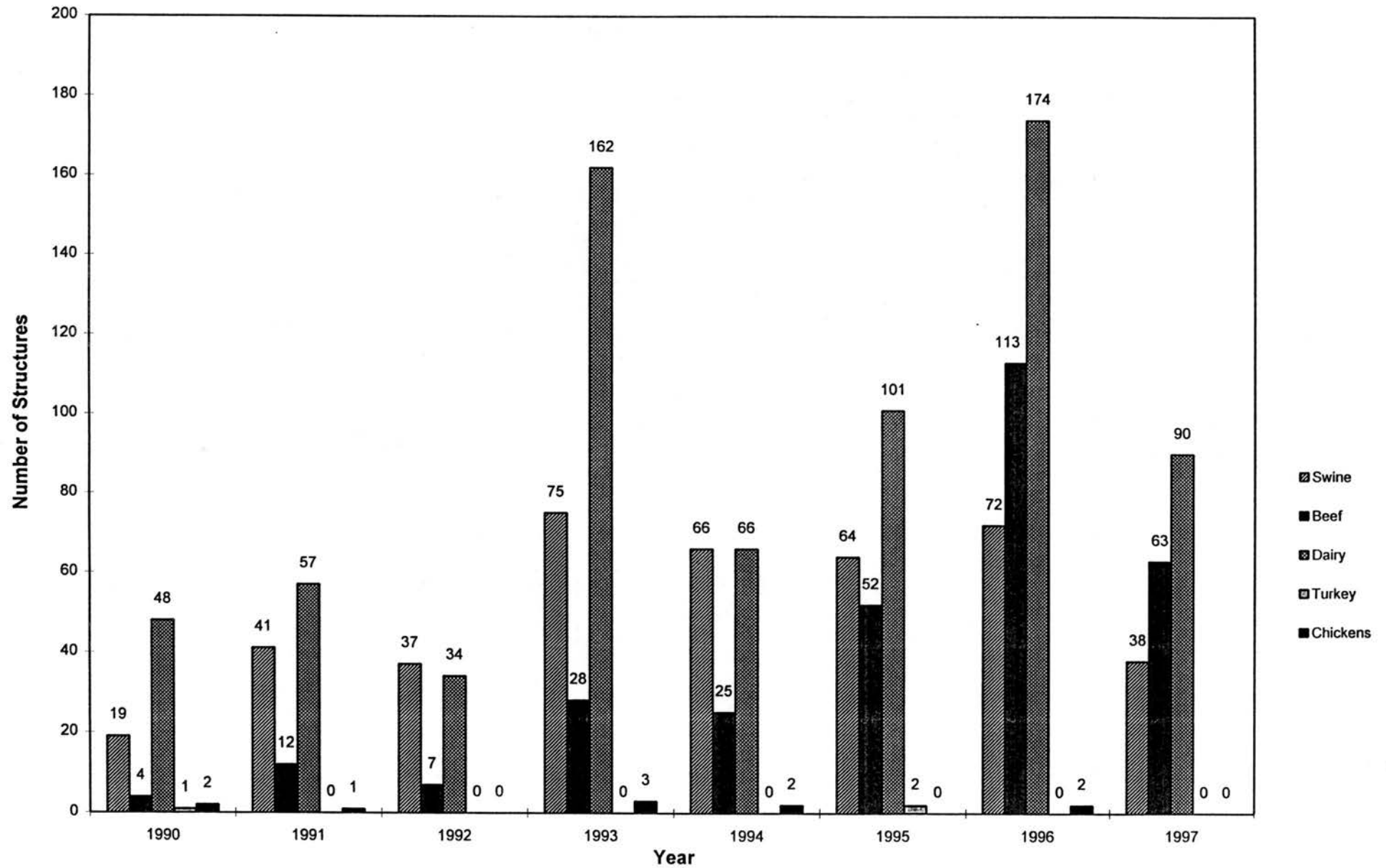
MPCA Permitted Dairy Feedlots by Size Category 1990 to 1997



As of December 31, 1997

Graph 4.

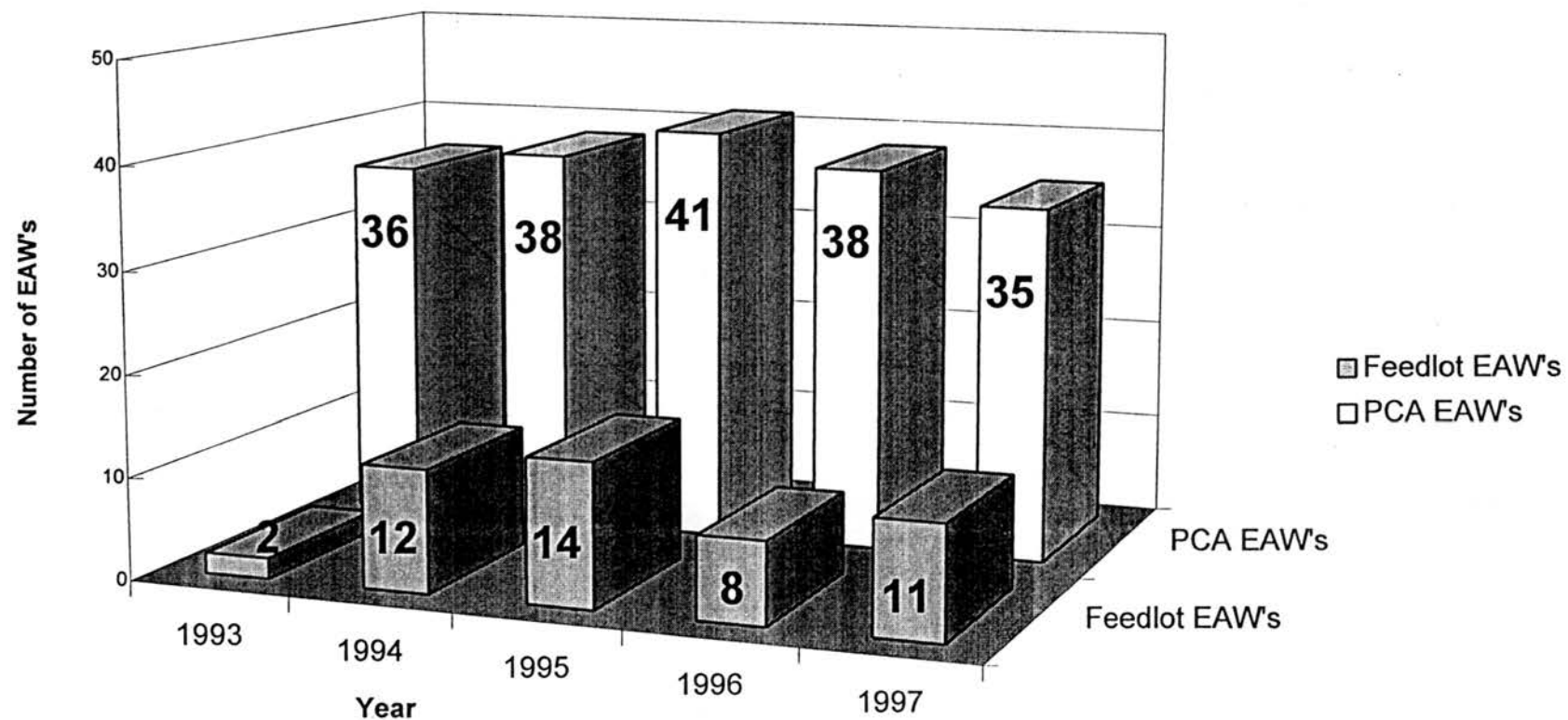
Permitted Earthen Structures by Animal Type 1990 to 1997



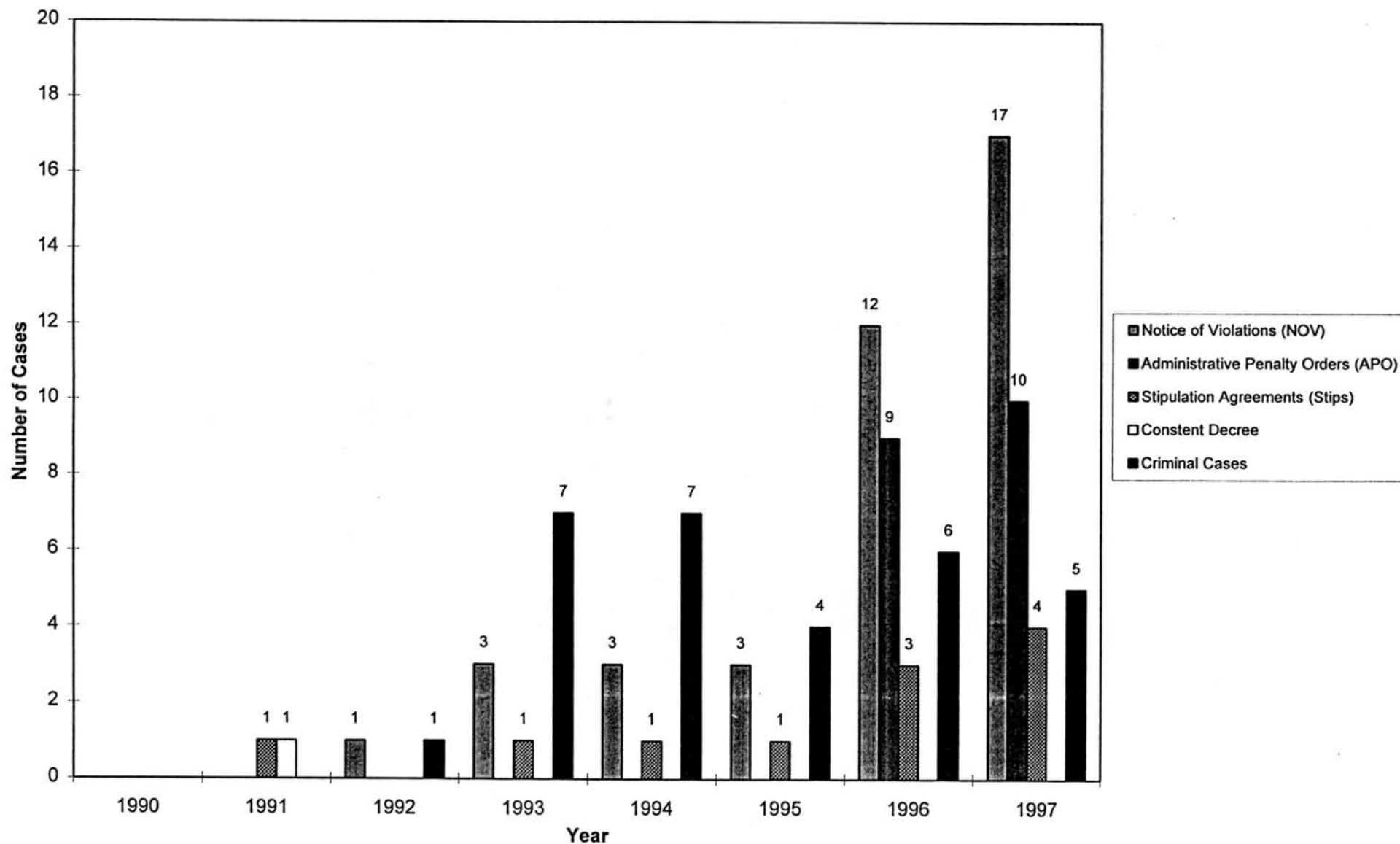
As of September 1, 1997.

Graph 5.

Environmental Assessment Worksheets Performed on Feedlots 1993 to 1997



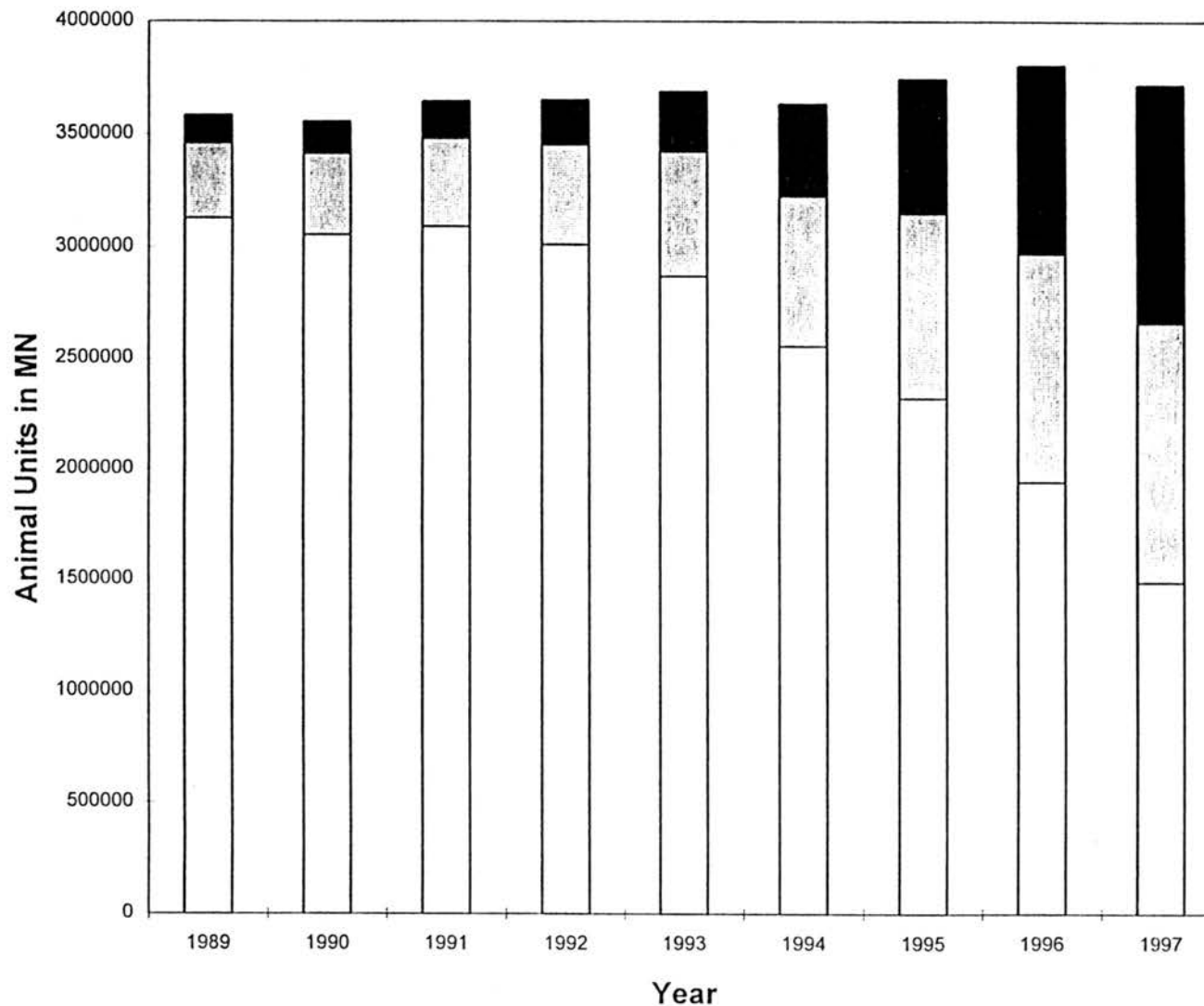
Number of Civil and Criminal Enforcement Cases **Feedlot Program** **1990 to 1997**



As of December 31, 1997

Graph 7.

Feedlot Size - Where are the animals?



This graph is based on the following information and assumptions:

- The total number of animal units (AUs) was generated by multiplying the number of animals for each species as stated in the Minnesota Agricultural Statistics publications, by the corresponding number of AUs per animal as defined by the MPCA.
- The number of AUs in large feedlots (>300 AUs) is based on MPCA permit records for such facilities and assumes that all feedlots with more than 300 AU in the state are permitted and in the MPCA permit records data base. The MPCA does not have complete records for the relatively smaller feedlots (e.g. <300 AU), and therefore the number of AUs in the smaller feedlots was determined by subtracting the number of AUs in larger feedlots from the total number of AUs in the state.

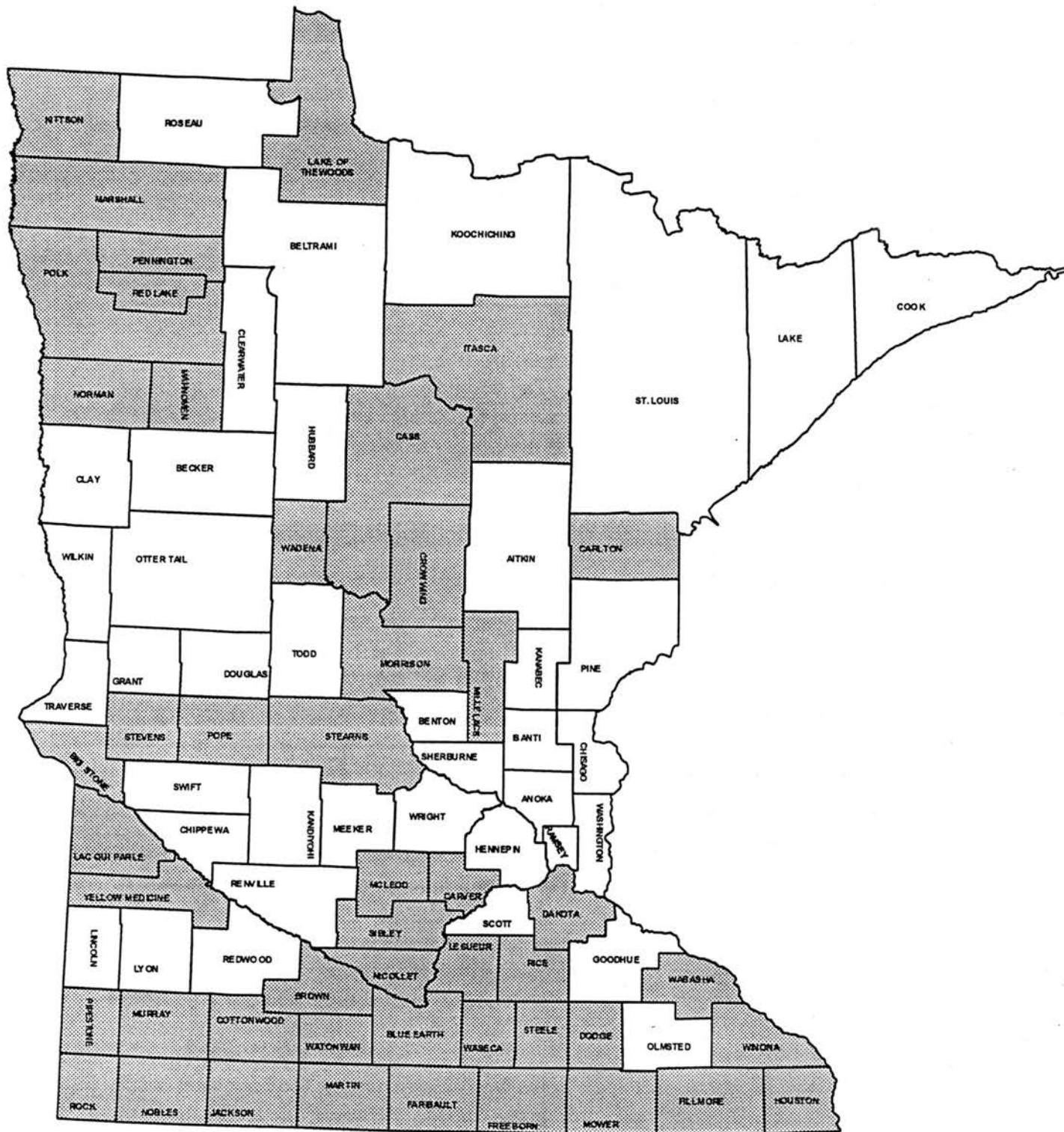
■ #AU in fdlts with >1000 AU
 □ #AU in fdlts with 300-1000 AU
 □ #AU in fdlts with <300 AU

Note from this graph:

- There has only been a slight increase in Minnesota AUs since 1989.
- The proportion of animals in large feedlots has dramatically increased since 1992.
- In 1997, the number of animal units located in feedlots with less than 300 AU was roughly 40%, down from roughly 85% in 1989. If the trend continues, in a couple of years less than one-fourth of the animals in the state will be located in feedlots with less than 300 AU.
- While roughly 60% of the animal units are located in larger feedlots (>300 AU), the total number of feedlots representing this figure is about 2700.
- Given that the MPCA has permitted most of the larger feedlots (>300 AU) and over half of the other feedlots, it could be concluded that over 80 percent of the manure generated in the state is being produced at facilities which were granted an MPCA permit or certificate of compliance.

Graph 8

Counties in the MPCA Feedlot Program



Minnesota Pollution Control Agency
Water Quality Division
January 1998
Shaded Counties in County Feedlot Program

THE ROLE OF THE COUNTY IN THE FEEDLOT PERMIT PROGRAM

In December 1979, new rules were adopted to allow the processing of feedlot permits by the counties. These rules give the county government a role in assisting the farmer to meet Minnesota Pollution Control Agency (MPCA) rules for the control of pollution from animal feedlots. Under this program, any participating county may, at the option of the County Board, participate in the issuing, denying, modifying or revoking of feedlot permits and certificates of compliance.

The county feedlot program presents several advantages to the feedlot operator. The owner is able to deal at the local level with someone he knows and who is familiar with the facility. The feedlot operator is assured that prompt action will be taken on his application for a feedlot permit. The County Feedlot Officer is a source of information close at hand and is readily accessible.

At the county level, local input is maximized. The designated county official will not issue a feedlot permit unless all local ordinances and zoning regulations are complied with by the feedlot owner. Most non-pollution problems that arise are usually most effectively handled at the local level and do not require the intervention of a state agency.

When a county participates in the feedlot program, feedlot permit applications are handled by the County Feedlot officer in the following manner:

1. the permit application is reviewed to be certain that it is completely filled out;
2. the livestock facility is checked to determine if it will meet all local laws and regulations; and
3. any applications are forwarded to the MPCA for evaluation if the feedlot has:
 - greater than 1,000 animal units,
 - 300 to 1,000 animal units with potential pollution hazards, or
 - a potential pollution hazard which will not be corrected within a ten-month period.

The County Feedlot Officer will issue interim permits for feedlots under 300 animal units having a potential pollution hazard which will be corrected within ten months. The county will also issue certificates of compliance for operations under 1,000 animal units which do not have a potential pollution hazard.

Where the county decides not to participate in the feedlot program, the feedlot owner is still required to obtain an animal facility permit from the MPCA. However, the feedlot owner will not have the benefit of a local official who can process the application. The application form must be submitted to the MPCA for processing.



Draft 1-22-98

GEIS FACT SHEET

Why do a study of feedlots?

In recent years, there has been increasing controversy regarding animal feedlots in Minnesota. Many of the concerns that have been raised are about the potential for contamination of the air, surface water and groundwater. There are also important questions regarding the social and economic impacts of animal agriculture. While these issues are being raised in the context of individual permit decisions, the broader issues are beyond the scope of existing regulations.

A Generic Environmental Impact Statement (GEIS) includes a review of the environmental issues as well as the broader social and economic issues associated with trends in animal agriculture. A study of these issues can assist state and local policy makers as they make decisions affecting our rural communities and natural resources.

What is a GEIS?

A GEIS is a type of broad environmental review used to study issues that cannot be adequately evaluated on a case-by-case basis. The GEIS is a long-range planning tool that provides information about widespread, long-term consequences unlikely to be identified through a project-specific review. A successful GEIS also addresses the important economic and social concerns connected to the industry while involving all stakeholders in the process.

How does a GEIS differ from other environmental reviews?

A GEIS differs from a project-specific environmental review in a number of ways. There are two particularly important differences in the context of a feedlot GEIS.

First, a project-specific EIS or environmental assessment worksheet (EAW) typically looks at the environmental impact of a specific project within a limited geographic area. A GEIS can analyze the cumulative effects associated with a number of separate but similar activities over a larger area.

Second, a project-specific environmental review assesses the consequences associated with various alternative courses of action without taking a preference. A GEIS, however, may include recommendations and may advocate specific policy choices or program directions.

Environmental
Quality Board

Minnesota
Pollution
Control
Agency

Minnesota
Department
of Agriculture

Minnesota
Department
of Health

Board of
Water and
Soil Resources

Minnesota
Department
of Natural
Resources

Does a GEIS look only at environmental issues?

No. A GEIS also considers the social and economic impacts, both positive and negative, of an industry. This includes effects on employment, economic development, families, quality of life, and other issues. The GEIS forms a picture of the overall social, economic and environmental impact of the industry.

What will the proposed feedlot GEIS accomplish?

The GEIS will expand and clarify our knowledge of feedlot operations and their impact on the environment, while also examining the social and economic implications. Information and recommendations developed through the process can provide the basis for more informed decision-making about feedlot operations on the part of state and local governments, as well as industry and private citizens.

The GEIS process will help interested parties reach consensus on feedlot issues and policy options for addressing them. The GEIS will also help clarify the roles and responsibilities of different units of government in addressing feedlot issues. The GEIS will help set a course for agricultural and environmental policy as we start the next century.

What happens while the GEIS is being prepared?

The GEIS process places no special restrictions on the industry. At the same time, the GEIS process does not exempt these activities from normal, project-specific environmental review requirements.

Questions remain about the long-term impact of feedlots on the environment and on human health. However, there are no immediate, short-term concerns about health or the environment. A situation could arise where it would be necessary to restrict feedlot operations in a particular situation or locality in response to an identified public health concern. However, there has been no indication of a general crisis or emergency and therefore no reason to alter or suspend activities relating to feedlots.

Who initiates a GEIS?

The Minnesota Environmental Quality Board (EQB) orders a GEIS, although it may designate another agency or unit of government to conduct the review.

The EQB is composed of commissioners from the MPCA, the Departments of Health, Agriculture, Natural Resources, Public Services, Transportation, and the directors of the Office of Strategic and Long Range Planning and the Office of Environmental Assistance, along with a representative from the Board of Water and Soil Resources. There are also five citizens appointed to the EQB. While the EQB typically orders a GEIS, any individual citizen or government body can request that the board consider such action.

What considerations would trigger a GEIS?

Before ordering a GEIS, the EQB must consider several things:

- The regional and statewide significance of any environmental effects.
- Whether reviewing the proposed action can be better accomplished through a GEIS than through a case-by-case review of each project or activity.
- Whether the potential environmental effects are unknown, or the risks involved are unique or uncertain.
- The cumulative potential impact on the environment of all projects or activities falling within a particular category -- e.g., feedlot operations.

The Governor believes that the feedlot issue fits all these criteria.

What goes into preparing a GEIS?

The feedlot GEIS would likely include the following components:

- A compilation of feedlot data from Minnesota state agencies and other sources.
- A formal scoping process of the issues to be addressed, including (1) the geographic area of concern, (2) the potential impacts, mitigation and alternatives to be studied, and (3) the level of detail required for each topic. A stakeholders' advisory group would be established by EQB to help review and guide the scoping process as well as provide input through subsequent stages.
- Public scoping meetings would be held throughout the state and a draft scoping document would be circulated before making a final scoping decision. Considering the number and diversity of parties involved in the feedlot issue, it is likely that a final decision on the scoping document would not take place until spring 1999. ? *to be revised to give flexibility*
- Completion of the tasks identified in the scoping document, which might include a feedlot inventory, survey work, a broad search of the scientific literature, an examination of feedlot research and activities in other states and countries, air modeling and other research as well as the hiring of staff or consultants to do the work.
- Preparation, public review and revision of the draft GEIS.
- Submission of the final document to the EQB for review and acceptance.

Who pays for a GEIS?

Funding for a GEIS will come from a general fund appropriation or outside funding sources. The Governor has proposed \$2.7 million for the total cost of a feedlot GEIS. He is requesting \$1.2 million for fiscal year 1999.

For further information, please contact:

Environmental Quality Board: Mike Sullivan, 296-3698

Pollution Control Agency: Dave Nelson, 296-9274, or Susan Schmidt, 297-7573

Department of Agriculture: Paul Burns, 296-1488

Department of Health: Kathy Svanda, 215-0878

Department of Natural Resources: Wayne Edgerton, 297-8341

Board of Water and Soil Resources: Al Kean, 297-2907

Minnesota Board Of Water And Soil Resources
One West Water Street, Suite 200
St. Paul, Minnesota 55107

In the Matter of the Petition for Appeal by
the St. Paul Audubon Society from a
Decision of the Rice Creek Watershed District
Granting an Exemption from the Wetland
Conservation Act.

BWSR File No. 97-8

ORDER

DRAFT

This is an appeal by the St. Paul Audubon Society (Audubon) of a Wetland Conservation Act (WCA) exemption decision by the Rice Creek Watershed District (RCWD) dated October 9, 1997. RCWD determined that wetland drainage resulting from lowering a culvert in Anoka County Ditch No. 53-62 under Interstate 35W in the City of Blaine, Anoka County, would be exempt from the replacement requirements of WCA.

On January 14, 1998, the Dispute Resolution Committee (DRC) of the Board of Water and Soil Resources (BWSR) heard oral arguments. DRC members Annexsted, Dahlvang, Oehlke, Roer, and Tripp were in attendance. A.W. Clapp III, Esq. 785 Goodrich Avenue, St. Paul, Minnesota 55105, appeared on behalf of the Audubon. David L. Phillips, Esq., Assistant Attorney General, 525 Park Street, Suite 200, St. Paul, Minnesota 55103-2106 appeared on behalf of the MnDOT. Although RCWD did not file a brief or formally participate in oral arguments, Harold Sheff, Esq., Smith, Gendler, Shell, Sheff & Ford, P.A., 3350 First Bank Place, Minneapolis, Minnesota 55408, spoke on behalf of RCWD.

The parties agreed that the record consists of the following: RCWD Certificate of Exemption, dated October 9, 1997; Audubon Petition for Appeal, dated October 24, 1997; Brief submitted for Audubon, dated January 5, 1998; and, Brief submitted for MnDOT, dated January 5, 1998.

DRAFT

Following oral arguments, the DRC by a three (Annexsted, Dahlvang, Oehlke) to two (Roer, Tripp) vote adopted a resolution recommending that BWSR issue an order finding that the RCWD is the appropriate local government unit (LGU) for purposes of determining whether wetland drainage resulting from lowering the culvert under Interstate 35W would be exempt from the replacement requirements of WCA.

At a meeting held on January 28, 1998, BWSR, adopted a resolution to accept the recommendation of the DRC and authorized the Chair of BWSR to issue this Order.

Based upon the entire record of these proceedings, BWSR makes the following:

ORDER

1. RCWD is the appropriate LGU for determining whether wetland drainage resulting from lowering the culvert in Anoka County Ditch No. 53-62 under Interstate 35W in the City of Blaine, Anoka County, would be exempt from the replacement requirements of WCA.
2. The attached Memorandum is incorporated by reference and made a part of this Order.

Dated: January 28, 1998

Minnesota Board of Water and Soil Resources

DRAFT

By: _____
Its Chair

MEMORANDUM

The lowering of the culvert is not part of the operation of the highway by MnDOT. The lowering of the culvert is part of a series of actions concerning the public drainage system. These actions involve far more than the small strip of highway right-of-way where the proposed culvert would be lowered, and there are no wetlands within the highway right-of-way. MnDOT has stated that it does not desire to serve as the LGU in this matter. Under the particular facts of this case, we find that RCWD is the appropriate LGU for determining whether wetland drainage resulting from lowering the culvert would be exempt from the replacement requirements of WCA.

DRAFT

Minnesota Board Of Water And Soil Resources
One West Water Street, Suite 200
St. Paul, Minnesota 55107

In the Matter of the Petition for Appeal by
the St. Paul Audubon Society from a
Decision of the Rice Creek Watershed District
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BWSR File No. 97-8

ORDER

DRAFT

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On January 14, 1998, the Dispute Resolution Committee (DRC) of the Board of Water and Soil Resources (BWSR) heard oral arguments. DRC members Annexsted, Dahlvang, Oehlke, Roer, and Tripp were in attendance. A.W. Clapp III, Esq. 785 Goodrich Avenue, St. Paul, Minnesota 55105, appeared on behalf of the Audubon. David L. Phillips, Esq., Assistant Attorney General, 525 Park Street, Suite 200, St. Paul, Minnesota 55103-2106 appeared on behalf of the MnDOT. Although RCWD did not file a brief or formally participate in oral arguments, Harold Sheff, Esq., Smith, Gendler, Shell, Sheff & Ford, P.A., 3350 First Bank Place, Minneapolis, Minnesota 55408, spoke on behalf of RCWD.

The parties agreed that the record consists of the following: RCWD Certificate of Exemption, dated October 9, 1997; Audubon Petition for Appeal, dated October 24, 1997; Brief submitted for Audubon, dated January 5, 1998; and, Brief submitted for MnDOT, dated January 5, 1998.

DRAFT

Following oral arguments, the DRC by an unanimous vote adopted a resolution recommending that BWSR remand the decision for further proceedings.

At a meeting held on January 28, 1998, BWSR adopted a resolution to accept the recommendation of the DRC and authorized the Chair of BWSR to issue this Order.

Based upon the entire record of these proceedings, BWSR makes the following:

ORDER

1. The RCWD exemption determination dated October 9, 1997 is remanded for further proceedings consistent with this Order.
2. The attached Memorandum is incorporated by reference and made a part of this Order.

Dated: January 28, 1998

Minnesota Board of Water and Soil Resources

By:

DRAFT

Its Chair

MEMORANDUM

DRAFT

Minn. R. 8420.0250, subp. 3 provides as follows:

When the local government unit has made formal findings contemporaneously with its decision and there is an accurate verbatim transcript of the proceedings and the proceedings were fairly conducted, the board will base its review on the record. Otherwise it may take additional evidence, or remand the matter.

In this case, there was no technical evaluation panel (TEP) report. Additionally, there was no hearing before RCWD on the issue of the proposed exemption. As a result, there is no verbatim transcript. Furthermore, RCWD did not make formal findings. The record as presented does not provide an adequate basis for BWSR to review the decision of the RCWD. We remand for further proceedings consistent with this Order.

The proceedings on remand should include, at a minimum, the following: the preparation of a TEP report; consultation by the TEP with additional wetland experts from relevant federal, state, and local agencies pursuant to Minn. R. 8420.0240; a public hearing before the RCWD Board of Managers; the recording of the public hearing to allow the creation of a verbatim transcript if necessary; identification during the hearing of the documents that are included as part of the record; and, formal findings by RCWD to be made contemporaneously with its decision.

The applicability of the WCA exemption for maintenance and repair of an existing public drainage system is premised upon the utilization of appropriate procedures under the drainage code. On remand, the TEP and RCWD should consider and address the issue of whether the order for lowering the culvert under Interstate 35W was duly and properly issued and whether the proposed action qualifies as maintenance or repair under the drainage code.

The proposed lowering of the culvert under Interstate 35W is part of a series of related actions that have been authorized or directed by RCWD. On remand, the question of whether lowering the culvert under Interstate 35W qualifies for an exemption should be reviewed by the TEP and RCWD in the context of the total series of related actions.

DRAFT

_____ moves to endorse the Memorandum of Understanding for the Conservation Reserve Enhancement Program (dated January 27, 1998). Although we expect Secretary of Agriculture Glickman to approve the MOA very soon, this motion authorizes staff to begin the implementation of CREP ~~with or without USDA endorsement~~ on February 17, 1998.

(
amendment to remove

C O V E R

S H E E T

FAX

Minnesota State Farm Service Agency
400 AgriBank Building
375 Jackson Street
St. Paul, Minnesota 55101-1852
Phone (612)602-7700
Fax (612)602-7743

To: Parks Shackleford

Fax #: 202-

From: Wally Sparby
State Executive Director, Minnesota FSA

Subject: CREP MOA

Date: January 28, 1998

Pages: 11 (INCLUDING THIS PAGE)

COMMENTS:

Attached is a copy of the Memorandum of Agreement between USDA-FSA and the State of Minnesota on CREP.

The State Committee has negotiated this MOA for several months with BWSR to attempt to achieve an agreement that is beneficial to the environment of the Minnesota River Valley and acceptable to the farmers who own the farmland that is available for potential enrollment in the program, as well as those organizations who have expressed concerns about the Minnesota River, its water quality and environment.

The State Committee has always expressed great concern about the water quality of the river and its tributaries. After lengthy discussions this is the final product of a cordial review of the concerns of both parties.

The State Committee would have appreciated the opportunity for additional items for inclusion, however, in the negotiating process there must be compromise and this we feel is a workable solution to the quality of the water and erodibility in adjacent lands of the Minnesota River Valley and its tributaries.

We express our sincere thanks to all who have worked with us on this CREP project for your patience and consideration of our thoughts and concerns.

MINNESOTA RIVER BASIN LAND RETIREMENT PROGRAMS: A COMPARISON

CRITERIA	CRP REGULAR SIGN-UP (A USDA Program)	CRP CONTINUOUS ENROLLMENT (A USDA Program)	RIM CONSERVATION RESERVE (A BWSR Program)	(CREP) CONSERVATION RESERVE ENHANCEMENT PROGRAM* (A USDA and BWSR Partnership)
1) Voluntary program	YES	YES	YES	YES
2) Ownership requirements	1 year before application	1 year before application	1 year before application	1 year before application
3) Enrollment mechanism	Contract with USDA	Contract with USDA	Easement with State	A 15 year CRP contract with USDA followed by a RIM easement with State
4) Crop History	2 of the most recent 5 years	2 of the most recent 5 years	2 of the most recent 5 years	2 of the most recent 5 years
5) Enrollment can include non-cropland	No	No	Yes	Yes
6) Site requirements	EBI (environmental benefits index) applied	Env. sensitive areas that are suitable for riparian buffers, wetlands and other practices	Env. sensitive areas suitable for riparian buffers, wetlands and other practices	Env. sensitive areas, suitable for riparian buffers, wetlands and other practices
7) Site must be physically capable to crop at time of enrollment	Yes	Yes	No	No
8) Selection of applications (bids)	Competitive based on EBI and cost	Non-competitive; enrolled if criteria 2, 4 and 6 are met	Competitive based on local and state environmental priorities	Non-competitive; enrolled if criteria 2, 4 and 6 are met
9) Payment options	Annual payments	Annual payments	Lump sum at time of enrollment or 10 equal annual payments.	Annual CRP payments plus a lump sum CREP signing bonus (RIM payment) at time of enrollment.
10) Payment rate	Based on soil rental rates and landowner bid	Based on soil rental rate plus a 20 percent bonus for certain practices	90 % of tillable market value and 60 % for non cropland	CREP signing bonus (RIM Payment): CRP annual payment times 15 times 40% (rate for limited duration easements to be determined).
11) Vegetative cover practices (vegetative and wetland restoration)	Introduced and native species	Introduced and native species	Introduced and native species	Mostly native species
12) Cost-share rate for cover practices	50 percent of total cost	50 percent of total cost	Up to 100 percent, not to exceed \$100-300 per acre	Up to 100 percent not to exceed \$600 per acre
13) Length of enrollment	10 to 15 years	10 to 15 years	20 or more years with priority given to perpetual	20 or more years beyond the 15 year CRP contract with priority given to perpetual
14) Public access	Landowner controls	Landowner controls	Landowner controls	Landowner controls
15) Property taxes	Landowner must pay	Landowner must pay	Landowner must pay	Landowner must pay
16) Weed control	Landowner is responsible	Landowner is responsible	Landowner is responsible	Landowner is responsible
17) Recreational use of land	Can be leased/rented	Can be leased/rented	Can be leased/rented	Can be leased/rented
18) Haying and grazing	Requires FSA approval	Requires FSA approval	Requires BWSR approval and a drought emergency.	Requires FSA and BWSR approval
19) Maintenance of drainage systems	Can be maintained	Can be maintained	Can be maintained	Can be maintained

*Acres enrolled in CREP do not compete with "regular" or "continuously enrolled" CRP acres in Minnesota because CREP has a allotment of 100,000 to 190,000 acres assigned to it from the national pool of CRP acres. This allotment is available for the duration of the CREP program, estimated at four and one half years.

m:\andretl gl(BWSR 01/28/98)

January 27, 1998

MEMORANDUM OF AGREEMENT

BETWEEN THE U.S. DEPARTMENT OF AGRICULTURE, THE COMMODITY CREDIT CORPORATION AND THE STATE OF MINNESOTA

I. PURPOSE

This is a Memorandum of Agreement between the Commodity Credit Corporation (CCC) and the Farm Services Agency (FSA) of the United States Department of Agriculture, and the State of Minnesota, Board of Water and Soil Resources (the State) to implement the Minnesota River Watershed Conservation Reserve Enhancement Program (Enhancement Program or "CREP").

II. INTRODUCTION

The intended outcome is to allow, where deemed desirable by USDA, CCC, and Minnesota, certain acreage and conservation practices to be enrolled under the CRP. Specifically, the State seeks to improve water quality of the Minnesota River through a reduction of sediment and nutrient loading to the watershed. Additionally, the State seeks to enhance wildlife habitats for waterfowl, nongame grassland birds, and a few select species which are proposed or candidate species under the Endangered Species Act. The CREP provides an opportunity for the State to address these environmentally sensitive areas in concert with Federal and local authorities. The State seeks to provide more enduring conservation benefits than normally achieved through CRP by requiring landowners to participate in the State's easement program for the Minnesota River watershed and establish vegetative covers to native species.

This MOA is not intended to supersede any rules or regulations, which have been, or may be, promulgated by either USDA or CCC. This MOA is intended to facilitate existing authorities through a cooperative effort of USDA, CCC, and Minnesota.

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III. AUTHORITY

This MOA is intended to aid in the administration of the CRP provisions of the Food Security Act of 1985, as amended (1985 Act)(16 U.S.C. 3830 et seq.), and the regulations at 7 CFR Part 1410. The CRP is authorized through December 31, 2002. Sections 1230, 1234, and 1242 of the 1985 Act and the regulations at 7 CFR 1410.50 authorize CCC to enter into agreements with States to use the CRP in a cost-effective manner to further specific conservation and environmental objectives of a State and the nation. Other authorities also apply.

IV. GENERAL PROVISIONS

1. This memorandum contemplates enrollment of up to 190,000 acres of flood prone lands, riparian buffer zones and pothole wetlands and associated uplands in the Minnesota River watershed. Authority to enroll acreage beyond the first 100,000 acres is conditioned on review by the CCC after that level of enrollment to assure that the program is accomplishing the purposes for which it was approved.

2. The CREP will offer landowners an opportunity to voluntarily enroll land in fifteen year CRP (Conservation Reserve Program) contracts with consecutively run RIM (Reinvest in Minnesota) easements. All enrollments in the CREP must meet the requirements of both the CRP and RIM programs.

3. Landowners may enroll land that meets the requirements of the CREP on a continuous basis. A steering committee (described in paragraph 20) composed of Federal and State agencies and outside interests described herein will develop priority areas for the different categories of land for specific sub-watersheds and other areas.

4. The CREP will enroll land using existing CRP and RIM procedures. An additional document will be developed by the state to ensure the applicant understands and agrees to the joint CRP and RIM obligations, including an acknowledgment that early release from a CRP contract may require the approval of both the CCC and the State and may require the payback of CRP and RIM funds. The RIM easement will require that the landowner and assignors comply with noxious weed laws and will entitle the State or its designee to enter upon the property to assure compliance with weed control in the event of non-compliance. The RIM easement will safeguard existing public and private drainage. Landowners will also be provided information about the ability to participate in the wetland preservation area property tax exemption program.

5. FSA will administer the CRP contract for the CCC, and after its expiration,

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*basic
change

the State and its designees will become responsible for the RIM easement provisions of the CREP. Responsibility for the easement includes monitoring to ensure the long-term maintenance of vegetation and structural measures. ^{*}(Although limited duration easements are authorized under RIM, and landowners seeking enrollment in CREP may apply for limited duration easements of twenty years or more) priority will be given to permanent easements. As used here, easement duration begins after the expiration of the CRP contract. The length of limited duration RIM easements offered, their payment rate, and the allowable uses of land under a RIM easement such as limited haying or grazing under an approved management plan or other long-term conservation options such as stewardship covenants will be reviewed annually, or more frequently, with the RIM Reserve Advisory Committee--which includes the State FSA Committee-- with the acceptance of easements to ultimately be at the discretion of the State. It is understood that as a condition for participation in the CREP, the landowner will be required to convey the easement as a condition for acceptance in the CRP.

5.5. Following enrollment, a CREP signing bonus (RIM payment) will be paid to landowners by the State. The bonus for permanent easements is calculated by multiplying the total CRP rental payments (excluding payments for maintenance and incentives for practices) over the duration of the CRP contract times 40 percent. For limited duration easements, the bonus is calculated by a method to be developed by the State in consultation with the RIM Reserve Advisory Committee -- which includes the State FSA Committee-- with the acceptance of the methodology to ultimately be at the discretion of the State. In reconsidering payment rates for easements, the State will consult with RIM Reserve Advisory Committee with the revised rate to ultimately be at the discretion of the State.

6. All land that meets the environmental criteria set forth in the CREP proposal (Appendix A) also meets the environmental criteria set forth in Part 1410.6(b) because the Minnesota River watersheds inclusion in the nationally designated prairie pothole conservation priority area. Appendix A is incorporated into and is a part of this agreement.

7. Land to be enrolled will be established to native grass prairie, native tree species, wetlands, introduced grass/legume or a combination thereof. Enrollments will also place a significant emphasis on native species and hydrologic restoration where appropriate.

V. RESPONSIBILITIES OF THE CCC AND FSA

Under this agreement, CCC, through the FSA, agrees to the following responsibilities.

January 27, 1998

9. FSA will accept land in--at landowner discretion--fifteen year contracts under the Conservation Reserve Program that meets the environmental criteria set forth in the CREP proposal. All land to be enrolled in the program must meet all other provisions set forth at 7 CFR Part 1410.

10. After being accepted into the CRP program by the FSA, in similar fashion and concurrently to the extent possible, land to be enrolled in permanent easements under this Enhancement Program will be accepted by the State through soil and water conservation districts (SWCDs) in consultation with the local RIM screening committee, which includes local FSA and NRCS personnel. The State, in consultation with the RIM Reserve Advisory Committee--which includes the State FSA Committee-- will consider land offered for enrollment in limited duration easements once a year, or more frequently, and make funding decisions based on the demand for permanent easements, the availability of funds and the conservation outcomes to be achieved.

11. CCC will enroll land at the prevailing soil rental rate. Parties will earn an additional 20% incentive payment if conservation measures specified in Appendix A (part B) are applied to the site.

12. If requested by a landowner and if approved by the State and the FSA, CCC will enter into an agreement that would direct CRP payments to the State. It is understood that this provision would allow the State to make a one-time "up-front" payment to the landowner that represents the total CRP and RIM payments for which the landowner is eligible.

13. CCC will pay 50% of the reimbursable costs of establishing eligible CRP conservation practices on land enrolled in the CRP. In determining USDA's reimbursable costs, USDA shall use the appropriate CRP practice in the Minnesota CRP handbook. All practices enrolled shall meet, and may exceed the minimum specifications of the NRCS Field Office Technical Guide. CCC will provide deference to conservation plans developed by the State. Reimbursements to participants from all sources may not exceed 100% of the costs to those participants.

15. It is specifically understood that the CCC will not reimburse expenses incurred by the State or soil and water conservation districts associated with CREP, including the development of conservation plans, enrollment of landowners or monitoring of easements.

VI. RESPONSIBILITIES OF THE STATE

Under this agreement, the State agrees to the following responsibilities.

January 27, 1998

16. The State will enroll land in the program in easements under the Reinvest in Minnesota Reserve Program that extend the benefits of a CRP contract significantly and pay at least 50% of the cost of conservation practices. All land to be enrolled in the program must meet all other provisions set forth in Minnesota Statutes section 103F.505 to 103F.531 and Minnesota Administrative Rules 8400.3000 to 8400.3930.

17. The State agrees to pay a minimum of 20% of the overall costs of the Enhancement Program. To determine the overall costs of the Enhancement Program, the following costs will be used: the total land retirement costs, which will include the CRP payments made by the CCC and the easement payments made by the State; the total reimbursement for conservation practices paid by the CCC and the State; and the aggregate costs of technical assistance, including those expenses incurred by the State and SWCDs for implementing contracts and easements, and a reasonable estimate of the cost incurred by NRCS to develop conservation plans for land enrolled in the Enhancement Program. The parties recognize that payments will be made in different years and under different terms, i.e., CRP contracts are annual payments and RIM payments are lump sum distributions. Therefore, to compare CRP and RIM costs in equivalent and present-day terms, the parties will calculate the present discount value of all payments to be made using an 8 percent discount rate. Overall costs and Minnesota's contribution toward the overall cost are derived by calculating the present discount value of payments. All RIM costs will be paid by the State.

18. Within 90 days after the end of the Federal fiscal year, the State will determine if it has obligated 20% of the overall costs of the program that year. In the unlikely event that the State has not obligated 20% of the overall costs that year, the State will fulfill its obligations and pay the shortfall to the CCC within 90 days.

19. Through SWCDs and NRCS or their designees, the State will develop conservation plans for each enrollment and will assist landowners in the completion of paperwork necessary for enrollment in the CREP. Vegetative cover will be in the form of native grass prairie, native tree species, wetlands, introduced grass/legume or a combination thereof.

20. The State will use the Reinvest in Minnesota Reserve Advisory Committee, which includes representatives from the USDA State Technical Committee, FSA, NRCS, State agencies, farm groups, local governments, conservation organizations, and the Minnesota River Citizens Advisory Committee as a steering committee for the CREP Program. This committee will provide advice on the implementation of the Enhancement Program regarding such matters as outreach, further refinement of conservation practices, targeting and other program details. The advisory committee complements the local RIM screening committee. Membership of the local screening

January 27, 1998

committee is comprised of representatives of many of the agencies and organizations that make up the RIM Reserve Advisory Committee, and among the members shall be included designees of the State, county FSA committees, SWCDs, and the FSA County Executive Director and NRCS District Conservationist.

21. The State will, with advice of the RIM Reserve Advisory Committee, target enrollments within the Minnesota Watershed as set forth in the Enhancement Program proposal. Priority areas will be identified, including portions of the floodplain adjacent to naturally resource-rich areas, including areas adjacent to native prairie preserves in Big Stone, Swift, Chippewa and Lac Qui Parle counties. Priority areas will also include specific sub-watersheds for enrollment of wetland restoration and riparian buffers. Efforts will initially focus on outreach necessary to inform landowners and criteria needed to prioritize applications. Selected areas and criteria will be considered by the local RIM screening committee as recommendations are made to SWCDs on the priority of applications. If necessary, additional criteria may be added to ensure a significant level of enrollment in priority sub-watersheds and other priority areas. Priority areas may be incorporated into county water plans and SWCD comprehensive plans and annual plans.

21.5 Within 90 days after the beginning of the federal fiscal year, and annually thereafter, the State will provide a report to the state FSA director and to the Deputy Administrator for Farm Programs of FSA that describes the number of acres intended to be enrolled that fiscal year in CREP, the type of restoration to be done on those lands, estimated environmental benefits, the extent and type of state assistance to be provided, and the areas of focus for the program for that fiscal year. The annual report must also include a similar review of the CREP accomplishments for the previous fiscal year.

VII. OTHER PROVISIONS

22. All CRP contracts under this Enhancement Program will be subject to the limitations set forth in the regulations at 7 CFR Part 1410. All RIM easements under this enhancement program will be subject to the limitation set forth in Minnesota statutes Section 103F.505 to 103F.531 and Minnesota Administrative Rule 8400.3000 to 8400.3930.

25. Neither the State nor CCC will assign or transfer any rights or obligations under this MOA without the prior written approval of the other party.

26. Any amendments to the MOA must be in writing and must be executed by the same parties who executed the original MOA, their successors in office, or their designees.

January 27, 1998

27. Landowners will remain free to enroll their land in the RIM program or in the CRP through any other means for which they are eligible, including the general CRP sign-ups and the continuous enrollment process.

28. This MOA will remain in effect until September 30, 2002, and may be modified or extended upon mutual written agreement or canceled unilaterally by CCC or the State.

January 27, 1998

IT IS SO AGREED:

FOR THE UNITED STATES DEPARTMENT OF AGRICULTURE

BY: _____

Dan Glickman
Secretary
U.S. Department of Agriculture and
Chairman of the Board
Commodity Credit Corporation

DATE: _____

FOR THE STATE OF MINNESOTA

BY: _____

Arne Carlson
Governor
State of Minnesota

DATE: _____

January 27, 1998

Appendix A

**ENVIRONMENTAL CRITERIA AND CONSERVATION PRACTICES
FOR THE MINNESOTA WATERSHED
CONSERVATION RESERVE ENHANCEMENT PROGRAM**

All lands to be enrolled in this program must meet the eligibility criteria set forth at 7 C.F.R. Part 1410, and must also meet both the location criteria and the practice criteria described below.

(A) Location Criteria: All lands enrolled must meet one of the following three criteria:

- Floodprone land along the Minnesota River or one of the twelve principal tributaries of the Minnesota River. To be floodprone land, a majority of the enrolled area must have a chance of flooding five percent or more in any year.
- Riparian buffer and filter strip land along water courses in the Minnesota River watershed. These vegetated areas shall be in widths specified in the NRCS Field Office Technical Guide. Consideration will be given to the design and installation of buffers and filter strips where doing so can create a wildlife corridor between permanently protected wildlife areas.
- Wetlands and adjacent uplands at a ratio of up to two acres of uplands for each acre of wetlands. Emphasis will be given to the development and restoration of shallow water areas, riverine wetlands, bottomland hardwoods and pothole wetlands .

These areas will be enrolled only if they occur in priority areas designated by the enhancement program steering committee.

(B) Practice Criteria: All land meeting location criteria will be protected with one or more of the following practices. All practices must meet the minimum requirements of the NRCS Field Office Technical Guide.

LIST OF CREP PRACTICES

NATIONAL CRP PRACTICE CODE	MINNESOTA CRP PRACTICE CODE	NAME OF PRACTICE	NRCS STANDARD NUMBER
CP9	CP9	Shallow Water Areas for Wildlife	342, 484, 587, 644, 657
CP21	CP21	Filter Strips	327, 393 (Interim)
CP22	CP22	Riparian Buffer	327, 391 (Interim), 393 (Interim), 612
CP23	CP23	Wetland Restoration	657
CP25	CP25	Rare and Declining Habitat: Prairie Ecosystem Restoration and Tallgrass Prairie/Oak Savanna Ecosystem Restoration	327

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List of Conservation Practice Standard Numbers

- 327 Conservation Cover
- 342 Critical Area Planting
- 382 Fencing
- 391 Riparian Buffer Strips
- 393 Filter Strips
- 472 Use Exclusion
- 484 Mulching
- 587 Structure for Water Control
- 612 Tree Planting
- 644 Wildlife Wetland Habitat Management
- 657 Wetland Restoration, Enhancement, or Creation

To provide more enduring conservation benefits, it is the intention of the State to strongly encourage the use of native vegetation and hydrologic restoration, where feasible. In addition, resource management systems will be promoted for use on lands adjacent to enrolled areas.

I expect the Board of Water and Soil Resources to endorse the agreement at their January 28th meeting and authorize implementation of a similar effort if an approved MOA is not secured from the USDA. Timing is becoming critical as --with or without a USDA commitment-- we must begin planning the implementation of the program by mid-February in order to be ready for farmers as they make their spring planting decisions.

Certainly contact me if you have questions or comments.

C: Wally Sparby, State Executive Director, FSA
 William Hunt, State Conservationist, NRCS
 Tanja Kozicky, Office of Governor Arne Carlson
 Alison Burns, Office of Governor Arne Carlson, Washington D.C.
 Senator Paul Wellstone
 Congressman David Minge
 Commissioner Gene Hugoson, Department of Agriculture
 Commissioner Peder Larson, Pollution Control Agency
 Commissioner Rod Sando, Department of Natural Resources

January 8, 1998

Notes to the Memorandum of Agreement dated 01/08/98

The following changes were made to the MOA dated 12/19/98, "Delete Version":

- The State will consider easements coupled to 15 year contracts only. Accordingly, paragraphs 2 and 9 were revised.
- Paragraphs 5 and 5.5 were added. These describe easement length and payment rate.
- Paragraph 10 was revised to make the RIM enrollment process more consistent with the CRP continuous enrollment process. Rationale for this change is found on the (enclosed) page describing the enrollment process.
- Paragraph 11 was revised to provide the 20 percent incentive payment for all CREP practices.
- Paragraph 13 was revised to clarify the extent of CCC obligation for the cost of conservation practices. This is discussed in more detail on the (enclosed) page describing the enrollment process.
- Paragraphs 27 and 28 were reversed.
- On Attachment A, three changes were made: (1) floodprone land was changed from5 year floodplain toflooding 5 percent or more in any year. This change aids the enrollment process as soil maps can be used to delineate eligible areas; (2) Emphasis was given to shallow water areas in the wetland location criteria. This change is appropriate given the de-emphasis on wetland restoration due to the NRCS/BWSR agreement on WRP; and (3) CP25 was added as an eligible practice.

01/08/98

MEMORANDUM OF AGREEMENT

BETWEEN THE U.S. DEPARTMENT OF AGRICULTURE, THE COMMODITY CREDIT CORPORATION AND THE STATE OF MINNESOTA

I. PURPOSE

This is a Memorandum of Agreement between the Commodity Credit Corporation (CCC) and the Farm Services Agency (FSA) of the United States Department of Agriculture, and the State of Minnesota, Board of Water and Soil Resources (the State) to implement the Minnesota River Watershed Conservation Reserve Enhancement Program (Enhancement Program or "CREP").

II. INTRODUCTION

The intended outcome is to allow, where deemed desirable by USDA, CCC, and Minnesota, certain acreage and conservation practices to be enrolled under the CRP. Specifically the State seeks to improve water quality of the Minnesota River through a reduction of sediment and nutrient loading to the watershed. Additionally the State seeks to enhance wildlife habitats for waterfowl, nongame grassland birds, and a few select species which are proposed or candidate species under the Endangered Species Act. The CREP provides an opportunity for the State to address these environmentally sensitive areas in concert with Federal and local authorities. The State seeks to provide more enduring conservation benefits than normally achieved through CRP by requiring landowners to participate in the State's easement program for the Minnesota River watershed and establish vegetative covers to native species.

This MOA is not intended to supersede any rules or regulations, which have been, or may be, promulgated by either USDA or CCC. This MOA is intended to facilitate existing authorities through a cooperative effort of USDA, CCC, and Minnesota.

III. AUTHORITY

This MOA is intended to aid in the administration of the CRP provisions of the Food Security Act of 1985, as amended (1985 Act)(16 U.S.C. 3830 et seq.), and the

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regulations at 7 CFR Part 1410. The CRP is authorized through December 31, 2002. Sections 1230, 1234, and 1242 of the 1985 Act and the regulations at 7 CFR 1410.50 authorize CCC to enter into agreements with States to use the CRP in a cost-effective manner to further specific conservation and environmental objectives of a State and the nation. Other authorities also apply.

IV. GENERAL PROVISIONS

1. This memorandum contemplates enrollment of up to 190,000 acres of flood prone lands, riparian buffer zones and pothole wetlands and associated uplands in the Minnesota River watershed. Authority to enroll acreage beyond the first 100,000 acres is conditioned on review by the CCC after that level of enrollment to assure that the program is accomplishing the purposes for which it was approved.

2. The CREP will offer landowners an opportunity to voluntarily enroll land in ten to fifteen year CRP (Conservation Reserve Program) contracts with consecutively run RIM (Reinvest in Minnesota) easements. All enrollments in the CREP must meet the requirements of both the CRP and RIM programs.

3. Landowners may enroll land that meets the requirements of the CREP on a continuous basis. A steering committee (described in paragraph 20) composed of Federal and State agencies and outside interests described herein will develop priority areas for the different categories of land for specific sub-watersheds and other areas.

4. The CREP will enroll land using existing CRP and RIM procedures. An additional document will be developed by the state to ensure the applicant understands and agrees to the joint CRP and RIM obligations, including an acknowledgment that early release from a CRP contract may require the approval of both the CCC and the State and may require the payback of CRP and RIM funds. The RIM easement will require that the landowner and assignors comply with noxious weed laws and will entitle the State or its designee to enter upon the property to assure compliance with weed control in the event of non-compliance. The RIM easement will safeguard existing public and private drainage. Landowners will also be provided information about the ability to participate in the wetland preservation area property tax exemption program.

5. FSA will administer the CRP contract for the CCC, and after its expiration, the State and its designees will become responsible for the RIM easement provisions of the CREP. Responsibility for the easement includes monitoring to ensure the long-term maintenance of vegetation and structural measures. Although RIM is authorized to offer limited duration easements of ~~not less than 20 years in duration~~ and landowners seeking enrollment in CREP may apply for limited duration easements of 35 ~~not less than 20 years in length duration~~, priority will be for permanent ~~long-term~~ easements. As used here, easement duration begins after the expiration of the CRP contract. The length of the ~~RIM easement or easements offered; 20, 30, 60, etc. to permanent,~~ will be

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reviewed annually with RIM Reserve Advisory Committee and the FSA State Committee with the acceptance of easements to ultimately be at the discretion of the State. It is understood that, as a condition for participation in the CREP, the landowner will be required to convey the easement as a condition for acceptance in the CRP, ~~but that the easement will not become effective until the end of the CRP contract period.~~

5.5. Following enrollment, a CREP signing bonus (RIM payment) will be paid to landowners by the State. The bonus for permanent easements is calculated by multiplying ~~subtracting~~ the total CRP rental payments (excluding incentive payments for practices) over the duration of the CRP contract times 40 percent ~~(discounted to present value at an 8 percent discount rate) from the RIM permanent easement payment for the township in which the CREP parcel is located.~~ For 35 year easements, the bonus is calculated by multiplying the payment for a permanent easement by 50 percent. After consultation with the RIM Reserve Advisory Committee, the State may adjust payment rates.

6. All land that meets the environmental criteria set forth in the CREP proposal (Appendix A) also meets the environmental criteria set forth in Part 1410.6(b) because the Minnesota River watersheds inclusion in the nationally designated prairie pothole conservation priority area. Appendix A is incorporated into and is a part of this agreement.

7. Land to be enrolled will be established to native grass prairie, native tree species, wetlands, introduced grass/legume ~~riparian buffers mix~~ or a combination thereof. Enrollments will also place a significant emphasis on native species and hydrologic restoration where appropriate.

V. RESPONSIBILITIES OF THE CCC AND FSA

Under this agreement, CCC, through the FSA, agrees to the following responsibilities.

9. FSA will accept land in--at landowner discretion--~~ten to fifteen year~~ contracts under the Conservation Reserve Program that meets the environmental criteria set forth in the CREP proposal. All land to be enrolled in the program must meet all other provisions set forth at 7 CFR Part 1410.

10. After being accepted into the CRP program by the FSA, land to be enrolled in permanent easements under this Enhancement Program will be accepted by ~~proposed to~~ the State through by soil and water conservation districts (SWCDs) in consultation with local FSA and NRCS personnel. The State will consider land offered for enrollment in 35 year easements once a year and make funding decisions based on the demand for permanent easements and the availability of funds. ~~The State will then recommend lands for enrollment to the Minnesota State Offices of the FSA and the~~

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~~NRCS. Proposals will be in the form of CRP and RIM applications on forms selected by the FSA and the State, respectively, along with a description of proposed conservation measures.~~

11. CCC will enroll land at the prevailing soil rental rate. Parties with contracts ~~for 15 years will can~~ earn up to an additional 20% incentive bonus payment if the site and conservation measures specified in Appendix A (part B) are applied to the site. ~~meet the conditions for bonus payments as specified in regulations for the CRP continuous sign-up in effect at the time of application for CREP.~~

12. If requested by a landowner and if approved by the State and the FSA, CCC will enter into an agreement that would direct CRP payments to the State. It is understood that this provision would allow the State to make a one-time "up-front" payment to the landowner that represents the total CRP and RIM payments for which the landowner is eligible.

13. CCC will pay 50% of the reimbursable costs of establishing eligible CRP conservation practices on land enrolled in the CRP. In determining USDA's reimbursable costs, USDA shall use the appropriate CRP practice in the Minnesota CRP handbook. All practices enrolled shall meet, and may exceed the minimum specifications of the NRCS Field Office Technical Guide. CCC will provide deference to conservation plans developed by the State. ~~CCC will pay up to 50% of the cost of establishing eligible CRP conservation practices approved for use by FSA on land enrolled in the CRP. Additional detail on the reimbursable practices and associated rates will be developed by the State and the state offices of NRCS and FSA and approved by the FSA State Committee. Actual reimbursement will be based on a site-specific determination by CCC. Reimbursements to participants from all sources may not exceed 100% of the costs to those participants.~~

15. It is specifically understood that the CCC will not reimburse expenses incurred by the State or soil and water conservation districts associated with CREP, including the development of conservation plans, enrollment of landowners or monitoring of easements.

VI. RESPONSIBILITIES OF THE STATE

Under this agreement, the State agrees to the following responsibilities.

16. The State will enroll land in the program in easements under the Reinvest in Minnesota Reserve Program that extend the benefits of a CRP contract significantly and pay at least 50% of the cost of conservation practices. All land to be enrolled in the program must meet all other provisions set forth in Minnesota Statutes section 103F.505 to 103F.531 and Minnesota Administrative Rules 8400.3000 to 8400.3930.

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17. The State agrees to pay a minimum of 20% of the overall costs of the Enhancement Program. To determine the overall costs of the Enhancement Program, the following costs will be used: the total land retirement costs, which will include the CRP payments made by the CCC and the easement payments made by the State ; the total reimbursement for conservation practices paid by the CCC and the State ; and the aggregate costs of technical assistance, including those expenses incurred by the State and SWCDs for implementing contracts and easements, and a reasonable estimate of the cost incurred by NRCS to develop conservation plans for land enrolled in the Enhancement Program. The parties recognize that payments will be made in different years and under different terms, i.e., CRP contracts are annual payments and RIM payments are lump sum distributions. Therefore, to compare CRP and RIM costs in equivalent and present-day terms, the parties will calculate the present discount value of all payments to be made using an 8 percent discount rate. Overall costs and Minnesota's contribution toward the overall cost are derived by calculating the present discount value of payments. All RIM costs will be paid by the State.

18. Within 90 days after the end of the Federal fiscal year, the State will determine if it has obligated 20% of the overall costs of the program that year. In the unlikely event that the State has not obligated 20% of the overall costs that year, the State will fulfill its obligations and pay the shortfall to the CCC within 90 days.

19. Through SWCDs and NRCS or their designees, the State will develop conservation plans for each enrollment and will assist landowners in the completion of paperwork necessary for enrollment in the CREP. Vegetative cover will be in the form of native grass prairie, native tree species, wetlands, introduced grass/legume riparian buffers mix, or a combination thereof.

20. The State will use the Reinvest in Minnesota Reserve Advisory Committee, which includes representatives from the USDA State Technical Committee, FSA, NRCS, State agencies, farm groups, local governments, conservation organizations, and the Minnesota River Citizens Advisory Committee as a steering committee for the CREP Program. This committee will provide advice on the implementation of the Enhancement Program regarding such matters as outreach, further refinement of conservation practices, targeting and other program details. The advisory committee complements the local RIM screening committee. Membership of the local screening committee is comprised of representatives of many of the agencies and organizations that make up the RIM Reserve Advisory Committee, and among the members shall be included designees of the State , county FSA committees, SWCDs, and the FSA County Executive Director and NRCS District Conservationist.

21. The State will, with advice of the RIM Reserve Advisory Committee, target enrollments within the Minnesota Watershed as set forth in the Enhancement Program proposal. Priority areas will be identified, including portions of the floodplain adjacent to naturally resource-rich areas, including areas adjacent to native prairie preserves in Big

FINAL STATE DRAFT

Stone, Swift, Chippewa and Lac Qui Parle counties. Priority areas will also include specific sub-watersheds for enrollment of wetland restoration and riparian buffers. Efforts will initially focus on outreach necessary to inform landowners and criteria needed to prioritize applications. Selected areas and criteria will be considered by the local RIM screening committee as recommendations are made to SWCDs on the priority of applications. If necessary, additional criteria may be added to ensure a significant level of enrollment in priority sub-watersheds and other priority areas. Priority areas may be incorporated into county water plans and SWCD comprehensive plans and annual plans.

21.5 Within 90 days after the beginning of the fiscal year, and annually thereafter, the State will provide a report to the state FSA director and to the Deputy Administrator for Farm Programs of FSA that describes the number of acres intended to be enrolled that fiscal year in CREP, the type of restoration to be done on those lands, estimated environmental benefits, the extent and type of state assistance to be provided, and the areas of focus for the program for that fiscal year. The annual report must also include a similar review of the CREP accomplishments for the previous fiscal year.

VII. OTHER PROVISIONS

22. All CRP contracts under this Enhancement Program will be subject to the limitations set forth in the regulations at 7 CFR Part 1410. All RIM easements under this enhancement program will be subject to the limitation set forth in Minnesota statutes Section 103F.505 to 103F.531 and Minnesota Administrative Rule 8400.3000 to 8400.3930.

25. Neither the State nor CCC will assign or transfer any rights or obligations under this MOA without the prior written approval of the other party.

26. Any amendments to the MOA must be in writing and must be executed by the same parties who executed the original MOA, their successors in office, or their designees.

27. Landowners will remain free to enroll their land in the RIM program or in the CRP through any other means for which they are eligible, including the general CRP sign-ups and the continuous enrollment process.

28. This MOA will remain in effect until September 30, 2002, and may be modified or extended upon mutual written agreement or canceled unilaterally by CCC or the State.

FINAL STATE DRAFT

IT IS SO AGREED:

FOR THE UNITED STATES DEPARTMENT OF AGRICULTURE

BY: _____

Dan Glickman
Secretary
U.S. Department of Agriculture and
Chairman of the Board
Commodity Credit Corporation

DATE: _____

FOR THE STATE OF MINNESOTA

BY: _____

Arne Carlson
Governor
State of Minnesota

DATE: _____

**ENVIRONMENTAL CRITERIA AND CONSERVATION PRACTICES
FOR THE MINNESOTA WATERSHED
CONSERVATION RESERVE ENHANCEMENT PROGRAM**

All lands to be enrolled in this program must meet the eligibility criteria set forth at 7 C.F.R. Part 1410, and must also meet both the location criteria and the practice criteria described below.

(A) Location Criteria: All lands enrolled must meet one of the following three criteria:

- Floodprone land along the Minnesota River or one of the twelve principal tributaries of the Minnesota River. To be floodprone land, a majority of the enrolled area must have a chance of flooding five percent or more in any year.
- Riparian buffer and filter strip land along water courses in the Minnesota River watershed. These vegetated areas shall be in widths specified in the NRCS Field Office Technical Guide. Consideration will be given to the design and installation of buffers and filter strips where doing so can create a wildlife corridor between permanently protected wildlife areas.
- Wetlands and adjacent uplands at a ratio of up to two acres of uplands for each acre of wetlands. Emphasis will be given to the development and restoration of shallow water areas, riverine wetlands, bottomland hardwoods and pothole wetlands.

These areas will be enrolled only if they occur in priority areas designated by the enhancement program steering committee.

(B) Practice Criteria: All land meeting location criteria will be protected with one or more of the following practices. All practices must meet the minimum requirements of the NRCS Field Office Technical Guide.

LIST OF CREP PRACTICES

NATIONAL CRP PRACTICE CODE	MINNESOTA CRP PRACTICE CODE	NAME OF PRACTICE	NRCS STANDARD NUMBER
CP9	CP9	Shallow Water Areas for Wildlife	342, 484, 587, 644, 657
CP21	CP21	Filter Strips	327, 393 (Interim)
CP22	CP22	Riparian Buffer	327, 391 (Interim), 393 (Interim), 612
CP23	CP23	Wetland Restoration	657
CP25	CP25	Rare and Declining Habitat: Prairie Ecosystem Restoration and Tallgrass Prairie/Oak Savanna Ecosystem Restoration	327

List of Conservation Practice Standard Numbers

- 327 Conservation Cover
- 342 Critical Area Planting
- 382 Fencing
- 391 Riparian Buffer Strips
- 393 Filter Strips
- 472 Use Exclusion
- 484 Mulching
- 587 Structure for Water Control
- 612 Tree Planting
- 644 Wildlife Wetland Habitat Management
- 657 Wetland Restoration, Enhancement, or Creation

To provide more enduring conservation benefits, it is the intention of the State to strongly encourage the use of native vegetation and hydrologic restoration, where feasible. In addition, resource management systems will be promoted for use on lands adjacent to enrolled areas.

**ESTIMATED REDUCTION OF SEDIMENT, NITROGEN, PHOSPHORUS AND CHEMICAL OXYGEN DEMAND¹
FROM LANDS ENROLLED IN THE CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP)**

LOCATION OF PRACTICES	PRIMARY PRACTICES	ACREAGE GOAL ²	SEDIMENT (tons)	NITROGEN (pounds)	PHOSPHORUS (pounds)	COD (pounds)
(a) Floodprone land	CP22 CP25	80,000	2,000,000	4,000,000	2,000,000	1,000,000
(b) Riparian buffer and filter strip land	CP21 CP22 CP25	80,000	300,000	650,000	300,000	150,000
(c) Wetlands and adjacent uplands	CP9 CP23 CP25	30,000	20,000	50,000	Highly variable ³	12,000
TOTAL:		190,000	2,320,000	4,700,000	2,300,000	1,162,000

Key to Practices:

CP9 Shallow Water Areas for Wildlife
 CP21 Filter Strips
 CP22 Riparian Buffer
 CP23 Wetland Restoration
 CP25 Rare and Declining Habitat: Prairie Ecosystem Restoration

m:keyprac.tbl(01/07/98 G. L.)

¹ Adapted from data supplied by J. Klang (Minnesota Pollution Control Agency; December 1997)

² Given the similarity of practice locations, their close proximity and the use of many of the same practices at all locations, acreages are expected to shift between categories (a), (b) and (c).

³ Wetlands can serve as a sink or supply of phosphorus.

The Conservation Reserve Enhancement Program: The Basis for a State Paid Signing Bonus

The Conservation Reserve Enhancement Program (CREP) couples a Conservation Reserve Program (CRP) 15 year contract to a Reinvest in Minnesota (RIM) easement. The easement begins after the CRP contract expires. As an incentive to enter into the RIM easement, landowners will receive a lump sum RIM payment--or CREP signing bonus--at the time of enrollment. The bonus will precede 15 years of annual CRP payments. The bonus paid for the CREP program will be lower than payments for the regular RIM program because the value of the CRP payments received by the landowner for 15 years are considered in the signing bonus. Calculation of the appropriate amount of CREP signing bonus is complicated by several factors:

- CRP payments are made annually during the life of a CRP contract.
- RIM payments are made in a lump sum at the beginning of a RIM easement.
- CRP rental payments for the continuous enrollment program are based on the average dryland cash rent adjusted to reflect the relative productivity of soils within each county. Payments are adjusted at least annually. The maximum CRP rental rate is calculated in advance of enrollment. In addition, landowners are offered financial incentives of up to 20 percent of the soil rental rate for conservation practices such as filterstrips and riparian buffers.
- RIM payments are based on the average value of tillable land in the township where the RIM parcel is located. Land values are adjusted annually based on information provided to the Board of Water and Soil Resources (BWSR) by the Department of Revenue. Land values used by the BWSR are based on reported sales and typically lag about a year behind current land values. The BWSR currently pays 90 percent of the township average tillable land value for perpetual easements for cropland. The payment rate is calculated in advance of enrollment. Due to legislative mandate and consequent agency priority, the BWSR does not fund limited duration easements in the regular RIM program. For the CREP program, however, landowners may enroll in a 35 year easement. The BWSR will give funding priority to perpetual easements.
- To compare the cumulative value of a number of annual payments (like CRP) with a lump sum payment made at the beginning of the enrollment (like RIM or the CREP signing bonus), the present value of CRP payments must be determined. This is necessary because of the time value of money whereby x dollars today is worth more than the same amount of money received over many years. In theory then, a landowner could accept less money up front, invest it, and have as much money in (say) 15 years as would have been received through annual rental payments. However, the concept of present value and the associated discount (or investment) rate is difficult for landowners to understand since most are inclined to view annual

- payments as "small" payments received over time that are used for land upkeep and taxes and so forth--rather than an investment opportunity.
- The CREP signing bonus must be sufficiently high to be viewed as attractive by landowners and not so high as to limit the number of easements that could be funded.
- After discussing many options for a signing bonus with knowledgeable persons including Professor Steve Taff of the University of Minnesota, an option was selected that is not complicated and is believed to represent an attractive incentive. The method calculates the CREP signing bonus as the cumulative value of 15 CRP payments (exclusive of the incentive payments for conservation practices) times 40 percent. This assumes a perpetual RIM easement follows a 15 year CRP contract. If 35 year easements are approved by the BWSR, the signing bonus would be 50 percent of that for a perpetual easement. A fixed percentage is preferred--for simplicity reasons--rather than performing present value calculations for each applicant.

Example (See table below):

\$80.00 annual CRP payment (excluding incentive payments for conservation practices) times 15 years times 40 percent equals \$480.00. [$\$80 \times 15 \times 40\% = \480]. This is the CREP bonus for a perpetual easement. The rate for a 35 year easement--if approved by BWSR--would be 50 percent of the perpetual easement or [$\$480 \times 50\% = \240].

Forty five percent is the difference between the value of an annual CRP payment projected to perpetuity and the present value of 15 annual CRP payments. A six percent discount rate was used for this calculation and reflects the current long-term bond rate. However, to keep the CRP payments plus the CREP payment nearer the payment rate used for the regular RIM program, a lower rate of 40 percent was used for the CREP signing bonus. The BWSR may adjust the payment rate.

CRP Rental Payment	CREP SIGNING BONUS (\$)	
	Permanent Easement	35 Year Easement
60	360	180
70	420	210
80	480	240
90	540	270
100	600	300

S:rimmer.wpd (01/08/98:GL)

CREP: Enrollment Process

Note: The number in parentheses refers to the paragraph in the MOA (version 01/08/98)

1. A steering committee develops priority areas for the different categories of land for specific sub-watersheds and other areas (3)(20)(21).
2. FSA accepts land in 15 year contracts under the continuous sign-up program (2)(4)(5)(9).
- 2a. CCC enrolls land at the prevailing soil rental rate and pays an additional 20 percent incentive for conservation measures (11). CCC will pay 50% of the reimbursable costs of establishing eligible practices (13).
3. Through SWCD's in consultation with local FSA and NRCS personnel, the State accepts land to be enrolled in permanent easements into the RIM program and secures the "additional" document from the landowner (4). The State considers land offered for enrollment in 35 year easements once a year and makes funding decisions based on the demand for permanent easements and the availability of funds(2)(5)(10).¹
- 3a. The State enrolls the land in a RIM easement and pays the CREP "signing bonus" and at least 50 % of the cost of conservation practices (5.5)(16). Practice costs are determined from conservation plans developed by the State through SWCD's and NRCS or their designees (19).

Steps 2 and 2a and 3 and 3a are intended to run concurrently to the extent possible.

S:flow (01/08/98;GL)

¹ The meaning of paragraph 10 in the 12/19/97 version of the MOA would have caused a delay in the application process for a RIM easement. Paragraph 10 has been revised for the following reasons. If the State (RIM) process is to be parallel to the continuous CRP process (as we prefer), the local SWCD in consultation with local NRCS and FSA staff should be able to quickly approve applicants who want a permanent easement and meet CREP eligibility requirements. In other words, the speed of the approval process for RIM should mimic that used for the CRP continuous enrollment. FSA State Committee oversight of the RIM process was required in the 12/19/97 version of the MOA. That language rose from their concern that the cost of conservation practices under CREP would exceed current CRP rates. That concern, we believe, has been resolved. At the time the 12/19/97 language was negotiated, wetland restoration (CP23) was anticipated to be a significant CREP practice; hence, the potential existed for conservation practice costs to approach \$600 per acre. Recently, however, the NRCS and BWSR signed an MOA to accelerate the Wetland Reserve Program. This will minimize the need to use CP23 for CREP. Consequently, practice costs under CREP will be less. To this end, paragraph 13 was revised to remove the \$600 cap and obligate CCC to only pay for the "usual" CRP costs. The State will pay the remainder of the costs up to a combined total of 100 percent.

MEMORANDUM OF UNDERSTANDING
Between
STATE OF MINNESOTA
And
UNITED STATES DEPARTMENT OF AGRICULTURE'S
NATURAL RESOURCES CONSERVATION SERVICE
Regarding
WETLANDS RESERVE PARTNERSHIP

This Memorandum of Understanding ("MOU") regarding Wetlands Reserve Partnership ("Partnership"), entered into this 15th day of October, 1997, is made between the State of Minnesota, by and through its Board of Water and Soil Resources ("BWSR"), and the United States Department of Agriculture's Natural Resources Conservation Service ("NRCS").

WHEREAS, BWSR is authorized to enter into this MOU pursuant to Minn. Stat. § 103F.521, subd. 1 and 471.59, subd. 1 (1996); and

WHEREAS, NRCS is authorized to enter into this MOU pursuant to 16 U.S.C. § 590a, § 3837 et seq., and 7 CFR § 1467.2; and

WHEREAS, BWSR and NRCS have a common interest in protecting soil and water quality and preserving natural resources and wildlife; and

WHEREAS, NRCS has established a Wetlands Reserve Program ("WRP") pursuant to 16 U.S.C. § 3837 to acquire easements in order to assist owners of eligible lands in restoring and protecting wetlands; and

WHEREAS, BWSR has established a Reinvest In Minnesota conservation reserve program ("RIM") pursuant to Minn. Stat. § 103F.515 (1996) and may acquire permanent conservation easements on privately owned lands to keep certain marginal agricultural land out of crop production to protect soil and water quality, support fish and wildlife habitat and to further the policies stated in Minn. Stat. § 103F.505 (1996); and

WHEREAS, the purpose of this MOU between BWSR and NRCS is to facilitate the coordination of WRP and RIM to provide for the acquisition of separate, yet complementary Federal and State conservation easements for wetland restorations on privately owned lands; and

WHEREAS, said coordination of Federal and State conservation easements will provide administrative and economic efficiencies to both BWSR and NRCS and will also provide permanent protection to lands furnishing maximum wildlife and environmental values;

NOW, THEREFORE, it is agreed between BWSR and NRCS as follows:

1. Both BWSR and NRCS may solicit and process applications for easements under this Partnership.
2. BWSR and NRCS shall share information and mutually determine whether an applicant meets the owner and land eligibility requirements under both RIM and WRP.

3. Following the eligibility determination, BWSR and NRCS shall mutually agree upon the proper easement and access descriptions for each parcel under consideration for RIM and WRP easements under the Partnership.
4. BWSR and NRCS shall mutually agree upon a total easement payment for a permanent conservation easement on each Partnership parcel in accordance with RIM and WRP requirements. The total easement payment is determined by the higher of the RIM township rates or the WRP land easement value calculation.
5. The NRCS portion of the payment will be the allowable 30-year WRP payment on the easement. The BWSR portion of the payment will be the balance of the total easement payment agreed to in item 4.
6. BWSR and NRCS shall mutually agree upon the conservation practices to be established on the conservation easement area. Conservation plans will be developed at the local field office level with appropriate state office review and approval. The parties shall divide the cost of implementing the practices required by each conservation plan as follows: NRCS shall contribute the maximum amount permitted under Federal law, and BWSR shall bear responsibility for all RIM eligible costs over the amount legally payable by NRCS.
7. BWSR and NRCS shall cooperatively work to obtain for each accepted application a title insurance policy insuring both the WRP and RIM easements. NRCS will pay for the cost of the title search. NRCS will also pay for any appraisal or survey as may be needed to ensure that a particular acquisition conforms to WRP standards.
8. RIM easements acquired under this Partnership shall be permanent and shall contain terms, conditions and requirements acceptable to NRCS.
9. BWSR shall subordinate its interest in RIM easements acquired under this Partnership to any 30-year WRP easements encumbering the same lands for the duration of the 30-year WRP easements.
10. NRCS shall delegate to BWSR all management, monitoring and enforcement of WRP easements acquired under this partnership to the extent permitted under Federal and State law, provided however, NRCS reserves the right to revoke such delegation of responsibilities if BWSR fails to enforce them, as determined by NRCS.
11. TERM OF MOU. This MOU shall be effective when signed by both parties and shall remain in effect until December 31, 2003.
12. CANCELLATION. This MOU may be cancelled by BWSR or NRCS at any time, with or without cause, upon thirty days' written notice to the other party.
13. AMENDMENTS. Any amendment to this MOU shall be in writing and shall be executed by the same parties who executed the original MOU, or their successors in office.

14. LIABILITY. BWSR and NRCS agree that each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof. BWSR liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minn. Stat. § 3.376, and other applicable law. NRCS liability shall be governed by the Federal Tort Claims Act.

15. FUNDING. Nothing in this MOU shall obligate the expenditure of any funds. Acquisition funding shall be within the terms of the parties' appropriations.

16. This program will be conducted in compliance with the nondiscrimination provisions as contained in Title VI and VII of the Civil Rights Act of 1964 as amended, the Civil Rights Restoration Act of 1987 (Public Law 100-259) and other nondiscrimination statutes; namely, Section 504 of the Rehabilitation act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and in accordance with the regulations of the Secretary of Agriculture (7 CFR 15, Subparts A & B), which provide that no person in the United States shall, on the grounds of race, color, national origin, age, sex, religion, marital status, or handicap/disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving federal financial and/or technical assistance from the Department of Agriculture or any agency thereof.

17. IN WITNESS WHEREOF, the parties have caused this MOU to be duly executed intending to be bound thereby.

STATE OF MINNESOTA,
BOARD OF WATER & SOIL RESOURCES

By: [Signature]

Title: Executive Director

Date: 10/1/97

UNITED STATES
DEPARTMENT OF
AGRICULTURE,
NATURAL RESOURCES
CONSERVATION SERVICE

By: [Signature]

Title: STATE CONSERVATIONIST

Date: 10-22-97

Approved as to Form and Execution
by the Attorney General

By: [Signature]
Assistant Attorney General

Date: 10/22/97

COMMISSIONER OF ADMINISTRATION

By: [Signature]
(authorized signature)

Date: 12/1/97

COMMISSIONER OF FINANCE

By: [Signature]
(authorized signature)

Date: 12-16-97

1997 FLOOD RECOVERY SPECIAL WATER PLANNING CHALLENGE GRANTS

Background

In July of 1997 the Board authorized the expenditure of up to \$150,000 of local water planning challenge grant funds to aid planning efforts related to flood recovery and/or future flood disaster mitigation in declared flood disaster areas. All grants were required to provide a local 1:1 match. Potential applicants were identified from those counties and watershed districts which had identified planning needs in community assistance applications that had been submitted to the Minnesota Recovery Task Force.

The Process

In August and September staff reviewed all community assistance applications and identified seven applicants that had identified planning needs. Those applicants included Kittson County/Two Rivers WD; Roseau County/Roseau River WD; Marshall County/City of Warren; Wild Rice Watershed District; Wilken County; Upper MN Watershed District, and Prairie Country RC&D/Chippewa County. Also during that time staff developed application criteria (attached) that was consistent with rule requirements for local water planning challenge grants.

On September 25, 1997 application materials to sent to the seven applicants.

The Results

All seven of the potential applicants submitted applications for consideration. Following is a brief description of each of the projects.

Kittson County/Two Rivers WD - In February of 1997, Kittson county began the process of flood planning. A committee made up of local, state, and federal agency personnel as well as local citizens was formed and has been meeting regularly each month. This group known as the Kittson County Flood Committee, has been looking at the causes and possible solutions to flooding in the county. In the past, each agency or unit of government has undertaken its own initiatives regarding flooding. This flood committee approach will help to coordinate all efforts and begin the process of broad based planning to achieve specific goals and objectives.

The Kittson county flood committee's application includes actions designed to assist in 1) administration for the flood committee, 2) accelerate education and information activities, and 3) provide technical assistance to aid in accomplishing culvert inventories, stream flow monitoring, inventory of drainage systems and establishing GIS capability within the county. Kittson County requested \$20,000 in grant funds.

Roseau County/Roseau River WD - Recent floods of the last two years have underscored the need for the Roseau River basin area to develop a flood control plan. The Roseau River Flood Committee was formed in 1996 with member representing various state and local agencies. The committee meets regularly to try and develop solutions and evaluate alternatives for future flood damage reduction measures. The Minnesota Department of Natural Resources Fisheries, Wildlife, and Waters divisions as well as the Roseau SWCD, Roseau County, City of Roseau, Roseau River WD, citizens of the watershed, and public officials from the Province of Manitoba, Canada are actively involved in the committee.

Several practical ideas are beginning to be implemented as a result of Flood Control Committee meetings including resident survey and soil digitizing. The proposal submitted by the Roseau River Flood Committee would continue the current efforts of digitizing the soil survey, enhance communications with residents of the watershed, undertake a pilot culvert inventory, and expand the use of hydrologic and GIS models in the Roseau River watershed. Roseau County requested \$45,000 in grant funds.

Marshall County/City of Warren/Middle River Snake River Watershed District - The Watershed District was established in 1970 primarily to deal in problems associated with repeated flooding and inadequate drainage. In the spring of 1996 there were two floods, the first in April caused by snowmelt and the second in May caused by rainfall in excess of 5 inches over the District. The second flood was the largest flood ever recorded on the Snake River at Warren. In April 1997, the third flood in two years occurred with the spring snowmelt. The occurrence of these floods has demonstrated to a large number of residents in the area the need for flood control works within the District.

The District is working with the City of Warren, the Natural Resources Conservation Service and others to develop flood control works in the Snake River watershed under Public Law 566. In addition the District is working to develop flood damage reduction projects within the entire watershed. This proposal is to develop hydraulic and hydrologic models of the Middle River and the Snake River to assist in this effort. Marshall County/Middle River Snake River WD requested \$60,000 in grant funds.

Wild Rice Watershed District - Considerable attention has been focused on flood damage reduction efforts within the District during the last several years. Although the District has worked toward reducing flood damages since its inception nearly 27 years ago, the state and federal environmental review process initiated by the U.S. Corps of Engineers and the Minnesota Department of natural Resources during 1993 and the catastrophic flood of 1997, has heightened attention.

The goal of this proposal is to develop comprehensive and innovative concepts for reducing flood damages within the Wild Rice WD, using multiple alternatives within a "systems approach" framework. The concepts developed using the systems approach will be oriented achieving flood damage reduction and natural resource goals established by the District and

resource agencies. The Wild Rice WD requested \$80,846 in grant funds.

Wilkin County/Wilkin SWCD - Historic flooding during the spring of 1997 and record snow falls during the winter of 1996 and 1997 reinforced the importance of planning. Planning at it's best can be an invaluable tool in diverting disaster or at a minimum reduce its impacts. Natural disasters, such as the flood of 1997, remind us of flood mitigation measures that would have benefitted society, the economy, and our land and water resources, had they been in place. Some of these mitigation measures include living snow fences, stream bank stabilization, diversions, vegetative buffer strips, ring dikes, and oxbow restorations.

This proposal sets forth a threefold strategy for the South Branch of the Buffalo River and Otter Tail River watershed including 1) inventory critical impact sites and identify needed flood mitigation measures, 2) one-on-one planning with landowners, and 3) installation of flood mitigation measures. Wilkin county requested \$22,000 in grant funds.

Big Stone County/Upper Minnesota River WD - Big Stone County is known to have many land-locked basins which cause numerous problems especially during periods of high runoff. Historically, the method of dealing these was to drain or pump them down which further taxed the downstream capacities. Thousands of dollars have been spent raising roads and many thousand more will be spent on similar projects. The town of Beardsley has been threatened over the last several years by rising waters of a land-locked basin. Finally, the only option was to spend millions of dollars to pump water miles away.

This proposal will start with an inventory of existing land-locked basins. From that an estimate of flood retention capacity that they could provide would be estimated and a series of meetings would be held with local officials, state and local agents, and local citizens. Strategies for preserving those capacities would be researched and alternatives to permanent outlets on these basins would be sought. The benefits of having a comprehensive strategy for flooding around these land-locked basins will be the ultimate outcome. Bog Stone County has requested \$20,000 in grant funds.

Chippewa County/Prairie Country RC&D - Extensive drainage and channelization in the watershed has resulted in serious and persistent downstream problems. The lower 1/3 of the watershed is characterized by flat areas and heavy soils. The Chippewa River has experienced severe flooding and bank erosion in recent years. Major flooding has occurred in 1952, 1969, 1993, and 1997. Flash flooding occurred in 1957 and 1979 in Chippewa County.

This proposal lays out a project that create an inventory and assessment of existing riparian protection, and potential sites for restoration and/or enrollment in a variety of conservation programs. The data will be used to develop maps of the lower Chippewa River in Swift and Chippewa Counties which identifies potential land for enrollment in a variety of conservation programs and flood reduction strategies including those identified by the Regional Long Term Flood Response Team. Particular emphasis will be placed on the lower Shakopee Creek and Dry

Weather Creek (Judicial Ditch 22) sub-basin watersheds. Chippewa County requested \$20,000 in grant funds.

Total grant dollars requested = \$267,846

Staff Recommendations

After review of the grant applications and discussions with the respective Board Conservationist for each of the applicants, a decision was reached to contact each applicant to determine whether it was feasible to narrow or refine the focus of proposed work activities in order to fund all or parts of each application. The result of those discussions was that it indeed was practical to provide partial funding, with the exception of one proposal. Following is a list of each applicant comparing the grant amount requested and BWSR staff recommended funding.

Table 1.

APPLICANT	GRANT FUNDS APPLIED FOR	RECOMMENDED FUNDING
Kittson County/Two Rivers WD	20,000	15,000
Roseau County/Roseau River WD	45,000	20,000
Marshall County/Middle River Snake River WD	60,000	17,000
Wild Rice Watershed District	80,846	46,000
Wilken County/Wilken SWCD	22,000	22,000
Big Stone County/Upper MN River WD	20,000	15,000
Chippewa County/Prairie Country RC&D	20,000	15,000
	=====	=====
TOTALS	\$267,846	\$150,000

BWSR staff recommendation is to approve funding for seven applicants under the BWSR 1997 Flood Recovery, Special Water Planning Challenge Grants as shown in the Table 1.

At the completion of the ~~evaluation~~ ^{user} process the employee panel recommended a package by K.B. Consultants. ~~and~~ The MASWCD Board of Directors considered the matter and recommended a package called Quikbooks Pro.

Soil and Water Conservation District (SWCD) Accounting Software - Jim Birkholz explained that BWSR staff and an SWCD ^{user} evaluation panel (mostly employees) and the MASWCD Board of Directors have been working for more than a year on ^{evaluating} accounting software packages for SWCDs. Jim stated that ^{since there is still some disagreement around this state} staff recommends that BWSR respond to MASWCD's recommendation by asking them to further communicate with SWCD employees and boards to seek a more mutually agreeable recommendation. Discussion followed. It was stated that BWSR needs to exercise their responsibilities; the accounting software is not mandated. BWSR has traditionally provided financial support; however, SWCDs will have to make a decision. The MASWCD Board of Directors made a decision, they need to live with it. Ron said we want a standardized reporting system in place, it was agreed to that; BWSR provides service. Jim stated that there's incredible diversity among SWCDs, the most effective thing to do is table this, BWSR staff will continue to provide reporting support to SWCDs. Moved by Allan Oehlke, seconded by Lee Coe, that BWSR ^{will} ~~does not select~~ ^{recommend particular} any accounting software; ^{but continue to provide} mandate reporting, ^{appropriate} ~~support~~ ^{support} the SWCD. BWSR staff ^{will} continue to provide ~~reporting~~ support. Motion passed on a voice vote.

The employees want MASWCD to see this.

the choice is each

Chair Roer adjourned the meeting at 12:45 p.m.



MASWCD

Minnesota Association of Soil and Water Conservation Districts
790 Cleveland Avenue South, Suite 216, St. Paul, MN 55116 612-690-9028

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January 26, 1998

Kathy Roer

Chair

Minnesota Board of Water and Soil Resources
One West Water St. #200
St. Paul, MN 55107

Dear Kathy,

RE: Accounting Package

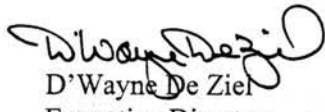
The MASWCD Board of Directors voted unanimously to recommend that the Minnesota Board of Water and Soil Resources provide support for QuickBooks Accounting System. We are not recommending that BWSR support the QuickBooks Software program.

This decision was reached after several hours of discussion by the Board of Directors and the input they had received from employees across the State of Minnesota. The SWCD software evaluation panel's assessment was presented by BWSR staff and thoroughly discussed by the Board.

The MASWCD Board realizes that Districts are not required to have identical accounting systems. Each district must make its own decision as to how they are going to handle accounting. Currently SWCDs are using manual (handwritten), QuickBooks, The Accountant and County Accounting Systems.

It is the MASWCD Board of Directors intention that BWSR continue to provide accounting support to all districts regardless of which accounting software they are using. We do not believe that BWSR should provide support for the software programs.

Sincerely,


D'Wayne De Ziel
Executive Director

cc: ✓ Ron Harnack
MASWCD Board of Directors

RECEIVED
JAN 27 1998



January 26, 1998

Board of Hennepin County Commissioners
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Dear Commissioners:

The Board of Water and Soil Resources has completed the enclosed report on the Minnehaha Creek Watershed District as requested by resolution no. 97-9-624R3 which was adopted by the County Board on September 23, 1997. Also enclosed is a memorandum from the office of the state auditor.

Although no violation of applicable statutes, rules and regulations was found, the report offers several recommendations. The Board of Water and Soil Resources will continue to work with the District, and cities, to implement these recommendations.

It is evident that the District has made some significant changes over the past several months. We are also aware that the District is presently in the process of implementing some of the recommendations brought forth in the report. Cities have been generally satisfied with the progress made by the stormwater task force dealing with Rule B.

It is our intent to keep the momentum going and foster better working relationships with the District, cities and the county.

Please feel free to contact Jim Haertel of my staff at 297-2906 should you wish to discuss this matter further.

Sincerely,

Ronald D. Harnack
Executive Director

Enclosures

cc's on attached page

An equal opportunity employer

Printed on recycled paper

cc: Cities and Townships in District
District Board of Managers
Diane Lynch, District Administrator
Louis Smith, District Counsel
Mike Panzer, District Engineer
Vern Genzlinger, Hennepin County Public Works Director
Janet Leick, Hennepin County Environmental Services Manager
Roger Williams, Office of Dispute Resolution
Kathleen Docter, Office of the State Auditor
BWSR Staff: Birkholz, Thomas, Haertel, Sandstrom

Report to the
Hennepin County Board of Commissioners
on the
Minnehaha Creek Watershed District

January 26, 1998

INTRODUCTION

The Minnesota Board of Water and Soil Resources provides this report in response to a request, passed on September 23, 1997, in the form of Resolution No. 97-9-624R3, by the Hennepin County Board of Commissioners.

The resolution requested the Board of Water and Soil Resources to:

- (A) determine if the activities of the Minnehaha Creek Watershed District (district) are in compliance with statutes, rules, and regulations;
- (B) facilitate dialogue between the district and affected municipalities;
- (C) determine if the cost effectiveness of capital projects proposed by the district is in compliance with statutes, rules, and regulations; and
- (D) request the State Auditor to audit the district to address issue (A) or (C), if necessary.

In addition to addressing these concerns, this report will also present various guidelines and perspectives on the roles and responsibilities involved in watershed district management. Although reports of this type inevitably focus on recommended improvements, the Board of Water and Soil Resources recognizes and commends the district for the dedication and commitment of its board of managers, staff and consulting engineers and attorneys. The district is highly professional and is justifiably proud of its accomplishments. District staff and managers were cooperative and accommodating throughout this study.

The Board of Water and Soil Resources gathered information several different ways for this report. Interviews were conducted with various staff members from several cities in the district.

Past and present district staff were also interviewed. Interviews were conducted with citizen and environmental groups, non-district consulting engineers and attorneys, other metro watershed district managers and staff, and select state agency staff. In addition, many district records were reviewed, including an exhaustive review of the Long Lake project and reviews of the Gray's Bay Dam Outlet, Gleason Lake, Painter Creek, and Langdon Lake projects. Staff from the Board of Water and Soil Resources also reviewed the 1994 Management Study and the 1997 Draft Strategic Plan, both of which the district commissioned. Lastly, the State Auditor reviewed the audited financial statements of the district for fiscal years 1994, 1995, and 1996.

SUMMARY OF FINDINGS

Based on all the information gathered, the Board of Water and Soil Resources concludes that the district has not violated any applicable statutes, rules and regulations. In addition, the district has shown significant leadership in comprehensive water management.

However, a number of concerns did arise during our research for this report, primarily in two areas: micro management by the Board of Managers and lack of District communication with stakeholders or constituents, especially cities. Additionally, the issue of accountability for expenditure of public funds was raised as a concern by some interviewees.

Although some of these concerns are already being addressed through recent administrative changes, including hiring a new administrator, our review suggests improvements focused on district management; district operational procedures; district outreach, communication and coordination; and financial accountability.

DISTRICT MANAGEMENT

The board of managers for the district had a history of being dedicated and running the operations "hands-on" during the first 25 years. The district had no staff, choosing instead to use engineering and legal consultants. In 1992, two staff positions were established, a full time administrator and a half-time clerical.

Since then, the board of managers has not completely shifted its focus and priorities from day-to-day management of operations to that of being a policy and oversight body. Too many and lengthy meetings result. Too often managers function individually and give administrative direction to staff, or opinions to constituents, without full board awareness and approval. Further, the district administrator and staff should be working directly with the constituents without excessive oversight from individual managers.

Oftentimes constituents are uncertain who to contact at the district level. Members of the district staff are generally seen as not empowered to make decisions, except the most simple or basic

types, so district consultants or managers are contacted directly. District staff have been pulled in many different directions by individual contact from managers, resulting in conflicting direction and overworked situations. Certainly the practice undermines employee morale; turnover rate of district staff has been high.

Two recent management studies the district commissioned corroborate this finding and point to the need for correcting micro management by the board of managers. In fact, the 1997 draft strategic plan shows six of the seven managers spoke of micro management and the problems it created. This also underscores the need for strong leadership by county boards in choosing managers that will cooperate together and work as a team.

COMMUNICATION, OUTREACH, COORDINATION

District communications with stakeholders, especially the member cities, needs to be improved. Communication would likely improve if the board of managers will step back and allow district staff to conduct routine communications with constituents. The district would speak with a more uniform voice, reduce the likelihood of sending mixed messages, and reduce false expectations among constituents.

Nevertheless, it takes two parties openly communicating to make the situation work. Constituents, such as cities, oftentimes do not put enough effort into the process. This was very evident when the district actively solicited comments from member cities during the development of the second generation watershed management plan. Most substantial comments from cities only arose during the very final stages of plan review by the state agencies, resulting in a reactive, rather than proactive, approach. It is also evident there are some situations where cities attempt to downplay water resources management concerns such as erosion control measures or on-site water detention. This may occur in commercial projects as the result of pressure from developers or in cities' own public works projects as they try to complete them in a timely and cost-effective manner. In those cases, the district is unfairly criticized for monitoring non-compliance and refusing to relax its standards.

The Board of Water and Soil Resources has proposed using the services of a state mediator to help facilitate a dialogue among the cities and the district. This option will continue to be explored and assessed along with the adoption and implementation of these recommendations. We understand that the district administrator and a manager are in the process of meeting individually with staff of all cities in the district. While generally viewed by constituents as a step in the right direction, there is some concern about the need for, or desirability of, having a manager present. Again, city staff do not see district staff as being empowered by the board of managers to carry out their assigned duties, or what most would agree should be a staff duty.

CAPITAL IMPROVEMENT PROJECTS

Another area of concern revolves around capital improvement projects and taxation to cover the planning and implementation of the projects. Comments from all people interviewed varied regarding the taxation issue, but the need for the projects, or similar projects, goes largely unchallenged. The Board of Water and Soil Resources found no evidence that the cost effectiveness of capital improvement projects is not in compliance with statutes, rules, and regulations.

The issue of who should pay for the projects, or where taxes should be levied and to what extent, is the subject of considerable debate and a primary focus of concern for some cities. Opinions on solutions span a vast range and include: (a) fund all projects by an ad valorem district-wide tax as is presently the case; (b) fund major projects of regional importance by an ad valorem district-wide tax and fund smaller projects on a subwatershed district basis; (c) divide the district into two tax districts divided at Gray's Bay dam; (d) continue as is presently the case but spread the projects around so many cities have a project in their area; and (e) fund projects by a combination of an ad valorem district-wide tax and create a subwatershed district or stormwater utility district for the area directly benefitting or contributing, e.g., 70 percent of the project cost levied over the area directly benefitting or contributing and 30 percent ad valorem over the remainder of the district.

Defining the appropriate funding option is a district responsibility and a matter of policy. Greater proactive participation by city and county policy makers and staff in the plan development process would create greater awareness and understanding of the options.

FINANCIAL ACCOUNTABILITY

The cost of capital improvement projects is an area of concern, specifically the cost of engineering and, to a lesser extent, legal services for the projects. The expense of engineering consultants and legal consultants for other district activities is also an area of concern raised by several people interviewed.

It does appear that the district could reduce net operating expenses by hiring some professional staff. A staff engineer and a staff attorney or paralegal could reduce expenses in the areas of permits and planning and a staff engineer would be helpful in monitoring engineering consultant costs. In addition, since the district does not have a staff attorney or engineer, individual managers are assigned to implementation of individual capital improvement projects, furthering the problem of board members performing tasks that should be done by staff.

Several interviewees also recommended using different engineering firms to design capital improvement projects. Under this scenario, the district would still maintain a single consulting engineering firm for district activities, but would vary the engineering firms used for capital

improvement projects, either through a bid process or by rotation within a pool of firms. Other suggestions include relying more on the Hennepin Conservation District; and using the city engineer as the project manager, instead of an engineering consultant. This latter suggestion would also address the cities' perception of a lack of coordination and information dissemination at the project implementation stage. While we don't know if these suggestions would decrease costs, they would definitely decrease the risk of communication breakdowns.

The 1994 management study stated the need for the district administrator to monitor consultant costs. This has been implemented over the past few months.

Reviews of the District's 1994, 1995, and 1996 financial statements by the State Auditor essentially yielded the same information as the audit reports by the CPA firms, namely, an unqualified "clean" opinion.

RECOMMENDATIONS

In summary, the Board of Water and Soil Resources recommends the following:

I.

- A. The board of managers should shift their management style from being involved in many details of district operations towards being a policy and oversight body, as presented in the "District Management" section on pages 2 and 3.
- B. The board of managers should assign district staff and empower district staff to carry out most of the operational functions and administrative services, as presented in the "District Management" section on pages 2 and 3.
- C. The district should rely more on staff in the areas of permits and planning, which may require additional staff, as presented in the "Financial Accountability" section on pages 4 and 5.

II.

- A. The district should improve communications with constituents, especially cities, as presented in the "Communication, Outreach, Coordination" section on page 3.
- B. The district should hold an annual meeting with the cities and counties to discuss capital improvement projects on line for the coming year and try to achieve broad agreement among the parties on sources of funding for the projects.

- III. The district should consider using additional engineering firms or the Hennepin Conservation District on capital improvement project design, as presented under the "Financial Accountability" section on pages 4 and 5.
- IV. The district should consider using city engineers as project managers, as presented in the "Financial Accountability" section on pages 4 and 5.
- V. Hennepin County should establish "guiding principles and standards" for selecting managers and judging performance.
- VI. Cities that have not already done so should designate a technical and policy representative to act as liaison with the district.

CONCLUSION

Managing water resources in a responsible and effective manner is extremely challenging. In today's urban setting this challenge is made even more complex by the many political boundaries that are crossed. The large population center of the Minneapolis area, the wealth of water resources, including such regionally significant ones as the Chain of Lakes, Minnehaha Creek, and Lake Minnetonka, coupled with the primarily agricultural nature of the upper reaches of the watershed combine to make the district's job very complicated and yet extremely important. The district has shown innovative leadership. While the Board of Water and Soil Resources has made some recommended changes, the overall job the Minnehaha Creek Watershed District has done in the management of such important waters has been, for all purposes, quite satisfactory.

In conclusion, the Board of Water and Soil Resources offers assistance to work with Hennepin County, the district, and the cities towards establishing a strong framework for watershed management within the Minnehaha Creek Watershed District.

interoffice
MEMORANDUM

RECEIVED
DEC 22 1997

To: Jim Haertel
From: Tom Karlson
Subject: Minnehaha Creek Watershed
Date: December 19, 1997

Finally, I have completed some notes on my review of the 1994, 1995, and 1996 audited financial statements for the Minnehaha Creek Watershed District. I did some comparison of revenues, expenditures, and fund balances over the years. Attached are my observations from reviewing the reports and some schedules comparing the years.

The notes are not arranged in any particular order. Please call if you have any questions.

Review of Minnehaha Watershed District Financial Statements for 1994,1995 and 1996

Annual Audit:

The District was audited by CPA firms for each year reviewed. In 1994 the firm was Larson Allen Weishair & Co. In 1995 and 1996 the firm was Babcock, Langbein and Company. My personal experience has been that I have been more impressed by the quality of reports issued by Larson Allen Weishair & Co. than the latter firm.

Independent Auditor's Report:

In all three years the District received an unqualified "clean" opinion on their financial statements. In other words it was the auditors' opinion that the financial statements were fairly presented in all material respects. There were a couple minor errors in the wording for the 1995 and 1996 opinions.

Other Auditor Reports:

The audits were conducted under *Government Auditing Standards*, issued by the Comptroller General of the US. These standards require reports on internal control and compliance to be issued. For all three years these reports were issued. These reports indicate that the auditor's had no issues of noncompliance that were required to be issued and no material reportable conditions. In the 1996 Babcock, Langbein actually erred by stating they noted no reportable conditions. This^{is} actually a violation of auditing standards. (Codification of Statements on Auditing Standards AU § 326.17). What all the above means is that the firms reported no findings or recommendations related to their audits of the District. In some cases CPA firms issue separate management letters directly to mangement. There is no indication that they have done this, but you may want to ask the District if they have received separate letters.

Financial Statements:

A few minor presentation errors noted in the 1995 and 1996 financial statements. However, nothing too critical. The one curious item is that the General (Administrative) Fund in 1995 had a \$3,000,000 certificate of deposit that it did not have in 1994. The revenues of the General Fund were only \$265,000 so they were not the source of this investment. It came from the Special Revenue Funds, in particular the tax revenues of the Management Planning Fund. The General Fund does have a liability to the Special Revenue Funds, but the interest earned on the project revenues are being used to eliminate the General Fund's deficit.

Fund Balances:

From the schedule of fund balances you can see that the financial condition hit a low in 1994. At that time the District had an overall deficit of \$115,494. The overall deficit was due to the large \$324,004 in the General Fund. The condition of the General Fund has improved over the last two years. Two other funds also had deficits at the end of 1996. The project revenues of the Management Planning Fund are responsible for the healthier looking total fund balance. The deficits result from expending funds without current revenue sources.

Revenues:

No major observations on revenues. Property taxes are their primary source of revenue. Total revenues of course increased due to the large projects started in 1995.

Expenditures:

As was the case with revenues, expenditures have increased in the last two years due to the large projects. The largest expenditure has been for engineering, which is probably understandable due to the nature of their purpose. Possibly more unusual is the large amount of legal expenditures, which have ranged from about 10% of total expenditures to a high of 26% in 1994. On the issue of managers' per diem, they have increased each year from \$22,436 in 1993 to \$60,423 in 1996. On the flip side coordinator's expense has dropped from \$79,620 in 1993 to \$11,201 in 1996. An unusual item was a negative expenditure in 1995 labeled "Returned Wayzata Check" for \$175,540. Generally should not have negative revenue or expenditure amounts.

Summary:

Reviewing financial statements will not necessarily address the concerns raised about the District. Based on no findings and clean opinions on the financial statements there are no major red flags that were noted from our review of the financial statement reports. There are just some areas identified above that may require additional information to determine if there is anything to be concerned about.

Minnehaha Creek Watershed District
Review of Financial Statements
Fund Balances 1993 to 1996

Fund Balance - December 31	Total	General Administrative Fund	Management Planning Fund	Water Maintenance and Repair	Survey and Data Acquisition	Gleason Creek Fund
1996	3,528,703	(192,578)	3,845,363	84,913	(1,420)	(207,575)
1995	3,042,164	(261,242)	3,427,604	79,503	3,875	(207,576)
1994	(115,494)	(324,004)	106,504	70,970	24,200	6,836
1993	236,804	(277,597)	459,385	73,626	41,594	(60,204)
1992	192,346	(239,530)	441,515	112,790	881	(123,310)
	0					
	0					

**Minnehaha Creek Watershed District
Review of Financial Statements
Revenues 1993 to 1996**

(1,099,780)	-18.7%	4,732,756	411.4%	(509,015)	-30.7%	4,783,349	81.3%	341,924	4,426,318	15,087	20	0	5,883,129	100.0%	265,197	5,602,313	17,429	3	(1,813)
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Revenue Classification	1994						1993							
	Total	% of Total Revenues	General Administrative Fund	Management Planning Fund	Water Maintenance and Repair	Survey and Data Acquisition	Gleason Creek Fund	Total	% of Total Revenues	General Administrative Fund	Management Planning Fund	Water Maintenance and Repair	Survey and Data Acquisition	Gleason Creek Fund
Property taxes	1,008,484	87.7%	199,288	401,526	15,100	7	392,563	1,528,222	92.1%	171,675	313,364	16,318	48,026	978,839
Licenses and permits	35,880	3.1%	35,880					14,124	0.9%	14,124				
Intergovernmental	94,499	8.2%		94,499				83,244	5.0%	9,347	17,073	872	2,617	53,335
Interest	11,510	1.0%	1,256	2,560	329	1,449	5,916	12,675	0.8%	656	4,292	347	342	7,038
Miscellaneous	0	0.0%						21,123	1.3%	3,823	17,300			
	0	0.0%							0.0%					
	0	0.0%							0.0%					
	0	0.0%							0.0%					
	0	0.0%		0				0	0.0%					
	0	0.0%						0	0.0%					
	1,150,373	100.0%	236,424	498,585	15,429	1,456	398,479	1,659,388	100.0%	199,625	352,029	17,537	50,985	1,039,212

Minnehaha Creek Watershed District
Review of Financial Statements
Expenditures 1993 to 1996

Expenditure Classification	Change from 1995 to 1996		Change from 1994 to 1995		Change from 1993 to 1994		1996		General Administrative Fund	Management Planning Fund	Water Maintenance and Repair	Survey and Data Acquisition	Gleason Creek Fund	1996		General Administrative Fund	Management Planning Fund	Water Maintenance and Repair	Survey and Data Acquisition	Gleason Creek Fund
	Total	% of Total Expenditures	Total	% of Total Expenditures	Total	% of Total Expenditures	Total	% of Total Expenditures						Total	% of Total Expenditures					
Engineering	(732,654)	-52.4%	776,959	125.2%	227,408	57.9%	664,805	24.4%	110,842	552,671	1,292			1,397,459	51.3%	114,187	862,293	129		420,850
Legal	108,199	34.3%	(80,205)	-20.4%	238,700	153.9%	421,832	15.5%	54,596	367,236				313,633	11.5%	23,624	287,909			2,100
Coordination Expenses	(4,344)	-27.9%	(51,115)	-78.7%	(12,960)	-16.3%	11,201	0.4%	539	10,662				15,545	0.6%	4,251	10,635			659
Manager's Per Diem	9,943	19.7%	16,550	48.8%	11,494	51.2%	60,423	2.2%	25,092	35,331				50,480	1.9%	27,264	23,216			
Utilities	(1,018)	-100.0%	1,018	ERR	0	ERR	0	0.0%						1,018	0.0%					
Telephone	630	16.2%	3,883	ERR	0	ERR	4,513	0.2%		4,513				3,883	0.1%					
Rent	(8,772)	-33.2%	24,056	450.4%	5,341	ERR	19,625	0.7%	6,217	13,408				29,387	1.1%	4,017	25,360			
Office supplies	(16,729)	-70.8%	(13,627)	-36.6%	28,711	336.9%	6,876	0.3%	2,972	3,904				23,605	0.9%	5,325	18,280		20	
Publications	15,065	153.0%	(9,977)	-50.3%	15,166	325.5%	24,914	0.9%		24,914				8,849	0.4%					
Repairs and maintenance	159,047	2019.6%	7,875	ERR	0	ERR	166,922	6.1%		166,922				7,875	0.3%		7,547			328
Secretarial	539	ERR	(15,815)	-100.0%	15,815	ERR	539	0.0%	539					0	0.0%					
Insurance	879	15.6%	(13)	-0.2%	3,611	176.7%	6,520	0.2%	972	5,548				5,641	0.2%	5,130	511			
Dam and control	0	ERR	(15,002)	-100.0%	(34,174)	-69.5%	0	0.0%						0	0.0%					
Data collections analysis	144,775	234.5%	16,707	37.1%	1,837	4.3%	206,517	7.6%		205,324				61,742	2.3%		45,767		15,975	
Supplies/equipment	7,576	ERR	0	ERR	0	ERR	7,576	0.3%		7,066		1,193		0	0.0%					
Permitting	(35,804)	-67.0%	53,458	ERR	0	ERR	17,654	0.6%		7,066		510		53,458	2.0%		53,458			
Monitoring	22,703	79.2%	28,659	ERR	0	ERR	51,362	1.9%		51,362				28,659	1.1%		28,633	26		
Extraneous water runoff survey	0	ERR	(243)	-100.0%	(37,051)	-99.3%	0	0.0%						0	0.0%					
Municipal long range planning	0	ERR	0	ERR	(463)	-100.0%	0	0.0%						0	0.0%					
Stream gauging/monitoring	236	ERR	(10,321)	-100.0%	219	2.2%	236	0.0%						0	0.0%					
Water quality monitoring	(4,333)	-100.0%	(4,196)	-48.2%	8,359	4917.1%	0	0.0%				236		0	0.0%					
Local water management plan	0	ERR	(9,614)	-100.0%	6,710	231.1%	0	0.0%						4,333	0.2%				4,333	
Board initiated projects	(8,420)	-100.0%	6,141	269.5%	2,279	ERR	0	0.0%						0	0.0%					
Acclg and auditing	7,467	30.4%	5,955	32.0%	2,195	13.4%	32,017	1.2%	3,902	28,115				8,420	0.3%		8,420			
Consultants	(4,648)	-17.9%	9,364	56.3%	16,481	10632.9%	21,352	0.8%	7,352	14,000				24,550	0.9%	5,835	17,731			984
State Holders Comm	129,152	ERR	0	ERR	0	ERR	129,152	4.7%		129,152				26,000	1.0%		26,000			
Wages	46,448	49.5%	93,799	ERR	0	ERR	140,247	5.1%	31,726	108,521				93,799	3.4%	25,854	67,945			
Chapter 509 printing	5,337	ERR	(1,327)	-100.0%	1,327	ERR	5,337	0.2%		5,337				0	0.0%					
Payroll taxes	17,936	355.8%	2,832	128.2%	982	80.0%	22,977	0.8%	22,977					5,041	0.2%	5,041				
Other project expenses	117,791	ERR	0	ERR	0	ERR	117,791	ERR		117,791				0	0.0%					
Miscellaneous/Other	62,900	6340.7%	(782)	-44.1%	983	124.3%	63,892	2.3%	5,534	46,598	8,385	3,375		992	0.0%	580	412			
Contingency	(9,098)	-100.0%	9,098	ERR	(7,525)	-100.0%	0	0.0%						9,098	0.3%		9,098			
Easements	(638)	-100.0%	638	ERR	0	ERR	0	0.0%						638	0.0%		638			
Rebursed Wayzata check	175,540	-100.0%	(175,540)	ERR	0	ERR	0	0.0%						(175,540)	-6.4%					(175,540)
Construction	1,418,123	210.3%	674,407	ERR	0	ERR	2,092,530	76.8%		2,092,530				674,407	24.7%		674,407			
Debt service	(17,301)	-100.0%	(8,935)	-34.1%	26,236	ERR	0	0.0%						17,301	0.6%		17,301			
Capital outlay	(34,187)	-100.0%	(111,888)	-76.6%	(633,940)	-81.3%	0	0.0%						34,187	1.3%		32,451	1,736		
	1,571,340	57.7%	1,222,799	81.4%	(112,259)	-7.0%	4,296,810	157.7%	273,260	4,008,559	9,677	5,314	0	2,725,470	100.0%	221,108	2,224,342	10,311	20,328	249,381

Expenditure Classification	1994						1993							
	Total	% of Total Expenditures	General Administrative Fund	Management Planning Fund	Water Maintenance and Repair	Survey and Data Acquisition	Gleason Creek Fund	Total	% of Total Expenditures	General Administrative Fund	Management Planning Fund	Water Maintenance and Repair	Survey and Data Acquisition	Gleason Creek Fund
Engineering	620,500	41.3%	107,249	441,924	804		70,523	393,092	24.3%	134,061	160,292			98,739
Legal	393,838	26.2%	41,873	284,145			67,820	155,138	9.6%	43,841	49,093			62,204
Coordinators Expenses	66,660	4.4%	22,220	22,220			22,220	79,620	4.9%	26,540	26,540			26,540
Manager's Per Diem	33,930	2.3%	19,317	11,695			2,918	22,436	1.4%	14,005	4,961			3,470
Utilities		0.0%							0.0%					
Telephone		0.0%							0.0%					
Rent	5,341	0.4%	5,341	0				0	0.0%	0	0			
Office supplies	37,232	2.5%	33,450	3,782				8,521	0.5%	7,784	737			
Publications	19,826	1.3%		19,826				4,660	0.3%		4,660			
Repairs and maintenance		0.0%							0.0%					
Secretarial	15,815	1.1%	15,815	0				0	0.0%	0	0			
Insurance	5,654	0.4%	5,654	0				2,043	0.1%	2,043	0			
Dam and control	15,002	1.0%			15,002			49,176	3.0%			49,176		
Data collection analysis	45,035	3.0%		45,035				43,198	2.7%		43,198			
Supplies/equipment		0.0%							0.0%					
Permitting	0	0.0%							0.0%					
Monitoring	0	0.0%							0.0%					
Eurasian water millifol survey	243	0.0%		243				37,294	2.3%		37,294			
Municipal long range planning	0	0.0%		0				463	0.0%		463			
Stream gauging/monitoring	10,321	0.7%				10,321		10,102	0.6%				10,102	
Water quality monitoring	8,529	0.6%				8,529		170	0.0%				170	
Local water management plan	9,614	0.6%		9,614				2,904	0.2%		2,904			
Board initiated projects	2,279	0.2%			2,279			0	0.0%					
Acctg and auditing	18,595	1.2%	9,260	5,278			4,057	16,400	1.0%	8,350	3,845			4,205
Consultants	16,636	1.1%	11,918	4,718				155	0.0%	155	0			
Stake Holders Comm														
Wages	0	0.0%							0.0%					
Chapter 509 printing	1,327	0.1%		1,327				0	0.0%		0			
Payroll taxes	2,209	0.1%	1,125	759			325	1,227	0.1%	913	172			142
Other project expenses														
Miscellaneous/Other	1,774	0.1%	74	900			800	791	0.0%	0	0			791
Contingency	0	0.0%						7,525	0.5%			7,525		
Easements	0	0.0%							0.0%					
Rebated Wayzata check	0	0.0%							0.0%					
Construction	0	0.0%							0.0%					
Debt service	26,236	1.7%					26,236	0	0.0%					0
Capital outly	146,075	9.7%	9,535	0			136,540	780,015	48.3%	0	0			780,015
	1,502,671	100.0%	282,831	851,466	18,085	18,850	331,439	1,614,930	100.0%	237,692	334,159	56,701	10,272	976,106

INTEROFFICE MEMORANDUM

January 21, 1998

TO: bwsr staff, board members
FROM: Marybeth Block, Special Projects Coordinator
SUBJECT: Legislative fact sheets

A handwritten signature in black ink, appearing to be 'MB' with a long horizontal stroke extending to the right.

Attached are four fact sheets with information regarding BWSR's bonding initiatives. Please share these sheets with local government clientele and others interested in seeing the initiatives enacted and encourage them to contact their legislative representatives in support of the initiatives.



RIM Reserve/PWP Conservation Easements

1998 Legislative Initiative

Purpose

The Reinvest in Minnesota (RIM) Reserve Program was established to keep marginal agricultural land out of crop production, to protect and enhance soil and water quality and to support fish and wildlife habitats. The Permanent Wetlands Preserve Program (PWP) was enacted in conjunction with the Wetland Conservation Act to preserve valuable wetlands that are prone to being drained. Acquiring conservation easements on marginal, intensive-use land reduces runoff, erosion and sedimentation and provides numerous benefits to the state's land, water, fish and wildlife resources.

Issues

Groundwater contamination, degraded water quality and diminished fish and wildlife habitats are found throughout all regions of Minnesota. Some efforts to address these problems have received much attention. Case in point, the Minnesota River Basin. The Citizens' Advisory Committee cites RIM Reserve as an important vehicle to be used to restore valuable wetlands and retire sensitive floodplain from crop production. Likewise, the lake country of central Minnesota uses the program to reduce erosion and sedimentation in the watersheds of recreational lakes.

During the program's eleven-year history the landowner interest to enroll lands into the program has consistently out paced the dollars available to fund the requests by a 3:1 margin.

Case Study

Scott Soil and Water Conservation District (SWCD) has been using RIM easements to clean up and protect the Minnesota River. Of the several thousand acres bordering the east side of

the river between Henderson and Shakopee that were once in row-crop, all but about 200 acres are now covered with permanent vegetation. The district estimates that converting land use from intensive farming to permanent cover has reduced scour erosion by approximately 75 tons per acre. Now instead of contributing to the problem, these marginal areas will help trap sediment. Similar accomplishments to retire large tracts of agricultural land immediately adjacent to the Minnesota River have been achieved by the Renville and Redwood SWCDs.

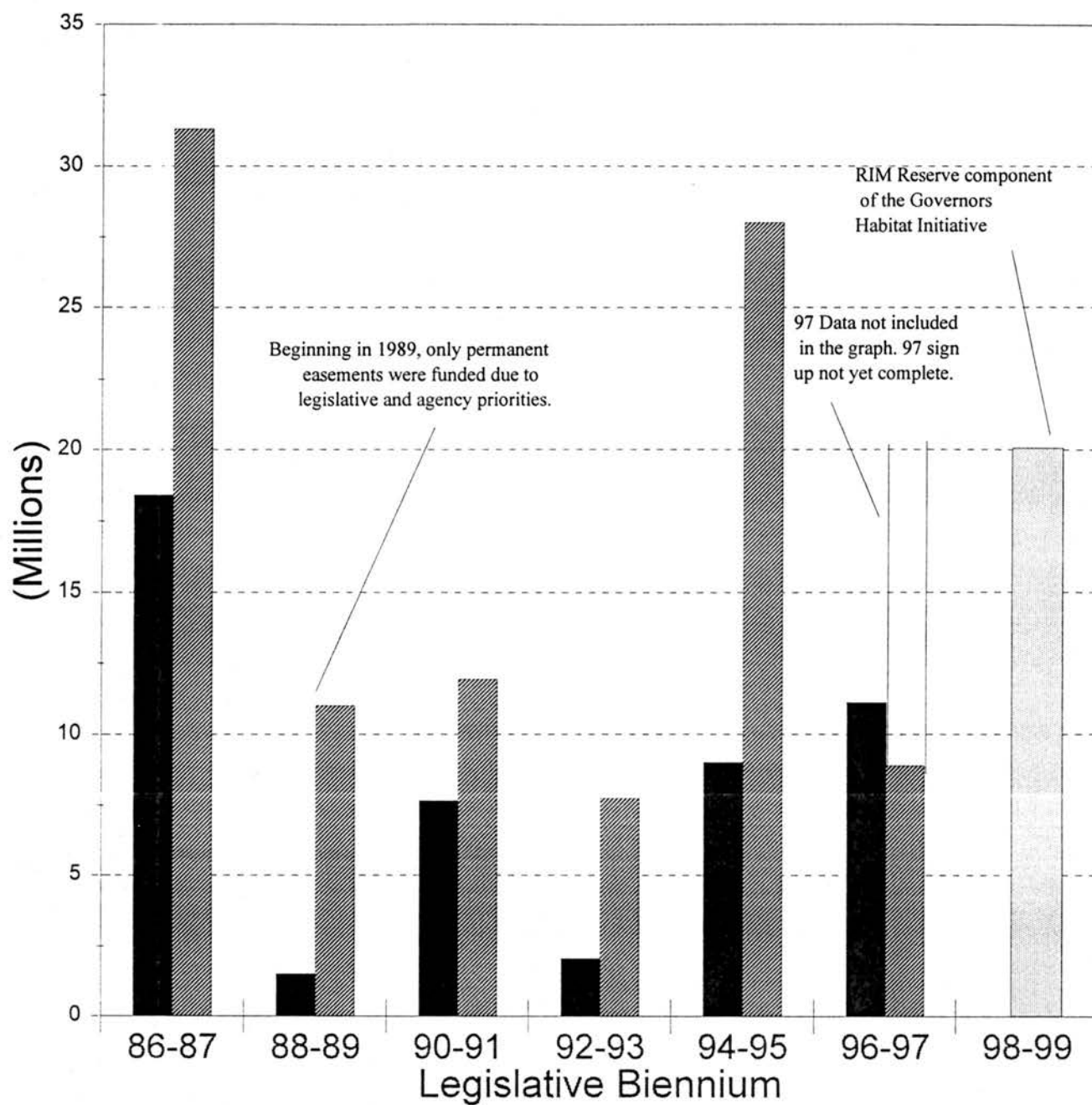
Outcomes

To-date the program has enrolled about 70,000 acres at an investment of about \$59 million dollars. The program has leveraged approximately \$2.5 million of federal and private funds to acquire additional easements. This investment has benefited the state by enhancing wildlife habitat and improving water quality. For example, over 12,600 acres of floodplain and riparian lands are protected by easements resulting in an estimated annual reduction of 176,500 pounds of phosphorous and tons of sediment lost from these acres.

BWSR is requesting an appropriation of \$20 million from the Legislature to enroll approximately 17,500 acres during the 1998-99 biennium. Only the most environmentally sensitive lands will be accepted for enrollment--- lands that contribute to the degradation of ground and surface water, lands that continually flood and lands in critical habitat areas. Target enrollment by land type is: 12,075 acres of riparian areas and groundwater sensitive areas, 3,500 acres of drained, restorable wetlands and 1,925 acres of existing wetlands vulnerable to being drained.

CONSERVATION EASEMENT FUNDING

Supply and Demand



September, 1997



Bonding



L/O Interest



Local Government Roads Wetland Replacement

1998 Legislative Initiative

Purpose

The local government roads wetland replacement program transfers the responsibility of replacing wetlands drained or filled by local government authorities upgrading existing roads to the BWSR. A wetland replacement plan is not required for impacts resulting from repair or upgrades to a currently serviceable public road. In lieu of the replacement plan the local authority must submit an annual report to the BWSR who then completes the required wetland mitigation/ replacement. This report must describe the wetland impact: the amount lost or impacted, location, wetland type, etc. . .

The BWSR is requesting \$5.83 million dollars from the Legislature to cover the cost of wetland replacement (\$5.0) and administration (\$830,000).

Issues

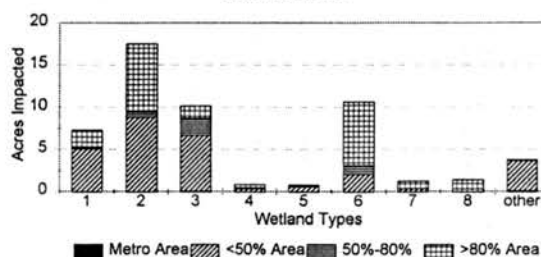
The road wetland replacement program was established in 1996 via amendments made to the Wetland Conservation Act. The program was conceived and supported by a broad group of interested organizations including local governments, environmental groups and state agencies. They supported the program because it consolidated the administrative, financial and technical work which resulted in a more effective and efficient program. Without sufficient funding the commitments the Legislature made to county, city and township road authorities, along with the environmental faction, will be voided.

Status

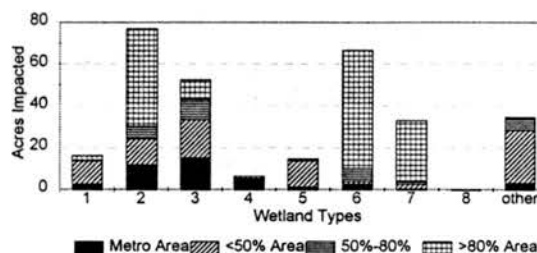
Since the enactment of this program in April, 1996, final reports were received for 1996, and projections for 1997.

Numbers for 1996 should not be used for comparison, since many local road authorities had already implemented replacement for many of their own projects. The following charts depict the status of the 1996 funds. The percent of wetlands remaining in the area as identified in the WCA rules is shown on the horizontal axis. A map of mitigation sites and acreage is on the back of this fact sheet.

1996 Public Road Wetland Impacts
Final Reports



1997 Public Road Wetland Impacts
Projected Reports



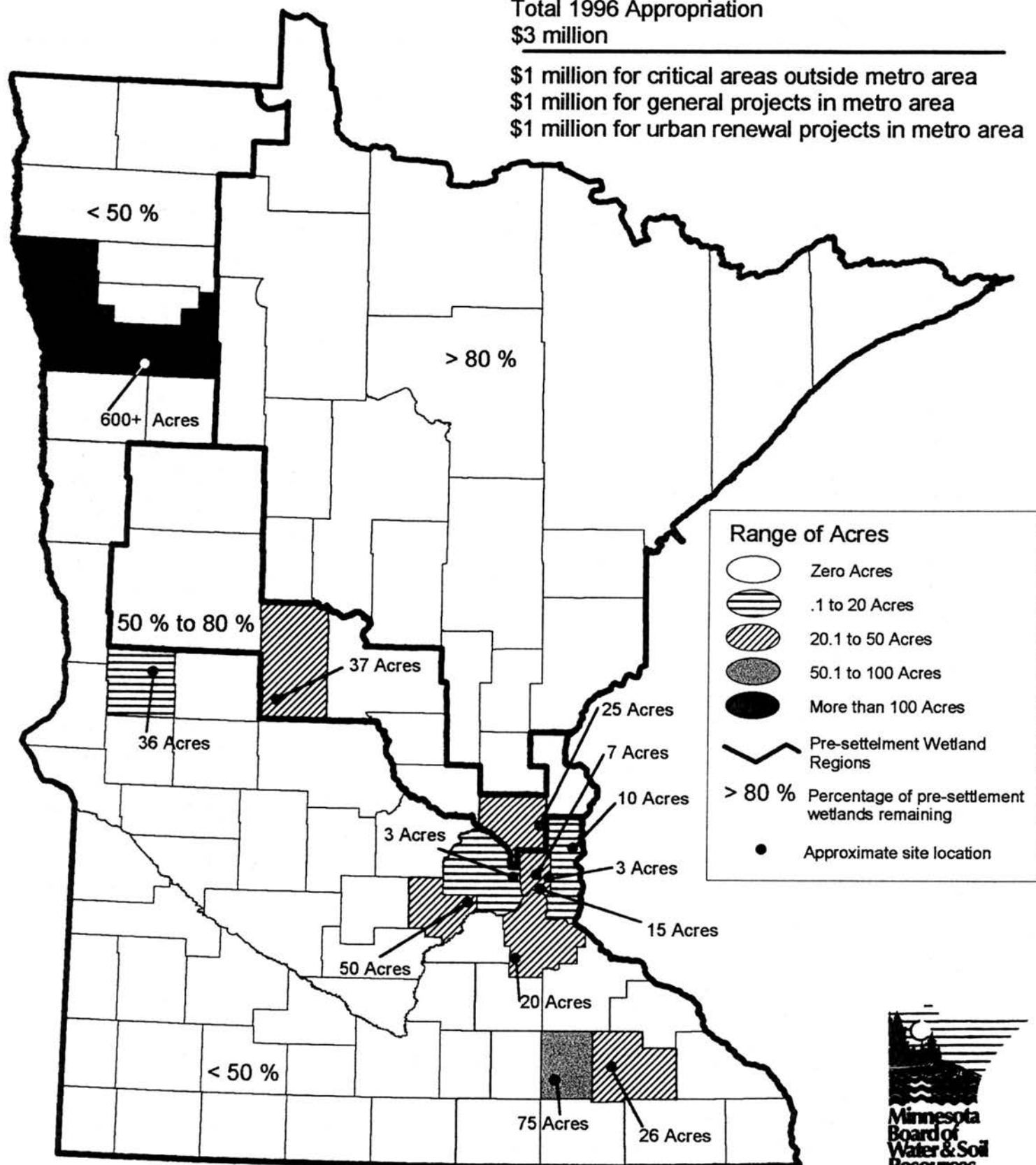
Outcomes

- ◇ Approximately 900-1,000 acres of wetlands will be replaced.
- ◇ Replacement will be targeted to projects that restore or create a variety of wetland types in the metro area and in greater Minnesota.
- ◇ Regulatory simplification will be achieved as opposed to controversy and confusion if the necessary funding is not forthcoming.

Wetland Replacement Sites for Mitigating Public Road Impacts 1997 Program Sites

Total 1996 Appropriation
\$3 million

\$1 million for critical areas outside metro area
\$1 million for general projects in metro area
\$1 million for urban renewal projects in metro area





Study Area II Grant-in-Aid Program

Purpose

The Study Area II Grant-in-Aid Program was established in 1978 to share local government's cost to reduce floodwater damage. Study Area II is in the southwestern part of the state and is within five major subbasins of the Minnesota River. These subbasins experience frequent, annually recurring flooding and substantial erosion.

Successful water management requires joint efforts among local government. A nine-county joint powers board was created in 1978 to provide planning, technical assistance and cost-sharing for the program. The BWSR/Area II partnership has historically provided successful opportunities to achieve flood damage reduction and floodplain management at the local level.

Issues

Direct flood damages within Area II are estimated to be \$8 million annually with an average of 350,000 tons/year of soil eroding from these watersheds and into the Minnesota River. This soil loss results in an estimated \$20 million in annual agricultural productivity losses. Although it is difficult to quantify, the degradation to water quality is also substantial.

Severe flooding in 1993 and 1997 highlighted the need to reduce the damages to roads and bridges, public and private structures, farm fields, river banks and urban centers in the study area. The proposed Lazarus Creek project reduces these damages without harming the natural ecosystem.

Case Study

The Wellner-Hageman Floodwater Control Project in Brown County is an excellent example of what the Lazarus Creek project can achieve. The reservoir was completed in 1992, just in time to protect property from the floods of 1993. Minimal downstream damage occurred. And since, the soil and water conservation districts of Brown and Cottonwood counties have achieved nearly 100 percent treatment of the watershed upstream of the permanent pool. Brown County has developed the reservoir area into a county park and recreation area that draws visitors from great distances. This project demonstrates a balanced approach: it improves water quality and provides flood control by combining structural improvements with watershed management.

Outcomes

BWSR is requesting \$1 million from the Legislature to assist in the design and installation of a floodwater and sediment retarding reservoir called the LQP-25 [Lazarus Creek] Floodwater Control Project. The project, sponsored by the Lac qui Parle-Yellow Bank Watershed District, involves the construction of an earthen dam within the headwaters of the Lac qui Parle River near the MN/SD state line and within Yellow Medicine County. The preliminary design estimates respective reductions of 66%, 62%, 80%, and 71% of the 100-, 50-, 5-, and 2-year storm events. The project has already been authorized by the Corps of Engineers. Other permits are pending completion of final design.



Metro Greenways

1998 Legislative Initiative

Purpose

The BWSR is requesting \$900,000 from the Legislature to (re) establish greenway corridors that link lake, stream and wetland habitats in the urban core of Minneapolis - St. Paul and developing first ring cities. Funds would be granted to provide incentives to metro governments to restore natural aquatic habitats that have been lost as part of urban development. Not only will habitats be restored, neighborhoods will be revitalized. People take pride in their community's natural resources and the values that they provide, and they are interested in seeing them sustained. Grants would be made available on a competitive basis with funding awarded to applications that promote integrated resource management at a watershed level.

Issues

There are numerous redevelopment opportunities in the urban core of the metro area, and to a lesser degree in the first ring suburbs. Opportunities include the restoration of lost stream or wetland resources and establishment of greenway corridors. The Metro Greenway program is a blend of BWSR's easement and water planning challenge grant program. These programs are popular and have traditionally focused on non-metro counties. Because the cost associated with urban redevelopment projects is high, they do not compete well with statewide habitat restoration projects. **This program would earmark state funds for restoring lost natural resource values in urban settings.** The focus would be a collaborative effort to the MDNR's "Greenway" proposal, filling a need for urban core greenway incentives. Wetlands restorations identified in some of the potential projects may be used as mitigation sites for WCA's Public Road Replacement Program. Projects would be judged in part on the basis of amount of water resource restored, innovative storm water treatment practices, sediment reduction to the Mississippi and Minnesota Rivers, and linkages to local greenway and watershed management plans.

Potential Project Sites (map on back)

Swede Hollow Revitalization ravine area just east of the DNR/PCA building. Project goals: restore stream currently in pipe, establish a storm water pond, link two walking trails, provide open space and a greenway link to the Mississippi River. Sponsor: City of St. Paul, very active citizen group. **Outcomes:** Conversion of a brownfield site into an open space area accessible by residents focussed on water resource amenities.

City of Lauderdale Ravine U of M Golf Course. Project Goals: restore wetland, improve the quality of stormwater. Sponsors: Lauderdale, St. Anthony, Middle Mississippi River WMO, Ramsey Co. **Outcomes:** Storm water management and erosion control restoring natural water resource amenities.

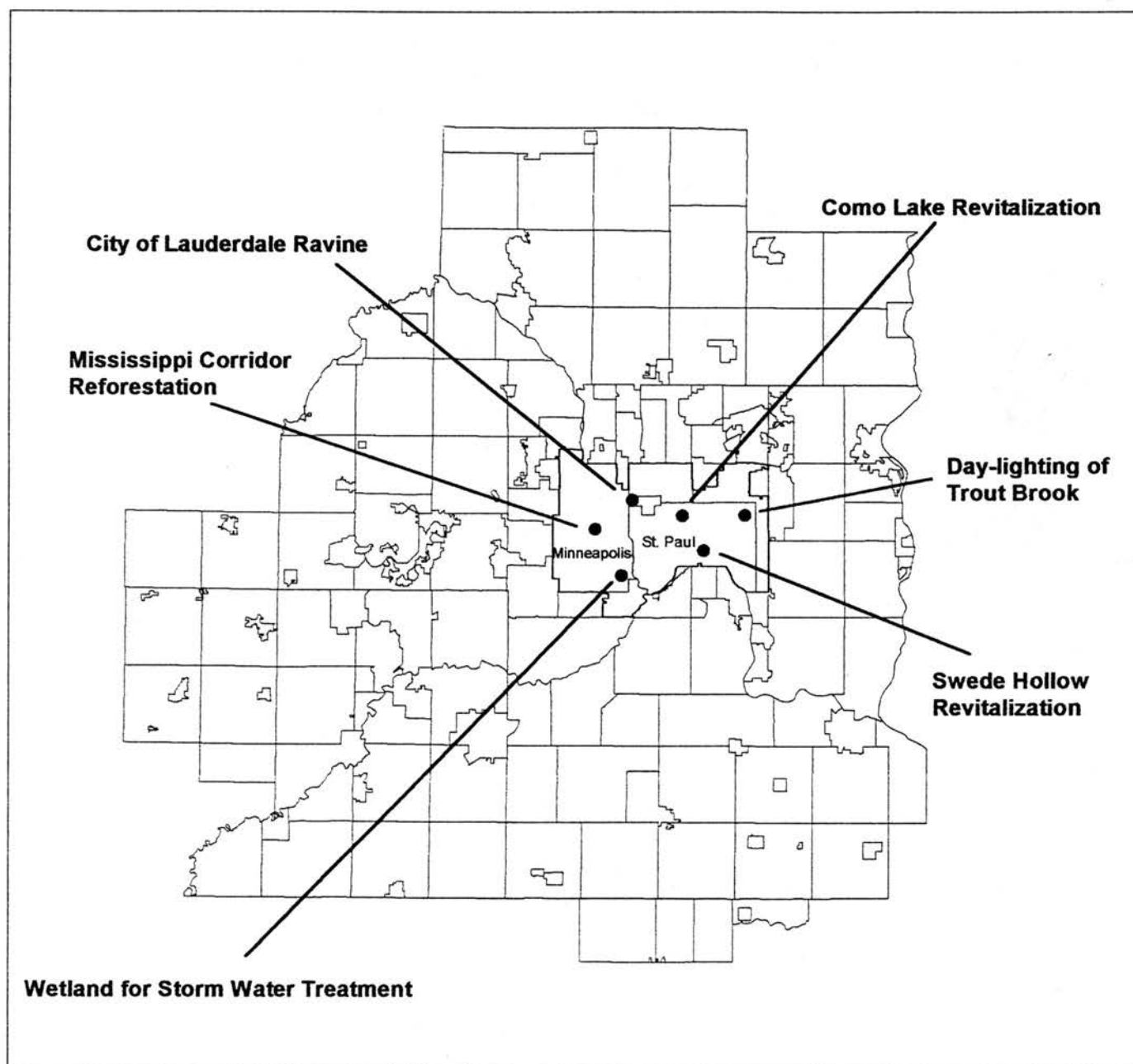
Mississippi Corridor Reforestation Mississippi River in Mpls. Project goals: restore forest corridor, establish a buffer strip, provide passive open space. Sponsors: MN Landscape Arboretum, MN State Horticultural Society, Mpls. **Outcome:** Natural riparian forest cover is restored to reduce storm water impacts and enhance aesthetic value along the Mississippi River corridor.

Wetland for Storm Water Treatment South East Mpls. Industrial Area. Project Goals: create wetland in an industrial area, treat storm water. Sponsor: Middle Mississippi River WMO. **Outcome:** Conversion of a brownfield site into an open space area accessible by residents focussed on water resource amenities.

Day-lighting of Trout Brook NE St. Paul. Project Goals: restore portions of the Trout Brook Interceptor to a stream. Sponsor: Central Ramsey WMO. **Outcomes:** Restoration of a natural stream amenity and natural greenway lost to urbanization.

Como Lake Revitalization Como Park, St. Paul. Project Goals: restore wetlands along portions of the lakeshore, control erosion, manage the goose population, stormwater treatment. Sponsor: City of St. Paul, Ramsey WMO. **Outcome:** Improve water quality of a major regional resource.

Metro Greenways Potential Project Sites



10 0 10 20 Miles



February 1998

DRAFT

DRAFT

**BOARD OF WATER AND SOIL RESOURCES
CONFERENCE ROOM, ONE WEST WATER STREET
ST. PAUL, MINNESOTA 55107
FEBRUARY 25, 1998**

BOARD MEMBERS PRESENT:

Kathleen Roer, Barbara Uppgaard, Lee Coe, Darrell Bruggman, Barb Cobb, Jim Dahlvang, Dwain Otte, Marv Tripp, Allan Oehlke, Glenn Annexstad, Sharon Clark, Rod Sando, Kelli Johnson, Paul Krabbenhoft, Ginny Imholte

BOARD MEMBERS ABSENT:

Jim Anderson, Minnesota Extension Service
Peder Larsen, Pollution Control Agency

OTHERS PRESENT:

Kim Benson-Johnson, Department of Health
Wayne Edgerton, Department of Natural Resources
Rick Reimer, Minnesota Association of Conservation District Employees (MACDE)
Tim Koehler, Natural Resource Conservation Service (NRCS)
Woody Love, Minnesota Association of Watershed Districts (MAWD)
Mary Schmitz, Chisago County

STAFF PRESENT:

Ron Harnack, Al Kean, Darrell Apelgrain, Ron Shelito, Keith Grow, Doug Snyder, Mary Jo Anderson

BWSR Meeting Minutes

February 25, 1998

Page Two

Chair Roer called the meeting to order at 9:07 a.m.

98-13 **Adopt Agenda** - Moved by Glenn Annexstad, seconded by Barb Cobb, to adopt the agenda as presented. Motion passed on a voice vote.

98-14 **Minutes of January 28, 1998** - Chair Roer stated that Barb Uppgaard's name needs to be corrected on page two. A correction is needed on page three regarding the Feedlot Management Advisory Committee report. It should read, "Allan stated that some organizations have suggested a moratorium, mixing social and science issues, which may be based on philosophical differences." Barb Cobb stated that she would like to see the "ay and nay" votes be added to the BWSR meeting minutes. Chair Roer stated that if board members ask for a roll call vote it will be listed in the minutes. Moved by Lee Coe, seconded by Dwain Otte, to approve the minutes of January 28, 1998, as corrected. Motion passed on a voice vote.

Chair Roer reported that Lee Coe and Marv Tripp have been reappointed as board members. Chair Roer introduced Paul Krabbenhoft, newly appointed board member from Clay County. Paul is an SWCD supervisor, filling the vacancy for Tim Hvidsten. Paul gave some background information about himself.

Chair Roer stated that Tim Hvidsten is not available today; but he was recognized for his years of service as a board member; he also received a commendation from Governor Carlson which will be presented to him by regional staff.

Chair's Report - Chair Roer reported that she attended the February Environmental Quality Board (EQB) meeting. The ordering of a generic environmental impact statement (GEIS) will be voted on in March. Discussion followed. Rod Sando stated that the timeframe for completion of the GEIS is about two years.

Chair Roer reported that the Environmental Cluster meets weekly during the legislative session, she has been attending those meetings. Chair Roer stated that she attended a most enjoyable outing on February 19 at the Minnesota Valley Wildlife Refuge in Bloomington. A signing ceremony was held announcing the Conservation Reserve Enhancement Program (CREP). Governor Carlson and Deputy Secretary of Agriculture Richard Rominger signed the memorandum of agreement providing for implementation of the CREP, a coordinated implementation of RIM Reserve and continuous sign-up of CRP to improve water quality, reduce soil erosion, and enhance wildlife habitat in the Minnesota River Basin. Senator Wellstone, Congressmen Minge, Congressman Vento, as well as many other agencies, associations, organizations were in attendance. Supporting organizations sponsored a reception following the signing. Chair Roer stated that this program is the second in the nation, a terrific outcome, and a historic event.

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February 25, 1998
Page Three

Executive Director's Report - Ron Harnack stated that the CREP ceremony was a very significant event. Ron recognized Kevin Lines, DNR; Dave Frederickson, Farmers Union; Cheryl Miller, Audubon Society; Dave Nomsen, Pheasants Forever; Tom Kalahar, Renville SWCD; Kevin Ostermann, Nicollet SWCD; Scott Sparlin, Minnesota River Citizens Advisory Committee; Steve Hansen, Minnesota River Joint Powers Board; Pat Moore, Clean Up Our River Environment - all were very instrumental in putting this historic event together. Ron stated that we now all have a lot of work ahead of us to implement the CREP.

Ron Harnack introduced John Lenarz, newly hired computer specialist. Ron stated that Ron Morrill was recently hired as information systems specialist in New Ulm. Joan Anderson was recently hired as receptionist in St. Paul.

Ron Harnack reported that he spoke to the Hennepin County board regarding Minnehaha Creek Watershed District (MCWD). Barb Cobb stated that MCWD was very appreciative of the outcome by BWSR. Ron met with Houston County to address concerns voiced on limitations relating to the comprehensive wetland plan. Based on the meeting, Ron doubts that anyone will attend the hearing. Ron attended the EQB meeting, sustainable development recommendations were discussed. Ron reported that meetings have been held regarding the flooding in Devils Lake in North Dakota. Ron is a member on the Red River Basin Board (R2B2). There are a number of policy issues of concern between Minnesota, North Dakota, and Manitoba; ie Devil's Lake outlet, Garrison diversion, in-stream flow, water allocation. Discussion followed.

Committee Reports

Dispute Resolution Committee (DRC) - Marv Tripp reported that there are no appeals at this time.

Education and Public Relations Committee - Barb Uppgaard reported that the committee will meet this afternoon to continue review of BWSR's education strategy. Barb stated that the education strategy should be available next month.

Cost-Share/Soil Conservation Committee - Dwain Otte reported that the Cost-Share/Soil Conservation Committee will meet today after the BWSR meeting; the committee will discuss the cost-share allocation process, the area allocation, windbreaks and general services grants.

Wetlands Committee - Darrell Bruggman reported that the Wetlands Committee met this morning and discussed the St. Louis County wetlands assessment, which will be presented later today in the meeting. Dan Eklund and Barbara Ohman were commended for the article in the "Board Member Update" regarding wetland public road impacts.

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February 25, 1998
Page Four

Administrative Advisory Committee - Chair Roer reported that the board member handbook is coming together. The Administrative Advisory Committee met last month to discuss the upcoming retreat which will be held April 22-23.

Agency Reports

Sharon Clark, Department of Agriculture, reported that the Department of Agriculture has been busy with the legislative session; particularly with the feedlot issue.

Kelli Johnson, Department of Health, reported that the Department of Health has also been very busy during the legislative session; staff have been involved with feedlots.

Rod Sando, Department of Natural Resources, reported that DNR is in opposition of the underwater video camera. Rod reported that DNR is in the process of organizing an outdoors technology group to advise the agency on various technological enhancements and regulatory outdoors equipment such as: compound bow, fish finders, all terrain vehicles, studs on snowmobiles. The committee will help the agency anticipate issues rather than be reactive. He asked that board members interested in serving on this group should contact him by March 31. Rod stated that the Red River mediation will provide new resolutions for addressing conflicts in the area. Rod reported that a 30-member roundtable panel is being established to deal with the wolf issue. The roundtable will negotiate compromise, and draft a needs management plan to be presented to the legislature next session. Rod asked Lee Coe to be a roundtable member; Lee accepted. Rod stated that the Governor's "Access to the Outdoors" package is moving well. As EQB chair, Rod would like EQB to look at "commutative effects" and how it should be addressed in rules. Rod reported that DNR presented Governor Carlson with the Distinguished Citizen Award.

Chair Roer introduced Darrell Apelgrain. Ron Harnack recognized Darrell for 20 years of service to BWSR; 35 years of state service. Ron presented a letter of commendation from Governor Carlson and a print from BWSR; everyone wished Darrell well in his retirement.

Chair Roer called for a break in the meeting at 10:15a.m. The meeting reconvened at 10:35 a.m.

Committee Recommendations

Hubbard County and Chisago County Comprehensive Local Water Plans - Ginny Imholte reported that the northern subcommittee reviewed the Hubbard County and Chisago County comprehensive local water plans and recommends approval of these plans. Moved by Ginny Imholte, seconded by Barb Uppgaard, to approve the Hubbard County and Chisago County Comprehensive Local Water Plans. Motion passed on a voice vote.

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Page Five

New Business

98-16

Capitol Region Watershed District Establishment Hearing - Jim Haertel commented on the revised order for establishment/enlargement/increase number of managers hearing. Jim presented the options, which included establishing a new watershed district in the Central Ramsey and Southwest Ramsey WMO's, or enlarging the Ramsey-Washington Metro Watershed District and possibly increasing the number of board managers. The metro water planning subcommittee will review this petition. Moved by Barb Cobb, seconded by Ginny Imholte, that the BWSR hold the hearing for the Capitol Region Watershed District on Monday, April 6, 7:00 p.m. at the Como Pavilion. Motion passed on a voice vote.

98-17

FY99 State Cost-Share Program Allocation Policies - Wayne Zellmer presented the BWSR Cost-Share Committee policy recommendations for the FY99 State Cost-Share Program. Moved by Dwain Otte, seconded by Glenn Annexstad, to accept the cost-share committee's policy recommendations for FY99. Discussion followed. Motion passed on a voice vote.

River Watch - Molly MacGregor, Rivers Council of Minnesota, introduced Dan Seifert from the Minnesota/Wisconsin Board. Molly explained the mission of the Rivers Council of Minnesota. She distributed "The Rivers Advocate" quarterly newsletter and "Minnesota's Flowing Waters" video. Chair Roer thanked Molly for coming in today.

98-18

St. Louis County Wetland Functional Assessment - Dan Eklund presented the St. Louis County Wetland Assessment Guide (SWAG) a functional assessment methodology for the St. Louis County Comprehensive Local Wetland Management Plan, and recommends approval. Moved by Darrell Bruggman, seconded by Sharon Clark, that BWSR approve the use of the SWAG to fulfill the requirements of MN Rule 8420.0650 regarding Comprehensive Local Wetland Protection and Management Plans. Because this is a new methodology, approval includes a condition requiring submission of an evaluation of effectiveness on a semi-annual basis to ensure that accuracy and consistency are being obtained. Motion passed on a voice vote.

Old Business

1997 RIM Reserve Sign-Up Results - Tim Fredbo explained the 1997 RIM Reserve sign-up results for the board members information. Discussion followed. Chair Roer asked for a map showing all easement locations. Tim will create a map and distribute it to board members.

Legislative Update - Ron Harnack reported that BWSR's policy bill is on the Senate and House floor for final action. Amendments to the Senate file included adding the Department of Agriculture to receive notifications for WCA mailings and requires BWSR and DNR to report on the consolidation of public waters wetlands with WCA as part of the annual wetlands report due March 1st of each year. Ron reviewed the House and Senate version of BWSR's FY98-99 supplemental appropriations. Ron reviewed the Senate and House 1998 Capital budget

BWSR Meeting Minutes
February 25, 1998
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appropriations. Rod Sando stated that we can look at this session as a plus regarding natural resources appropriations.

Advisory Comments

Rick Reimer, MACDE, reported that MACDE met on January 22. Rick reported that MACDE is busy with the following issues: all SWCD offices are busy with CRP; 5% shrub category will put a lot of pressure on shrub suppliers; living snowfence; LARS program; accounting software; WCA ditching/drainage activities; watershed projects; training needs. The MACDE summer meeting in June will be held in Brainerd - Rick invited everyone to attend.

Woody Love, MAWD, reported that Ray Bohn is working at the capitol today. Woody stated that approximately 90 people attended the MAWD legislative breakfast. MAWD legislative agenda is going well. The MAWD summer tour will be held in June, more information to be distributed soon, invited everyone to attend.

Tim Koehler, NRCS, reported that Minnesota received \$4.5 million allocation for EQIP. NRCS is advertising for request of proposals for education efforts for producers. NRCS is very involved with staff on CREP; partnership effort for training with Joe Wiltsey. Tim reported that the Whitewater River watershed project had a signing ceremony; this is now an active watershed project with PL566 funding - Wabasha, Winona, Olmsted Counties in this multi-watershed project. NRCS is working on planning assistance to the City of Warren projecting the planning effort to be completed within the year. Allan Oehlke attended the signing of the Whitewater Project on behalf of BWSR.

Upcoming Meetings

Chair Roer stated that the next BWSR meeting will be March 25. Chair Roer will be out of town, so Vice-Chair Uppgaard will chair the meeting. Summer tour invitations are coming in, Chair Roer asked for preference of interest in locations. Allan Oehlke invited the board to ~~southern~~ eastern Minnesota, to tour feedlots in the Lanesboro area; Dwain Otte stated that Dakota County is willing to host a tour in his area. Rod Sando suggested potential navigation study in Upper Mississippi in southeastern Minnesota in Winona. Ron indicated an oral invite from Snake River Watershed. These suggestions will be considered.

Chair Roer stated that the April meeting and retreat will be held April 22-23.

Ginny Imholte stated that the MAWD summer tour will be held June 25-26 in the Joe River, *Two Rivers,* watershed.

Barb Cobb commended staff on the "Board Member Update" and asked that this informative publication be continued on a monthly basis.

*and
Roseau
River*

BWSR Meeting Minutes
February 25, 1998
Page Seven

Chair Roer commended all those involved in initiating CREP: staff Greg Larson and Tim Fredbo; Kevin Lines, DNR; Greg Anderson, Farm Services Agency; Dave Nomsen Pheasants Forever; Cheryl Miller, Audubon Society; Gabe Horner, Nature Conservancy; Dave Frederickson, Farmers Union; Steve Hansen, Minnesota River Joint Powers Board; Scott Sparlin, Minnesota River Citizens Advisory Committee; Tom Kalahar, Renville SWCD; Marcy McLaughlin, Minnesota Rural Partners; Tim Searchinger, Environmental Defense Fund; Patrick Moore, Clean Up Our River Environment; Kevin Ostermann, Nicollet SWCD; Roger Musetter, NRCS. Chair Roer stated that these are key people in putting together the agreement; as well as staff from Senator Wellstone's office and Congressman Minge's office in Washington, D.C. Chair Roer stated that this is a wonderful opportunity for the Minnesota River. Rod Sando stated that this is an historic event; he suggested a memo from the Chair or something tangible to present to them to hang on their wall that is memorable to the Minnesota River.

Chair Roer adjourned the meeting at 12:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Kathleen Roer - Vice Chair".

Kathleen Roer
Chair

BWSR RESOLUTION # 98-18

DATE: February 25, 1997

SUBJECT: Saint Louis County Wetland Assessment Guide (SWAG)

WHEREAS; Saint Louis County has taken this opportunity to submit the functional assessment methodology portion of their Comprehensive Local Wetland Management Plan ("Plan") to the Board of Water and Soil Resources for approval at the Board's February 1998 regular meeting, and

WHEREAS; In April 1997, Saint Louis County decided to pursue the development of a local plan for management of the county's wetland resources. As a prerequisite to implementing a local plan, Saint Louis County is responsible for evaluating the functions of wetlands within the plan area using a methodology approved by the Board, and

WHEREAS; Saint Louis County retained a consultant to work with their wetland technical advisory committee (TAC) to select a functional assessment methodology to be incorporated into their local plan. The TAC consists of county staff, regulatory agencies, and resource specialists with specific knowledge of the county's natural resources. After review of several Board approved functional assessment methodologies, the TAC recommended adoption of a hybrid methodology. This methodology contains elements from the US Army Corps of Engineers-Wetland Evaluation Technique (WET), version 1.0 of the Minnesota Routine Method for Evaluating Wetland Functions (MNRAM), and the US Army Corps of Engineers-Hydrogeomorphic Assessment Method (HGM). This new hybrid method is known as the Saint Louis Wetland Assessment Guide (SWAG), and

WHEREAS; Because WET and SWAG are not listed as a pre-approved wetland functional assessment method, they require Board approval (per M.S. 103G.2243, Subd. 2, subitem (1) (ii) and M.S. 103B.3355; and per Minnesota Rules 8420.0650, Subp. 2, item a (2) and 8420.0540, Subp. 10, item G). Without Board approval, Saint Louis County cannot move forward with further development and implementation of the County's local plan, and

WHEREAS; Staff from the MDNR Sections of Wildlife, Fisheries, and Ecological Services, and Divisions of Waters and Enforcement actively participated in the review, selection and modification of the hybrid assessment method to accurately measure county wetland resources. The US Army Corps of Engineers Regulatory representative also provided input regarding the appropriateness of the SWAG. Saint Louis County reviewed and incorporated all comments received deemed relevant to the improvement of the SWAG, and

WHEREAS; MN Rule 8420.0650, Subpart 2 states in part that:

A plan must provide for the classification of wetlands in the plan area based on:

- (1) an inventory of wetlands in the plan area;
- (2) an assessment of wetland functions listed in Minnesota Statutes, section 103B.3335, using a methodology chosen by the technical evaluation panel from one of the methodologies established or approved by the board under that section, and

WHEREAS; The initial comments from BWSR staff included a need for BWSR to review the consistency and accuracy of the SWAG methodology in defining the functions of particular wetlands. Additionally, several comments were made by BWSR staff concerning the validity of creating a hybrid system without intensive testing, and

WHEREAS; Like the Minnesota Routine Assessment Method or MNRAM (a board approved methodology), the SWAG is a hybrid method for measuring wetland functions. After reviewing results generated from testing the SWAG on TAC selected reference wetlands, it appears that the SWAG is capable of accurately and consistently measuring wetland functions. When compared with other scientifically acceptable methods, it appears to perform consistently, and

WHEREAS; The one drawback of the SWAG is the fact that it must be used on site instead of using it as a pre-visit predictor of functions. However, having mandatory on-site evaluations for regulatory purposes is a very beneficial way to ensure that proper consideration of project options has occurred.

NOW THEREFORE; The BWSR approves the use of the SWAG to fulfill the requirements of MN Rule 8420.0650 regarding Comprehensive Local Wetland Protection and Management Plans. Because this is a new methodology, this approval includes an condition requiring an evaluation of the method's effectiveness on a semi-annual basis to ensure accuracy and consistency are being obtained.


Kathleen Roer, BWSR Chairperson

2/25/98
Date

DRAFT

REVISED

Minnesota Board of Water and Soil Resources
One West Water Street, Suite 200
St. Paul, Minnesota 55107

DRAFT

In the Matter of the Petition for the Capitol
Region Watershed District in Ramsey County
pursuant to Minn. Stat. §§ 103D.221, Subd. 1,
103D.261, Subd. 1(c), and 103D.305, Subd. 3.

ORDER
ESTABLISHMENT/
ENLARGEMENT/
INCREASE NUMBER OF
MANAGERS HEARING

Whereas, more than fifty (50) resident owners residing in the Central Ramsey Watershed Management Organization (CRWMO) in Ramsey County filed a Petition dated January 20, 1998 with the Board of Water and Soil Resources (Board) on February 4, 1998, to establish/enlarge a watershed district and increase the number of managers in the CRWMO pursuant to Minn. Stat. §§ 103D.205, 103D.261, and 103D.305, and;

Whereas, the Board has completed its review of the Petition;

Now Therefore, the Board hereby makes the following Findings of Fact, Conclusions, and Order.

FINDINGS OF FACT

1. **District Name.** The name of the proposed district shall be the "Capitol Region Watershed District".
2. **Property Description.** The territory to be included in the watershed district is the Central Ramsey Watershed Management Organization area with the addition of the Southwest Ramsey Watershed Management Organization area and/or the Ramsey-Washington Metro Watershed District area.
3. **Necessity for Watershed District.** Minn. Stat. § 103B.231, Subd. 1(a) requires a watershed management plan for all watersheds within the metropolitan area. Minn. Stat. § 103B.231, Subd. 3(c) does not allow for Ramsey County to prepare, adopt, and implement a watershed management plan. Since the Central Ramsey Watershed Management Organization (CRWMO), a joint power agreement WMO, has been unable to execute a joint powers agreement that is fully compliant with rule and law, a watershed district must be established.

DRAFT

The CRWMO watershed management plan identifies the Trout Brook stormwater interceptor ownership as a problem, but the CRWMO has failed to solve this important inter-community stormwater transport issue. The CRWMO plan also identifies the Godfried Pit flooding as a problem, but the CRWMO has failed to solve the problem. The CRWMO has failed to address water quality problems for Lake Como and Lake McCarrons. The CRWMO has failed to produce target in-lake nutrient concentrations and corresponding pollutant loadings for sediment and nutrients for any surface waterbody within the CRWMO. The CRWMO has failed to adequately address re-development and erosion control. The petition states "The CRWMO seats are held by a majority of public works officials from member cities who have publicly stated that the CRWMO "exists to do nothing"."

4. **Contemplated Improvements.**

- A. Ownership of the Trout Brook interceptor and associated activities.
- B. Flood relief in the Godfried Pit area.
- C. Water quality improvement in Lake Como and Lake McCarrons
- D. Erosion and sediment controls.

5. **Number of Managers.** The number of managers proposed for the watershed district is five (5) or seven (7).
6. **Signatures.** The Petition dated January 20, 1998 was filed with the Board on February 4, 1998. The Petition was signed by more than fifty (50) resident owners in the CRWMO pursuant to Minn. Stat. § 103D.205, Subd. 3 (4). On February 9, 1998, Dorothy McClung, Director of the Department of Property Records and Revenue for Ramsey County, pursuant to Minn. Stat. § 103D.211, certified that more than fifty (50) petitioners were resident owners within the proposed watershed district.
7. **Filing.** The petition was filed with Ramsey County Property Records and Revenue, the Commissioner of the Department of Natural Resources, the Director of the Division of Waters, and the Ramsey-Washington Metro Watershed District.
8. **Hearing Location.** The hearing should be held at the Como Lakeside Pavilion at Como Park, 1360 North Lexington Parkway, Saint Paul, Minnesota. The facility is handicap accessible and located within the CRWMO.

9. **Hearing Panel.** The Metro Water Planning Subcommittee should preside over the hearing due to their familiarity with the issues.
10. **Hearing Time.** The principal people involved with the hearing have been coordinated with such that the hearing should be held on Monday, April 6, 1998, starting at 7:00 PM.

CONCLUSIONS

1. All relevant substantive and procedural requirements of law and rule have been fulfilled.
2. The Board has proper jurisdiction in the matter of ordering a watershed district establishment/enlargement/increase number of managers hearing.

ORDER

The Board hereby orders that the hearing on the establishment/enlargement/increase number of managers petition for the Capitol Region Watershed District be heard by the Metro Water Planning Subcommittee on Monday, April 6, 1998, starting at 7:00 PM at the Como Lakeside Pavilion at Como Park, 1360 North Lexington Parkway, Saint Paul, Minnesota.

Dated this 25th day of February, 1998.

MINNESOTA BOARD OF WATER AND SOIL RESOURCES

DRAFT

By: _____
Kathleen M. Roer, Chair

Rivers Council of Minnesota
Fact Sheet
February 1998

Mission Statement: The Rivers Council of Minnesota helps people protect, restore and enjoy the state's 92,000 miles of rivers by building awareness of river resources, monitoring river health, and promoting actions that protect and enhance ecological integrity of rivers.

Strategies:

- Provide routine information about the health of Minnesota's rivers;
- Inform people about issues concerning rivers;
- Provide additional information about the health of rivers by encouraging development of citizen stream monitoring programs;
- Promote understanding of the ecological principles that influence river health.
- Help state agencies develop and implement point and nonpoint source reduction programs on individual river systems;
- Support development of rivers councils on individual rivers.

Organizational Type: Membership based, nonprofit corporation governed by a 13-member Board of Directors; 250 members to date.

Budget and Funded By: Fiscal Year July 1, 1997-June 30, 1998: \$190,000; grants from Blandin Foundation, Northwest Area Foundation, membership (approximately \$5,000) and service fees.

Potential 1998-99 Fiscal Year budget of \$150,000; sources are Northwest Area Foundation, McKnight Foundation, Clean Water Partnership and membership.

Programs: 4 membership meetings per year (Chaska, Red Wing, St. Peter and Brainerd for informational/business meetings); Moorhead for annual meeting and St. Paul for State of the Rivers Meeting (Feb. 27-28)

Publications: River Advocate, quarterly newsletter;

State of the Rivers Report (February 1998)

"Minnesota's Flowing Waters" video (November 1997)

River Monitors Manual (with Mississippi Headwaters Board, 1997)

7 audio visual programs on citizen stream monitoring in production

New Initiatives: Develop partnerships encouraging rivers councils to be developed on individual rivers of Minnesota using the following steps:

Promote River Friendly practices of minimizing changes to the stream;

Implement River Watch monitoring to determine whether water quality meets use;

Encourage plans to manage point and nonpoint source inputs to river;

Communicate results.



February 11, 1998

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Dear Al,

This is my letter of resignation. My last day of work will be February 20, 1998. I have enjoyed working for you and the State of Minnesota. I believe that BWSR should continue to provide free Engineering assistance to the citizens of Minnesota. Since NRCS is unable to do it. The rural economy cannot support the use of P.E.s for all projects because of the high cost. I hope that funding will continue to be sufficient to do this in the future.

I have spent slightly less than one half of my Professional Career working for and with Citizen Boards on water problems and have enjoyed almost all of it. During the years that I have been BWSR staff, I have felt more like a member of an engineering team rather than that lone Engineer from Marshall.

I expect to remain in the Marshall area after my retirement. after a tour to Hawaii with my wife in April. I have applied for part time employment with FEMA as a Disaster, emergency assistant, Reserve. I enjoyed working with FEMA as a State assistant during the summer of 1993 I believe and I'll be able to do the work as long as my health holds up. Good luck to you on the rest of your Career.

Sincerely,

Darrell Apelgrain
Darrell Apelgrain P.E.

CCs Ron Harnack BWSR Executive Director
Tom Schwanke BWSR Personnel Director

February 12, 1998

TO: Board Members

FR: Tim Fredbo, Easement Program Manager

RE: **INFORMATION** - 1997 RIM Reserve Sign-up Results

For your information, results of the 97-02 RIM sign-up are shown on the attached pie chart. This chart shows easement numbers by type which have been accepted for funding, and total dollar amounts and corresponding acreage of funded and non-funded applications.

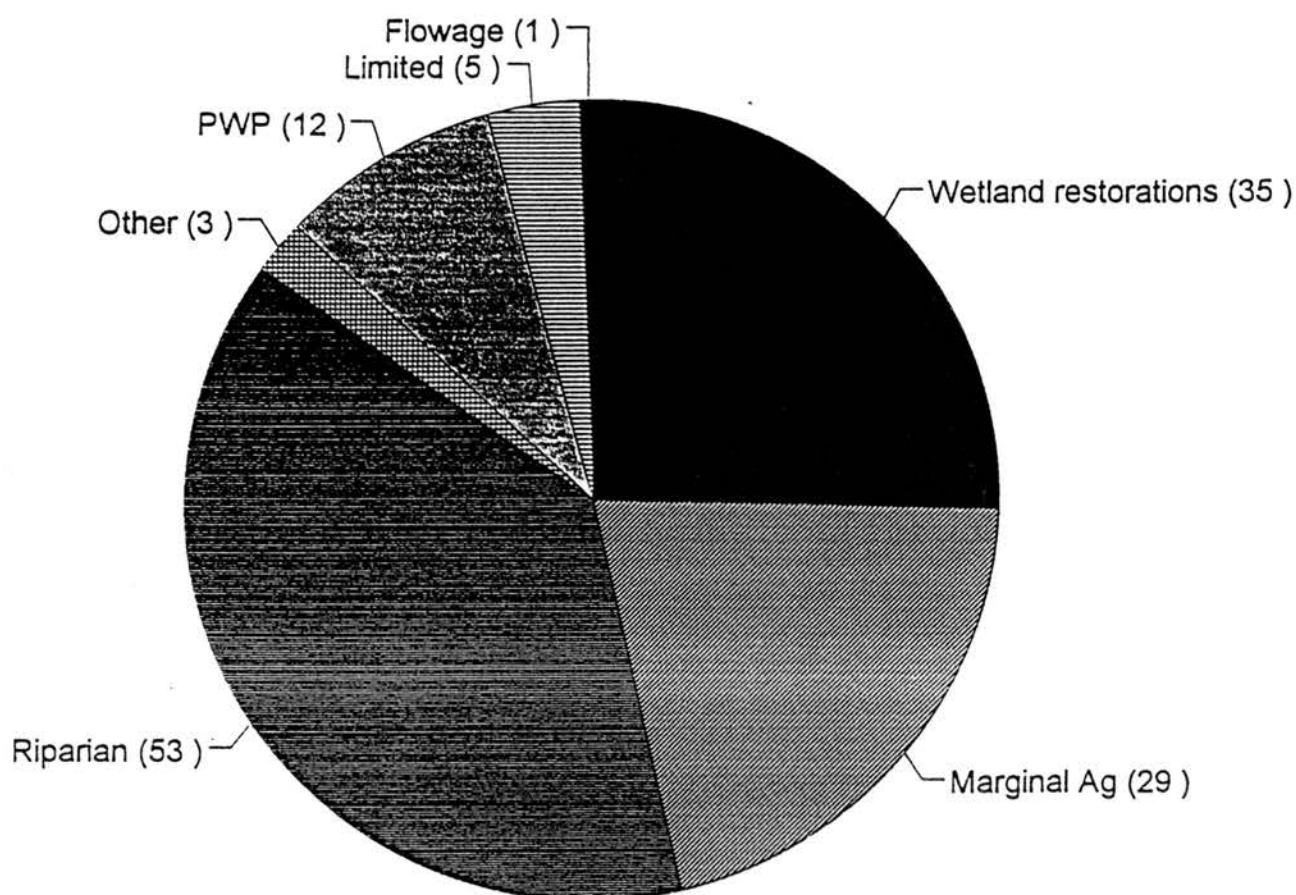
A total of 138 applications, which encompass 5,464 acres, have been approved for funding at a cost of \$4,656,092.

Important items to note from this chart: 1) Approximately 55% of easement funds from this sign-up have been allocated to the MN River watershed area. 2) A total of \$3.8 million was made available through our BC allocation process for the 97-02 sign-up. 3) Total demand from landowners (applications received) was approximately \$6.3 million. 4) We were able to fund 33 additional easement applications at a cost of approximately \$900,000. The \$900,000 was available as a result of canceled RIM Reserve applications from previous sign-ups. BC's are asked to submit 3 pending applications that they would want funded if funds are available.

I will be at the Board meeting on February 25th to answer any questions you may have regarding this information.

RIM 97-02 Sign-up

breakdown by easement type



	<i>Number of easements</i>	<i>Dollars</i>	<i>Acres</i>
Total funded apps	138	4,656,092.17	5,464.5
Total nonfunded apps	<u>54</u>	<u>\$1,640,729.59</u>	<u>2,227.0</u>
Total	192	\$6,296,821.76	7,691.5

Total MNRiver funded apps \$2,571,353.94 = 55.2%

	<i>Number of easements</i>	<i>Dollars</i>	<i>Acres</i>
Wetland restorations	35	\$1,600,686.75	1,456.2
Marginal Ag	29	732,129.48	1,167.5
Riparian	53	1,861,243.61	2,094.0
Other	3	35,812.60	68.7
PWP	12	351,833.80	534.5
Limited	5	74,385.93	139.4
Flowage	<u>1</u>	<u>0.00</u>	<u>4.2</u>
Total	138	\$4,656,092.17	5,464.5

BWSR AGENDA ITEM**FY 99 STATE COST SHARE PROGRAM ALLOCATION POLICIES**

Annual Legislative Appropriation - \$1,620,000

The Regular Statewide Cost Share Program and the Special Projects Program are two BWSR cost share programs that share the same legislative appropriation. The Board is requested to determine how much of this appropriation should be allocated to each Program for FY 99 (July 1, 1998 - June 30, 1999). The Cost Share Program Rules state that the Board must allocate at least 70% of the total appropriation.

For FYs 97 and 98 the BWSR allocated 85% or \$1,377,000 of this amount in the Regular Statewide Cost Share Program allocation. The remaining 15%, along with any roll-over funds, were allocated for Special Projects.

FY 99 REGULAR STATEWIDE COST SHARE ALLOCATION

The following table shows examples of appropriation percentages and amounts allocated to the Regular Statewide Cost Share Program and the resulting amount remaining for the Special Projects Program.

<u>% Allocated</u>	<u>Amount Allocated</u>	<u>Amount Remaining</u>
100	\$1,620,000	\$ 0
95	1,539,000	81,000
90	1,458,000	162,000
85	1,377,000	243,000
80	1,296,000	324,000

FY 99 SPECIAL PROJECTS PROGRAM

Historical Special Project Requests and Allocations

<u>FY</u>	<u>Requests</u>	<u>Allocations</u>
98	\$1,867,319	\$500,000*
97	1,350,187	494,162
96	812,590	365,032
95	561,246	368,060
94	1,106,089	373,599
Ave.	\$1,139,486	\$420,171

*In FY 98 the BWSR set a cap of \$500,000 for the Special Projects Program. Any additional roll-over funds received by BWSR were added to the Regular Statewide Allocation.

As of January 6, 1998 the BWSR had approximately only \$85,000 in roll-over funds. This amount is less than normal because \$134,000 of roll-over funds were allocated last fall in the FY 98 Special Projects Flood Recovery Program. It can also be assumed that the amount of roll-over funds available will continue to decrease because of the change to two-year grant agreements in FY 97, allowing SWCDs an additional year to spend funds.

The Cost Share Committee's recommendation is in line with FY 97 and 98 and would provide an estimated FY 99 Special Project allocation as follows:

15% of Legislative Appropriation	\$243,000
Current Roll-Over Funds Available	85,000
Est. Additional Roll-Over through Spring of 1998	<u>80,000</u>
Total	\$408,000

AREA ALLOCATION PLANS

For FY 97, at the request of MASWCD, the Board approved an alternative allocation process for the Regular Statewide Cost Share Program. This alternative allowed allocations to MASWCD Areas according to the BWSR approved Plans they would provide. This process was to provide Areas greater flexibility with their cost share dollars, allowing them to target and direct cost share dollars to their regional technical, administrative, and conservation practice needs.

In FYs 97 and 98, 5 and 4 of the Areas, respectively, participated in the Area Allocation Process. These Area Allocation Plans included no changes from previous years in how cost share dollars were to be allocated or utilized, except that any potential roll-over funds were to remain in their respective Areas.

Because of the lack of Area participation in the last two years, no changes in cost share management in Areas that did participate (except for roll-over), and the extra MASWCD Area Committee meetings and planning required for the Area Allocation Process, the BWSR Cost Share Committee recommends that the Area Allocation Process be discontinued for FY 99 and all SWCDs will receive their allocations as they have according to the historical allocation formula.

BWSR Cost Share Committee Policy Recommendations for the FY 99 State Cost Share Program

- The Board will allocate 85% of the legislative appropriation (\$1,377,000) for the Regular Statewide Cost Share Program.
- The MASWCD Area Allocation Process will be discontinued for FY 99.
- The Board will allocate 15% (\$243,000) of the legislative appropriation (plus roll-over funds) up to \$500,000 for Special Projects. If roll-over plus this 15% exceeds \$500,000, then the excess will be added to base grant allocations.
- The maximum allocation per Special Project will be \$20,000.
- No amount of Special Project allocations may be used to pay for technical and administrative (T & A) costs.



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DATE: February 6, 1998

TO: BWSR Wetlands Committee

FROM: Daniel Eklund, Wetland Specialist
Mark Nelson, Board Conservationist
John Jaschke, WCA Program Manager

A handwritten signature in dark ink, appearing to be "J. Jaschke", written over the typed name "John Jaschke".

SUBJECT: Saint Louis County Wetland Assessment Guide (SWAG):
Staff Recommendation

Saint Louis county has taken this opportunity to submit the functional assessment methodology portion of their Comprehensive Local Wetland Management Plan ("Plan") to the Board of Water and Soil Resources for approval at the Board's February 1998 regular meeting.

Background

In April 1997, Saint Louis County decided to pursue the development of a local plan for management of the county's wetland resources. As a prerequisite to implementing a local plan, Saint Louis County is responsible for evaluating the functions of wetlands within the plan area using a methodology approved by the Board.

Saint Louis County retained a consultant to work with their wetland technical advisory committee (TAC) to select a functional assessment methodology to be incorporated into their local plan. The TAC consists of county staff, regulatory agencies, and resource specialists with specific knowledge of the county's natural resources. After review of several Board approved functional assessment methodologies, the TAC recommended adoption of a hybrid methodology. This methodology contains elements from the US Army Corps of Engineers-Wetland Evaluation Technique(WET), version 1.0 of the Minnesota Routine Method for Evaluating Wetland Functions(MNRAM), and US Army Corps of Engineers- Hydrogeomorphic Assessment Method(HGM). This new hybrid method is known as the Saint Louis Wetland Assessment Guide (SWAG)

Because WET and SWAG are not listed as a pre-approved wetland functional assessment method, they require Board approval (per M.S. 103G.2243, Subd. 2, subitem (1) (ii) and M.S. 103B.3355; Minnesota Rules 8420.0650, Subp. 2, item a (2) and 8420.0540, Subp. 10, item G). Without Board approval, Saint Louis County cannot move forward with further development and implementation of the County's local plan.

Agency Comments

Staff from the MDNR Sections of Wildlife, Fisheries, and Ecological Services, and Divisions of Waters and Enforcement actively participated in the review, selection and modification of the hybrid assessment method to accurately measure county wetland resources. The US Army Corps of Engineers Regulatory representative also provided input regarding the appropriateness of the SWAG. Saint Louis County reviewed and incorporated all comments received deemed relevant to the improvement of the SWAG.

Legal Process

MN Rule 8420.0650, Subpart 2 states in part that:

A plan must provide for the classification of wetlands in the plan area based on:

- (1) an inventory of wetlands in the plan area;
- (2) an assessment of wetland functions listed in Minnesota Statutes, section 103B.3335, using a methodology chosen by the technical evaluation panel from one of the methodologies established or approved by the board under that section.

BWSR Staff Comments/ Recommendations

The initial comments from BWSR staff included a need for BWSR to review the consistency and accuracy of the SWAG methodology in defining the functions of particular wetlands. Additionally, several comments were made by BWSR Staff concerning the validity of creating a hybrid system without intensive testing. We also pointed out that the SWAG did contain elements of methods approved by the Board but as a hybrid system, it would require Board approval.

Like the Minnesota Routine Assessment Method or MNRAM(a board approved methodology), the SWAG is a hybrid method for measuring wetland functions. After reviewing results generated from testing the SWAG on TAC selected reference wetlands, it appears that the SWAG is capable of accurately and consistently measuring wetland functions. When compared with other scientifically acceptable methods, it appears to perform consistently. The one drawback of the SWAG is the fact that it must be used on site instead of using it as a pre-visit predictor of functions such as Cass County Wetland Model does. However, having mandatory on-site evaluations for regulatory purposes is a very beneficial way to ensure that proper consideration of project options has occurred. The BWSR field Staff and program staff recommend that the BWSR approve the use of the SWAG to fulfill the requirements of MN Rule 8420.0650 regarding Comprehensive

[BWSR Wetland Subcommittee]

Page 3

February 6, 1998

Not on
The BWSR field Staff and program staff recommend that the BWSR approve the use of the SWAG to fulfill the requirements of MN Rule 8420.0650 regarding Comprehensive Local Wetland Protection and Management Plans. Because this is a new methodology, approval should include an condition requiring an evaluation of effectiveness on a semi-annual basis to ensure the accuracy and consistency are being obtained.

A copy of a draft Board Resolution is attached. If you would like to see a copy of the SWAG please contact one of us to request a copy.

attch.

c: Ron Harnack
 Greg Larson
 Ron Shelito
 BWSR Board Members

s:st.lou

BWSR RESOLUTION # _____

DRAFT

DATE: February 25, 1997

SUBJECT: Saint Louis County Wetland Assessment Guide (SWAG)

WHEREAS; Saint Louis County has taken this opportunity to submit the functional assessment methodology portion of their Comprehensive Local Wetland Management Plan ("Plan") to the Board of Water and Soil Resources for approval at the Board's February 1998 regular meeting, and

WHEREAS; In April 1997, Saint Louis County decided to pursue the development of a local plan for management of the county's wetland resources. As a prerequisite to implementing a local plan, Saint Louis County is responsible for evaluating the functions of wetlands within the plan area using a methodology approved by the Board, and

WHEREAS; Saint Louis County retained a consultant to work with their wetland technical advisory committee (TAC) to select a functional assessment methodology to be incorporated into their local plan. The TAC consists of county staff, regulatory agencies, and resource specialists with specific knowledge of the county's natural resources. After review of several Board approved functional assessment methodologies, the TAC recommended adoption of a hybrid methodology. This methodology contains elements from the US Army Corps of Engineers-Wetland Evaluation Technique(WET), version 1.0 of the Minnesota Routine Method for Evaluating Wetland Functions(MNRAM), and the US Army Corps of Engineers-Hydrogeomorphic Assessment Method(HGM). This new hybrid method is known as the Saint Louis Wetland Assessment Guide (SWAG), and

WHEREAS; Because WET and SWAG are not listed as a pre-approved wetland functional assessment method, they require Board approval (per M.S. 103G.2243, Subd. 2, subitem (1) (ii) and M.S. 103B.3355; and per Minnesota Rules 8420.0650, Subp. 2, item a (2) and 8420.0540, Subp. 10, item G). Without Board approval, Saint Louis County cannot move forward with further development and implementation of the County's local plan, and

WHEREAS; Staff from the MDNR Sections of Wildlife, Fisheries, and Ecological Services, and Divisions of Waters and Enforcement actively participated in the review, selection and modification of the hybrid assessment method to accurately measure county wetland resources. The US Army Corps of Engineers Regulatory representative also provided input regarding the appropriateness of the SWAG. Saint Louis County reviewed and incorporated all comments received deemed relevant to the improvement of the SWAG, and

WHEREAS; MN Rule 8420.0650, Subpart 2 states in part that:

A plan must provide for the classification of wetlands in the plan area based on:

- (1) an inventory of wetlands in the plan area;
- (2) an assessment of wetland functions listed in Minnesota Statutes, section 103B.3335, using a methodology chosen by the technical evaluation panel from one of the methodologies established or approved by the board under that section, and

WHEREAS; The initial comments from BWSR staff included a need for BWSR to review the consistency and accuracy of the SWAG methodology in defining the functions of particular wetlands. Additionally, several comments were made by BWSR Staff concerning the validity of creating a hybrid system without intensive testing, and

WHEREAS; Like the Minnesota Routine Assessment Method or MNRAM (a board approved methodology), the SWAG is a hybrid method for measuring wetland functions. After reviewing results generated from testing the SWAG on TAC selected reference wetlands, it appears that the SWAG is capable of accurately and consistently measuring wetland functions. When compared with other scientifically acceptable methods, it appears to perform consistently, and

WHEREAS; The one drawback of the SWAG is the fact that it must be used on site instead of using it as a pre-visit predictor of functions. However, having mandatory on-site evaluations for regulatory purposes is a very beneficial way to ensure that proper consideration of project options has occurred.

NOW THEREFORE; The BWSR approves the use of the SWAG to fulfill the requirements of MN Rule 8420.0650 regarding Comprehensive Local Wetland Protection and Management Plans. Because this is a new methodology, this approval includes an condition requiring an evaluation of the method's effectiveness on a semi-annual basis to ensure the accuracy and consistency are being obtained.

Kathleen Roer, BWSR Chairperson

Date

FOR YOUR INFORMATION
(does not pertain to BWSR meeting today)

- ▶ “Board Member Update”
- ▶ GEIS on Animal Agriculture Proposed FY 1999 Workplan and Budget
- ▶ Feedlot Generic Environmental Impact Statement (GEIS)
- ▶ “Taking Root” State Agency Efforts Toward Sustainable Development in Minnesota



Board member Update

February 1998

Wetland Programs

Update on 1997 Wetland Replacement Sites for Mitigating Public Road Impacts to Wetlands

In 1996, the Minnesota Legislature provided the BWSR with \$3 million to replace wetlands lost due to impacts from existing public road improvement projects. Bonding language required that at least one-half of this be spent in the seven-county metro area. In February 1997, the BWSR directed staff to distribute projects to expend funds as follows: \$1 million in critical areas outside the metro area, \$1 million for general projects in the metro area, and \$1 million for "urban renewal" projects in the metro area. Barbara Ohman and Dan Eklund, BWSR wetland specialists, are administering 13 projects with the current funding.

Five projects will result in nearly 800 acres of restored wetlands in critical areas outside the metro area. One of these projects alone will restore over 600 acres in the Red River Valley in south central

Polk County. The others are listed as follows: Grant County (36 acres); Todd County (a DNR partnership; 37 acres); Dodge County (75 acres); and Olmsted County (26 acres).

Of the eight projects in the metro area, four are considered "urban renewal". As a reminder, urban renewal projects are those restoration projects that will (1) intensify land use that leads to more compact development or redevelopment; (2) encourage public infrastructure investments which connect urban neighborhoods and suburban communities, attract private sector investment in commercial or residential properties adjacent to the public improvement; or (3) complement projects receiving funding under The Livable Communities Act. Approximately 30 acres of wetlands will be restored with the \$1 million in the urban renewal category, from three projects centered around St. Paul and one in the Midway area of Minneapolis (just west of Hwy 280).

Approximately 105 acres will result from the remaining four projects in the metro area. The projects are spread out, with one each in the following counties: Anoka (25 acres); Carver (50 acres); Dakota (20 acres);

In 1996, the Minnesota Legislature provided the BWSR with \$3 million to replace wetlands lost due to impacts from existing public road improvement projects.

Once an area of land is enrolled as a WPA, a restrictive covenant placed on the land is considered permanent.

and Washington (10 acres). All but the Washington County site are restorations of previously drained wetlands. The Washington County site is a proposal to excavate adjacent to an existing wetland.

Details and contracts for all of the projects are currently being negotiated for completion. It is anticipated that work for all projects will begin this spring, and many will be completed within one construction season.

The entire \$3 million appropriation has been encumbered for these projects (totaling over 900 acres of wetlands), many of which are not fully funded. Additional funding from future appropriations for this program may be sought to complete the projects. If you would like more specific information on this program or any of the proposed projects, contact Barbara Ohman (612) 297-1894 or Dan Eklund (218) 825-3015.

Wetland Preservation Areas

When the Wetland Conservation Act was enacted in 1991, language was provided for enrollment of high priority wetlands into wetland preservation areas (WPAs). Wetlands thus enrolled are considered exempt from property tax. At long last, enrollment procedures for the Wetland Preservation Area Program have been developed by Barbara Ohman and distributed to Wetland Conservation Act (WCA) local government units, counties, SWCDs, and other interested

parties.

The required minimum size for enrollment into a WPA is the wetland area owned and a 16.5 foot strip of upland buffer. The maximum size eligible for enrollment is the wetland area owned with a total adjacent upland area of up to four acres for each acre of wetland enrolled. Once an area of land is enrolled as a WPA, a restrictive covenant placed on the land is considered permanent. However, if the landowner elects to request termination of the WPA, the expiration date must be at least eight years from the date of the notice of request for termination. A WPA may be terminated earlier than this only in the event of a public emergency upon petition from the owner or county to the governor.

A parcel of land enrolled as a WPA has significant protection from eminent domain actions. In addition, land in a WPA may not be assessed for public projects built in its vicinity, unless the landowner chooses to benefit from the public project.

Finally, participation in the WPA Program by counties is optional, i.e., each county can choose whether or not to accept or limit the acreage enrolled under WPA applications. If the county chooses to accept applications, the county will be reimbursed by the Department of Revenue (DOR) for the actual lost tax revenue. There is a standing appropriation from the general fund to the DOR in an amount necessary to make payments to cover the WPAs enrolled by the counties.

Questions regarding the enrollment under the WPA Program of wetlands already enrolled in other conserva-

tion programs (e.g., RIM, CRP, CREP, etc), have arisen and will need to be addressed in the near future. Discussions along these lines will likely be brought before the BWSR for review.

Engineering and Technical Services

Lakeshore Engineering

Another grant opportunity for North Shore issues came to our attention recently. It seems the Federal Emergency Management Agency (FEMA) has some 50/50 hazard mitigation grant funding available for planning purposes. Terri Smith, state hazard mitigation officer, helped direct this opportunity to the DNR and BWSR. Gene Clark, BWSR lakeshore engineer, got involved with Mike Peloquin, DNR area hydrologist, to finalize an eleventh hour grant application. The project will focus on getting federal, state and local resource managers, hazard mitigation planners and others together to identify North Shore coastal hazard issues and priorities and develop a plan to address them. This was a recommendation that came out of the Great Lakes Coastal Hazard Mitigation Workshop held in Michigan last summer. BWSR staff identified updating erosion hazard area maps and developing a

strategy for acquisition of rock for shoreline protection projects as two specific issues to address. BWSR will contribute in-kind technical assistance to the project.

As the days are getting longer, Gene and Brad Matlack, lakeshore engineering technician, are completing more plans and specifications with North Shore SWCDs and landowners for spring construction. This work includes several projects funded by Great Lakes Commission grants for low cost demonstration projects and accelerated use of vegetation for shoreline slope stabilization.

Conservation Easements

Tim Fredbo, easement program manager, included a summary of the 97-02 Reinvest in Minnesota (RIM) Reserve sign-up in the board packet for the February board meeting. Highlights include: 1) 138 applications approved for funding, involving 5,464 acres; 2) 55% of easements funded are located in the Minnesota River basin; 3) total demand was about \$6.3 million; 4) \$3.8 million (balance of FY 98 funding) was committed via regular allocation process, and \$900,000 from canceled applications was committed via the pending list process.

A meeting was held late last month in Elbow Lake to discuss wetland restoration permit requirements of the Bois de Souix Watershed District. Grant SWCD board members and staff initiated the discussion. Pete Waller, board conservationist, coordinated the meeting and Al Kean, chief engineer, and Tom Wenzel, design engineer, participated. Some SWCD, NRCS and U.S. Fish and Wildlife

The project will focus on getting federal, state and local resource managers, hazard mitigation planners and others together to identify North Shore coastal hazard issues and priorities and develop a plan to address them.

Justin and Joe Wiltsey, training coordinator, are reviewing the partnership training needs inventory data and area training plans to begin coordination across area boundaries and identification of state level training plans.

Service (USFWS) staff expressed concerns about watershed district storage and retention criteria that is more restrictive than the recommendations in the Minnesota Wetland Restoration Guide developed by the BWSR. Some underlying feelings about watershed district authorities were evident, as well as concerns about differing interpretations of the watershed district criteria. Charles Anderson, consulting engineer for the Bois de Souix and other Red River basin watershed districts, invited comments on the permitting requirements. Another meeting is scheduled for early March.

Technical Training and Collaboration

A joint meeting of NRCS, BWSR and SWCD joint powers engineers was held in St. Cloud on February 3-5. Justin Jeffery, training and design engineer, served as the lead organizer and facilitator, in cooperation with Al Kean, chief engineer and John Brach, NRCS state conservation engineer. Many of the participating engineers contributed to discussions about a broad range of technical assistance and technology coordination issues. SWCD joint powers engineers and technicians contribute more and more at these joint meetings. One full day of the meeting was dedicated to feedlot technical assistance issues. Four PCA feedlot program staff gave updates on current regulatory policies and initiatives and presented responses to a long list of questions provided to them prior to the meeting. Dave Schmidt, Minnesota Extension

Service feedlot specialist, provided an overview of a trip to Europe last fall to view feedlot technologies and of the status and outcomes of U of M odor research. Construction inspection, LARS, total station surveying and design standards were other major topics of discussion. BWSR and SWCD engineers and technicians met separately for one morning to discuss state and local coordination issues.

Al and Justin attended a manure management conference in Ames, IA, last week sponsored by the Soil and Water Conservation Society. The agenda was very broad and attendance was very large (34 states and five Canadian provinces were represented). The conference addressed a wide range of technical, social and economic issues surrounding feedlots. There seems to be a growing willingness to address social and economic issues with more separation from environmental issues and a growing emphasis on comprehensive nutrient management. Many SWCD staff involved in feedlot technical assistance attended the conference.

Justin and Joe Wiltsey, training coordinator, are reviewing the partnership training needs inventory data and area training plans to begin coordination across area boundaries and identification of state level training plans. The first challenge is to sort out training requests that were based on the old engineering course list and try to get everyone lined up with current courses.

Justin has been working closely with an NRCS state office engineer to develop a revised filter strip standard. Filter strips for feedlot runoff

have been the subject of much discussion and some research monitoring for the past several years. Al and Justin are trying to facilitate renewed discussion and clarification of filter strip use. Currently there seems to be substantial confusion on the front lines of technical assistance regarding the use of filter strips.

Northern Region

The local government annual reporting system (LARS) was the topic of the month for most field staff. LARS is the new computer based reporting system that just went into statewide use last year. The first round of reports using LARS were due in to BWSR February 1. As with most new programs, there was a certain amount of confusion at the local level surrounding the use of LARS. It didn't help that our computer specialist who designed the program resigned from BWSR in November, leaving us temporarily unable to provide technical support just before the reports were due. With all that said, the local governments did a great job experimenting with LARS this first year. Board conservationists (BCs) and local governments worked together to get most of their information entered into the LARS database. We have had some trouble actually printing reports and merging data from one system to another, but we are reasonably sure that these prob-

lems can be fixed when our new computer specialist gets a chance to look at the disks that were sent in by local governments. In spite of some of the troubles using the new program at the local level, most agree that once we get the bugs out, LARS should provide an effective and efficient method of reporting local accomplishments.

Some other highlights from the north include:

BC Bill Best and Wetland Specialist Dan Eklund continue to meet with the U.S. Fish and Wildlife Service (USFWS) and local landowners in pursuit of the Veseldahl wetland restorations for public road mitigation. If successful this will tie up about 1100 acres in the Red River Valley, with over one half of that wetland restorations.

Jim Lemmerman, Duluth forester, reports that the Minnesota Nursery and Landscape Association is going to introduce legislation to stop the DNR state nurseries from selling stock to private landowners. They believe that private industry can do it better than a public agency. Many of the SWCDs currently buy stock from state nurseries to resell to private landowners as part of tree plantings for conservation practices. The DNR Nursery Roundtable will continue to debate this issue. Jim will represent BWSR in these discussions.

Training Coordinator Joe Wiltsey has been busy consolidating information received from the area training team process. Joe is pulling together the list of training needs from around the state. This information will be discussed at the Training Team (T-Team) meeting later this month. The

The local government annual reporting system (LARS) was the topic of the month for most field staff.

Water planning has been with us now for 10 years and has been one of the most successful programs we administer.

T-Team will make recommendations on what training activities should be handled on a statewide basis and what is best handled locally or on an area basis. Joe is also looking into bringing NRCS national training courses into Minnesota as opposed to making Minnesota SWCD employees and other incur travel costs to locations out of state. We should be able to offer many quality training opportunities in Minnesota this way and save money in the process.

BWSR staff Dan Steward, Kamal AlSharif, Dale Krystosek, and Ron Shelito met in Duluth to begin planning a Ten Years of Water Planning promotional piece.

Water planning has been with us now for 10 years and has been one of the most successful programs we administer. Our little committee feels that we should do something to take advantage of this ten year anniversary and promote the success of water planning. We kicked around many good ideas in this first brain storming session but didn't really settle on anything yet. Kamal is charged with pulling our thoughts together and moving the process forward. Our next meeting will likely include some actual water planners. Why not ask the people who actually do the water planning?! More to come.

GEIS on Animal Agriculture Proposed FY 1999 Workplan and Budget

Overview

\$1.2 million in fiscal year 1999 are to be used for the following three initial tasks:

1. Complete a formal scoping process to determine the nature and extent of the GEIS (\$240,000);
2. Complete an extensive synthesis of existing research on feedlots and related issues (\$285,000);
3. Expedite the GEIS process by allowing the EQB to make a formal "intermediate" scoping decision and begin work on a statewide feedlot inventory and assessment—or other major topics—before the end of the fiscal year. (\$675,000)

Further budget breakdowns are provided below.

Parallel Scoping and Research Synthesis

Numerous groups throughout the United States and in Europe are undertaking an impressive amount of research on a wide range of environmental and economic issues related to animal agriculture. Therefore, an extensive review, summary and analysis of the relevant engineering, environmental, and economic research would proceed parallel to and in cooperation with the formal GEIS scoping process. Completing the scoping and research synthesis portions of the GEIS in parallel—with participation of the advisory committee—would serve two important purposes. It would not only expedite the GIES process but would also allow early completion of much of the crucial research synthesis section of the GEIS when it is most needed—during scoping—so that all planing decisions are as informed as possible prior to the start of detailed analysis.

1. The Scoping Process

The GEIS scoping process involves the following formal steps:

- Develop draft scope through "Stakeholder Advisory Committee"
- Distribute draft scope for public comment and review
- Hold public comment meetings on draft scope at up to five locations throughout state
- Revise GEIS scope through advisory committee
- EQB makes formal scoping decision

Environmental Quality Board Project Management Budget:

Project Manager	\$	70,000
Other Staff	\$	41,000
Clerical (25% FTE)	\$	8,500
Travel, Public Scoping Meeting Expenses	\$	20,500
Mediation Services	\$	50,000
Professional Consulting Services	\$	50,000
Total	\$	240,000

2. Summary and Analysis of Published and Ongoing Research

As described above, the EQB will work with MDA, PCA, MDH, and the University of Minnesota staff, along with limited outside professional consultants, to complete an extensive synthesis of existing and ongoing research on animal agriculture and related issues. Agency staff would also update and compile existing state data required for the GEIS. The funding request for this work is outlined in the table below. We estimate that completion of the same tasks using professional consulting services exclusively would cost an additional 50%, or about \$150,000 more, than the following estimates:

Agricultural Economics and Economic Trends	\$ 70,000
Feedlot Design and Engineering	\$ 70,000
Soils and Agronomy	\$ 35,000
Hydrology	\$ 35,000
Air Emissions, Dispersion, and Odor Control	\$ 35,000
Human Health	\$ 40,000
Total	\$ 285,000
Scoping and Research Synthesis Subtotal	\$ 525,000

3. Begin Draft GEIS: Statewide Feedlot Inventory and Assessment

The remaining \$675,000, out of the \$1.2 million total, will be used to expedite work on the draft GEIS during FY 1999 by first determining the scope of and then beginning work on a statewide inventory and assessment of feedlots. Cost estimates for this step range widely depending on the specificity and level of information determined to be necessary during scoping:

- A detailed "level 3" inventory of all feedlots in Minnesota (\$2,000,000)
- A less detailed but site specific inventory of feedlots (\$900,000)
- A statistically valid, but less site specific inventory based on verification of existing data (\$200,000)

The remaining funds, if any, could also be used to allow start-up of all phases of the study if the EQB should adopt a formal scoping decision prior to the end of FY 1999. Alternatively, other major scoping decisions by the EQB during FY 1999, prior to formal adoption of the entire scope of work, are possible in the following areas:

- A survey of manure management practices in the field (\$225,000)
- Modeling of the cumulative air quality impacts and odor from large feedlot containment structures (\$50,000)
- Energy analysis of different farming options (\$25,000)

February 4, 1998



Environmental
Quality Board

Minnesota
Pollution
Control
Agency

Minnesota
Department
of Agriculture

Minnesota
Department
of Health

Board of
Water and
Soil Resources

Minnesota
Department
of Natural
Resources

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Feedlot Generic Environmental Impact Statement (GEIS)

Why do a study of feedlots?

In recent years, there has been increasing controversy regarding animal feedlots in Minnesota. Many of the concerns that have been raised are about the potential for contamination of the air, surface water and ground water. There are also important questions regarding the social and economic impacts of animal agriculture. While these issues are raised in individual permit decisions, the broader issues are beyond the scope of existing regulations.

A Generic Environmental Impact Statement (GEIS) includes a review of the environmental issues as well as the broader social and economic issues associated with trends in animal agriculture. A study of these issues can assist state and local policy makers as they make decisions affecting our rural communities and natural resources.

What is a GEIS?

A GEIS is a type of broad environmental review used to study issues that cannot be adequately evaluated on a case-by-case basis. The GEIS serves as a long-range planning tool that provides information about widespread, long-term consequences unlikely to be identified through a project-specific review. A GEIS may also address the important economic and social concerns connected to the industry while involving all stakeholders in the process.

How does a GEIS differ from other environmental reviews?

A GEIS differs from project-specific environmental reviews in a number of ways. There are two important differences in the context of a feedlot GEIS.

First, a project-specific EIS or environmental assessment worksheet (EAW) typically looks at the environmental impact of a specific project within a limited geographic area. A GEIS can analyze the cumulative effects associated with a number of separate but similar activities over a larger area.

Second, a project-specific environmental impact statement assesses the consequences associated with various alternative courses of action without taking a preference. A GEIS, however, may include recommendations and may propose changes to state or local rules, ordinances or statutes.

Does a GEIS look only at environmental issues?

No. A GEIS may also consider the social and economic impacts, both positive and negative, of an industry. This may include effects on employment, economic development, families, quality of life, and other issues.

What will the proposed feedlot GEIS accomplish?

Information and recommendations developed through the GEIS process can provide the basis for more informed decision-making about feedlot operations on the part of state and local governments, as well as industry and private citizens.

The GEIS process will help interested parties reach consensus on feedlot issues and policy options for addressing them. The GEIS will also help clarify the roles and responsibilities of different units of government in addressing feedlot issues. Finally, the GEIS will help set a course for agricultural and environmental policy by expanding and clarifying our knowledge of feedlot operations and their impacts.

What happens while the GEIS is being prepared?

The Minnesota Pollution Control Agency (MPCA) will move ahead with rule-making and will continue to review projects and issue permits during the GEIS process. The GEIS process does not exempt feedlot activities from normal, project-specific environmental review requirements. At the same time, the University of Minnesota research funded by the Legislature, will continue to look for ways to reduce odor and manage manure more efficiently.

Who initiates a GEIS?

Under current law the Minnesota Environmental Quality Board (EQB) can order a GEIS. The EQB is composed of commissioners from the MPCA, the Departments of Health, Agriculture, Natural Resources, Public Services, Transportation, and the directors of the Office of Strategic and Long Range Planning and the Office of Environmental Assistance, along with a representative from the Board of Water and Soil Resources. There are also five citizens appointed to the EQB.

What factors trigger a GEIS?

Before ordering a GEIS, the EQB must consider several things:

- The regional and statewide significance of any environmental effects.
 - Whether reviewing the proposed action can be better accomplished through a GEIS than through a case-by-case review of each project or activity.
 - Whether the potential environmental effects are unknown, or the risks are unique.
 - The cumulative potential impact on the environment of all activities within the particular category -- e.g., feedlot operations.
-

What goes into preparing a GEIS?

The feedlot GEIS is expected to take between two and one half and three years and would likely include the following components:

- A compilation of feedlot data from state agencies and other national and international sources.
- A formal scoping process of the issues to be addressed, including (1) the geographic area of concern, (2) the potential impacts, mitigation and alternatives to be studied, and (3) the level of detail required for each topic. A stakeholders' advisory group would be established by EQB to help review and guide the scoping process as well as provide input through subsequent stages of the GEIS.
- Public scoping meetings would be held throughout the state and a draft scoping document would be circulated before making a final scoping decision.
- EQB rules on the adequacy of the scoping document.
- Completion of the tasks identified in the scoping document (which might include a feedlot inventory, survey of manure management practices, cumulative air quality modeling and demographic or economic analyses) by staff or consultants.
- Preparation, public review and revision of the draft GEIS by the EQB with agency staff or consultants as needed. The stakeholder group would again help review and guide this revision process.
- Submission of the final document to the EQB for review and acceptance.

What is the 1998 proposal?

The Administration is recommending that the EQB order a GEIS on feedlots. The agencies estimate that the total cost of the GEIS will be approximately \$2.7 million for the two and a half to three year study. The Governor is requesting \$1.2 million for the GEIS in fiscal year 1999. These funds will be used to compile feedlot data for scoping, complete the critical scoping process and to initiate the priority research tasks identified by the stakeholders groups in the scoping process. The Legislature will be asked to consider a request for approximately \$1.5 million to complete the GEIS in the next biennium.

For further information, please contact:

Environmental Quality Board: Michael Sullivan, 296-9027

Pollution Control Agency: Dave Nelson, 296-9274, or Susan Schmidt, 297-7573

Department of Agriculture: Paul Burns, 296-1488

Department of Health: Kathy Svanda, 215-0878

Department of Natural Resources: Wayne Edgerton, 297-8341

Board of Water and Soil Resources: Al Kean, 297-2907