



Minnesota Board of Water and Soil Resources.
Minutes.

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June 2002

DRAFT

**BOARD OF WATER AND SOIL RESOURCES
COUNTRY INN & SUITES
1900 PREMIER DRIVE
MANKATO, MINNESOTA 56001
JUNE 26, 2002**

BOARD MEMBERS PRESENT: Lee Coe, Jerome Deal, Paul Krabbenhoft, Dwain Otte, Victor Ormsby, Char Kahler, Darrell Bruggman, Karen Harder, Wayne Edgerton-DNR, Jack Frost, Lisa Thorvig-PCA, Mark Dittrich-MDA

BOARD MEMBERS ABSENT: Jim Anderson-MES, JoAnn Coover, Ginny Imholte, Clair Nelson, Dan Wilson-MDH

STAFF PRESENT: Ron Harnack, Mary Jo Anderson, Tom Fischer, Tabor Hoek, Doug Thomas, Chris Hughes, John Jaschke, Ron Shelito, Dan Eklund, Al Kean, Wayne Zellmer

OTHERS PRESENT:

Sandy Hooker, Minnesota Association of Townships
Kerry Netzke, Area II Minnesota River Basin
Tony Abrahamson, Blue Earth SWCD



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Chair Coe called the meeting to order at 9:00 a.m.

Pledge of Allegiance

Chair Coe stated that the CREP Celebration activities yesterday were very nice. The event recognized the work of all those involved in the preservation of land for future generations. Ron Harnack commented on the successful CREP in the Minnesota River. Chair Coe thanked staff for getting the event organized.

**** Adopt Agenda** – Moved by Jack Frost, seconded by Jerome Deal to adopt the agenda as presented. Motion passed on a voice vote.
02-40

**** Minutes of May 22, 2002** – Moved by Jack Frost, seconded by Victor Ormsby, to approve the minutes of May 22, 2002 as circulated. Motion passed on a voice vote.
02-41

Reports

Chair Coe reported that the Administrative Advisory Committee met via conference call on June 10. Chair Coe attended the EQB meeting.

Executive Director – Ron Harnack reminded board members to submit their expense claims by July 12. Ron stated that the board packet will no longer be mailed overnight mail to board members. Effective in July, the board packet will be sent via e-mail. Karen Harder requested her packet to be sent first class mail.

Ron Harnack thanked staff for organizing the CREP Celebration. Ron commented on the flooding issues in the northwest. Ron Shelito stated that Senator Wellstone and Senator Dayton will be meeting with he, Brian Dwight and Norman County officials tomorrow. Ron commented on BWSR's budget reduction (\$203,250) and distributed a memo from Paul Aasen, Director of Policy Management, Office of the Governor.

Dispute Resolution Committee (DRC) – Chair Coe stated that the DRC report was mailed to board members. Chair Coe stated that Jim Haertel continues to do an excellent job with the appeals. The DRC Committee commended Jim Haertel on his work.

Wetlands Committee - Darrell Bruggman commended John Jaschke and Dan Eklund for their excellent work on wetlands issues.

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Cost-Share Committee – Dwain Otte reported that the Cost-Share Committee met and has recommendations that will be on the agenda later today .

Jack Frost asked about Ron Struss' position. Ron Harnack reported that Ron Struss will be paid by the MES, but will be housed in BWSR and will continue to provide efforts as he has been. The New Ulm position and the Duluth education position have been eliminated.

Agency Reports

Mark Dittrich, Department of Agriculture, reported that Commissioner Hugoson went to China with the Governor. Mark stated that MDA staff are in the northwest looking at flooding. Mark reported that he was involved in the Watershed Heroes Conference.

Wayne Edgerton, Department of Natural Resources, attended the Watershed Heroes Conference and stated that it was a very good conference. Wayne reported that the DNR budget reduction is \$7,605,733, which is 11.5% cuts in the general fund. Wayne stated that the DNR reductions will directly impact SWCDs. DNR will now have four regional offices, shifting of staff, some lay-offs. Wayne reported that DNR is testing deer head samples in thirteen areas in the state, targeting Chronic Waste Disease (CWD) suspect animals. A symptom of CWD is drooping ears. DNR is putting together a contingency plan to keep this from spreading. Additional information on CWD is on DNR's web site.

Lisa Thorvig, Pollution Control Agency, reported that PCA's regional total maximum daily load (TMDL) study for fecal coliform for 20 surface water reaches in southeastern Minnesota is being finalized. It will be put on a 30-day public notice period for comment in early to mid-July. Based on comments, make changes before submitting to U.S. EPA around August 30th.

Lisa reported that the MPCA Citizens' Board approved the storm water program general permit for small municipal separate storm sewer systems at its meeting on June 25, 2002. This final agency decision can be appealed to the Appellate Court over the next 30 days.

Lisa commented on the list of mandatory small municipal separate storm sewer systems (MS4s) contained in board members' materials. A separate rulemaking will be done this fall to establish criteria (e.g, environmental, current population, projected population growth) for adding state-discretionary MS4s, as required by U.S. EPA, to storm water general permit coverage. The state-discretionary MS4s will have an additional 18 months (past March 10, 2003 effective date for

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mandatory MS4s) to submit storm water permit applications. Lisa gave kudos to the Department of Agriculture on the successful Hero's Watershed Conference held in St. Peter.

Lisa reported that MPCA and Rock County have agreed on steps to bring the County's feedlot program into compliance with MPCA rules. This allows the County to retain their feedlot delegation.

Lisa reported that MPCA's general fund budget reduction is \$719,238. Salary savings can be used in FY02-03. The problem will be to address program reductions in FY04-05 to accommodate less funds.

Committee Recommendations

Administration Advisory Committee

Phase 2 Budget Reduction Options - Chair Coe presented the following two recommendations to address the Phase 2 budget reductions:

1) Take \$300,000 from the \$675,000 in the rollover account for the Phase 2 general fund budget reduction. This will not affect the base of the cost-share program for the future. Under Phase 1, it was said that we would take from rollover as needed to meet the reductions. Although the Phase 1 resolution did not require us to take that action, the Committee recommends that BWSR continue that position for Phase 2.

2) To address the wetland banking staff issue for the remainder of the biennium, the Committee recommends that we take an additional \$75,000 from general services to cover Jim Birkholz's salary and expenses in support of the modernization of the SWCD law. The reduction to general services would be offset \$75,000 from the rollover. The current funding authorizations do allow the Board to use some of the general services dollars for activities that benefit SWCDs. This has been used with great discretion over time and this recommendation is consistent with current policy of the Board.

Ron Harnack stated that it's recommended that the dollars come from the rollover account, the best option at this point to address the Phase 2 budget reductions. The adjustments are one-time adjustments and do not impact the base level of these grant accounts. Ron stated that BWSR needs to address the wetland road replacement issue and other program reforms in programs as part of the biennial budget development in the next few months. Alternatives to address the wetland banking issue would be to immediately stop all activities

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related to the wetland banking program. This would put existing partially completed and contracted/granted projects at risk. Staff is currently assessing the specific impact of the budget veto to local governments and will communicate that information to counties, cities and townships within the next few weeks.

- ** Moved by Darrell Bruggman, seconded by Lisa Thorvig, to approve the two
02-42 recommendations of the Administrative Advisory Committee. Motion passed on a voice vote.

Chair Coe called for a break in the meeting at 10:10 a.m. The meeting reconvened at 10:20 a.m.

Northern Subcommittee

- Aitkin County Comprehensive Local Water Plan. Darrell Bruggman stated this is a very good plan, however, he abstains from voting on the plan. Jerome Deal
** presented the plan and recommends approval. Moved by Jerome Deal,
02-43 seconded by Dwain Otte, to approve the Aitkin County Comprehensive Local Water Plan. Motion passed on a voice vote.

- Carlton County Comprehensive Local Water Plan. Jerome Deal presented the seven-year plan, and recommends approval. Moved by Jerome Deal, seconded
** by Paul Krabbenhoft, to approve the Carlton County Comprehensive Local
02-44 Water. Motion passed on a voice vote. Jack Frost stated that the county water plan map needs to be revised.

- Cook County Comprehensive Local Water Plan Request for Extension – Ron Shelito stated that the extension request will allow Cook County time to participate in the various planning efforts now ongoing in the two major basins of the County – Lake Superior and Rainy River – and allow the local citizen team to integrate the basin planning efforts into a countywide revision in 2004. Moved by
**
02-45 Dwain Otte, seconded by Jerome Deal, to approve the Cook County request for extension to allow Cook County time to participate in the various planning efforts now ongoing in the two major basins of the County – Lake Superior and Rainy River – and allow the local citizen team to integrate the basin planning efforts into a countywide revision in 2004. Motion passed on a voice vote.

Cost-Share Committee

Recommendations for EQIP Subcommittee – Ron Harnack stated that the 2002 Farm Bill is authorized to bring to Minnesota many millions of conservation dollars. If appropriated, these dollars will provide funding for several programs. Conservation projects applied through these programs have the potential of providing a great benefit to landowners and the soil and water resources of

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Minnesota. The Cost-Share Committee has two recommendations: 1) In order to commit FY02 EQIP funds before September 30, 2002, the Committee recommends that NRCS consider funding the remaining unfunded high priority feedlot projects as identified on the Fiscal Year 2003 FWQM Grant Report spreadsheet. Recommendation #2) In order to meet the anticipated increase in needed technical assistance in LGUs, the Committee recommends that up to \$400,000 of uncommitted Cost-Share rollover (slippage) be made available to SWCDs or SWCD JPBs to employ additional staff to provide technical assistance for conservation practices. A specific proposal for leveraging other funds and an allocation for board consideration will be presented at the August meeting.

Ron suggested a third recommendation: to use the cost-share committee, with active support and participation from agencies, to develop a recommendation on how EQIP should be allocated long-term. Dwain Otte stated that the challenge is to get the NRCS funding allocations out to SWCDs. Dwain encouraged agencies active participation in the cost-share committee. Lisa Thorvig will represent MPCA on the cost-share committee. Discussion followed. Moved by Victor Ormsby, seconded by Karen Harder, to approve the Cost-Share Committee's two recommendations, and to direct the cost-share committee to develop recommendations regarding EQIP. Motion passed on a voice vote.

New Business

Feedlot Cost-Share Policy – Wayne Zellmer presented the Cost-Share Committee recommendation that the Existing and Proposed State Feedlot Cost-Share Policies document for FY03 be adopted. Discussion followed. Moved by Char Kahler, seconded by Dwain Otte, to adopt the recommendations. Karen Harder wanted clarification on page three, #2 regarding "waste management portions of innovative systems" discussion followed. It should read, "Cost-sharing is authorized only when the following condition is met: The roof structure design and construction is approved by a registered professional engineer as meeting the design requirements of ASAE EP288.5, Agricultural Building Snow and Wind Loads. The manufacturer shall provide a 10-year, or longer, warranty on labor and materials for the roof structure. Motion passed as amended, on a voice vote. Wayne stated that this document will be incorporated into the Cost-Share Handbook that is currently being revised. This information will also be on BWSR web site.

Wetland Conservation Act (WCA) Rule – John Jaschke presented the proposed rule adoption. Dan Eklund reviewed the proposed administrative rules summary. John and Dan were commended for all their efforts and good work with WCA.

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- **** Moved by Darrell Bruggman, seconded by Jack Frost, to adopt the proposed rule
02-48 adoption. Motion passed on a voice vote.

Area II Work Plan and Budget for FY03 – Tabor Hoek introduced Kerry Netzke, Darold Neperman, Redwood County Commissioner; Charles Guggisberg, Brown County Commissioner; and Joe Schouvieller, Redwood County Commissioner. Tabor presented the Area II administrative work plan for \$140,000.

- Commissioner Guggisberg thanked BWSR for funding and he looks for future partnering to accomplish and continue flood retention and water quality improvement projects. Commissioner Neperman thanked the board for BWSR assistance for the past fifteen years. Commissioner Schouvieller thanked BWSR
****** for their assistance. Moved by Dwain Otte, seconded by Victor Ormsby, to
02-49 approve the work plan. Motion passed on a voice vote. Char Kahler commended Kerry Netzke on the report that was presented.

- CREP Grants to SWCDs – Tabor Hoek presented the CREP technician grants and the CREP specialist administrative grants. Moved by Jack Frost, seconded
****** by Dwain Otte, to adopt the grants as presented. Motion passed on a voice vote.
02-50

- FY03 SWCD Grants – Wayne Zellmer presented the regular statewide cost-share base grants; the feedlot water quality management grants; the general services grants; and the RIM reserve services grants. Wayne, on behalf of the cost-share committee, recommends approval of these grants. Dwain Otte
****** thanked Wayne and Michelle Lewis for their work on the grants. Moved by Char
02-51 Kahler, seconded by Victor Ormsby, to approve the FY03 SWCD Grants as presented. Motion passed on a voice vote.

Wayne reported that BWSR hired an intern to review each special project since 1997. A site analysis was completed, we now have a database, with the expectation to have the project completed in the next few months. Each special project has been cataloged with photos and a cost-basis ratio. Wayne stated that SWCDs have an overwhelming job of accomplishing the special projects.

- Public Hearing on Petition for a Boundary Change for Browns Creek and Valley Branch Watershed Districts – Ron Harnack presented the petition to order a
****** boundary change hearing. Moved by Jack Frost, seconded by Dwain Otte, to
02-52 order the public hearing on the petition for a boundary change for Browns Creek and Valley Branch Watershed Districts. Motion passed on a voice vote.

Delegation of Authority for Watershed District Hearings – Ron Harnack explained the delegation of authority is for the effectiveness and efficiency in setting the

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- **
02-53 public hearings for watershed districts. Moved by Jack Frost, seconded by Jerome Deal, to approve the delegation of authority to the executive director. Motion passed on a voice vote.

Advisory Comments

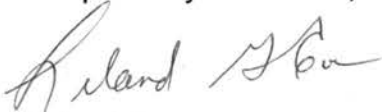
Minnesota Association of Townships – Sandy Hooker attended the CREP Celebration and complimented those involved. Sandy encouraged farmers and landowners to have buffer strips on county ditches; this needs to start at the local level.

Upcoming Meetings

- MAWD Summer Tour, June 27-29, Washington County
- Next BWSR Tour and Meeting, July 24-25, Kandiyohi County
- BWSR Meeting, August 28, St. Paul
- BWSR Meeting, September 25, in conjunction with the Local Water Planners Conference, September 23-25, Hinckley

Chair Coe adjourned the meeting at 12:20 p.m.

Respectfully submitted,



Leland Coe
Chair

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

In the Matter of the Delegation of authority to
the Executive Director in the ordering of
public hearings for watershed district petitions

**ORDER
DELEGATION
AUTHORITY TO
EXECUTIVE DIRECTOR**

Whereas, due to timing issues with the publication of legal notices and certain other administrative efficiencies, it is desirable for the Executive Director to have the authority to set public hearings related to petitions received under Minn. Stat. §§ 103D.205, 103D.251, 103D.255, 103D.261, 103D.265, 103D.271, 103D.301, and 103D.305 relating to watershed district establishment, boundary change, withdrawal, enlargement, consolidation, termination, manager distribution and increase number of managers.

Now Therefore, the Board hereby makes the following Order.

ORDER

The Board hereby delegates to its Executive Director the authority to set public hearings for petitions received under Minn. Stat. §§ 103D.205, 103D.251, 103D.255, 103D.261, 103D.265, 103D.271, 103D.301, and 103D.305.

Dated at Saint Paul, Minnesota this 26 th day of June, 2002.

MINNESOTA BOARD OF WATER AND SOIL RESOURCES

By: _____

Leland G. Coe, Chair

EXISTING AND PROPOSED STATE FEEDLOT COST-SHARE POLICIES

7-2-02, Al Kean

Note: Policies that already exist in Statute, Rule or Administrative Guidelines are included here for a complete listing of state feedlot cost-share policies. Proposed policies would document and clarify existing policies, including consistency with Feedlot Rule language and substantial consistency with "current" EQIP policies (i.e. prior to changes that will result from new Farm Bill, which was signed May 13, 2002, and for which new rules are to be out by August 13, 2002).

General Policies	Policy Location	Existing Policy or Rationale for Proposed Policy
1) Cost-sharing is limited to correction of existing pollution problems at feedlots that are at least 5 years old.	Rule – 8400.1300 B. and Administrative Guidelines, with added clarification.	Existing State Cost-Share Program policy. Current EQIP policy allows cost-sharing for up to a 25% expansion (of animal units) when solving an existing pollution problem. Consistent with Feedlot Rule definition of "new animal feedlot" and with current MN NRCS EQIP policies.
2) Cost-sharing is limited to feedlots with less than 500 animal units.	Board policy and legislative intent for designated feedlot cost-share	Existing policy. Propose to incorporate into updated Administrative Guidelines. Current EQIP limit is less than 1,000 animal units.
3) Feedlot pollution abatement projects must acquire all applicable permits (including compliance with the state Feedlot Rule) to be eligible for cost-share.	Rule – 8400.1350, D. 2)	Existing program policy.
4) Partial systems that correct only a portion of an existing feedlot pollution problem are eligible for cost-share only if implemented in accordance with the Open Lot Agreement provisions of the Feedlot Rule.	Proposed new Administrative Guideline	This would update previous Board policy to be consistent with the current Feedlot Rule.
5) The maximum cost-share rate is 75% for eligible practices.	Rule – 8400.0900, Sub.2	Existing program policy.
6) The maximum cost-share amount is limited to the amount authorized by the district board for the most feasible and practical alternative that achieves the cost-share program objectives, not to exceed \$50,000 per feedlot project. This cost-share limit shall apply to the total cost-share for interim and final measures implemented in accordance with an approved Open Lot Agreement under the Feedlot Rule.	Proposed integration and update of Board policy in Administrative Guidelines	Existing Board policy regarding the maximum cost-share amount per feedlot project would be clarified and incorporated into Administrative Guidelines. District board authority to limit cost-share to the most feasible and practical alternative would be clarified.

7) Cost-sharing is authorized for eligible runoff control, waste storage and treatment practices for a feedlot project, and associated transfer components for manure and process wastewaters, including milkhouse wastewater and silage leachate.	Proposed new Administrative Guideline	Clarify Administrative Guidelines using language consistent with the Feedlot Rule (i.e. process wastewater, including milkhouse waste and silage leachate). Note that this does not include waste collection, such as barn cleaners.
8) Cost-sharing is <u>not</u> authorized for production facilities or equipment including, but not limited to, buildings, feed storage, feeding facilities and equipment, or manure application equipment, <u>except</u> that cost-sharing is authorized for waste storage structures that serve as foundations for buildings, up to the eligible cost-share for a functionally comparable waste storage structure that does not serve as a foundation for a building.	Current Administrative Guidelines address part of this.	Clarify existing prohibition of cost-share for production facilities or equipment in Administrative Guidelines. Add definition of limited eligibility for waste storage structures that serve as foundations for buildings, consistent with current EQIP policies.
9) Cost-sharing is <u>not</u> authorized for manure or process wastewater collection facilities, <u>except</u> for the inlet of eligible systems to transfer manure or process wastewater to storage or treatment facilities.	Proposed new Administrative Guideline	Clarify that manure or process wastewater <u>collection</u> facilities are <u>not</u> eligible. This is consistent with current EQIP implementation. However, this is not completely clear in current MN NRCS EQIP policies.
10) Innovative waste management systems with multiple benefits, or design standard variances, can be considered by submitting a written request to the BWSR Grants Coordinator.	Clarification of current Administrative Guidelines	Reflects discussion by Cost-Share Committee to encourage innovative systems with multiple benefits and discussion at Board Meeting on 6-26-02.
Feedlot Relocation Policies (in addition to General Policies)	Policy Location	Rationale for Proposed Policy or Update
1) Cost-sharing at a feedlot relocation site is limited to: a) the maximum cost-share amount approved to upgrade the existing eligible feedlot site; b) eligible practices and components of the most feasible and practical waste management system at the relocation site, as determined by the district board, with applicable assistance from its technical advisors.	BWSR policy authorized cost-share for feedlot relocation some time ago. Proposed new Administrative Guideline	Clarification of existing Board policy to cost-share feedlot relocation. Consistent with current EQIP policies and unwritten BWSR advice to SWCDs. NRCS coordinated with BWSR staff for comment when developing most of its feedlot relocation and roof structure EQIP policies.
2) The existing eligible feedlot must be permanently closed in accordance with the state Feedlot Rule and, thereafter, is no longer eligible for feedlot cost-share.	Proposed new Administrative Guideline	Consistent with Board intent to cost-share for permanent feedlot relocation, and current EQIP policies.

3) Cost-sharing is authorized for closure of the existing feedlot in accordance with the Feedlot Rule, including fence removal, waste storage facility closure and seeding, but is <u>not</u> authorized for removal or land application of manure from an open lot or waste storage facility.	Proposed new Administrative Guideline	Clarifies cost-share eligible practices associated with feedlot relocation. Consistent with Feedlot Rule and current EQIP policies.
4) Feedlot relocation and associated closure of an existing feedlot shall be considered one feedlot project for application of limitations on the cost-share amount.	Proposed new Administrative Guideline	Clarification of cost-share limit for feedlot relocation project.
Feedlot Roof Structure Policies (in addition to General Policies)	Policy Location	Rationale for Proposed Policy or Update
1) A feedlot roof to eliminate precipitation on a feedlot, and associated runoff, is eligible for cost-share only when a documented alternatives analysis shows this to be part of the most feasible and practical alternative that meets applicable Feedlot Rule requirements, including manure storage, land application and feedlot runoff requirements, or when the amount of cost-share approved by the district board for the feedlot project is based on the estimated costs for the most feasible and practical alternative. The documented alternatives analysis must be kept in the district file for the feedlot project.	Proposed new Administrative Guideline	Update / modify interim BWSR guidance provided to SWCDs dated August 20, 2001. This proposed policy would allow cost-share for a feedlot roof structure if a documented alternatives analysis identifies a roof structure as part of the most feasible and practical alternative that meets the Feedlot Rule, or the cost-share amount is based on the estimated cost for the most feasible and practical alternative (i.e. the feedlot owner pays the difference, if a more costly alternative is selected). Compatible with current EQIP policies.
2) Cost-sharing is authorized only when the roof structure design <u>and</u> construction is approved by a registered professional engineer as meeting the requirements of ASAE EP288.5, Agricultural Building Snow and Wind Loads.	Proposed new Administrative Guideline	Consistent with current EQIP policies, which reference an existing applicable design standard. Reflects discussion at Board Meeting on 6-26-02.

3) Cost-sharing is <u>not</u> authorized when the roof structure is to be a component of a planned waste management system that will also include a waste storage or treatment facility, <u>unless</u> drainage conditions make routing of the feedlot runoff to the waste storage or treatment facility impractical, as determined by the district board, with applicable assistance from its technical advisors.	Proposed new Administrative Guideline	Consistent with current EQIP policies. NRCS looks to its Area Engineers for determination of what's practical. This policy would look to SWCD boards, with assistance from their technical advisors, including NPEA engineers and BWSR.
4) Cost-sharing is <u>not</u> authorized for surfaced floors or walls, but <u>is</u> authorized for a 1-foot high curb for clean water diversion, if needed.	Proposed new Administrative Guideline	Consistent with current EQIP policies. A roof structure is considered an open lot runoff reduction practice (i.e. clean water diversion), not a manure storage practice. Although arguments have been made to allow cost-share for walls to reduce rain and snow blowing into the roofed area, <u>not</u> cost-sharing on walls draws a line to be consistent with BWSR (and current EQIP) policy to <u>not</u> cost-share on production facilities, including "buildings". However, this policy would not preclude the producer from adding side walls, as do the BWSR interim policies dated 8-20-01.



STATE OF MINNESOTA

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Date: June 20, 2002

To: Agency Heads, State Boards and Commissions

From: Paul W. Aasen, Director of Policy Management

RE: Budget Reductions Related to Hiring Freeze & P/T Contract Moratorium

The purpose of this memo is to provide information to implement the general fund budget reductions for compensation and professional/technical service contracts contained in Chapter 220, as amended by Chapter 374. Attached is a table with target amounts by agency. The sum of all agencies' budget reductions is the \$58 million savings required by statute.

Our administration opposed the undesignated across-the-board \$58 million cuts during the legislative session. We believed, and still believe, the Legislature should make priority choices and designate cuts. To further confound matters, the Legislature created a broadly defined waiver process for essential services. This creates a circular process of allocations, waivers/exemptions and the resulting re-allocation needed to meet the reduction target.

Chapter 220 required total general fund savings of \$75 million. The Legislature later excluded MNSCU, Human Services state-operated services, and large portions of Corrections. The anticipated savings target was reduced to \$58 million in Chapter 374. This reduction does not completely compensate for the exclusions. As a result, many agencies will be required to make reductions that are larger than projected early in the session. The \$58 million target represents about 7.2 percent of an adjusted general fund operating budget of \$811 million (operating budget less Human Services and Corrections exclusions).

Allocation Process

To achieve the required general fund savings, amounts have been allocated to individual agencies in the following manner:

- **The Base** – the FY 2002 *operating budget* spending plans as of December 21, 2001 were the starting point. Note, this is before implementing any 2002 session reductions.
- **Credit for Other Cuts** – Specific operating budget reductions enacted in the 2002 session were credited and the base reduced. These specific amounts were identified by each agency.
- **Cap for Small Agencies** – Agencies with 20 or fewer employees have little flexibility in managing unexpected cuts. The total reductions for these agencies were capped at 6 percent.
- **Balancing the Cuts** – Our proposed budget solution balanced reductions across all of the State's budget. The Legislature's solution focused on state government and within state government, on specific agencies. In an effort to mitigate the impact on the agencies with extraordinary specified cuts, additional reductions in those agencies were capped at 5 percent.
- **Proportional Cuts** – The remainder of the \$58 million target was allocated proportionately among the remaining agencies.

Implementing Reductions Targets

No specific reductions were made to agency budgets for FY 2002. Any savings or balances that occur from the hiring freeze / contracts moratorium will carry forward in to FY 2003.

Generally, reductions will be processed in FY 2003 spending plans. General fund reductions should be processed as *appropriation transfers* in the FY 2003 annual spending plan. These amounts should be transferred to the central Finance non-operating holding account. The account balance from all agencies' transfers will be cancelled at year-end.

Please transfer the entire amount of your agency's reduction with your FY 2003 annual spending plan.

Our administration has always been willing to pursue the most straightforward and real solution to any problem. We are asking you to do the same with your share of the budget reduction.

Finally, small agencies need some management flexibility. The targeted reductions will not require allotment revisions or transfers from agencies with twenty or fewer employees. We assume that small agencies will delay hiring and seek other operating efficiencies. Small agencies will need to capture savings throughout the year. These savings will automatically be cancelled at year-end closing.

Reporting

We are not going to ask for special reports from agencies. Agency and Finance staff are expected to monitor statewide spending. Furthermore, agencies will need to continue to work with the Departments of Administration and Employee Relations on any record keeping necessary to report on hiring freeze / PT contract moratorium waivers.

Questions

Questions about the budget implications and spending plan preparation should be directed to your executive budget officer. Requests for additional guidance on agency or program impacts should be directed to your policy manager.

Clean-up

Your work on the Phase 2 budget fix reductions is the second act in a three, or more, act play. Phase 1 was not easy. Phase 2 is even harder. Phase 3, the 2003 session, represents a complete unknown, both politically and fiscally. We are only in the middle of cleaning up the budget mess.

I appreciate how hard it has been and will be to implement these cuts. In this plan, we tried to balance reasonable agency impacts against legislative requirements. I know you will now do the same as you balance critical services and existing resources. I am certain you will make wise choices.

Thank you for your hard work.

Budget Reductions by Agency	Total Compensation & PT Contract Reduction (additional cuts due to Phase 2 Budget Fix)
ACCOUNTANCY BOARD	\$40,980
AMATEUR SPORTS COMMISSION	\$0
ARCHITECTURE, ENGINEERING BD.	\$57,060
ARTS BOARD	\$20,000
ASIAN-PACIFIC COUNCIL	\$17,700
BARBERS BOARD	\$9,180
BLACK MINNESOTANS COUNCIL	\$20,520
CAMPAIGN FINANCE BOARD	\$0
CAPITOL AREA ARCHITECT	\$4,000
CHICANO LATINO AFFAIRS COUNCIL	\$20,040
DISABILITY COUNCIL	\$20,760
EMERGENCY MEDICAL SERVICES BD.	\$80,204
INDIAN AFFAIRS COUNCIL	\$35,040
JUDICIAL STANDARDS BOARD	\$14,753
MEDIATION SERVICES DEPT.	\$58,000
OMBUDSMAN FOR CORRECTIONS	\$0
OMBUDSMAN MH/MR	\$86,122
OMBUDSMAN FOR FAMILIES	\$14,160
PRIVATE DETECTIVES BOARD	\$8,640
RACING COMMISSION	\$4,000
SENTENCING GUIDELINES COMMISSION	\$0
TAX COURT	\$45,501
ADMINISTRATION DEPT.	\$642,044
CHILDREN, FAMILIES & LEARNING	\$1,775,945
EMPLOYEES RELATIONS DEPT.	\$312,776
FINANCE DEPT.	\$779,600
MILITARY AFFAIRS DEPT.	\$367,300
PLANNING, STRATEGIC AND LR	\$213,012
WATER AND SOIL RESOURCES BD.	\$203,250
AGRICULTURE DEPT.	\$1,440,975
ANIMAL HEALTH BOARD	\$226,244
CENTER FOR ARTS EDUCATION	\$509,218
COMMERCE DEPT.	\$1,791,717
CORRECTIONS DEPT.	\$5,851,666
ECONOMIC SECURITY DEPT.	\$353,655
ENVIRONMENTAL ASSISTANCE	\$347,536
FARIBAULT ACADEMIES	\$800,695
GAMBLING CONTROL BOARD	\$171,045
HEALTH DEPT.	\$1,738,346
HIGHER EDUCATION SERVICES OFFICE	\$1,035,401
HUMAN RIGHTS DEPT.	\$285,323
HUMAN SERVICES DEPT.	\$13,681,590
INVESTMENT BOARD	\$167,763
LABOR AND INDUSTRY DEPT.	\$204,836
NATURAL RESOURCES DEPT.	\$7,605,733
POLLUTION CONTROL AGENCY	\$719,238
PUBLIC SAFETY DEPT.	\$3,930,288
PUBLIC UTILITIES COMMISSION	\$297,929
REVENUE DEPT.	\$7,201,568
TRADE & ECONOMIC DEV. DEPT.	\$1,394,999
TRANSPORTATION DEPT.	\$2,735,830
VETERANS AFFAIRS DEPT.	\$167,031
ZOOLOGICAL BOARD	\$526,785

July 2002

DRAFT

**BOARD OF WATER AND SOIL RESOURCES
PRAIRIE WOODS ENVIRONMENTAL LEARNING CENTER
12718 – 10TH STREET NE
SPICER, MN 56288
JULY 25, 2002**

BOARD MEMBERS PRESENT:

Lee Coe, Jerome Deal, Dwain Otte, Bruce Olsen-MDH, Mark Dittrich-MDA,
Lisa Thorvig-MPCA, Ginny Imholte, Jack Frost, Char Kahler, Victor Ormsby, Karen
Harder, Steve Morse-DNR

BOARD MEMBERS ABSENT:

Jim Anderson-MES, Paul Krabbenhoft, Clair Nelson, Darrell Bruggman,

STAFF PRESENT: Ron Harnack, Tammy McGlone, Mary Jo Anderson, Jeff Nielsen,
Tom Fischer, Carla Swanson-Cullen

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July 25, 2002
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Chair Coe called the meeting to order at 9:00 a.m.

Chair Coe thanked Mary Jo Anderson and Tom Fischer for organizing the tour, accommodations, and making arrangements to meet at the Prairie Woods Environmental Learning Center.

Ron Harnack reported that Joann Coover has resigned as a board member representing county commissioners.

Chair Coe welcomed Bruce Olsen representing the Department of Health.

**** Adopt Agenda** – Moved by Char Kahler, seconded by Jack Frost to approve the agenda as presented. Motion passed on a voice vote.
02-54

**** Minutes of June 26, 2002** – Moved by Jack Frost, seconded by Jerome Deal, to accept the minutes of June 26, 2002, as circulated. Motion passed on a voice vote.
02-55

OPEN MIKE

Jerome Deal reported ^{on} that the Red River Basin "River Watch".

REPORTS

Chair's Report – Lee Coe reported that the EQB did not meet. ~~The DRC will meet on August 5.~~

Executive Director – Ron Harnack reported that "Minnesota Recovers" is meeting with representatives from agencies to discuss and address the disaster counties.

Ron stated that it's critical that BWSR's cost-share committee and representative agencies meet to address the federal EQIP, 319 and Farm Bill issues.

Ron and Tammy McGlone met with Craig Johnson and Paul Aasen, Governor's Office, and Keith Bogut, Department of Finance, on July 23 to discuss the budget reduction issues and the additional 10% reduction BWSR is faced with. Due to the wording of the "phase two" reductions we may not be able to use the roll-over special projects fund.

Ron commented on the modernization of the SWCDs, this will be looked at in conjunction with the budget reductions in terms of SWCD capacity, authority, empowerment, revenue source, and elections.

Ron stated that there is good collaboration with other agencies on the local water planning integration and initiative.

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Page Three

Dispute Resolution Committee – Chair Coe stated that the committee will meet on September 9 to hear ^{four} ~~nine~~ appeals. Ron commented on a wetland appeal and the frustration with legality issues. Steve Morse and Lisa Thorvig suggested that BWSR formally ask the Attorney General's office for assistance so BWSR has the ability to hire an outside counsel to enforce the law, without the Attorney General's assistance.

Wetlands Committee - Ron Harnack stated he and John Jaschke have been meeting with the U.S. Army Corps of Engineers (USACoE) regarding streamlining the general permit (GP-2) process. The USACoE is willing to move forward with the GP-2.

Cost-Share/Soil Conservation Committee – Dwain Otte reported that feedlot work is moving forward. Ron stated that BWSR's Cost-Share Committee can be influential in the implementation of the new Farm Bill. It's important that BWSR's guiding principles and recommendations go to the NRCS State Technical Committee.

Education/Public Relations Committee – Ginny Imholte stated that the Education Committee will meet on the morning of August 28. Ron Struss will continue to represent staff on the Education Committee. Victor Ormsby will replace Joann Coover on the Education Committee.

Administrative Advisory Committee – Chair Coe stated that he and Ron Harnack will be meeting with DNR, MPCA, MDA commissioners and agency representatives to discuss issues of mutual concern and establish open communication. The Administrative Advisory Committee will meet the end of August to discuss budget reduction issues.

AGENCY REPORTS

Mark Dittrich, Department of Agriculture, distributed the "Agricultural Drainage" publication for information. Mark reported that "Ag Day" at Lamberton is August 14, featuring new projects regarding drainage ditch designs. Mark reported that \$65,000 is now available for beaver damage control grants.

Bruce Olsen, Department of Health (MDH), gave an update on the drinking water wellhead protection plan. Bruce stated that MDH must have sources of public drinking water assessed by May 2003. This information will be available on MDH's web site in the spring. MDH has an advisory committee to develop a surface water intake plan. MDH would like to give BWSR an update and an in-depth presentation on surface water intake at an upcoming meeting.

Steve Morse, Department of Natural Resources (DNR), reported that he would do his best to attend BWSR meetings on a regular basis representing DNR. Steve reported that DNR's FY03 budget reduction is \$7.6M, a one-time reduction, overall \$13.3M

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budget reduction, about 12% of DNR's operating budget. Steve reported that the Divisions of Parks, Forestry, and Waters will be heavily affected by the budget reductions as they are general fund. Steve stated that the overall budget reduction needs to be put into perspective as it relates to open appropriations and general fund purposes. The overall state funds are being affected driven by the desire to bring down the cost of government in the state - what is the role of government and how do we serve the state.

Steve reported that DNR has completed their reorganizational structure. DNR now has four regions rather than six, implementation and transition during the next six months, it is a painful process.

Steve met with the Red River Basin people yesterday – he feels the Red River mediation process is at risk. Landowners and people are going directly to their congressmen regarding flood control projects. He stated we need to support the watershed district board, if others are not supporting that, people need to go back to the table. The important issue is to continue meeting, the team effort is crucial for information exchange and development of projects. Steve said that there is a growing political push for on-channel storage. The general regulatory perspective is to oppose on-channel projects due to resource impacts, however we need to better define the impacts and focus on where storage can be done effectively and efficiently.

Steve reported that DNR has kept a low-profile on targeted testing of suspicious animal behavior regarding Chronic Wasting Disease (CWD). More visibility and education on CWD will be available in August and September.

Lisa Thorvig, Pollution Control Agency (MPCA), reported that MPCA has published a permitting and compliance plan for the wastewater treatment facility program to address the Office of the Legislative Auditor's recommendations. MPCA will report on their progress to the legislature in a report due on January 15, 2003.

Lisa reported that MPCA's public noticed a proposed update of Minnesota's impaired waters list on July 8, 2002. This proposal will add an additional 500 lakes and stream segments to the list, which increases the number of impaired waters listed to 1,780. The public comment period closes on August 7, 2002.

Lisa distributed a copy of the public notice of a regional total maximum daily load (TMDL) report for fecal coliform. The public comment period runs from July 8 to August 6, 2002. This regional TMDL addresses 20 impaired water segments in southeast Minnesota. MPCA is hosting a public information meeting on this TMDL in Rochester on July 30, 2002.

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Page Five

Lisa reported that MPCA will be issuing a State Register notice of intent to revise the storm water rules in late July or early August. The rule revisions will add in the federal phase II requirements, which will include the criteria MPCA will use to designate additional small cities to have storm water management programs. MPCA hopes to have these rule revisions completed by the federal deadline of December 9, 2002. Mark Dittrich asked Lisa to comment on the construction of storm water systems at an upcoming meeting.

Chair Coe called for a break in the meeting at 11:15 a.m. The meeting reconvened at 11:30 a.m.

Chair Coe introduced Harlan Madsen, Kandiyohi County Commissioner. He welcomed BWSR to Kandiyohi County. Harlan is chair of the Minnesota River Joint Powers Board (MNRJPB). Harlan asked for BWSR's input and suggestions to MNRJPB's mission.

NEW BUSINESS

Lake of the Woods SWCD Resolution to Change Supervisor Boundaries - Ron Harnack explained that the Lake of the Woods SWCD passed a resolution on June 13, 2002, to change the supervisor nominating areas. Effective June 14, 2002, the Lake of the Woods County Commissioner district boundary lines were redrawn. The Lake of the Woods SWCD would like to keep the supervisor boundaries the same as the county commissioner boundaries. Ron stated that similar situations arise where county commissioner boundaries are changed due to the recent census. Where SWCDs have been using the county commissioner districts for nominating supervisors wish to continue doing so, it would be desirable for the Executive Director to certify nomination district resolutions without Board approval each time. Ron stated that this is a decision item, a resolution to certify the change is necessary. Moved by Dwain Otte, seconded by Jerome Deal, to approve the Lake of the Woods SWCD resolution to change supervisor boundaries, with the Executive Director authorized to certify nomination district change resolutions resulting from the recent census. Motion passed on a voice vote.

**
02-56

Review and Discussion of EQB Water Resources Priorities for 2004-2005

Biennium. Ron Harnack explained the Governor's Water Unification Initiative and Minnesota Statutes call for the EQB to determine the state's water priorities and set the framework for water-related elements of the biennial budget. EQB approved five priorities at their June 20, 2002 meeting: 1) improve the monitoring and assessment of Minnesota's waters; 2) help agriculture protect, restore and enhance Minnesota's waters; 3) manage water for smart growth; 4) take new steps to protect Minnesota's lakes; and secure stable financing for Minnesota's waters. Ron stated that EQB also

found it important to maintain key elements of the infrastructure of the state's water program: the ability to monitor and understand Minnesota's water resources and important threats to them; water-related data management and information sharing tools and expertise; and integrity of the basic water regulatory program.

Budget Reduction Implications for Local Governments and Local Soil and Water Resources Program Implementation – Ron Harnack presented the FY2004-05 budget preparation information as discussed with the Department of Finance on July 17. The BWSR budget base/reduction target 10% plus salary and inflation will approach 15+%. Ron stated that challenges are before us, it's not easy, how can we collectively meet a common ground and restructure programs. Keep in mind the impacts and outcomes, integrated efficiencies, identify duplication of efforts in agencies -- how do we deal with these? Discussion followed. Ron stated that staff will develop some ideas, use BWSR as a committee of the whole, share ideas with agencies, identify the successes, utilize the EQB/WRC, and challenge agencies. Ron stated that staff are assessing the reductions BWSR is faced with and also looking at initiatives for new funding. Ron stated that the Department of Finance will post the budget reduction information on their web site. BWSR needs to inform our clientele of the implications we are faced with. Steve Morse stated that DNR will go to field offices, regions, as well as locally, to address budget reduction implications and have broad discussions before resolution. Steve stated that discussion is needed on big picture solutions, this is an opportunity to request additional new funding sources while working together. Lisa Thorvig stated that MPCA has been successful in letting the legislature know that MPCA is willing to give up some dollars and ask for new funding initiatives. Bruce Olsen suggested using the staff that have experience. Ron's strategy is to meet with agencies and the BWSR committee as a whole. Ron will meet with AMC, MAWD and MASWCD. Lisa suggested other agencies meeting with BWSR and AMC to discuss this together, addressing issues at the same time. Ron asked board members to contact him with ideas. Chair Coe stated that's it's good to look at this on a positive note, as an opportunity to give up some dollars now for new funds in the future.

UPCOMING MEETINGS

- Next BWSR Meeting is August 28 in St. Paul
- BWSR Meeting September 25, in conjunction with the Local Water Planning Conference in Hinckley
- AMC Conference, September 5-6, Alexandria

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- ** Moved by Victor Ormsby, seconded by Jerome Deal, to adjourn the meeting at 12:45 p.m.
02-57 Motion passed on a voice vote.

Respectfully submitted,


Leland Coe
Chair

Dispute Resolution Report
July 11, 2002

There are presently nine appeals pending. All of the appeals involve WCA.

The most recent appeal is of an exemption determination in the City of Zumbrota. The appeal will likely be held in abeyance as it is remanded to the Goodhue SWCD since a TEP was not held and a staff individual made the decision.

Another appeal is of a replacement plan in the City of Albertville in Wright County. The appeal is in abeyance since it has been remanded to the city because a TEP was not held.

There are two appeals of a replacement plan approval in Brooklyn Center for a highway project. The Shingle Creek WMO made the WCA decision. Both appeals have been accepted, a pre-hearing was held and a hearing is scheduled for September 9.

There is an appeal of the Board's remand to Mower County regarding a landfill site. Under remand, the county denied an application for no-loss. The appeal has been accepted and a pre-hearing was held on April 11. The appeal is in abeyance since the appellants have filed a new WCA application and are waiting for a decision on the new application before proceeding with the appeal.

Another appeal is of an exemption determination in Hennepin County. The appeal involves a horse barn that is already built. The appeal has been accepted, a pre-hearing was held and a hearing is scheduled for September 9.

Another appeal involves the Board's remand to McLeod County. Under remand, the county approved an agricultural exemption. The appeal has been accepted, a pre-hearing was held and a hearing is scheduled for September 9.

Another appeal is of a replacement plan denial in Stearn's County. The appeal involves a single family dwelling site near the Mississippi River. The appeal has been accepted, a pre-hearing was held and the appeal is in abeyance as settlement is explored.

Another appeal involves a wetland banking site in Chisago County. The appeal has been accepted and is being held in abeyance to see how the site looks this summer.

RECEIVED

AUG 12 2002

Nomination Districts Resolution

REVISED

Bd. of Water & Soil Resources
St. Paul

Be it resolved by the Lake of the Woods Soil and Water Conservation District Supervisors that pursuant to M.S. 103C.311, the district be divided into five areas for nominating candidates for the positions of Soil and Water Conservation District Supervisors to be elected at large as follows:

<u>District</u>	<u>Description of Boundaries</u>
I	West Baudette and that portion of the Baudette Township lying East of C.R. #75.
II	East Baudette, Gudrid Township, Rapid River Township, UT 157-30, UT 158-30, Boone Township, Swiftwater Township, and Kiel Township.
III	Walhalla Township, Potamo Township, Rulien Township, Victory Township, Forest Area, Spooner Township, that portion of McDougald Township lying South of S.T.H. #11, and Williams.
IV	Wheeler Township, Wabanica Township, that portion of McDougald Township lying North of S.T.H. #11, and that portion of Baudette Township lying West of C.R. #75.
V	Lakewood Township, Prosper Township, Zippel Township, Myhre Township, Chilgren Township, Northwest Angle and Islands, and Roosevelt.

I, Lynn Hilbrand, Secretary of the Lake of the Woods Soil and Water Conservation District, do hereby certify that the above resolution relating to the division of the Lake of the Woods Soil and Water Conservation district into five nominating areas was adopted by the said District Supervisors at a regular meeting held on June 13, 2002, that I have compared the above copy with the original resolution as set forth in the minutes of said meeting, and it is a true and correct copy of and transcript from said original and the whole thereof. I further certify that said meeting of the Board was duly called and held, that a quorum of members of said Board was present thereat, and that said resolution was duly adopted thereat by a vote of five to zero of the members present.

Signed:
Secretary

Lake of the Woods Soil and Water Conservation District

Be it resolved by the Board of Water and Soil Resources that the division of the Lake of the Woods Soil and Water Conservation District into five nominating areas as set forth in the above resolution adopted by the supervisors of said district on June 13, 2002, is hereby approved.

I, Ronald D. Harnack, Executive Director of the Board and Water and Soil Resources, do hereby certify that I have compared the above copy of resolution relating to the division of the Lake of the Woods Soil and Water Conservation District into five nominating areas adopted by said Board at a regular meeting held on July 25, 2002, with the original and the whole thereof. I further certify that said meeting of said Board was duly called and held, that a quorum of members of said Board was present thereat, and that the said resolution was duly adopted thereat by a vote of 12 to 0 of the members present.

Signed:

Executive Director
Board of Water and Soil Resources

Filed 9th day of August, 2002.

Signed:

County Auditor
Lake of the Woods County

**BWSR Budget Base/Reduction Target
General Fund**

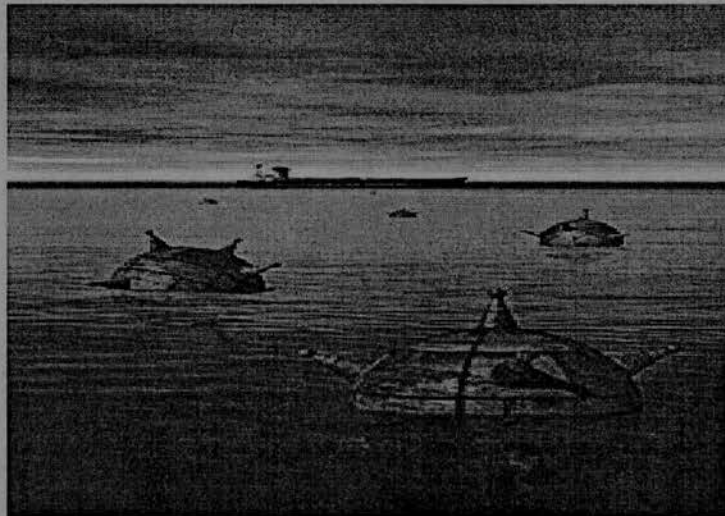
		FY 2003	FY 2004	FY 2005
<u>Operating Budgets</u>				
Administration Appropriation				
Appropriation Amount	4,231,000.00			
Reduction	<u>(523,000.00)</u>			
		3,708,000.00	3,708,000.00	3,708,000.00
RIM Administration		476,000.00	476,000.00	476,000.00
TOTAL		<u>4,184,000.00</u>	<u>4,184,000.00</u>	<u>4,184,000.00</u>
<u>Grant Budgets</u>				
Cost Share Work				
Appropriation	4,735,000.00			
Reduction	<u>(800,000.00)</u>			
		3,935,000.00	3,935,000.00	3,935,000.00
Area II				
Appropriation	189,000.00			
Reduction	<u>(49,000.00)</u>			
		140,000.00	0.00	0.00
NRBG				
Appropriation	4,918,000.00			
Reduction	<u>(382,000.00)</u>			
		4,536,000.00	4,536,000.00	4,536,000.00
Services Grants (SWCD/NPEA/RIM)		<u>4,037,000.00</u>	<u>4,037,000.00</u>	<u>4,037,000.00</u>
Total General Fund Appropriation		<u>16,832,000.00</u>	<u>16,692,000.00</u>	<u>16,692,000.00</u>
10% Reduction Plan			1,669,200.00	1,669,200.00
Costs to Absorb in Base				
Salary Inflation at 2.5%*			90,789.68	183,849.10
Rent Increase**			6,909.00	14,025.00
All other operating inflation at 2.5%			<u>8,053.00</u>	<u>16,307.00</u>
			105,751.68	214,181.10
Reduction plus Inflation			<u>1,774,951.68</u>	<u>1,883,381.10</u>

*Based on 7/23/02 salary projections for General Fund accounts.

**Some leases do not have rates set for this time period as yet so 2.5% applied for this purpose.

7/24/2002

FY 2004-05 Budget Preparation



Pamela Wheelock, Commissioner
Minnesota Department of Finance

July 17 & 22, 2002

Backdrop for FY 04-05 Budget Preparation

- Additional forecast risk remains for *current* biennium
 - Year-to-date revenues below forecast
 - 12 months remaining with small reserve
- FY 2004-05 budget gap of \$1.6 to \$2.7 billion (9.5%) based on current law and projected inflation
- Not unique – other states facing similar or worse problems
- Election year transition in Administration now definite

2002 Session Faced Forecast Deficit of 9.1% of the FY02-03 Budget

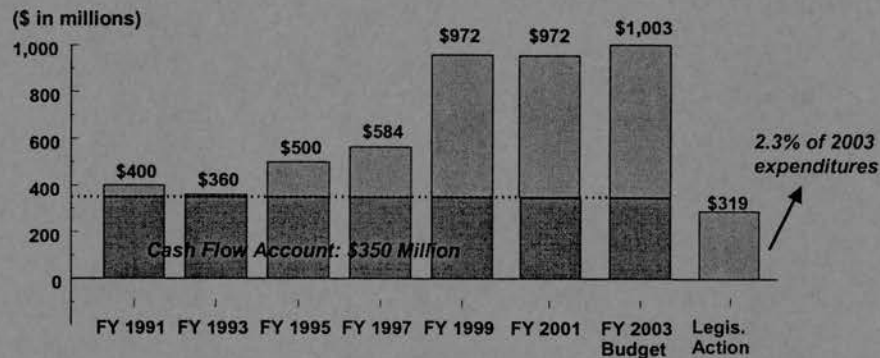
(\$ in millions)	<u>Feb Fcst</u>	<u>Legis. Action</u>	<u>Change</u>
Beginning Balance	\$1,574	\$1,574	0
Revenues	25,154	25,662	508
Spending	27,842	26,917	(925)
Reserves			
Cash Flow Account	350	0	(350)
Budget Reserve	653	319	(334)
Tax Relief Account	158	0	(158)
Other Reserves	14	0	(14)
<i>Balance (Deficit)</i>	<i>(\$2,289)</i>	<i>\$ - 0 -</i>	<i>(\$2,289)</i>

Shifts and One-Time Savings Moderated Spending Cuts in Addressing FY02-03 Deficit

**\$2.289 Billion
Budget Gap**

\$509 million \$98 million	Payment Changes, Shifts, All Other – 27%
\$605 million	One-time Actions, Refinancing – 26%
\$856 million	Reserves – 38%
\$221 million	Spending Cuts – 9%

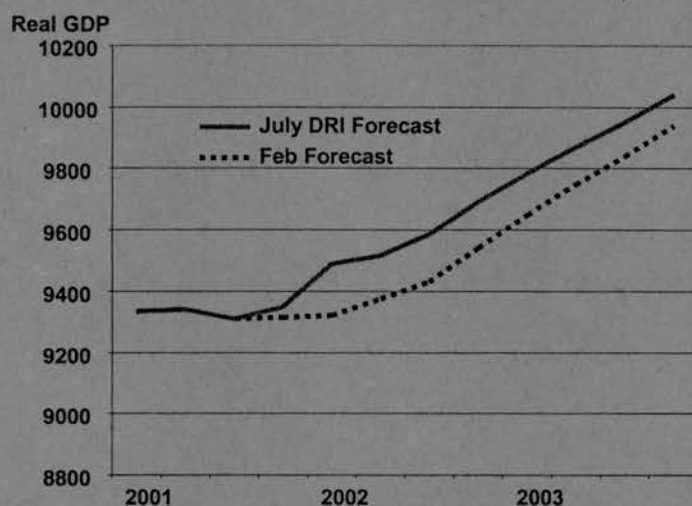
The Current \$319 Million Reserve is 2.3% of FY 2003 Spending



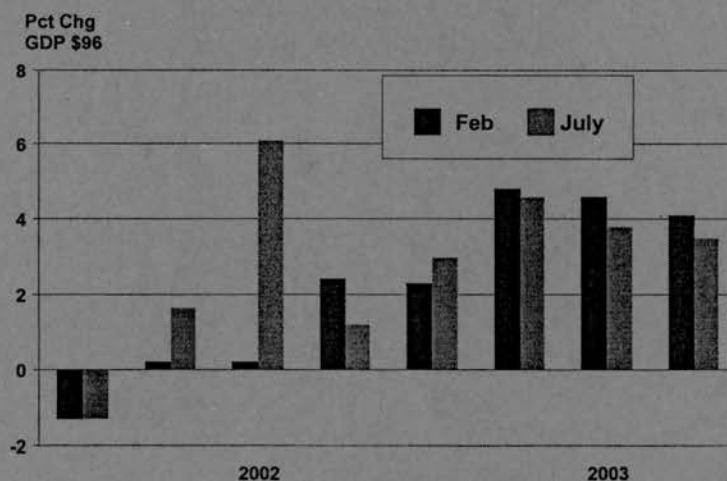
Current Budget is Still At Risk: FY02 Revenues were Down \$212 Million

	Estimate	Actual	Variance	Percent
Income	\$5,820	\$5,513	-\$307	-5.3
Sales	3,740	3,775	36	0.9
Corporate	533	533	0	0.1
Motor Vehicle	418	424	6	1.5
Other	1,964	2,017	53	2.7
Total	\$12,475	\$12,263	-\$212	-1.7

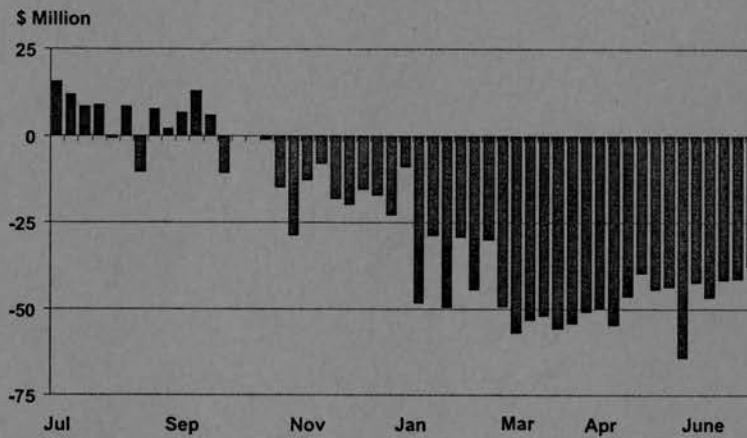
Actual and Forecast GDP is Higher than Projected in February



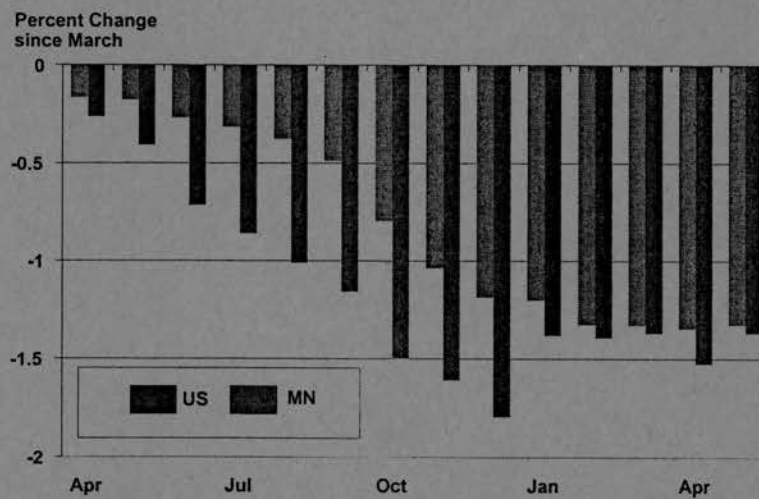
But the Good News is Behind Us – Revenues Remain Below Forecast



FY 2002 Withholding Receipts Were Below Last Year's Levels



Payroll Employment Losses In Minnesota Are Similar to US Averages



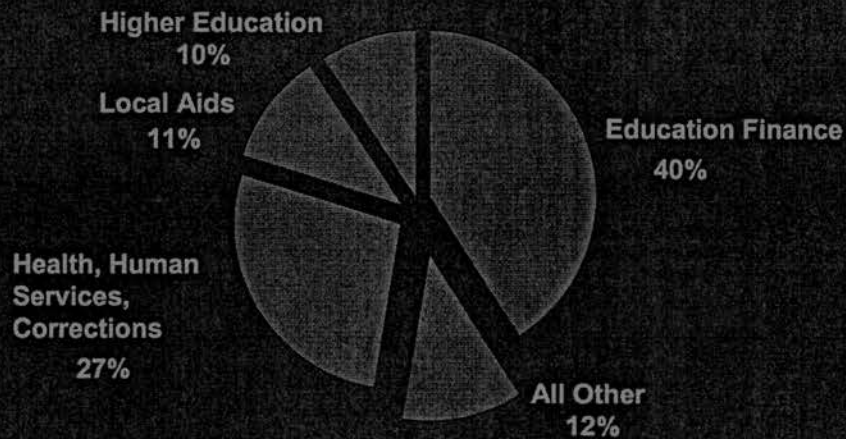
The Challenge: a \$1.6 to \$2.7 Billion Gap for the "04-05" Budget

	Current Budget		Next Biennium	
	FY 2002	FY 2003	FY 2004	FY 2005
Revenues	\$12,358	\$13,304	\$13,814	\$14,677
Spending	<u>13,059</u>	<u>13,858</u>	<u>14,861</u>	<u>15,183</u>
Structural Gap	(701)	(554)	(1,047)	(506)
Est. Inflation @2.5%	---	---	362	749
Difference	\$(701)	\$(554)	\$(1,409)	\$(1,255)

Four Factors Contribute to the \$2.7 Billion Problem for FY 2004-05

- Forecast general revenues will increase \$2.8 billion (11.0%) over FY 2002-03.
- *Current law* spending will increase \$3.1 billion (11.6%) over FY 2002-03.
- While the *rates of growth* are close, we start "in the hole" by having spent \$1.3 billion more than we collected in FY 2002-03. (Balances and reserves "covered" this difference.)
- Projected inflation at 2.5% per year adds nearly \$1.1 billion to the problem.

Eighty-eight Percent of the Budget is in the "Big Four" Areas



FY 2004-05 Budget Approach will be Different

- **Key steps:**
 - Preparing background materials:
Inventory and analysis of state
programs and activities
 - Identifying reduction options
 - Identifying ranges of alternatives

Ten Percent Reduction Planning

- Broad tax and spending targets will not be available until post-election
- Size of the projected FY 04-05 shortfall and gubernatorial transition make it necessary to identify spending reduction *alternatives*
- Agencies must identify the “weakest links” to results and lowest priorities
- Applies to all state funds, not just general fund activities

The “Base” for Agency Budget Development will be Different

- Starting point -- FY 2003 appropriations plus/minus only technical adjustments
- Does not include “policy” base adjustments (ie.compensation, rent)
- Agencies must plan to absorb potential compensation or other inflationary increases in all funds

Change Items will Likely be Categorized for Review

- **Ten Percent Plan**
 - **Current Services Changes**
 - Presentation of compensation, rent, other price adjustments will be decided by next administration
 - **Alternatives**
 - **New Initiatives**
-
- *Do not expect deficiency or supplemental funding for FY 2003*

Our Obligation: Assist in Planning a Transition Budget

- *Agencies must focus on developing information and alternatives – not a single “agency request”*
- *Background Information – agency profiles and lower level narratives must describe services and costs*
- *Reduction Plans – workable, prioritized cuts*
- *Alternatives – clearly mapping choices, possible tradeoffs*

Key Dates for Budget Development

- **May 31:** Agency profiles completed
- **Aug. 1:** Budget system & salary roster loaded
- **Aug. 2:** Budget reduction and change item instructions issued
- **Aug. 30:** Program & activity level narratives completed
- **Oct. 15:** Agency revenue forecasts completed
Agency historical, current year fiscal data published
Change items & alternatives due

Key Dates for Budget Development

- **Nov. 5:** Election Day
- **Nov. 30:** Agencies' budget info to legislature
- **Dec 2-6:** Economic and budget forecast

-
- **Dec. – Jan:** Budget review, Governor's decisions
 - **Jan 28 – Feb 18:** New Governor's budget submitted to Legislature

Additions and Updates to the Budget
Instructions at:

www.finance.state.mn.us



Issues and Answers

by Lowell Busman and Gary Sands

The **Agricultural Drainage** series covers such topics as basic concepts; planning and design; surface intakes; economics; environmental impacts; wetlands; and legal issues.

WHAT IS AGRICULTURAL DRAINAGE?

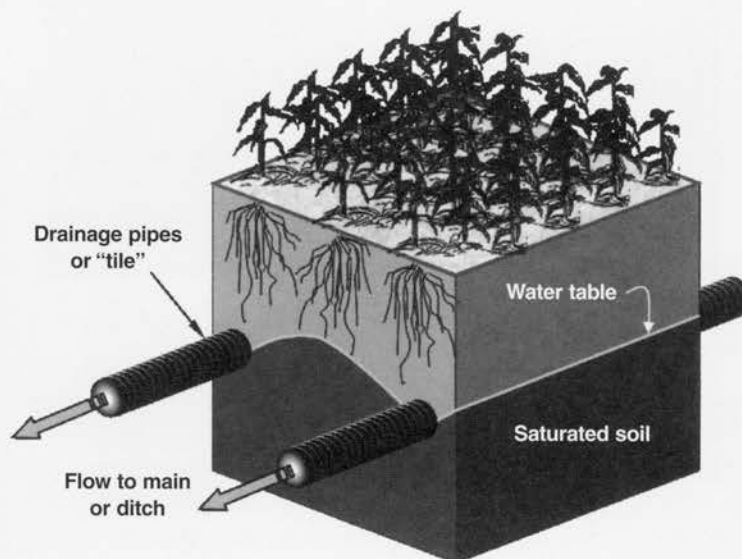
Agricultural drainage is the use of surface ditches, subsurface permeable pipes, or both, to remove standing or excess water from poorly drained lands. During the late 1800s, European settlers in the Upper Midwest began making drainage ditches and channelizing (straightening and reshaping) streams to carry water from the wet areas of their farms to nearby streams and rivers. Later, farmers increased drainage by installing subsurface drainage pipes generally at a depth of three to six feet. Until the 1970s, most subsurface drainage pipes were made from short, cylindrical sections of concrete or clay called "tile." That is why terms like tile, tile drainage, and tiling are still used, even though most drainage pipe today is perforated polyethylene tubing. When installing a subsurface drainage system, pipes are either strategically placed in a field to remove water from isolated wet areas or installed in a pattern to drain an entire field. In some areas, surface inlets or intakes (risers extended from underground pipes to the surface) remove excess surface water from low spots in fields.



Poorly drained agricultural land

WHY IS AGRICULTURAL DRAINAGE NEEDED?

Many soils in the Upper Midwest, as well as soils in other regions of the U.S. and the world, have poor natural internal drainage and would remain waterlogged for several days after excess rain without artificial drainage. This prolonged wetness prevents timely fieldwork and causes stress to growing crops because saturated soils do not provide sufficient aeration for crop root development. The roots of most crops grown in Minnesota cannot tolerate excessively wet conditions for more than a couple of days. Soil conditions that make drainage a necessity for some agricultural lands include those with slow soil water permeability or dense soil layers that restrict water movement, flat or depressional topography and, in some areas, high levels of salts at the soil surface. Large areas of Minnesota would not reliably produce crops if artificial drainage systems had not been installed.

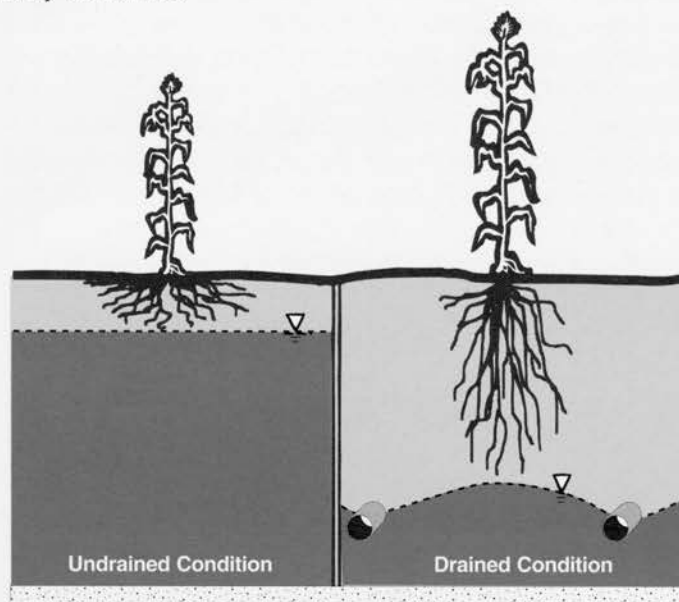


Subsurface drainage pipes are typically placed at depths of 3 to 4 feet in poorly drained soils.

Farmers must make a significant financial investment when installing an agricultural drainage system. They are willing to make this investment for two major reasons:

1. Agricultural drainage systems usually increase crop yields on poorly drained soils by providing a better environment for plants to grow, especially in wet years.
2. The systems generally help improve field conditions for timely tillage, planting and harvesting.

These two factors have improved agricultural production on nearly one-fifth of U.S. soils¹. The most recent USDA comprehensive survey of drained lands showed that in 1985, 30 percent of all agricultural lands in the Upper Midwest (Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, and Wisconsin) were artificially drained². Minnesota has large areas of poorly drained soils: e.g., 66 and 59 percent of the soils in the Red River and Minnesota River basins, respectively³. In recent years, farmers have installed as much as 100 million feet of subsurface drainage pipe in Minnesota annually⁴. A significant portion of new drainage activities is replacement and enhancement of old drainage systems. As old systems age and decay, replacement activities will likely continue.



Subsurface drainage promotes better root growth and plant health when soils have poor internal drainage.

WHAT ARE THE ISSUES?

Although agricultural drainage has benefited agricultural production in many regions and countries, there are concerns about its potential environmental impact. Subsurface drainage systems have a positive impact because they generally decrease the amount of surface runoff, thereby

reducing the loss of substances generally transported by overland flow. There are concerns, however, about the potential negative impacts of drainage on the hydrology of watersheds, the water quality of receiving water bodies, and the amount and quality of nearby wetlands.

Hydrology

Drainage systems are designed to alter field hydrology (water balance) by removing excess water from waterlogged soils. There are concerns about the downstream hydrological effects caused by draining this excess water. Anecdotal evidence indicates that streams and ditches have become "flashier" over time, spilling over their banks and causing localized crop damage. Some research articles suggest that the most dramatic hydrological changes in a landscape occur when it's converted from native vegetation to agricultural production, and that subsurface drainage may reduce peak flows in some situations^{5,6,7}. A recent regional publication⁸ summarized the environmental impacts of subsurface drainage on agricultural land. The authors concluded that subsurface drainage reduces surface runoff by 29 to 45 percent, reduces peak flows from watersheds by 15 to 30 percent, and has little impact on the total annual flow from watersheds. A publication that summarized drainage studies from several countries concluded that subsurface drainage generally decreases peak flows in fine textured soils but often increases those flows in coarser, more permeable soils⁹. This publication also found that subsurface drainage often increases base flow to streams. Locally based research is necessary, however, to better understand the impact that drainage can have at watershed scales. In addition, the impact of surface inlets on watershed hydrology is an important issue currently being examined.

Water quality

Surface drainage (enhancing overland runoff) tends to increase the loss of nutrients and sediment that occur with surface runoff. Subsurface drainage, however, can decrease surface runoff, thereby reducing sediment losses by 16 to 65 percent and phosphorus losses by up to 45 percent¹⁰. The main water quality concern about subsurface drainage is the increased loss of nitrates and other soluble constituents that can move through soil to drainage systems and end up in nearby surface water. In addition, surface intakes, which are common across southern Minnesota and northern Iowa, provide a fairly direct pathway for sediment and other contaminants in surface runoff to reach nearby surface waters.

Wetlands

Despite the fact that wetlands are protected by various regulations, it is estimated that over 60,000 wetland acres are lost nationally each year¹¹. The loss of wetland ecosystems — valued for their wildlife habitat, for water storage, and increasingly for their potential role to improve water quality — is not easy to quantify. But it's likely that agricultural and urban drainage activities both cause wetland loss.

WAYS TO REDUCE THE POTENTIAL IMPACTS OF AGRICULTURAL DRAINAGE

Many current drainage research and Extension programs throughout the country are trying to find ways to reduce the potential environmental impacts of agricultural drainage while retaining its agronomic benefits. Some management practices have been effective; others are presently being examined. Both are described in the following sections:

Improved Nutrient Management on Drained Soils

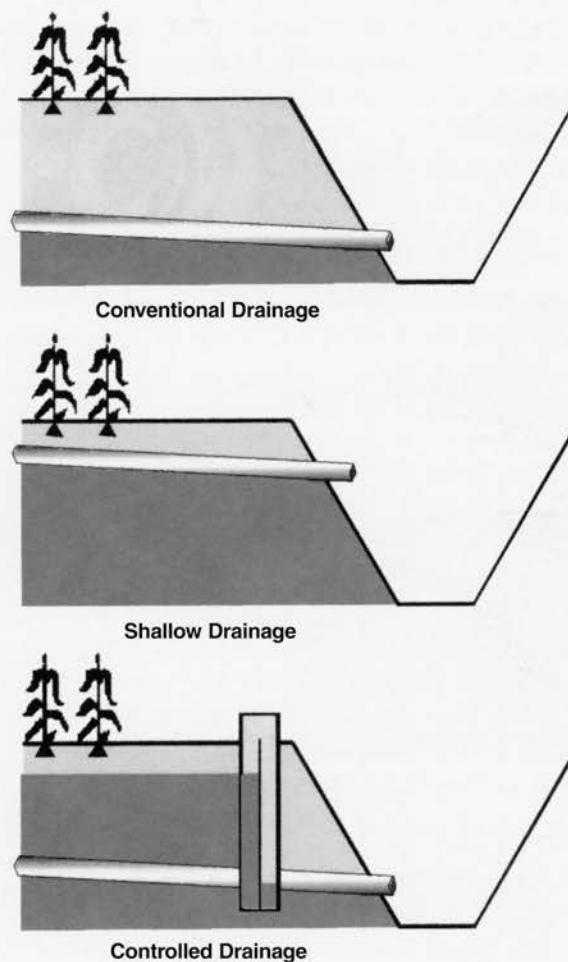
The proper management of crop nutrients (nutrient source, application rate and timing) is an important way to help control the loss of nutrients through surface runoff and subsurface drainage water. It's been shown that the application of nitrogen fertilizer at rates higher than those recommended by the University of Minnesota increases the amount of nitrate removed through subsurface drainage systems¹². Since university recommendations are based on an optimum economic return, over-application of nitrogen fertilizer should be less profitable. It should be noted, however, that drained agricultural soils have significant nitrate losses from the natural process of organic matter mineralization. Improved nutrient management can potentially reduce nitrate losses on drained lands by up to 30 percent¹³.

Changes in Cropping Systems

Row crops such as corn and soybeans experience considerably more nitrate loss through subsurface drainage flow than perennials such as alfalfa and brome grass¹⁴. So the incorporation of alfalfa or other perennials into farmers' crop rotations could significantly decrease nitrate losses to nearby surface water. While alfalfa may be a financially sound crop for some operations, it is not an economically viable solution for many Minnesota farmers.

Improved Drainage System Design

Subsurface drainage systems are designed to remove excess water from soil quickly enough to minimize crop stress in most years. Agricultural engineers have developed depth and spacing guidelines for installing drainage pipes. For example, recommendations for the many clay-loam soils prevalent in much of southern Minnesota call for placing drainage pipes approximately three feet deep and 60 feet apart or four feet deep and 80 feet apart. Either design should remove water at the same rate and give similar crop yields. It has been proposed that placing drainage pipes at shallower depths might result in less nitrate loss. This would happen because nitrate would be more likely to reach a biologically active but saturated zone and be converted to nitrogen gas by denitrifying bacteria. The conversion of nitrate/nitrogen to nitrogen gas would prevent the nitrate from reaching the drainage pipes and nearby surface waters. This practice, if proven effective, offers the advantage of being applicable anywhere that drainage systems are installed. It also requires no new management or capital investment.



Studies will determine if shallow drainage and controlled drainage reduce nitrate losses in Minnesota.

Controlled Drainage

Controlled drainage has become recognized as an effective practice — and in other states, a best management practice — for mitigating nitrate losses from drainage systems. This practice involves placing simple water control structures at various locations in the system to raise the water elevation. This elevated water causes the water table in the soil to rise, which, in effect, decreases the drained depth of the field. Researchers from North Carolina, Ohio, Michigan and Canada have demonstrated that controlled drainage decreases the volume of water drained (15-35 percent), slightly increases surface runoff (because soils have less space to store water), and significantly decreases (up to 50 percent) nitrate losses seen in conventionally drained fields¹⁵. Decreases in nitrate losses have been attributed primarily to reductions in the volume of water drained and, to a somewhat lesser extent, by increased denitrification in the soil. If managed properly, controlled drainage has the potential to improve crop yields by making more water available to plants.

The application of controlled drainage techniques is limited, however, by topography. The process is economically unfeasible on land slopes greater than about one percent because more water control structures are needed as slopes increase. In addition, controlled drainage adds new management requirements to systems (also increasing with slope) that some will view as a disadvantage.

Surface Inlet Alternatives

Alternatives to the traditional "open inlet" are being used more frequently around Minnesota. One design involves digging a trench, placing drainage pipe at its bottom, and filling the trench with small rock. These "rock" or "blind" inlets slow the flow of water (compared to open inlets) and may reduce the amount of sediment reaching the drainage system. Another design involves the installation of subsurface drainage pipes in a very tight pattern in a small area in the middle of a wet spot. Another, more traditional, technique involves replacing open inlets with perforated risers. All these designs have the potential to do a better job of protecting water quality than open inlets, while still providing adequate drainage so crops don't "drown."

Wetlands

Wetlands have been proposed as a means of treating water from drainage systems before it is released into nearby rivers or lakes. Biological activity in wetlands can be effective at removing nitrate by converting it to nitrogen gas through a denitrification process that's similar to what occurs in

soils. Researchers in Iowa¹⁶ suggest that wetlands can remove from 20 to 80 percent of the annual nitrate in subsurface drainage water depending on the ratio between the areas of drained land and wetland.

This approach to "treating" drainage water presents some challenges. Site topography may pose difficulties in getting subsurface drainage waters to the surface and into wetlands. Land requirements and the cost of construction are also important economic factors. Finally, the bulk of nitrate losses from drained lands in Minnesota occur in early spring when wetlands are not functioning at their peak capacity to remove nitrate, because of low temperatures and high water flow rates. The potential effectiveness of wetlands in treating drainage water in colder climates requires more research.

WHAT RESEARCH ACTIVITIES ADDRESS THESE ISSUES?

An array of new and ongoing research and Extension projects target important drainage issues in both the Minnesota River and Red River of the North basins. These projects involve research facilities at the University of Minnesota's St. Paul Campus, the university's Research and Outreach centers, and cooperating farmers' fields. Current projects include:

Crop-Nutrient Management and Cropping Systems

Subsurface drainage plots established over 20 years ago continue to examine how much impact fertilizer and manure application rates and timing, cropping systems, and other management practices have on the amount of nutrient loss from drainage flow.

Drainage System Design

Field-size plots of two to six acres at the University of Minnesota Southern Research and Outreach Center in Waseca (SROC) measure the effects of drainage depth and spacing on crop yield and surface/subsurface water quality. Computer simulations will be used in concert with field research to estimate the long-term effects of these practices. It is anticipated that this research will lead to better drainage design recommendations for southern Minnesota.

Controlled Drainage

The SROC is investigating the effects of controlled drainage on crop response and water quality on six half-acre plots. Researchers hope to see if this practice is feasible so they can develop water management strategies for southern Minnesota. Computer simulations will also be used to estimate the long-term performance of this technique.

Alternative Designs for Surface Inlets

Farmers, contractors, local governmental units and university researchers have been examining alternative surface inlet designs to see if they will provide adequate drainage and control the delivery of contaminants to receiving bodies of water. These projects include laboratory work, small research plots, and on-farm field-scale research. "Rock" inlets are being evaluated for their effectiveness in removing water and trapping sediment. A design and monitoring process is in place to assess the longevity and efficacy of these techniques.

Computer Simulation of Drainage Systems

A variety of projects have used computer modeling to investigate the performance of drainage systems and landscapes over several (often many) years. This work complements field research that is typically conducted over a shorter time frame. Some of these projects include simulating the effects of various management practices on drained watersheds, assessing the hydrology of drainage systems, and evaluating best management practices for drained fields.

Wetland Areas for Mitigation and Water Treatment Studies

Natural and constructed wetlands at SROC and the University of Minnesota Southwest Research and Outreach Center (SWROC) in Lamberton measure wetlands' potential to mitigate nutrient loss in southern Minnesota. The Agriculture Ecology Research Farm at SROC has wetlands that receive drainage water from approximately 100 acres of land. These wetlands function in a total water management system designed to improve water quality and reduce peak flows.

Drainage Ditch Design

Significant amounts of denitrification can occur in ditches, which can reduce the amount of nitrate that reaches area rivers. A paired-ditch evaluation project is underway at SWROC. The project compares the ability of two similar ditches to remove nitrogen under varying physical and flow characteristics. There is also research being conducted on a drainage ditch at SROC.

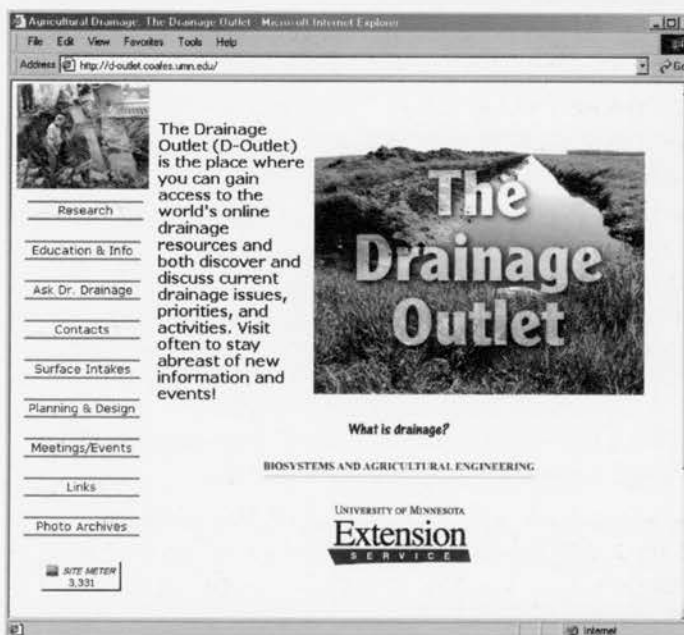
Yield and Hydrologic Impact of Subsurface Drainage in Northwest Minnesota

Research on farms and on plots at the University of Minnesota Northwest Research and Outreach Center in Crookston is investigating the impact of subsurface drainage on crop yields, water quality and hydrology in the Red River Valley.

WHAT EXTENSION ACTIVITIES ADDRESS THESE ISSUES?

A number of Extension initiatives address drainage issues, including:

- **Agricultural Drainage Publication Series.** This publication is the first in a series that addresses a variety of agricultural drainage issues. Series topics are:
 - The fundamentals of subsurface drainage and soil water
 - Planning a drainage system
 - The environmental impacts of drainage
 - The economics of drainage
 - Alternatives for surface inlets
 - Recommended management practices for drained soils
 - A summary of Minnesota drainage law
 - How to determine the benefits of a drainage system
 - The role of wetlands
 - The design and management of pumping stations
 - Frequently asked questions about drainage
- **The Drainage Outlet Website.** This provides another medium for discussion, education, and information sharing among drainage stakeholders. *The Drainage Outlet*, found at <http://d-outlet.coafes.umn.edu>, contains eight information pages: Research and Outreach, Ask Dr. Drainage, Contacts, Surface Intakes, Planning and Design, Meetings/Events, Links, and Photo Archives.



The "Drainage Outlet" website can be found at <http://d-outlet.coafes.umn.edu>

- **Annual Drainage Design Workshops.** Held in early March each year, these hands-on workshops are for people involved in drainage design from beginner through advanced levels.
- **Annual Iowa-Minnesota Drainage Forum.** The University of Minnesota and Iowa State University signed a memorandum of agreement in 2000 to collaborate on drainage research and outreach programs. The agreement calls for an annual bi-state drainage forum where a diverse group of drainage stakeholders can discuss needs, priorities and plans for drainage research and extension.

WHAT ARE THE EXPECTED OUTCOMES OF THESE PROJECTS?

Because research requires several years to acquire adequate data before any conclusions can be made, computer models and data from previous studies will be used to develop recommendations on agricultural drainage methods that will help protect the environment while meeting agronomic objectives. Recommendations will cover topics such as the best depth and spacing for pipes so systems deal successfully with environmental and economic considerations; design criteria for controlled drainage and alternative surface intakes; wetland design for water storage and treatment; and management of soils with subsurface drainage. Along with these recommendations will come improved predictions on the impact of agricultural drainage methods on water quality and economic return.

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OTHER RESOURCES

Agricultural Drainage Publication Series: Soil Water Concepts, 2001, Pub. #07644. University of Minnesota Extension Service, St. Paul. To order call 800-876-8636.

Agricultural Drainage Publication Series: Planning an Agricultural Subsurface Drainage System, 2001, Pub.#07685. University of Minnesota Extension Service, St. Paul. To order call 800-876-8636.

Department of Biosystems and Agricultural Engineering www.bae.umn.edu/extens

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ENVIRONMENT

SPECIAL REPORT



July 1, 2002

Water-Quality Point-Source Permitting and Compliance/Enforcement Plan

This special report provides an overview of the Minnesota Pollution Control Agency's (MPCA's) Water-Quality Point-Source Permitting and Compliance/Enforcement Plan. This plan is one part of a comprehensive approach to the regulation of water issues in Minnesota.

Plan Background

The MPCA regulates water pollution from both point and nonpoint sources. Point sources of water pollution include domestic and industrial facilities that discharge treated wastewater to surface water or land through distinct discharge points. (Permits for nonpoint sources, such as stormwater and feedlots, are not covered in this plan summary.)

Staff members in the water-quality point-source program issue permits, monitor compliance through data review and inspections, and enforce permit conditions. Specialists in engineering, hydrology, biosolids, pretreatment and effluent limits review provide technical support for the permitting and compliance/enforcement staff.

The MPCA's current staff complement working on permitting, compliance/enforcement and technical support is illustrated below. These figures include a reallocation in November 2001 of four full-time equivalents (FTEs) to water-quality point-source permitting and two FTEs to water-quality point-source enforcement.

MPCA FTEs Assigned to Water Quality Permitting and Compliance/Enforcement

MPCA Division	Permit Writers	Compliance Enforcement	Technical Support
Majors/ Remediation (MAR)	7.25	4.25	8.75
Regional Environ. Mgmt. (REM)	7.75	10.50	15.25
TOTALS	15.00	14.75	24.00

When this Plan was drafted, the MPCA had 1,394 total point-source water-quality permits for wastewater treatment facilities. Using the federal definitions, 86 facilities are classified as "major" and 1,308 are "minor,"

based upon the size of the facility, its potential discharges, and other factors. The distinction between majors and minors is important; major facility permits have more requirements, need more oversight, take longer than minor permits to complete, and discharge a much greater percentage of water pollutants statewide.

Internal agency analysis and two audits performed by the Office of the Legislative Auditor identified a current backlog of water-quality permits. The backlog consists of facilities operating under expired permits beyond five years (expired permits continue to remain in effect). As of January 2002, these backlogs were **54 percent** for facilities defined as major and **45 percent** for facilities defined as minor. Factors contributing to the permit backlog include circumstances both within and outside of MPCA control:

Outside of MPCA Control

- Regulatory policy changes have increased the complexity of some permits;
- Environmental groups, local governments and permittees have challenged more draft permits and prolonged discussions about permit content;
- Budget reductions in the MPCA's point-source permitting program (recommended by the Blue Ribbon Task Force and adopted by the Legislature) of 5 percent per year between 1999 and 2001; and
- In recent years, there has been an increase in the number of facilities requiring water-quality permits.

Within MPCA Control

- The MPCA's 1998 reorganization slowed the permitting process;
- In fiscal year 1999, the MPCA temporarily transferred water permitting staff into feedlot regulation; and
- The implementation in 1998 of the new computerized permit system (called DELTA) that eventually will speed permit issuance initially added time to the permitting process.

The MPCA has developed plans for reducing backlogs and stepping up compliance monitoring and enforcement. These plans are summarized briefly here, along with key program contacts.

For progress updates on this plan, visit the MPCA Web site, www.pca.state.mn.us.

Permitting

The following proposed strategies for reducing the permitting backlog include short-term strategies and long-term strategies or strategies dependent upon additional resources. The performance goals are ambitious, reflecting the MPCA's determination to improve efficiency.

The Goal: Increase the Number of Permits Issued

The MPCA will reduce its January 2002 54 percent backlog of major facility water-quality permits to:

- 38 percent by 12-31-02 and
- 18 percent by 12-31-03

Short-Term Strategies

The MPCA will reduce its January 2002 45 percent backlog of minor facility water-quality permits to:

- 38 percent by 12-31-02
- 28 percent by 12-31-03

By When?

Measurement

Short-Term Strategies	By Whom?	By When?	Measurement
Reissue 25 major facility permits	Majors and Remediation Division (MAR)	12-31-02	Number completed, report monthly
Reissue 100 minor facility permits	Regional Environmental Mgmt. (REM) Division	12-31-02	Number completed, report monthly
Place draft permits on public notice an average of 120 days after receipt of a complete application	MAR, REM Divisions	Beginning 7-15-02	Days elapsed between receipt of complete application and public notice, report quarterly
Provide effluent limits for a draft permit to the permit writer in 60 days or less after the complete application is provided to technical support staff	Environmental Outcomes (EO) Division	Beginning 7-15-02	Days elapsed between application for limits and receipt, report quarterly
Establish a permit forum, where staff bring unresolved permit issues for resolution	MAR and REM Divisions	Completed 4-1-02	Hold permit forum once a month
Assign priorities to permit applications	MAR, REM Division Supervisors	Completed 4-1-02	Supervisors track prioritized assignments, meet with staff quarterly
Develop a permit-writers' manual with clear direction and procedural assistance for staff new to permit writing	Policy and Planning (P&P)	12-31-02	Manual completed, distributed
Batch similar permits, allowing permit writers to develop language, limits and strategies that will expedite all permits of similar type and scope	REM Division	Underway since 4-1-02	Identify batch criteria, report quarterly
Revise phosphorus strategy to improve efficiency of permit issuance	EO Division	12-31-02	Revised strategy proposed, implemented
Develop batch permits or general permits for minor facilities	EPA Contractor	Beginning 7-15-02	Report quarterly
Improve DELTA computerized permit system; 1) provide training for permit writers; 2) fix identified problems; and 3) improve boilerplate permit language	Information Services, REM and MAR Divisions	9-1-02	Percent of permit writers trained, report monthly, (REM and MAR); improvements completed report quarterly (IS)
Implement more detailed permit tracking tools designed to streamline reporting	MAR, REM Division Supervisors	Underway since 4-1-02	Tools completed, report quarterly
Resist sidetracking permit staff on emerging issues, such as innovative permits, pilot projects, or permit-related strategies by one to two years	MAR, REM Divisions	Underway since 4-1-02	Permit goals being met, evaluate monthly

Long-Term Strategies or Strategies Requiring More Staff	By Whom?	By When	Measurement	Contacts
Establish "low-risk" permit team, which can work quickly with applications for facilities with limited health or environmental risk.	REM Division	12-31-03	Report quarterly on progress	■ Overview and Legislative: Lisa Thorvig, (651) 296-8811 Assistant Commissioner ■ Major Facilities: Mike Tibbetts, (651) 297-8381 Majors/ Remediation (MAR) Division ■ Minor Facilities: Suzanne Hanson, (218) 723-4665 Regional Environmental Management (REM) Division
Determine categories of general permits that apply to multiple facilities	REM Division	12-31-03	General permit categories identified	
Explore alternatives to facility-specific permits, including permit-by-rule and conditional/de minimus exceptions	P&P, REM and MAR Divisions	12-31-03	Develop procedures for feasible permitting alternatives	
Assess the impacts of compliance matters on a facility's permitting process	REM, MAR Divisions	12-31-03	Complete recommendations	
Determine need for statute revisions	P&P Division	8-1-03	Recommendations available by 2004 legislative deadline	
Work on better integration of the standard-setting process with the permit-writing process	MAR, REM, P&P, EO Divisions	12-31-03	Complete recommendations	
Assess the efficiency of central versus regional permitting	MAR, REM Divisions	12-31-03	Complete recommendations	
Coordinate efforts between permitting staff and staff developing Total Maximum Daily Loads	MAR, REM, P&P, EO Divisions	12-31-03	Develop a regular forum for information exchange and problem solving	
Develop backup and seek funding for "one person program" experts (in pretreatment, biosolids, etc.) to ensure continuity of program expertise	MAR, REM Divisions	12-31-03	Develop and implement	

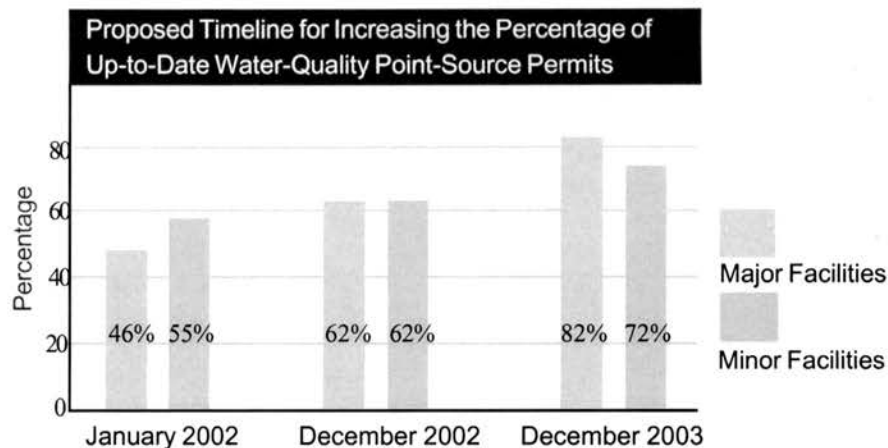
Notes for External Stakeholders

To improve performance in water-quality point-source permitting, the MPCA will need the assistance of all Minnesotans.

- The Minnesota Legislature determines the MPCA's budget and priorities. Even after implementing many of the efficiency measures outlined here, the federal goal of no more than a 10 percent permit backlog for major facilities and 25 percent backlog for minor facilities is not achievable with the current staffing level. The Legislature needs to decide whether the MPCA will meet national standards or accept the best achievable goals with current staffing levels.

- Permit applicants can speed the permitting process by maintaining facility compliance, forging positive relationships with neighboring communities, and providing thorough information that the MPCA needs to complete a permit.

- Public involvement helps the MPCA write better permits and is a welcome part of the process. However, if citizens focus on the *specific* environmental impacts of *specific* permits, fewer permits would be sidetracked for months or years because of policy or land-use issues unrelated to the permit on public notice.



Compliance and Enforcement

As the Office of the Legislative Auditor reported, approximately 18 to 31 percent of Minnesota's major facilities have been in "significant noncompliance" in recent years. This is comparable to other midwestern states and the nation. The MPCA Water-Quality Point-Source Plan has set aggressive targets for compliance inspections and enforcement actions. By implementing the following strategies, the MPCA staff plans to bring 95 percent of Minnesota's major facilities into compliance by the end of 2003.

The Goal: Inspect More Facilities, Major and Minor

- The MPCA will inspect 70 percent of major facilities (61 total) before October 1, 2002.
- The MPCA will inspect all major facilities (86) before October 1, 2003.
- The MPCA will inspect 20 percent of regular facilities (262 total) before October 1, 2002.
- The MPCA compliance and enforcement staff will conduct an average of 24 inspections per FTE per year for regular facilities.

Short-Term Strategies	By Whom?	By When?	Measurement
Provide clear expectations for enforcement staff responding to water-quality point-source violations in the Enforcement Response Plan	MAR, REM Divisions	7-1-02	Expectations integrated into employee work plans, results tracked monthly
Develop inspection guidance to determine whether inspections will be announced or unannounced	MAR, REM Divisions	12-31-02	Guidance completed and implemented
Only inspections entered into the DELTA database are counted toward performance goals	MAR, REM Divisions	Beginning 7-15-02	Inspections entered into DELTA, evaluate quarterly
Improve timeliness of enforcement actions, with the clock starting with the initial discovery of noncompliance	MAR, REM Supervisors	Beginning 7-15-02	Report quarterly on timeliness of enforcement actions
Assess training needs of, and provide training for, compliance and enforcement staff to improve staff efficiency	All Affected Staff	Completed 4-1-02	Percent of compliance and enforcement staff trained, report quarterly
Develop and deliver a staff training program for compliance and enforcement, with Level I and Level II certification	MAR Division	12-31-02	Complete training program, report quarterly
Draft an enforcement prioritization system, based upon federal guidance, human health risk, persistence of noncompliance, magnitude of violations, pollutant type, and associated risks	MAR, REM, P&P, EO Divisions	Completed 5-1-02	Report quarterly on implementation

Contacts

- **Overview and Legislative:**
Lisa Thorvig,
(651) 296-8811
Assistant Commissioner
- **Major Permit Enforcement:**
Ann Foss,
(651) 296-7512
MAR
- **Minor Permit Enforcement:**
Suzanne Hanson,
(218) 723-4665
REM

Long-Term Strategies or Strategies Requiring More Staff	By Whom?	By When?	Measurement
Data-entry staff will perform low-level enforcement actions for facilities that fail to submit, delay or inadequately complete Discharge Monitoring Reports	REM, MAR Divisions	12-31-03	Report quarterly
Develop a DELTA-related system to track permit and compliance schedule violations and alert staff	Information Services	12-31-03	Report quarterly
Improve coordination among permitting and compliance staff	MAR, REM Managers and Supervisors	12-31-03	Recommendations developed, implemented
Support external training efforts, which help achieve compliance	REM, MAR and P&P Divisions	12-31-03	Report quarterly
Develop a library of common enforcement responses to certain violations in lieu of taking routine cases to forum	MAR, REM Divisions	12-31-03	Library developed

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INVITES YOU TO ATTEND

**REGIONAL TMDL FOR FECAL COLIFORM BACTERIA
Lower Mississippi River Basin – Southeast Minnesota**

**OPEN HOUSE / PUBLIC MEETING
TUESDAY, JULY 30, 2002**

**MPCA - Rochester Office, Large Conference Room
18 Wood Lake Drive SE, Rochester, MN 55904**

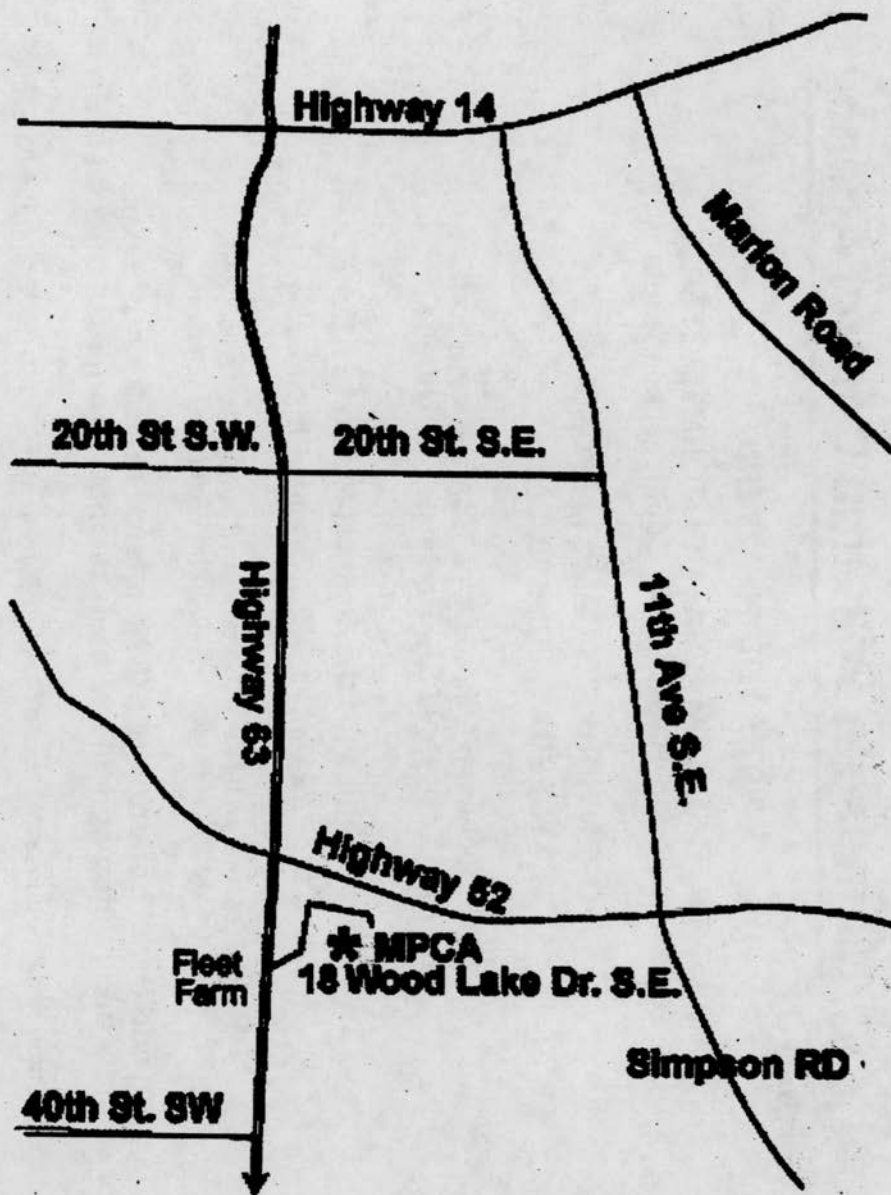
**Two Opportunities for the General Public to Attend
10 a.m. – 12 p.m. OR 6 p.m. – 8 p.m.**

**BALMM Presentation by Kevin Scheidecker; Group Discussion; and
Viewing Displays of Regional TMDL and Watershed Chapters**

**An additional opportunity will be offered from 1 p.m. - 3 p.m.
for farmers and related agriculture professionals to address their issues**

For additional information or questions, phone Norman Senjem at (507) 280-3592 or 1-800-657-3864

How to Get There...





Minnesota Pollution Control Agency

STATE OF MINNESOTA

Minnesota Pollution Control Agency

REGIONAL ENVIRONMENTAL MANAGEMENT DIVISION

PUBLIC NOTICE OF INTENT TO APPROVE TOTAL MAXIMUM DAILY LOAD STUDY

Public Comment Period Begins: July 8, 2002
Public Comment Period Ends: August 6, 2002

Pollutant or Stressor:
Fecal Coliform Bacteria

Description of TMDL Study Watershed and Significant Pollutant Sources:

The Lower Mississippi River Basin of southeastern Minnesota is a 7,266 square mile region drained by a network of 11,556 miles of rivers and streams. Minnesota Pollution Control Agency (MPCA) monitoring shows that 20 stream reaches are impaired for recreational use by fecal coliform bacteria concentrations in excess of state and federal water quality standards. Sixty-five percent of the basin's land area drains to these impaired stream reaches. Because water quality impairments are widespread throughout the basin, and pollutant sources such as improperly designed feedlots and noncompliant on-site wastewater treatment systems are ubiquitous, a regional approach to the Total Maximum Daily Load (TMDL) process has been developed. This approach is coordinated with basin management through the Basin Alliance for the Lower Mississippi in Minnesota (BALMM). A nonpoint source Load Allocation and point source Waste Load Allocation were developed for the basin as a whole, and a reduction of 65 percent was allocated equitably to all major sources in the basin. The load allocations and reduction allocations may be adjusted for individual reaches in accordance with differences in source composition and local preferences, as long as the reduction strategy is designed to achieve TMDL endpoints. The need for such adjustments is discussed in watershed chapters which deal with individual reach impairments. As a whole, the Regional TMDL represents the initial phase of a Phased TMDL that will be implemented through a process of Adaptive Management. This process begins with the implementation of source-reduction measures. Water quality monitoring information and program evaluations are used to assess whether the source reduction strategies are achieving intended results, or require modification. New knowledge gained through monitoring and program evaluations is used to better focus implementation efforts across the basin, specifically in watersheds upstream of sites where impairments persist. This iterative process will continue until water quality standards are achieved at all impaired sites.

Table 1 presents a summary description of the 20 reaches in the Lower Mississippi River Basin of Minnesota that are impaired by excess fecal coliform bacteria and are on Minnesota's 1998 303(d) list of impaired water bodies. For each reach the location, station identity, reach number and reach length are given, along with summary statistics on the water quality samples collected at each reach station during the period of record (October 1, 1986 to September 30, 1996). Two columns relate to the dual standard for fecal coliform bacteria. The first gives the number of monthly means that exceed the chronic standard of 200 colonies per 100 milliliters. The second gives the percentage of individual samples that exceed the acute standard of 2000 colonies per 100 milliliters. In the final column, the MPCA assessment is given as either partial support or nonsupport of the designated use of the stream reach, which relates to body contact recreation. If a reach is determined to be in either of these categories, and not in full support of its designated uses, it is placed on the 303(d) list of impaired water bodies, which initiates the TMDL process.

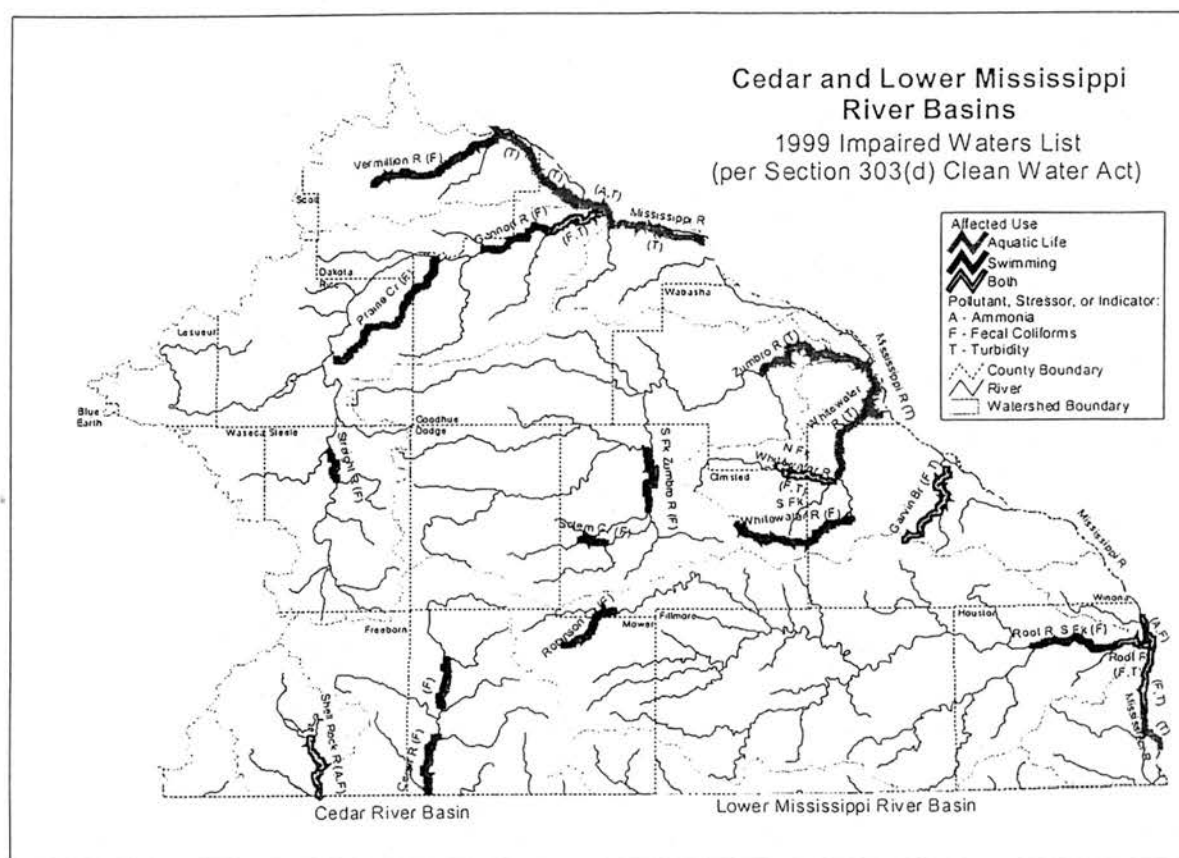
Impaired Waters:

Table 1: Lower Mississippi River Basin 303(d) Impairments for Fecal Coliform, 1998

Reach Name on 1998 303(d) List	Stations	Reach #	Reach Length	# of Monthly Means > 200 col/100 ml	% of Individual Samples > 2000 col/100 ml	# of Obs.	Use Support
Cannon River, Pine Cr. To Mississippi R.	CA-13 *	07040001-001	9.4	2	4.8	62	Partial
Cannon River, Pine Cr. To Mississippi R.	CA-13	07040001-002	11	2	4.8	62	Partial
Garvin Brook, Headwaters to Mississippi R.	GB-4.5, 6.5	07040003-023	17.1	6	37.3	67	Non
Prairie Creek, Headwaters to Cannon R.	PRA-0.5, 1.5, 2.6	07040002-033	22.8	4	4.3	46	Non
Robinson Creek, Headwaters to N. Br. Root R.	ROB-0.03	07040008-418	8.9	3	23.2	60	Non
Root River, S. Fk. Root R. to Mississippi R.	RT-3	07040008-001	6	6	18	61	Non
Root River, S. Fk. Root R. to Mississippi R.	RT-3 *	07040008-002	11.3	6	18	61	Non
Salem Creek, Split at 220 to S. Fr. Zumbro R.	SAL-7.2, 9.1, 9.9	07040004-120	15	4	16.7	42	Non
Straight River, Maple Cr. to Crane Cr.	ST-18	07040002-021	4.7	4	19.4	62	Non
Mississippi River, La Crosse R. to Root R.	UM-698	07040006-001**	0.8	1	1.5	68	Partial
Mississippi River, La Crosse R. to	UM-698	07040006-002**	0.8	1	1.5	68	Partial

Reach Name on 1998 303(d) List	Stations	Reach #	Reach Length	# of Monthly Means > 200 col/100 ml	% of Individual Samples > 2000 col/100 ml	# of Obs.	Use Support
Root R.							
Mississippi River, Root R. to Coon Cr.	UM-698 *	07060001-021	8.9	1	1.5	68	Partial
Vermillion River, S. Br. Vermillion R. to the Hastings Dam	5346000	07040001-212	11.9	0	15.4	26	Partial
Vermillion River, Headwaters to S. Br. Vermillion R.	VR-32.5, 05345000	07040001-312	8.6	3	4.1	73	Non
S. Fk., Whitewater R., Source to Split at 122 S. Fk. WW R.	WWR-26	07040003-222	20.3	4	23.8	63	Non
N. Fk., Whitewater R., Unnamed Cr. to Middle Fk. WW R.	5376000	07040003-120	13.2	0	15.4	26	Partial
S. Fk., Zumbro R., Cascade Cr. To Mid. Fk. Zumbro R.	ZSF-5.7 & ZSF-11.6	07040004-016	11.7	4	23.5	68	Non
Cedar River, Roberts Cr. to Austin Dam, Upper	CD-24	07080201-321	4.9	4	15.9	63	Non
Cedar River, Rose Cr. to Woodbury Cr.	CD-10	07080201-016	8.4	4	11.1	63	Non
Shell Rock River, Albert Lea Lake to Goose Cr.	SR-1.5 (& SR-1.2 & SR-5.3)	07080202-009	9.8	4	8.8	68	Non
	* Representative reaches						
	** The two reach numbers represent the same reach						

Figure 1: Map of Lower Mississippi River Basin Fecal Coliform Impairments



Preliminary Determination on the Draft TMDL Study:

The MPCA Commissioner has made a preliminary determination to approve this TMDL Study. A draft TMDL and fact sheet are available for review at the MPCA office at the address listed below, and at the MPCA web site:

<http://www.pca.state.mn.us>. Suggested changes will be considered before the final TMDL is sent to the U.S. Environmental Protection Agency for approval.

Written Comments:

You may submit written comments on the contents of the draft TMDL study or on the Commissioner's preliminary determination. Written comments must include the following:

1. A statement of your interest in the draft TMDL study.
2. A statement of the action you wish the MPCA to take, including specific references to sections of the draft TMDL that you believe should be changed; and
3. The reasons supporting your position, stated with sufficient specificity as to allow the Commissioner to investigate the merits of your position.

Petition for Public Informational Meeting

You also may request that the MPCA Commissioner hold a public informational meeting. A public informational meeting is an informal meeting that the MPCA may hold to solicit public comment and statements on matters before the MPCA, and to help clarify and resolve issues.

A petition requesting a public informational meeting must include the following information:

1. A statement identifying the matter of concern;
2. The information required under items 1 through 3 of "Written Comments," identified above;
3. A statement of the reasons the MPCA should hold a public informational meeting; and
4. The issues that you would like the MPCA to address at the public informational meeting.

Petition for a Contested Case Hearing

You may also submit a petition for a contested case hearing. A contested case hearing is a formal evidentiary hearing before an administrative law judge. In accordance with Minn. R. 7000.1900, the MPCA will grant a petition to hold a contested case hearing if it finds that: (1) there is a material issue of fact in dispute concerning the application or draft TMDL study; (2) the MPCA has the jurisdiction to make a determination on the disputed material issue of fact; and (3) there is a reasonable basis underlying the disputed material issue of fact or facts such that the holding of the contested case hearing would allow the introduction of information that would aid the MPCA in resolving the disputed facts in making a final decision on the draft TMDL study. A material issue of fact means a fact question, as distinguished from a policy question, whose resolution could have a direct bearing on a final MPCA decision.

A petition for a contested case hearing must include the following information:

1. A statement of reasons or proposed findings supporting the MPCA decision to hold a contested case hearing according to the criteria in Minn. R. 7000.1900, as discussed above;
2. A statement of the issues proposed to be addressed by a contested case hearing and the specific relief requested or resolution of the matter.

In addition and to the extent known, a petition for a contested case hearing should also include the following information:

1. A proposed list of prospective witnesses to be called, including experts, with a brief description of proposed testimony or summary of evidence to be presented at a contested case hearing;
2. A proposed list of publications, references, or studies to be introduced and relied upon at a contested case hearing; and
3. An estimated time required for you to present the matter at a contested case hearing.

MPCA Decision:

You may submit a petition to the Commissioner requesting that the MPCA Citizens' Board consider the TMDL study approval. To be considered timely, the petition must be received by the MPCA by 4:30 p.m. on the date the public comment period ends, identified on page 1 of this notice. Under the provisions of Minn. Stat. § 116.02, subd. 6(4), the decision whether to approve the TMDL study and, if so, under what terms, will be presented to the Board for decision if: (1) the Commissioner grants the petition requesting the matter to be presented to the Board; (2) one or more Board members request to hear the matter before the time the Commissioner makes a final decision on the TMDL study; or (3) a timely request for a contested case hearing is pending. You may participate in the activities of the MPCA Board as provided in Minn. R. 7000.0650.

The written comments, requests, and petitions submitted on or before the last day of the public comment period will be considered in the final decision on this TMDL study. If the MPCA does not receive written comments, requests, or petitions during the public comment period, the Commissioner, or other MPCA staff as authorized by the Commissioner, will make the final decision on the draft TMDL study.

Complete documentation for the Regional TMDL for Fecal Coliform Bacteria in the Lower Mississippi River Basin of Southeast Minnesota can be viewed on the MPCA web site at: <http://www.pca.state.mn.us/water/tmdl.html>. TMDL documentation also can be requested from Ms. Amy Debruyckere at (507) 285-7343 or (800) 657-3864.

Comments, petitions, and/or requests must be submitted in writing on or before the end date of the public comment period identified on page 1 of this notice to:

Norman Senjem
Minnesota Pollution Control Agency
18 Wood Lake Drive SE
Rochester, MN 55904-5506



Minnesota Department of Finance

July 2002

State Revenues \$212 Million below Forecast in FY 2002

Minnesota's net general fund receipts for FY 2002 are now estimated to total \$12.263 billion, \$212 million (1.7 percent) less than forecast. The impact of a weakened Minnesota economy and weak financial markets on state revenues is obvious. Revenues for FY 2002 are 1.7 percent less than FY 2001 revenues after adjusting for the 2001 sales tax rebate. Individual income tax receipts for fiscal 2002 are now estimated to be 93 percent of those in fiscal 2001. Gross sales tax receipts are 1 percent less than in the prior year and net corporate franchise tax receipts for fiscal 2002 were just 73 percent of those in fiscal 2001.

Summary of Tax Receipts: Fiscal Year 2002

	<u>Estimate</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent</u>
	----- (\$ in millions) -----			
Income	5,820.3	5,513.3	(307.0)	(5.3)
Sales	3,739.5	3,775.2	35.7	0.9
Corporate	533.5	533.2	(0.3)	(0.1)
Motor Vehicles	418.2	424.5	6.3	1.5
Other	<u>1,963.8</u>	<u>2,016.9</u>	<u>53.1</u>	<u>2.7</u>
Total	12,475.3	12,263.1	(212.2)	(1.7)

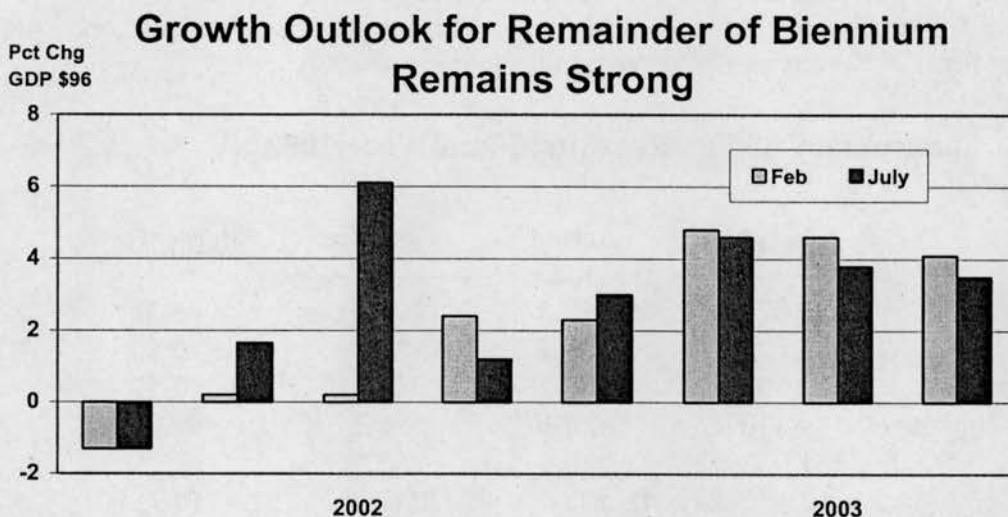
Individual income tax receipts showed the largest variance from forecast, down \$307 million (5.3 percent). Differences from forecast for the sales tax, corporate franchise tax, and motor vehicle sales tax were modest, but other revenues were \$53 million (2.7 percent) greater than anticipated. All FY 2002 results are preliminary and subject to change. As is customary in this first report of receipts for the entire fiscal year, forecasts for some revenue sources have been reduced to adjust for anticipated accruals.

Much of the large negative variance in the individual income tax is attributable to lower than anticipated final payments for tax year 2001 and reflects economic activity in 2001. Payments accompanying April 15 tax filings were \$140 million less than anticipated and payments accompanying requests for extensions \$53 million below forecast. Refunds are now estimated to be \$82 million more than February's projections. Final tax year 2001 liability now appears to be \$275 million less than forecast in February. The adjustment to tax year 2001 liability will carry forward, lowering projected revenues in FY 2003 and in the 2004-05 biennium.

Revenues reflecting the economy's performance during calendar year 2002 are, in aggregate, slightly above forecast. However, withholding receipts and corporate estimated payments continue below forecast, and below year earlier levels. Gross sales tax receipts are \$12 million higher than projected, but below last year's level, and mortgage and deed tax receipts \$29 million greater than forecast. Insurance gross premiums tax receipts are \$29 million below forecast, apparently reflecting a change in the timing of payments, not a change in tax liability for the current year (see page 4).

First Quarter 2002 GDP Growth Was Stronger than Anticipated

The U.S. economy recovered impressively during the first quarter of 2002 when real GDP grew at a 6.1 percent annual rate. Those inventory enhanced growth rates are not expected again during this biennium, but worries of a double dip recession have also abated. Consumers remain relatively buoyant, Federal spending is strong, and residential construction continues to benefit from historically low mortgage rates. A weaker dollar is also expected to help the recovery.



There is, though, increasing concern that weak job growth, along with continuing turmoil over corporate accounting scandals and a floundering stock market, may keep the economy from smoothly accelerating to its long-term sustainable growth rate over the next 12 months. Higher unemployment rates and further battering of stock portfolios could easily lead to precautionary savings increases. And, the increases in business investment spending, vital to a full recovery, are unlikely to occur until consumer demand and capacity utilization increase further.

The general pattern of the DRI-WEFA baseline forecast has changed only slightly since the beginning of the year. Minnesota's national macro-economic advisor incorporated actual fourth quarter 2001 and first quarter 2002 results into the forecast as they became available, raising the expected annual growth rates for both fiscal 2002 and fiscal 2003. But, DRI had always expected strong growth during the last year of the biennium and that forecast continues. Real GDP growth is now projected to be at a 2.5 percent annual rate

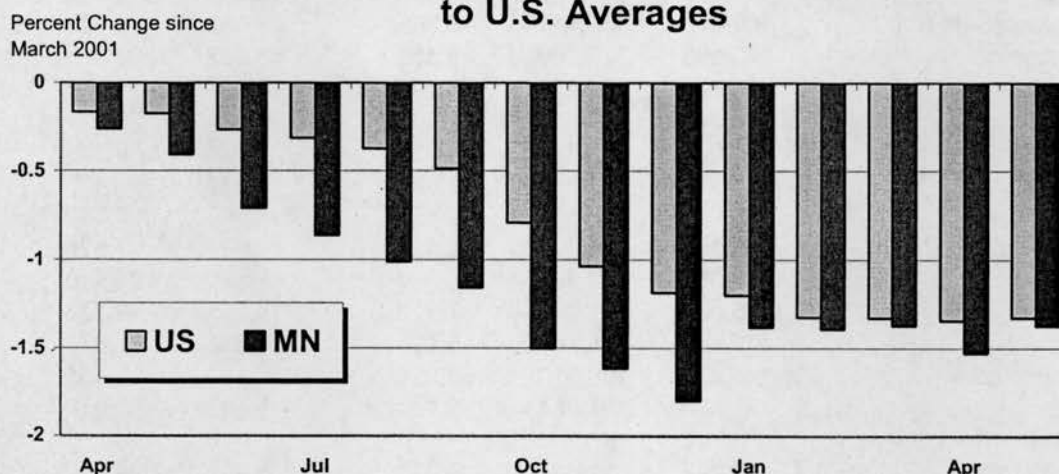
in 2002, up from the 1.0 percent rate forecast in February. For 2003 real GDP growth is projected to be 3.5 percent; in February a 4.0 percent growth rate was forecast. There is no appreciable difference between the Blue Chip Consensus forecast and DRI's forecast looking forward over the next 18 months.

The July baseline forecast calls for the economy to move "in a straight but unremarkable line" to a full-fledged expansion by the end of this year. DRI now believes that the risks of under-performing or out-performing the baseline forecast are balanced. The differences in outlook between the baseline and the more optimistic Quick Recovery scenario (probability 25 percent) and the more pessimistic alternative (probability 25 percent) are much less than in the last few years. Growth is slower in the pessimistic scenario, but there is no recession, and the upside potential adds less than one half percent to the real growth rate for 2003 and 2004.

Job Losses in Minnesota Are Now Tracking Those in the Rest of the Nation

Casual consumers of economic statistics may well have been misled about the health of the labor market. Beginning in February, each month's U.S. employment report has noted that employment increased modestly during the month. What has not been widely reported is that those gains have largely been revised away. Nationally, employment has fallen by 150,000 jobs on a seasonally adjusted basis since January. At present, small job gains are shown only for the months of May and June, and those could be revised away as well.

Payroll Employment Losses in Minnesota Now Similar to U.S. Averages



While the national economy has been showing additional weakness, Minnesota payroll employment has remained roughly constant on a seasonally adjusted basis. The difference between the rate of job loss in Minnesota and that for the nation as a whole has been largely eliminated. It now appears that while the economic slowdown was more immediate and more severe in Minnesota, the employment outlook stabilized here by January 2002, even though additional jobs were being lost elsewhere.

Comparison of Actual and Estimated Non-Restricted Revenues

(\$ in thousands)

	2002 Fiscal Year			April - June 2002		
	Forecast Revenues	Actual Revenues	Variance Act-Fcst	Forecast Revenues	Actual Revenues	Variance Act-Fcst
Four Major Revenues:						
Individual Income Tax						
Withholding	4,782,499	4,762,526	-19,974	1,178,579	1,168,678	-9,901
Declarations	1,065,000	999,744	-65,256	452,033	388,194	-63,839
Miscellaneous	727,000	587,215	-139,785	627,382	487,597	-139,785
Gross	6,574,500	6,349,484	-255,015	2,257,994	2,044,468	-213,526
Refund	754,200	836,194	81,994	665,909	747,903	81,994
Net	5,820,300	5,513,290	-307,009	1,592,085	1,296,565	-295,520
Corporate & Bank Excise						
Declarations	619,247	595,898	-23,349	162,067	140,339	-21,728
Miscellaneous	93,893	117,059	23,166	-660	8,107	8,767
Gross	713,140	712,956	-184	161,407	148,446	-12,961
Refund	179,600	179,762	163	57,559	45,869	-11,690
Net	533,540	533,194	-346	103,848	102,577	-1,271
Sales Tax						
Gross	3,995,661	4,007,373	11,712	1,124,942	1,137,612	12,670
Refunds	256,159	232,145	-24,014	61,000	39,801	-21,199
Net	3,739,502	3,775,227	35,725	1,063,942	1,097,811	33,869
Motor Vehicle Sales	418,228	424,524	6,295	104,365	114,486	10,121
Other Revenues:						
Inherit/Gift/Estate	65,000	68,174	3,174	13,608	14,779	1,171
Liquor/Wine/Beer	59,000	58,067	-933	15,340	16,041	701
Cigarette & Tobacco/Cont Sub	161,076	169,441	8,365	35,889	43,722	7,833
Deed and Mortgage	200,100	229,260	29,160	43,223	58,371	15,148
Insurance Gross Earnings	205,700	176,661	-29,039	72,639	50,736	-21,903
Lawful Gambling	58,377	59,314	937	20,284	20,991	707
Health Care Surcharge	151,537	152,521	984	57,874	59,179	1,305
Other Taxes	2,371	1,335	-1,036	1,449	420	-1,029
Statewide Property Tax	296,000	305,532	9,532	296,000	305,532	9,532
DHS RTC Collections	68,153	74,609	6,456	18,126	17,126	-1,000
Income Tax Reciprocity	47,899	47,899	0	0	0	0
Investment Income	75,000	82,910	7,910	14,003	18,025	4,022
Tobacco Settlement	149,614	154,767	5,153	1,880	7,032	5,153
Departmental Earnings	186,659	190,210	3,551	41,586	39,461	-2,126
Lottery Revenues	28,887	31,057	2,171	5,403	6,510	1,107
2000 Sales Tax Rebates	-32	-32	0	0	0	0
2001 Sales Tax Rebates	7,000	11,040	4,040	-498	4,489	4,987
Revenues yet to be Allocated	0	-109	-109	-5,758	-2,575	3,183
Residual Revenues Less Refunds	233,369	231,942	-1,427	155,937	153,641	-2,296
Other Subtotal	1,995,710	2,044,597	48,887	786,985	813,480	26,495
Other Refunds	31,994	27,768	-4,227	18,636	15,002	-3,634
Other Net	1,963,716	2,016,830	53,114	768,349	798,478	30,129
Total Gross	13,697,239	13,538,934	-158,304	4,435,693	4,258,492	-177,201
Total Refunds	1,221,953	1,275,869	53,916	803,104	848,575	45,471
Total Net	12,475,286	12,263,065	-212,221	3,632,589	3,409,917	-222,672

NEW BUSINESS

2. Review and Decision of EQB
Water Resources Priorities for
the 2004-05 Biennium
INFORMATION

June 26, 2002

To: Governor Jesse Ventura

Fr: Dean Barkley, Acting Chair
Environmental Quality Board

Re: Environmental Quality Board Priorities for the Biennial Budget

The Governor's Water Unification Initiative (Executive Order 99-15) and Minnesota Statutes call for the Environmental Quality Board to determine the state's water priorities and to set the framework for water-related elements of the biennial budget. Pursuant to your order and state law, and following a thorough process of public involvement, the Board approved five priorities at its June 20, 2002 meeting:

- Improve the monitoring and assessment of Minnesota's waters
- Help agriculture protect, restore and enhance Minnesota's waters
- Manage water for smart growth
- Take new steps to protect Minnesota's lakes
- Secure stable financing for Minnesota's waters

The Board also found it important, should further cuts be required, to maintain key elements of the infrastructure of the state's water program. The key elements are:

- The ability to monitor and understand Minnesota's water resources and important threats to them
- Water-related data management and information sharing tools and expertise
- Integrity of the basic water regulatory program

While a number of factors must be considered in determining the biennial budget, the priorities represent a key step to securing Minnesota's environmental and economic future. Accordingly, we recommend that this framework be used by the Department of Finance and state agencies as they develop the next budget over the coming months. The attached document, "Water Priorities for the 2004-2005 Biennium" provides additional detail about the Board's priorities.

Thank you for your leadership on these issues.

Attachment

G:\EQB\WATER\WaterUnification\Policy Report 2002\Biennial Priorities\EQB
Approval\BiennialPrioritiesMemoII John 6-25-02.rtf

cc: Pam Wheelock, Commissioner of Finance
Craig Johnson, Governor's Office

Water Priorities for the 2004-05 Biennium

Minnesota Statutes, Sections 103A.43 and 103B.151 direct the Environmental Quality Board to prepare water policy recommendations and priorities each biennium. The Governor's executive order on water unification, Order 99-15, requires that the board's assessment be used to determine the administration's water priorities and policies for the biennial budget.

The Environmental Quality Board finds that the following priorities represent a key step to securing Minnesota's environmental and economic future. They are intended to build upon the existing framework of water programs, and in some cases fill gaps inadvertently created by budget cuts of the last decade. Should additional cuts in the state's water program be required, the priorities can aid in making those tough choices. If viable funding alternatives can be agreed upon, counterproductive cuts should be reduced.

If future cuts must be made, the state must take care to retain a few key, core elements of the water program. These are necessary to safeguard the quality and availability of Minnesota's drinking waters and its fish and wildlife in the face of a growing population. They are key to protecting Minnesota's investment in water. The elements include:

First, the ability to monitor and understand Minnesota's water resources and important threats to it. This requires an adequate network of water monitoring stations to define ambient quality, record the effects of pollutants, understand pollutant sources, and understand the effectiveness of practices to address problems. It also requires understanding of water availability and the geologic and land use characteristics that profoundly influence and affect water.

Second, water-related data management and information sharing tools and expertise. These are essential ingredients to capturing the information, linking water quality, availability and land use, and informing decision-makers at every level of government.

Third, integrity of the basic water regulatory program. The regulatory program for water quality and availability provides a safety net to ensure basic protection of the resource from those who might not appreciate the effect of their actions, or who might not care. It includes rule development and standard setting, permitting, compliance monitoring and program administration, outreach and evaluation. These activities provide the backbone of Minnesota's water protection and management system, and must be kept effective.

To tap opportunities to protect Minnesota's water resources and to rebuild essential elements, the Environmental Quality Board finds that the state must:

■ **Improve the monitoring and assessment of Minnesota's waters.** Like trying to read a book in the dark, we can't manage what we don't measure. Over a decade after passage of the Ground Water Protection Act we still cannot tell people much about the trends in nitrate contamination of ground water. That is just one example. This priority supports water monitoring initiatives essential for basic support of the water program, including ambient monitoring of ground water sufficient to characterize the quality and availability of this valuable source of much of the state's drinking water; geologic atlases and regional hydrogeologic assessments in areas of the state at risk or under pressure; surface water monitoring sufficient to inform state efforts to control or manage point and nonpoint sources of contamination; and basic information management technology and information systems needed to integrate, assess and share data collected by a wide range of agencies and individuals.

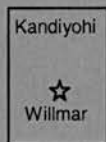
■ **Help agriculture protect, restore and enhance Minnesota's waters.** Row crop agriculture takes place on about 40 percent of Minnesota's land surface. This percentage is much higher in the Minnesota and Lower Mississippi river basins. Animal confinement facilities are also prevalent in these areas. This priority will build on the federal 2002 Farm Security and Rural Improvement Act to enhance the sustainability of Minnesota's agricultural industry. It will target conservation efforts to critical areas, including highly erosive lands, watersheds with set total maximum daily loads (i.e., TMDLs), source water protection area needs, and areas sensitive to ground water contamination. Targeting may require and allow shifts in the allocation of state resources, both to ensure effective use of federal funds and to give needed state attention to other priorities. Another need is to build on the sensitive area delineations developed by the Department of Natural Resources in response to the Ground Water Protection Act of 1989. The goal is to identify suitable activities and land uses for the state's most vulnerable areas consistent with state ground water and drinking water protection policy.

■ **Manage water for smart growth.** Minnesota is growing, but this growth often occurs without thought to the implications for the environment, particularly water. This priority will make sure key water elements, knowledge and expertise are adequately brought to bear in growth management decisions. It includes smart growth guidelines and targets for water and sewer project funding, financing of water quality and availability monitoring and data management, and other support needed to define the concerns and limits to growth from a water perspective. A key element is development of aquifer management plans (determining sustainable yields and resource protection needs) for those aquifers at risk from urban growth. Another key element is providing this information to local governments and helping them build and carry out solid comprehensive plans that incorporate the issues from water plans. The priority includes a new federally mandated storm water program that will impact development and protect surface waters from urban storm water runoff. And, it calls for policies and actions to enhance the connections cities make with urban rivers. Finally, support for preparation of a state development strategy is also included. The strategy will help focus and integrate state efforts for smart growth and will make the state more responsive in meeting local growth management needs.

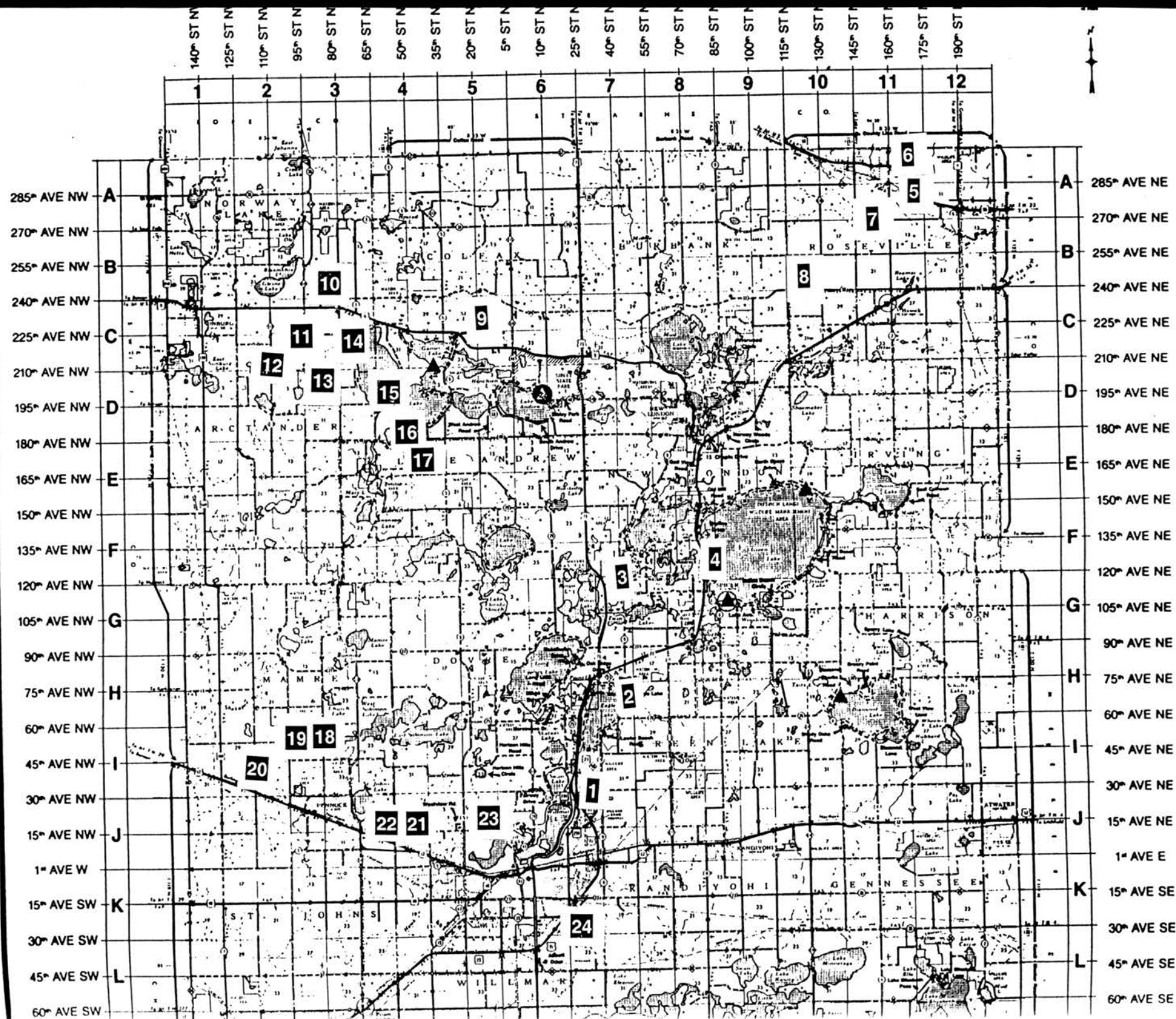
■ **Take new steps to protect Minnesota's lakes.** Lakes are perhaps Minnesota's most prized natural resource, and additional state, local and citizen-based efforts to safeguard them are warranted. This priority integrates state water quality protection efforts and provides new, integrated support to local governments and lake interests consistent with local comprehensive plans. There is strong public support for improving lake water quality protection efforts and strengthening the involvement of local governments and citizen groups.

■ **Secure stable financing for Minnesota's waters.** A number of state water programs receive funding through various fees or federal grants, while others are supported solely by the general fund. This priority will examine legitimate fee-based opportunities to provide reliable, inflation-adjusted support to those functions that comprise the foundation for the state program. First, this should include support for the state's water quality and availability permit programs. Second, it should consider ways to provide a baseline of support for ambient water monitoring and assessment efforts. A key principle will be to make the system sufficiently broad-based so that fees can provide reliable support to the activities of a range of agencies. This approach is necessary to rebuild important efforts undermined by budget cuts of the last decade, and to ensure that the overall system is balanced in a way that reflects the need, not merely the success of agents at securing money. The approach is unusually important in the water arena, since water management involves a complex network of interrelated activities and programs, with each depending on others for the whole to work.

Kandiyohi Soil and Water
Conservation District



Conservation Tour
July 24, 2002





1 Willmar High School
Erosion Control Structure
Installed in 1998

MN River Basin Water Quality Grant
County Water Plan, Willmar Public Schools, Local
Pheasants Forever Chapter, USF&WS, City of
Willmar, Little Crow Anglers
Award for 1998 Water Planning Project of the Year

36-120-35
Dovre
Section 36

United States Department of Agriculture
Farm Service Agency

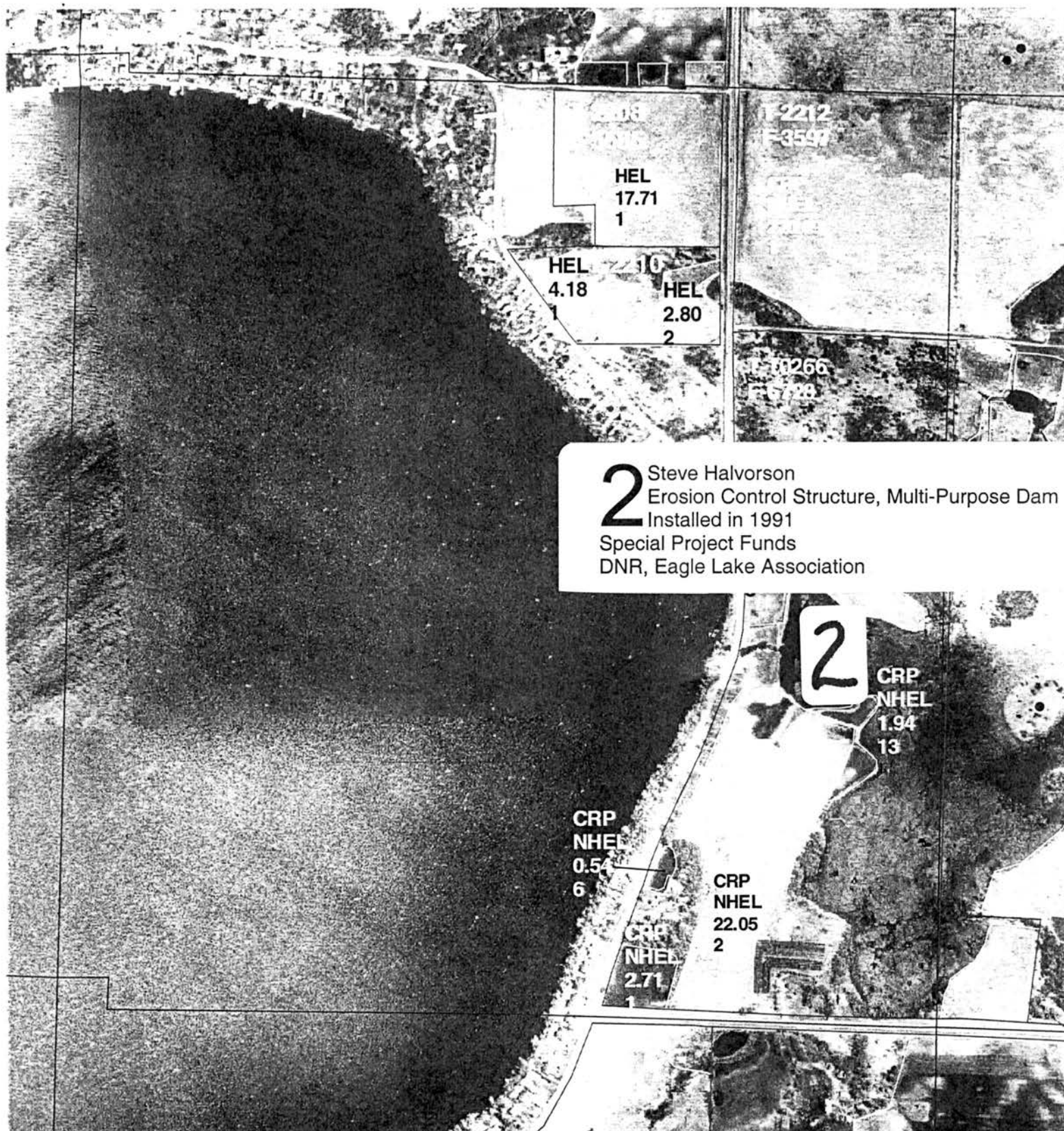
KANDIYOHI County

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary



May 22, 2002

1991 Digital Orthophotography - Not To Scale



2 Steve Halvorson
Erosion Control Structure, Multi-Purpose Dam
Installed in 1991
Special Project Funds
DNR, Eagle Lake Association

19-120-34
Green Lake
Section 19

May 28, 2002

United States Department of Agriculture
Farm Service Agency

KANDIYOHI County

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary



1991 Digital Orthophotography - Not To Scale



3 Dennis Peterson
Farmstead Windbreak Renovation & Filter
Fabric
Installed in 2002
Emergency Conservation Program (ECP) & Local
SWCD Cost Share

06-120-34
Green Lake
Section 6

United States Department of Agriculture
Farm Service Agency

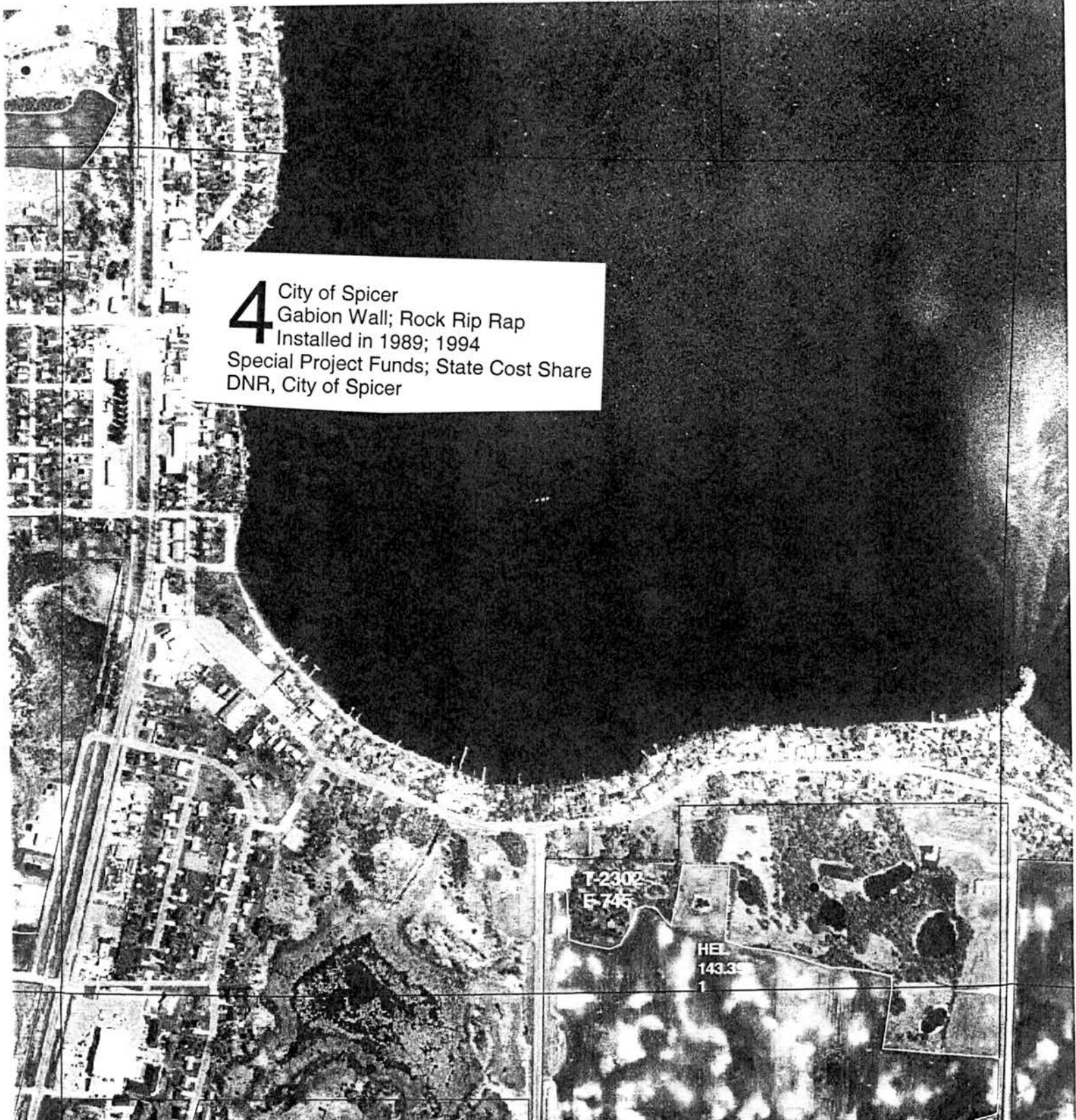
KANDIYOHI County

May 28, 2002

1991 Digital Orthophotography - Not To Scale

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary





4 City of Spicer
Gabion Wall; Rock Rip Rap
Installed in 1989; 1994
Special Project Funds; State Cost Share
DNR, City of Spicer

03-120-34
Green Lake
section 3

United States Department of Agriculture
Farm Service Agency

KANDIYOHI County

May 28, 2002

1991 Digital Orthophotography - Not To Scale

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary





5 Robert Brauchler
 Living Snow Fence & Filter Fabric
 Installed in 2000
 State Cost Share, FEMA, Local SWCD Cost Share

10-122-33
 Roseville
 Section 10

United States Department of Agriculture
 Farm Service Agency

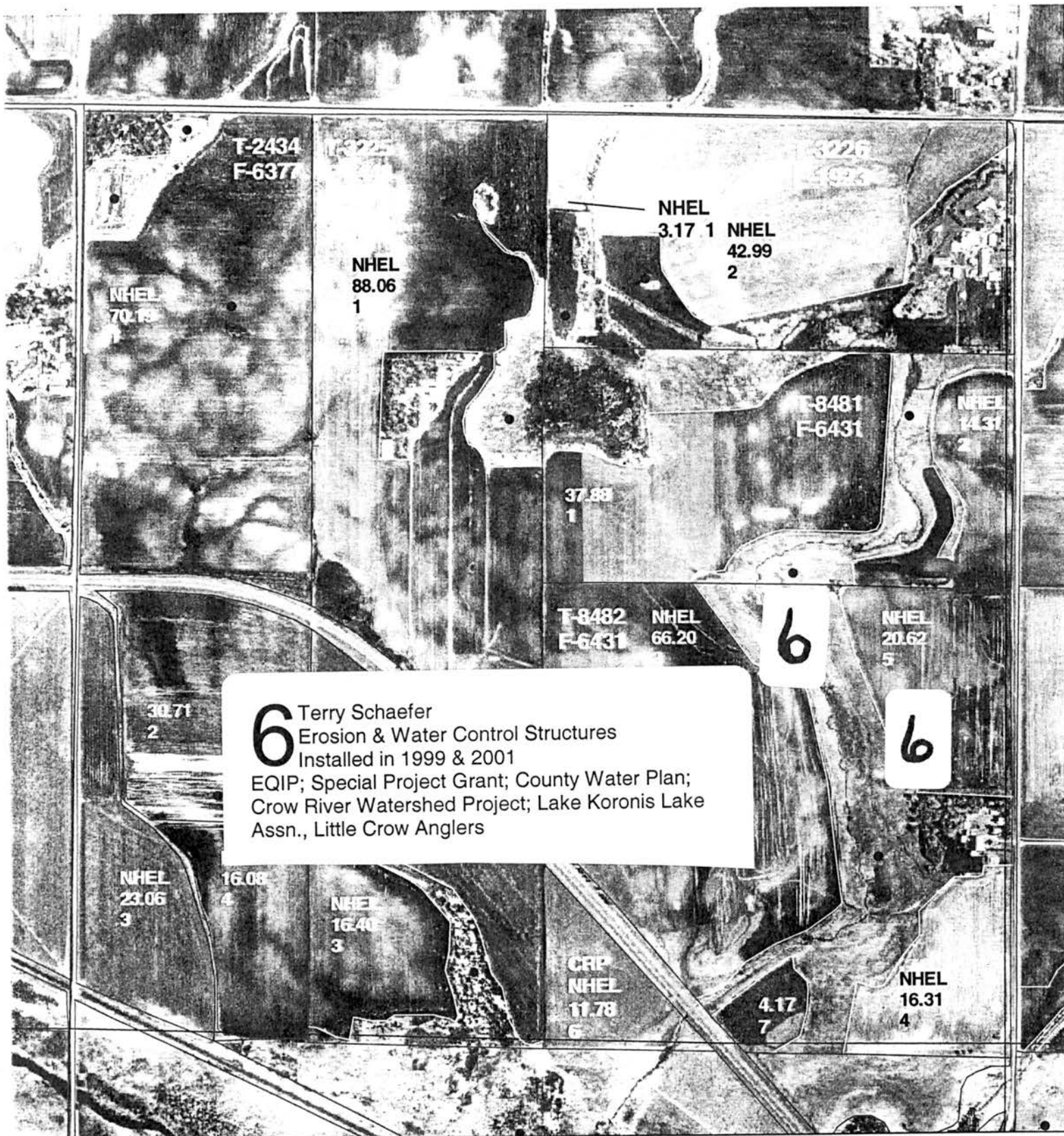
KANDIYOHI County

• Wetlands
 □ Tract Boundary
 □ Field Boundary
 □ Section Boundary



May 28, 2002

1991 Digital Orthophotography - Not To Scale



03-122-33
Roseville
Section 3

United States Department of Agriculture
Farm Service Agency

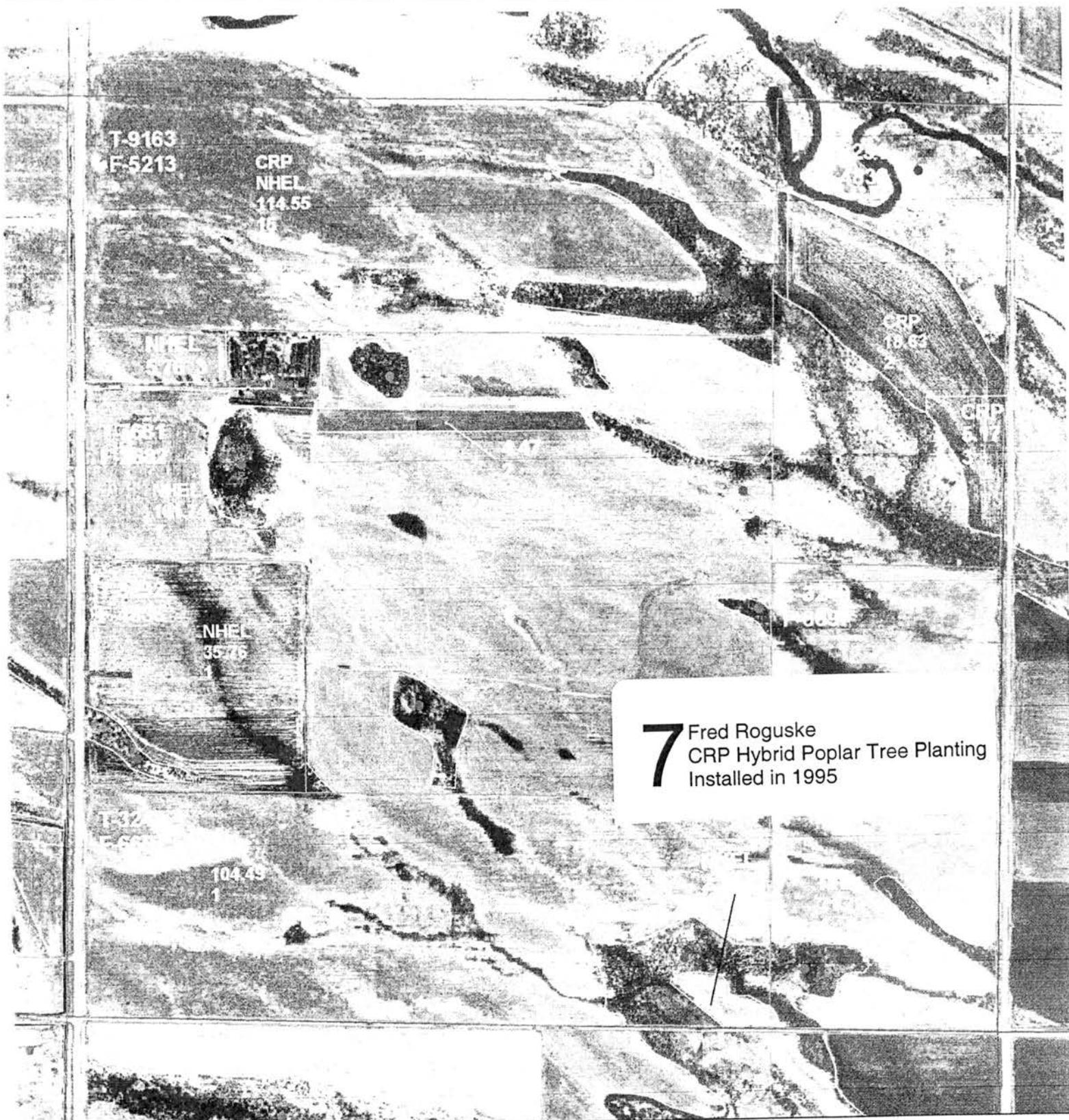
KANDIYOHI County

• Wetlands
□ Tract Boundary
□ Field Boundary
□ Section Boundary



May 28, 2002

1991 Digital Orthophotography - Not To Scale



09-122-33
Roseville
Section 9

United States Department of Agriculture
Farm Service Agency

KANDIYOHI County

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary



May 28, 2002

1991 Digital Orthophotography - Not To Scale



19-122-33
Roseville
Section 19

United States Department of Agriculture
Farm Service Agency

KANDIYOHI County

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary



May 28, 2002

1991 Digital Orthophotography - Not To Scale



33-122-35
Colfax
Section 33

United States Department of Agriculture
Farm Service Agency

KANDIYOHI County

May 29, 2002

1991 Digital Orthophotography - Not To Scale

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary





26-122-36
Norway Lake
Section 26

United States Department of Agriculture
Farm Service Agency

KANDIYOHI County

May 29, 2002

1991 Digital Orthophotography - Not To Scale

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary



11 Hamborg/Freese
51.3 ac. CREP with 26.3 ac. wetland
Restorations (Jan. 2000)
Installed in 2001

United States Department of Agriculture
Farm Service Agency

KANDIYOHI County

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary



35-122-36
Norway Lake
Section 35

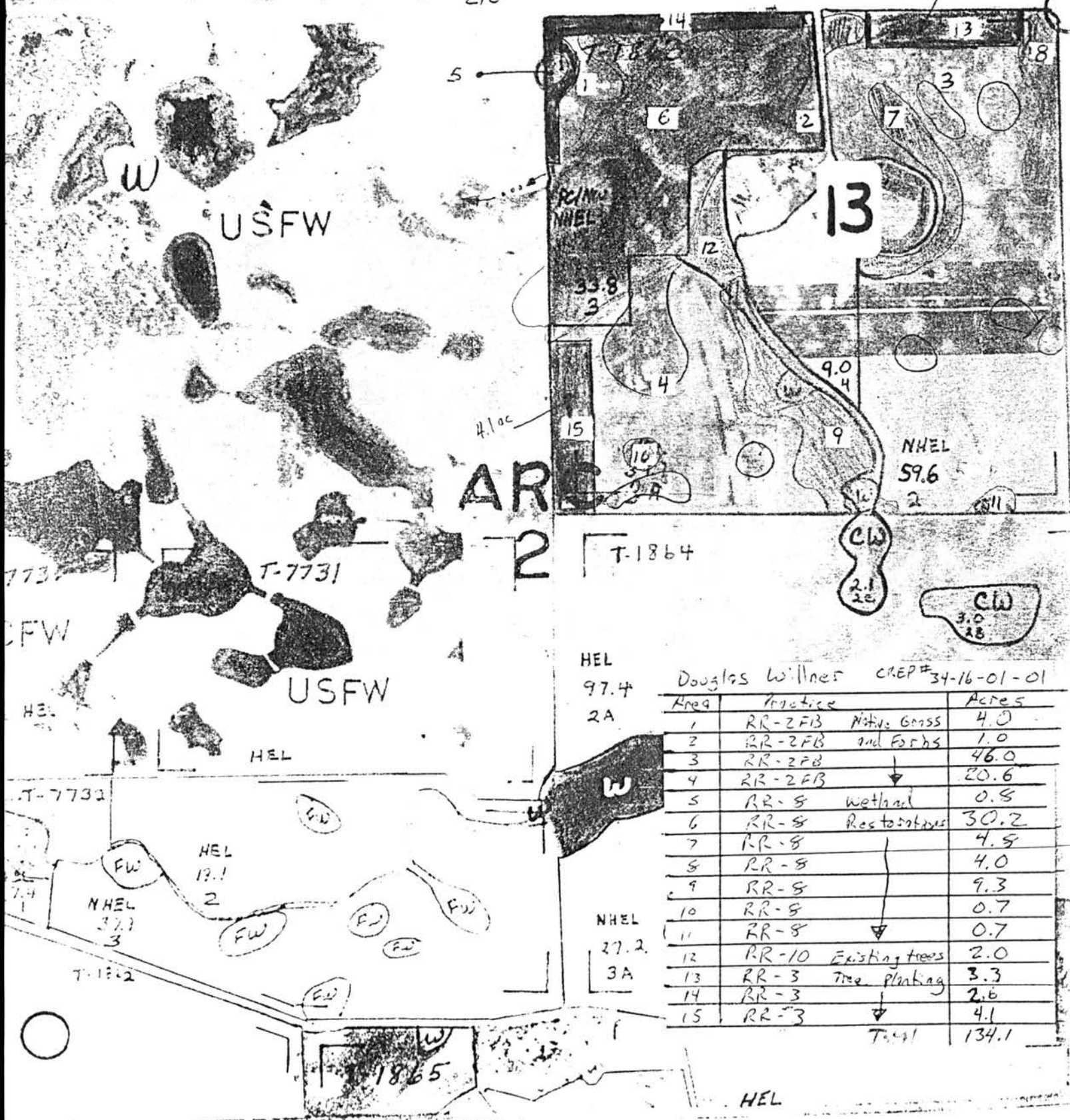
May 29, 2002

1991 Digital Orthophotography - Not To Scale

12 Audrey Rudningen
16.3 ac. RIM (Aug. 2000)
9.5 ac. wetland to be restored in 2002;
grasses and trees planted

ME = MINIMAL EFFECT WETLAND (EXEMPT)
HWC, HWH, HWR = SPECIAL COND. (SEE JCS)

13 Doug Willner
134.1 ac. CREP (June 2002)
50.5 ac. wetlands to be restored, 10 ac.
trees 73.6 ac. native grasses; filter fabric



14

T-2750
F-1695

14

Norway Lake
Water Quality & Erosion Control
Structure (Sheet Pile Structure)

Installed in 1998

MN River Basin Water Quality Grant

Norway Lake Assn., County Water Plan, and Little
Crow Anglers

89-31
3

NHEL
60.88
4

36-122-36
Norway Lake
Section 36

United States Department of Agriculture
Farm Service Agency

KANDIYOHI County

May 29, 2002

1991 Digital Orthophotography - Not To Scale

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary





15 Norway Lake (Mark Solberg)
Rip Rap Shoreline Stabilization &
Erosion Control

Installed in 2000
State Cost Share, County Water Plan; Norway
Lake Assn., Little Crow Anglers

06-121-35
Lake Andrew
Section 6

United States Department of Agriculture
Farm Service Agency

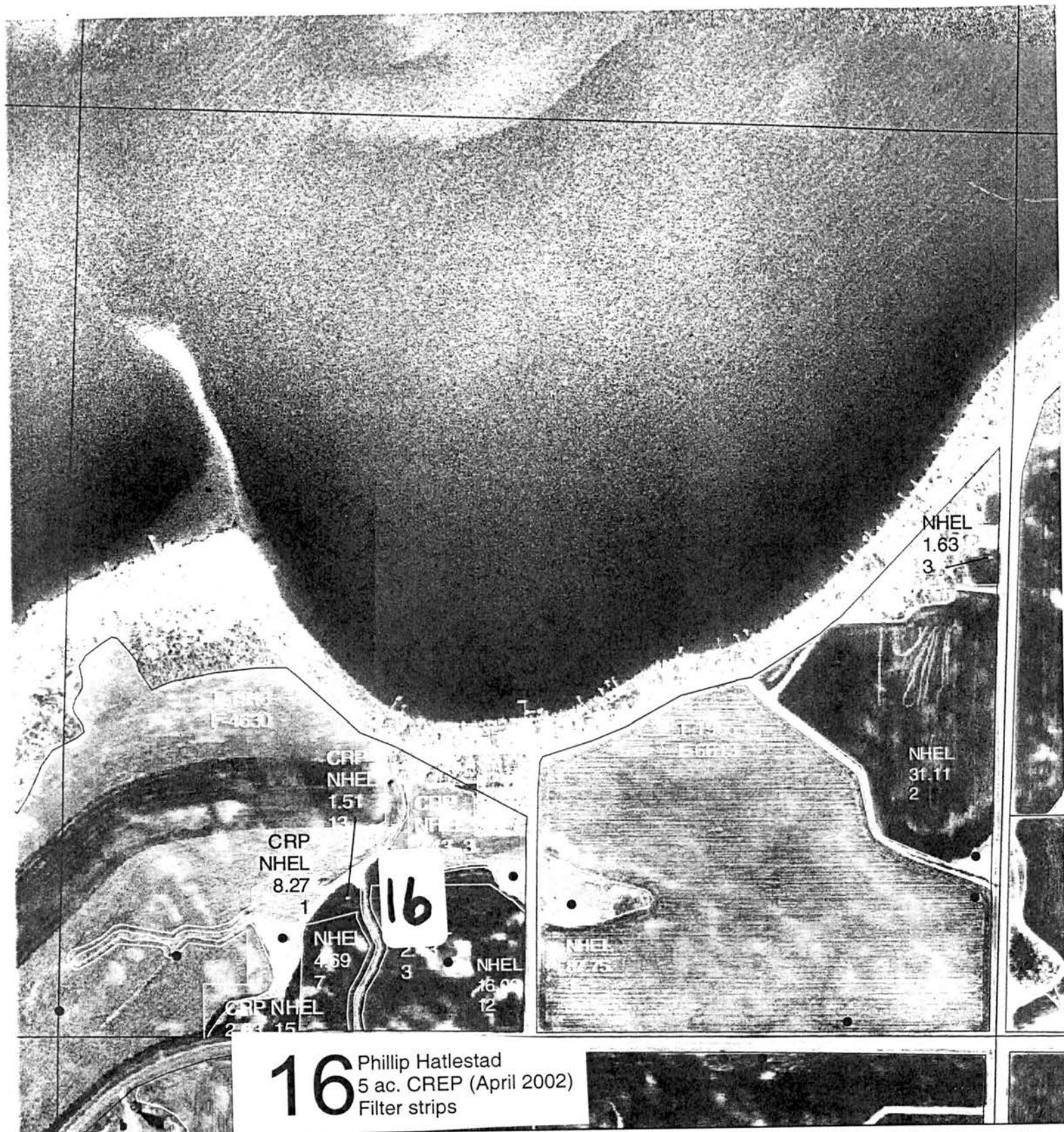
KANDIYOHI County

May 28, 2002

1991 Digital Orthophotography - Not To Scale

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary





08-121-35
Lake Andrew
Section 8

May 28, 2002

United States Department of Agriculture
Farm Service Agency

KANDIYOHI County

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary



1991 Digital Orthophotography - Not To Scale

T-1913 Number

V = Wetland

CW = Converted Wetland

NC = Non-Cropland

MT = Multi Tract Number

NW = Non-Wetland

PC = Prior Cropland

NA = Non-Agricultural Use

HEL = Highly Erodible Land

PW = Farmed Wetland

MW = Minimal Effect Wetland

All other conditions see your local NRCS representative

NHEL = Non-Highly Erodible Land

AW = Artificial Wetland

NI = Non-Inventory

Warning: Contact NRCS (Natural Resource Conservation Service) before draining, dredging, filling, or leveling any wet areas or wetland coded fields or if improving, modifying, or maintaining an existing drainage system

COUNTY

NOT TO SCALE

REPRODUCED

CROP YEAR

PHOTO ID

KANDIYOHI

MAY 2000

2000

05

T-1913
MT-9245
F-4630

Sherman Mankell
34-14-01-01

			Pool
1	RR-8	2.8	1.2
2	RR-8	3.5	1.5
3	RR-8	2.4	0.9
4	RR-8	1.8	0.7
5	RR-2FB	45.0	10.9
Total		55.2	

Note All RR-8 acres
to be supported by
RR-2FB (Native grass/Fibs)

T-8800
F-5424

T-8801
F-4565

T-8801
F-4565

17 Sherman Mankell
55.2 ac. CREP (March 2002)
Native grasses in 2002; 10.2 ac. of
wetland to restore
Riparian restoration & buffers – total will be 15 ac.
wetland complex

17.0
3

T-1920
F-3928

NHEL
76.7
2

T-8821
F-5505

F-3448
F-3447

NHEL
33.1

PC/NW
NHEL
2.1
2

HEL
31.3
1

T-1921
F-1164

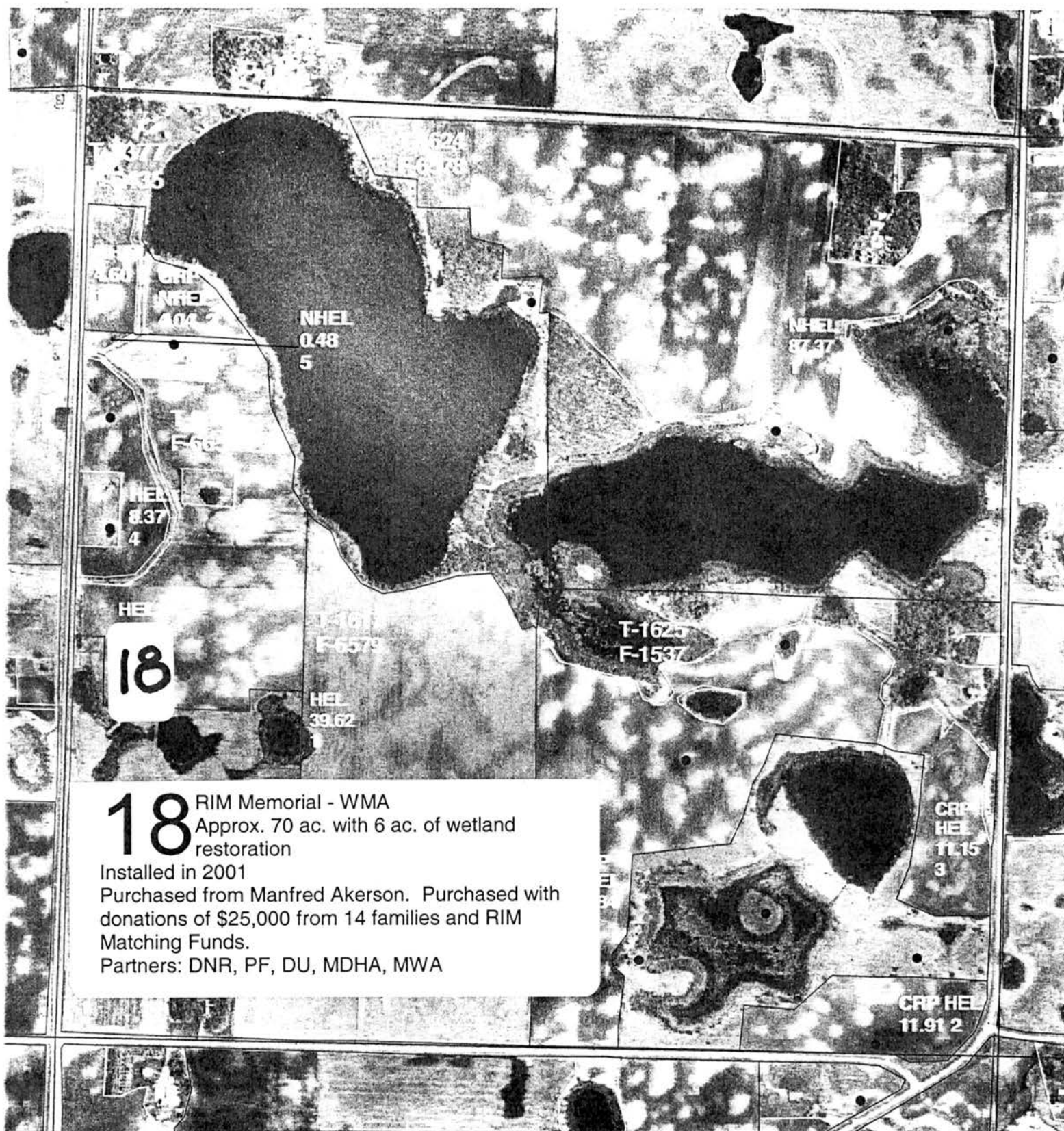
CW
13.3

CW
13.3

(NC)

F-8822

CRP CRP07



18

RIM Memorial - WMA
Approx. 70 ac. with 6 ac. of wetland restoration

Installed in 2001
Purchased from Manfred Akerson. Purchased with donations of \$25,000 from 14 families and RIM Matching Funds.
Partners: DNR, PF, DU, MDHA, MWA

26-120-36
Mamre
Section 26

United States Department of Agriculture
Farm Service Agency

KANDIYOHI County

May 22, 2002

1991 Digital Orthophotography - Not To Scale

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary



WISCONSIN

34-04-96-C1

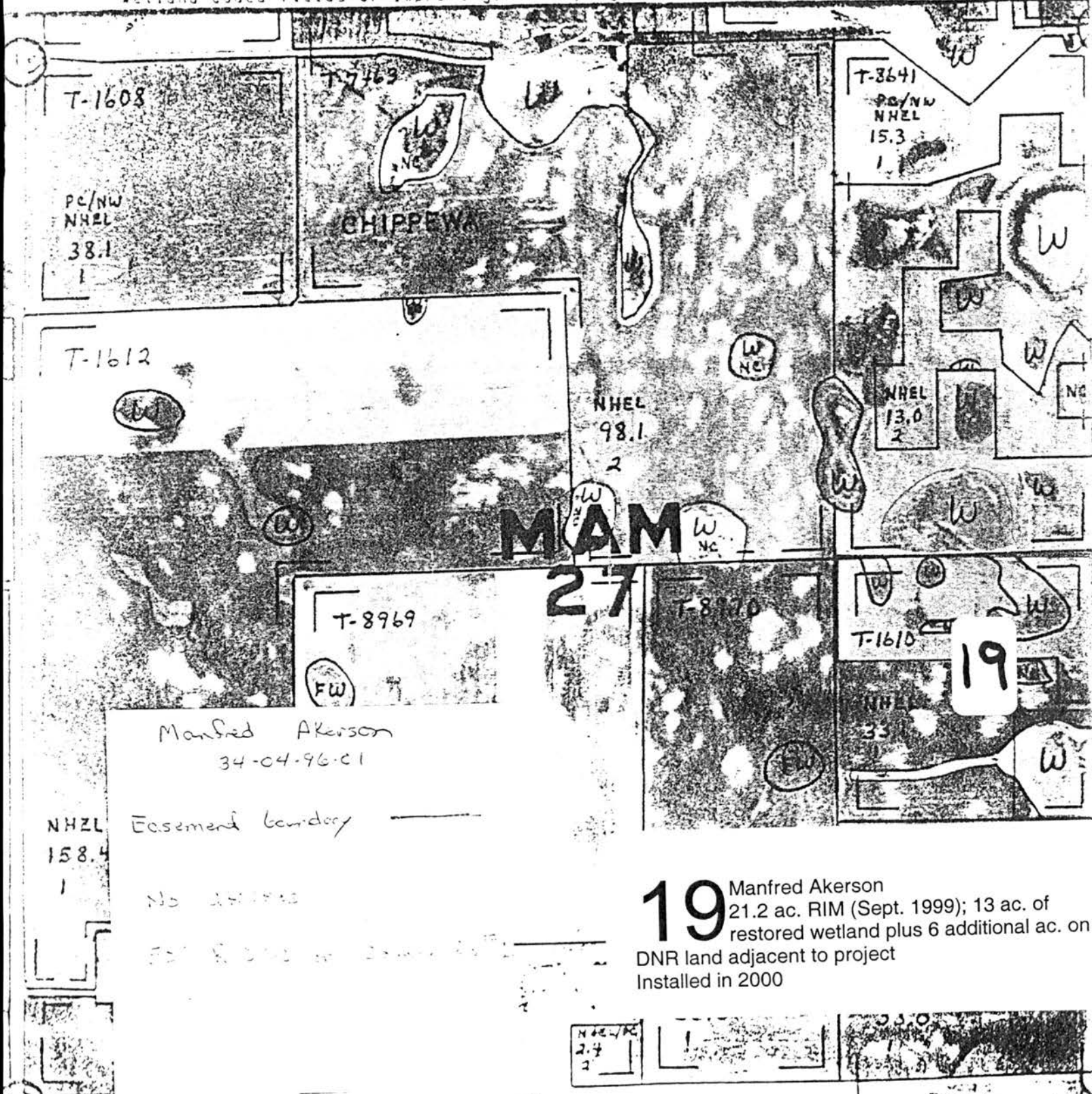
TRACT NUMBER 1AT = MULTIPLE TRACT NUMBER NEL = HIGHLY ERODIBLE LAND M = MINIMAL EFFECT WETLAND (EXEMPT)
 WETLAND 1CW = CONVERTED WETLAND 1NHNL = NON-HIGHLY ERODIBLE M-C, M-W, M-R = SPECIAL COND. (SEE 300)
 FRESH WETLAND 1NA = NON-AGRICULTURAL 1PC = PRIOR CONVERTED WETLAND NC = NON-CROPLAND NI = NON-INVENTORIED
 NON-WETLAND 1AW = ARTIFICIAL WETLAND 1ECW = EXEMPT (COMMENCED) CONVERTED WETLAND 1PHOTON
 NOT TO BE REPRODUCED 1 CROP

Kandiyohi

1 SCALE 1 Dec 1996 1 YR.

B-10

Contact NRCS before draining, dredging, filling, or leveling any wet areas or wetland coded fields or improving, modifying or maintaining and existing drainage sys.





33-120-36
Mamre
Section 33

United States Department of Agriculture
Farm Service Agency

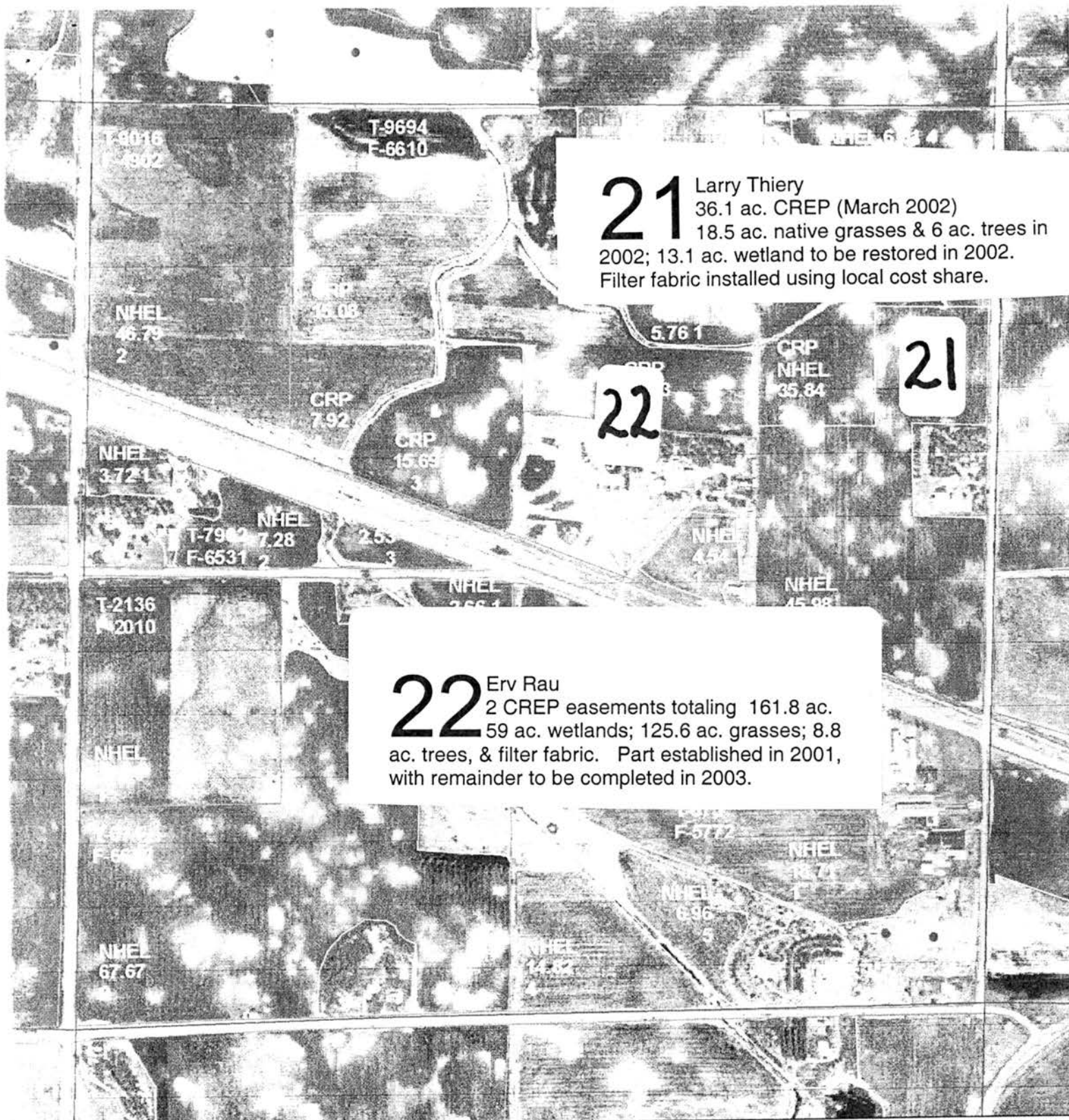
KANDIYOHI County

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary



May 22, 2002

1991 Digital Orthophotography - Not To Scale



21 Larry Thiery
36.1 ac. CREP (March 2002)
18.5 ac. native grasses & 6 ac. trees in
2002; 13.1 ac. wetland to be restored in 2002.
Filter fabric installed using local cost share.

22 Erv Rau
2 CREP easements totaling 161.8 ac.
59 ac. wetlands; 125.6 ac. grasses; 8.8
ac. trees, & filter fabric. Part established in 2001,
with remainder to be completed in 2003.

07-119-35
Willmar
Section 7

United States Department of Agriculture
Farm Service Agency

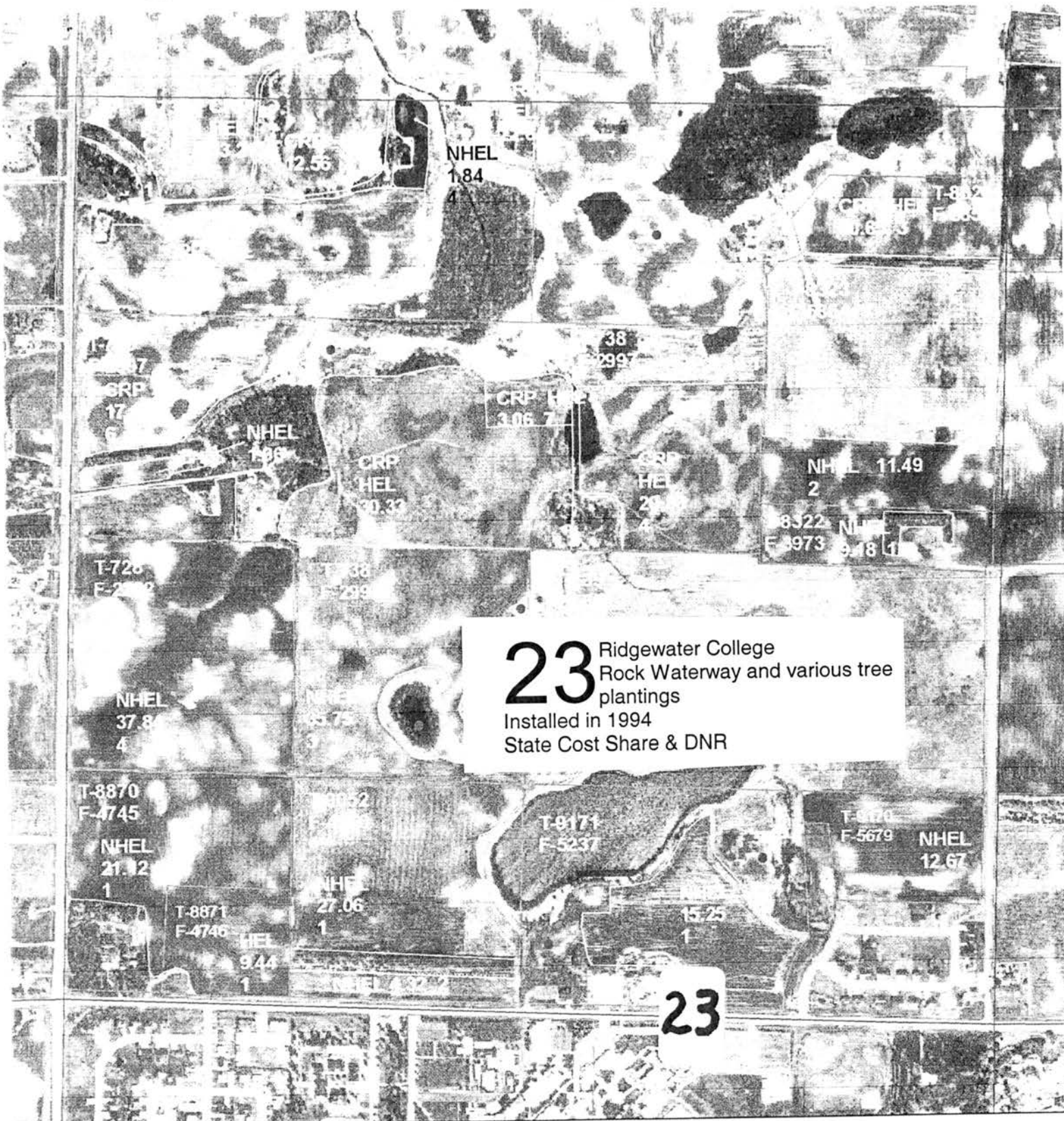
KANDIYOHEI County

May 21, 2002

1991 Digital Orthophotography - Not To Scale

- Wetlands
- Tract Boundary
- Field Boundary
- Section Boundary





04-119-35
Willmar
Section 4

United States Department of Agriculture
Farm Service Agency

KANDIYOHEI County

May 21, 2002

1991 Digital Orthophotography - Not To Scale

☒ Wetlands
☐ Tract Boundary
☐ Field Boundary
☐ Section Boundary



August 2002

MASSACHUSETTS
CAPITOL BUILDING



DRAFT

DRAFT

DRAFT

**BOARD OF WATER AND SOIL RESOURCES
ONE WEST WATER STREET
LOWER LEVEL CONFERENCE ROOM
ST. PAUL, MINNESOTA 55107
WEDNESDAY, AUGUST 28, 2002**

BOARD MEMBERS PRESENT:

Lee Coe, Jerome Deal, Jim Anderson-MES, Wayne Anderson-MPCA, Darrell Bruggman, Sharon Clark-MDA, Jack Frost, Ginny Imholte, Char Kahler, Karen Harder, Steve Morse-DNR, Clair Nelson, Victor Ormsby, Dwain Otte, Dan Wilson-MDH

BOARD MEMBERS ABSENT:

Paul Krabbenhoft

STAFF PRESENT:

Ron Harnack, Mary Jo Anderson, Steve Woods, Ron Struss, John Jaschke, Jim Haertel, Ron Shelito

OTHERS PRESENT:

Richard Zupp, Minnesota Association of Soil & Water Conservation Districts (MASWCD)

Sandy Hooker, Minnesota Association of Townships (MAT)

Mark Dittrich, Department of Agriculture

Curtis Borchert, Norman SWCD

BWSR Meeting Minutes
August 28, 2002
Page Two

Chair Coe called the meeting to order at 9:00 a.m.

Pledge of Allegiance

**** Adopt Agenda** – Moved by Jack Frost, seconded by Sharon Clark, to adopt the
02-58 agenda as presented. Motion passed on a voice vote.

**** Minutes of July 25, 2002** – Chair Coe stated that two corrections are needed on
02-59 page two, under Open Mike, it should read "Jerome Deal reported on the Red River Basin "River Watch." Under Reports, the last sentence of the Chair's Report should be stricken regarding the DRC meeting date. A correction on page three, under Dispute Resolution Committee, the committee will hear four appeals, not nine as stated. Moved by Sharon Clark, seconded by Jerome Deal, to approve the minutes of July 25 as corrected. Motion passed on a voice vote.

Chair Coe introduced Wayne Anderson, Lisa Thorvig's alternate, representing the Minnesota Pollution Control Agency.

REPORTS

Chair Coe reported that he met with Jerome Deal and Ginny Imholte in Sauk Centre regarding the Middle River-Snake River enlargement petition to make a final determination. They also had meetings on the Two Rivers Watershed and the Sauk River Watershed water plans. Chair Coe provided a brief report of the items acted upon at the EQB meeting which he attended on August 15th. Chair Coe and Ron Harnack met with the Department of Agriculture Commissioner Gene Hugoson and Deputy Commissioner Sharon Clark yesterday to discuss items of mutual interest.

Executive Director – Ron Harnack reported that budget discussions continue with the Senior Management Team and staff of DNR, MDA, and PCA, as they look at program issues, adequate assessment of impacts and revenue options. Ron stated that draft internal white papers will be developed on revenue issues. Ron stated that agencies are looking at Phase I and Phase II of the budget reductions and how these impact local governments. The Administrative Advisory Committee will meet to review the budget options and revenue with papers, more specific information will be available in September or October.

Ron reported that Minnesota Recovers meets weekly to discuss the flooding issues in northwestern Minnesota. Doug Thomas represents BWSR, Greg Larson is the alternate. An agriculture subcommittee has been established to look at options to address the significant impacts to the land and existing

BWSR Meeting Minutes
August 28, 2002
Page Three

conservation practices. There appears to be some real opportunities through the new farm bill. The new flexibility provisions will be available under the NRCS provisions "Cooperation and Partnerships."

Ron reported that he has meetings scheduled with DNR Commissioner Allan Garber and Deputy Commissioner Steve Mofe and also MPCA Commissioner Karen Studders and Assistant Commissioner Lisa Thorvig to continue to look at issues of common concerns, policy and human resource issues, policy initiatives, and SWCD law modernization.

Dispute Resolution Committee (DRC) – Chair Coe stated that the DRC will meet on September 9 to hear appeals. Ron Harnack stated that the Hermantown wetland issues are being addressed. Jim Haertel was commended for his great efforts and skills involving the dispute resolution process.

Wetlands Committee – Darrell Bruggman reported that Dan Eklund has accepted a new position with the U.S. Forest Service, as the Wildlife Biologist in charge of program management and implementation for the Chequamegon and Nicolet National Forests in Park Falls, Wisconsin. Darrell stated that he will personally miss Dan and his fine efforts. Darrell stated that wetland rules training sessions will be held this fall, registration information will be forthcoming.

Cost-Share/Soil Conservation Committee – Dwain Otte reported that the Cost-Share Committee will meet in mid-September before the next BWSR meeting. Dwain attended a meeting in St. Cloud last week regarding digesters.

Education and Public Relations Committee – Ginny Imholte stated that the Education Committee will meet in October. Ron Harnack stated that he met with the chair of the Minnesota Bell Museum; there's potential for educational sharing.

Administrative Advisory Committee – Chair Coe stated that the Administrative Advisory Committee will meet next month.

Agency Reports

Sharon Clark, Minnesota Department of Agriculture (MDA), reported that MDA is part of the Minnesota Recovers sub-group regarding flooding disaster/prevention. Sharon reported that MDA Commissioner Gene Hugoson and the Governor will be going to Cuba. Sharon stated that the budget reduction process is taking a tremendous amount of time. Sharon reported that the West Nile Virus has affected 210 horses statewide. A brochure is being developed regarding Chronic Wasting Disease (CWD) and will be available for distribution soon.

BWSR Meeting Minutes
August 28, 2002
Page Four

Dan Wilson, Department of Health, reported that MDH has done exercises on 15% and 20% budget reductions. Dan stated that several grants have been awarded to MDH from the federal government regarding terrorism messages to work on security for primary water systems. MDH has facilitated an environmental health leadership team, with ~~federal~~ state, and local government, to work on issues and the vision of environmental health for the future, focus on roles of government interaction. Dan will make a presentation to the Board on source water protection at an upcoming meeting.

Steve Morse, Department of Natural Resources, stated that he appreciated BWSR staff and board members attendance at the dairy farm tour in Nerstrand. Steve reported that DNR has met with staff statewide regarding the budget process for the next biennium; 128 position reductions. Steve stated that DNR has charted out the "price of government" to get a sense of where they're going. Steve distributed the "Price of Government" document for board members' information. Steve stated that the challenge is to try not to squeeze everything down, but just stop doing things. Steve reported that the ATVs task force is moving forward to come up with some new recommendations by the end of the year. Steve reported that an interagency group is working on efforts to prevent CWD, consolidate regulations, discussions to do away with feeding of wild deer, monitoring, and massive eradication efforts. The concern is that the deer population is high in Minnesota, there is no data to relate CWD to humans. DNR has additional information on CWD on their web site; it's important to education before hunting season. Steve acknowledged that DNR staff have been participating with BWSR staff on the next generation of water plans. However, Steve stated that DNR staff will likely not have extra time to review local water plans, but will continue to work on the current updates.

Jim Anderson, Minnesota Extension Service (MES), reported that MES, on a regional basis, has been in discussions with NRCS regarding education of technical service providers, cost-share and third party vendors. Workshops will be held this fall at Iowa State University in conjunction with NRCS. Jim distributed a fact sheet on "New phosphorus lawn fertilizer law aims to protect Minnesota lakes and rivers" for board members' information. Jim reported that the Field Day in Lamberton held sessions regarding drainage issues. Jim stated that a memorandum of understanding with Iowa State has been established to conduct a series of in-state forums on drainage issues.

Wayne Anderson, Minnesota Pollution Control Agency (MPCA), reported that model training will be held this fall regarding the common tool to evaluate feedlot runoff. Wayne stated that it's a challenge on how to correct the feedlot

BWSR Meeting Minutes
August 28, 2002
Page Five

operations. Wayne reported that open-lot agreement producer training will also be held. The Association of Feedlot Operators will hold a meeting on October 29-30. Minnesota will report on the GEIS animal feedlot survey. Wayne stated that stakeholders met last week to discuss construction requirements relative to general permit for discharge; change in federal Phase II requirements on the storm water rule. The storm water program is a federal mandate and PCA is looking at all options to address the concerns raised by cities, counties, developers and agency comments.

Ron Harnack stated that agencies received a notice from Craig Johnson, Governor's office, regarding EPA's priority watershed program. The state, in order to be considered, needs to submit a request to EPA. Ron stated that a meeting of agency representatives has been scheduled for September 6, in the Governor's office.

Ron Harnack reported that in addition to Dan Eklund leaving as earlier reported, Doc Snyder is leaving to take a position with the City of Minneapolis as administrator of the Mississippi WMO. Doc's last day with BWSR will be September 10. Due to the hiring freezes these positions will be difficult to refill in the short term. Both staff have had a significant impact on the programs of BWSR and their leaving is a significant loss for the agency.

Committee Recommendation

Northern Water Planning Subcommittee

South Two Rivers Watershed District Watershed Management Plan – Ginny Imholte reported that though this is a small watershed, there is concern for phosphorus in the wetland and how to treat that and the affected water bodies downstream. Moved by Jerome Deal, seconded by Ginny Imholte, to approve the South Two Rivers Watershed District Watershed Management Plan. Motion passed on a voice vote.

**

02-60

New Business

Sauk River Watershed District Watershed Management Plan – Phil Belfiori introduced representatives of the Sauk River Watershed District: Lindberg Ekola, Planning Consultant; John Kolb, Legal Consultant; Julie Klocker, Administrator; and Don Kanten, President. Lindberg Ekola presented the purpose of the plan, integration through planning and implementation, and challenges. John Kolb presented the project funding options and the management model for the final plan model. Don Kanten commended Doug Thomas, Dan Steward, and Phil Belfiori for their assistance on the plan. Chair Coe commended the working team of the Sauk River Watershed District. Lindberg stated that it's critical for agency

BWSR Meeting Minutes
August 28, 2002
Page Six

- **
02-61 staff to remain involved with implementation of the plan. Moved by Ginny Imholte, seconded by Jerome Deal, to approve the Sauk River Watershed District Watershed Management Plan. Motion passed on a voice vote.

Enlargement, Name Change, and Increase in Number of Managers of the Middle River-Snake River Watershed District – Chair Coe stated that he, Jerome Deal, and Ginny Imholte attended the hearing. Jim Haertel presented the Order that the Middle River-Snake River Watershed District be enlarged per the Marshall County Petition dated May 7, 2002, that the name be changed to the Middle-Snake-Tamarac Rivers Watershed District, and that the number of managers be increased to seven with the two additional managers appointed from Marshall

- **
02-62 County. Discussion followed. Moved by Jerome Deal, seconded by Ginny Imholte, to approve the Order as presented for the enlargement, name change, and increase in number of managers of the Middle River-Snake River Watershed District. Motion passed on a voice vote.

Boundary Change for Brown's Creek and Valley Branch Watershed Districts – Jim Haertel presented the Order that the boundaries of the Brown's Creek Watershed District and the Valley Branch Watershed District are changed per the Petition. The Metro Water Planning Subcommittee unanimously recommends the boundary change be approved per the draft Order. Moved by Jack Frost,

- **
02-63 seconded by Karen Harder, to approve the Order for the Brown's Creek and Valley Branch Watershed Districts boundary change. Motion passed on a voice vote.

Presentation on Flood Recovery, Disaster Counties, Assessment and Activities – Doug Thomas introduced Curtis Borchert, Norman SWCD Manager. Curtis presented a power point presentation showing the devastating damage to roads and lands in northwestern Minnesota due to the floods in June 2002. Discussion followed. Curtis stated that coordination efforts are the biggest challenges at this point. Chair Coe thanked Curtis for his presentation.

Challenge Grant Funds for Flood Recovery - Ron Shelito distributed a map showing the 17 disaster counties. Ron presented a proposal requesting assistance for the eligible flood disaster counties by allocating \$103,000 of returned Challenge Grant funds to inventory damaged conservation practices and new areas of significant erosion or sedimentation caused by the floods of 2002. A portion of the \$103,000 will be divided and allocated to eligible SWCDs to conduct the inventories, the remainder will be used for data compilation. Moved by Steve Morse, seconded by Jerome Deal, to approve \$103,000

**BWSR Meeting Minutes
August 28, 2002
Page Seven**

- ** challenge grant funds for flood recovery to be allocated as identified. Motion
02-64 passed on a voice vote.

Reinvest In Minnesota (RIM) Funds Available for Flood Recovery - Ron Shelito presented a proposal to authorize \$640,000 in RIM funds for easements in flood disaster counties affected by the 2002 floods. This would be a one-time program, special sign-up as soon as possible, applications based upon five priority categories. Any money not used through this special sign-up will be made available statewide. These RIM funds must be encumbered by December 31, 2003. Discussion followed. Sharon Clark requested the Board to delay action on this today so the Flood Recovery Group has an opportunity to communicate, provide time for the agricultural commodity groups to meet, and take action at the September Board meeting. Ron Harnack recommended that the \$640,000 be authorized today, the five priorities looked at, with action at the September meeting. Karen Harder recommended authorizing the first priority.

- ** Moved by Jerome Deal, seconded by Victor Ormsby, to authorize the \$640,000
02-65 now with final action on the other options at the September meeting. Discussion followed. Motion passed on a voice vote.

FY03 Non Point Engineering Assistance (NPEA) Grant – Wayne Zellmer explained that this is a non-competitive annual grant allocated to the eleven SWCD Joint Powers Boards (JPBs) to provide engineering/technical assistance to landowners to implement erosion control and water quality improvement practices. Work plans have been received and approved by the board conservationists. Staff recommends approval of the grants. Moved by

- ** Dwain Otte, seconded by Victor Ormsby, to approve the FY03 Non Point
02-66 Engineering Assistance Grants as presented. Motion passed on a voice vote.

Advisory Comments

Tim Koehler, Natural Resources Conservation Service (NRCS), reported that Bill Hunt approved \$4.5M in allocations for EQIP. Tim said that the allocation did acknowledge BWSR's resolution relating to funding of feedlot upgrades. OMB has not approved money for WRP. The OMB will allocate about \$2M for flood projects in the northwest.

Dave Weirens, Association of Minnesota Counties (AMC), announced AMC's two-day forum in Alexandria on September 5-6. AMC's platform will focus on the fact that there is no more money for 04; how can things be done with reduced costs.

BWSR Meeting Minutes
August 28, 2002
Page Eight

Richard Zupp, Minnesota Association of Soil and Water Conservation Districts (MASWCD), commented on the SWCD NPDES questionnaire responses. The MASWCD Annual Meeting will be held December 8-10, in St. Paul. District capacity assessment is moving forward. Richard read a letter to Ron Harnack regarding MASWCD's recommendation that BWSR accelerate the implementation of the District self-assessment program.

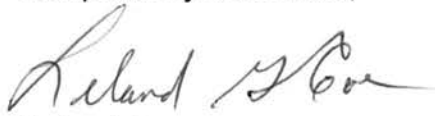
Jack Frost distributed an article, "So-called soil crisis is just a pretense" for board members' information.

Upcoming Meetings

- Next BWSR Meeting, September 25, Grand Hinckley Inn, Hinckley
- BWSR Meeting, October 23, St. Paul

** Moved by Clair Nelson, seconded by Jack Frost, to adjourn the meeting at 1:10
02-67 p.m.

Respectfully submitted,



Leland Coe
Chair

Dispute Resolution Report
August 15, 2002

There are presently ten appeals pending. All of the appeals involve WCA.

The most recent appeal is of a replacement plan decision on French Lake in Wright County. No decision has been made on accepting the appeal.

Another appeal is of a replacement plan decision for an apartment complex in Apple Valley. The appeal will be denied since the WCA decision was made in 1996, which is outside of the 30 day appeal period.

Another appeal is of a replacement plan decision in the City of Hermantown, near Duluth. It appears the appeal will be withdrawn after a stipulation is signed by the parties that was agreed to at a mediation.

Another appeal is of a replacement plan in the City of Albertville in Wright County. The appeal is in abeyance since it has been remanded to the city because a TEP was not held.

There are two appeals of a replacement plan approval in Brooklyn Center for a highway project. The Shingle Creek WMO made the WCA decision. Both appeals have been accepted, a pre-hearing was held and a hearing is scheduled for September 9.

There is an appeal of the Board's remand to Mower County regarding a landfill site. Under remand, the county denied an application for no-loss. The appeal has been accepted and a pre-hearing was held on April 11. The appeal is in abeyance since the appellants have filed a new WCA application and are waiting for a decision on the new application before proceeding with the appeal.

Another appeal is of an exemption determination in Hennepin County. The appeal involves a horse barn that is already built. The appeal has been accepted, a pre-hearing was held and a hearing is scheduled for September 9. However, the appellants have not filed their written brief and are considering withdrawing the appeal.

Another appeal is of a replacement plan denial in Stearn's County. The appeal involves a single family dwelling site near the Mississippi River. The appeal has been accepted, a pre-hearing was held and the appeal is in abeyance as settlement is explored.

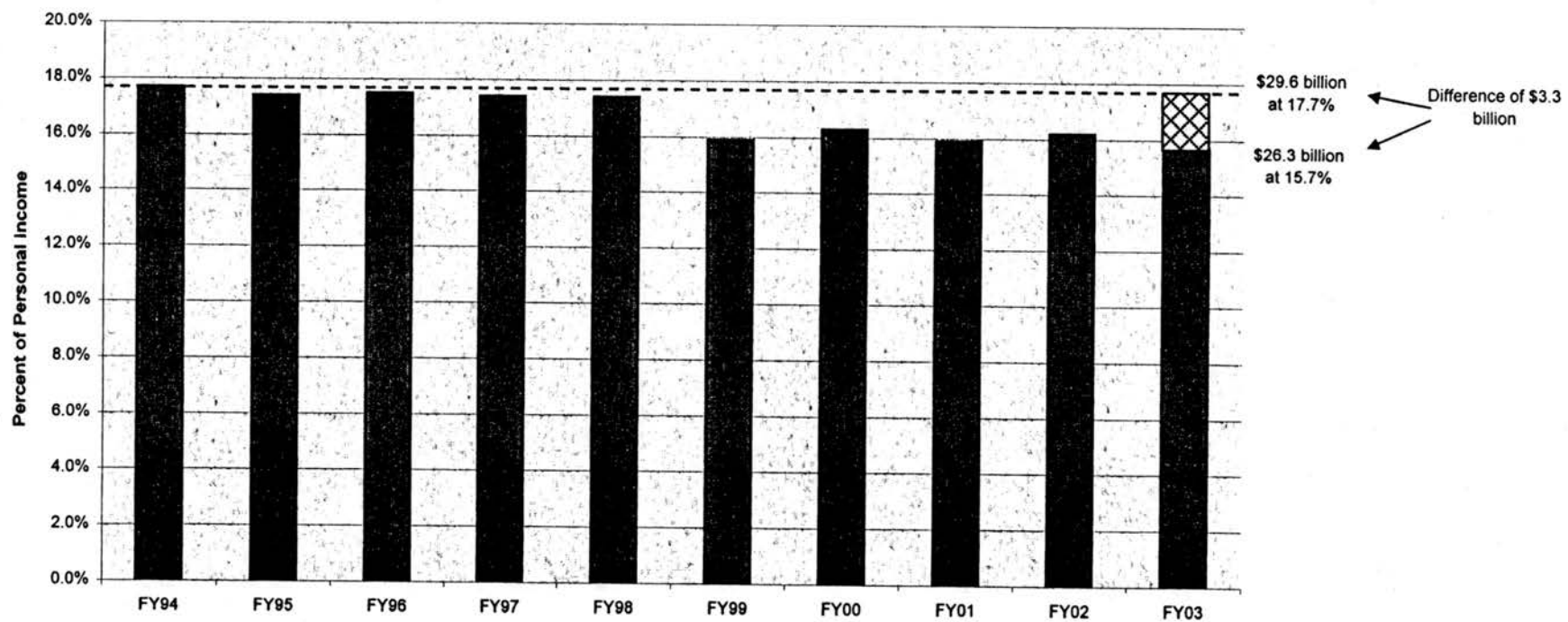
Another appeal involves a wetland banking site in Chisago County. The appeal has been accepted and is being held in abeyance to see how the site looks this summer.

THE PRICE OF GOVERNMENT

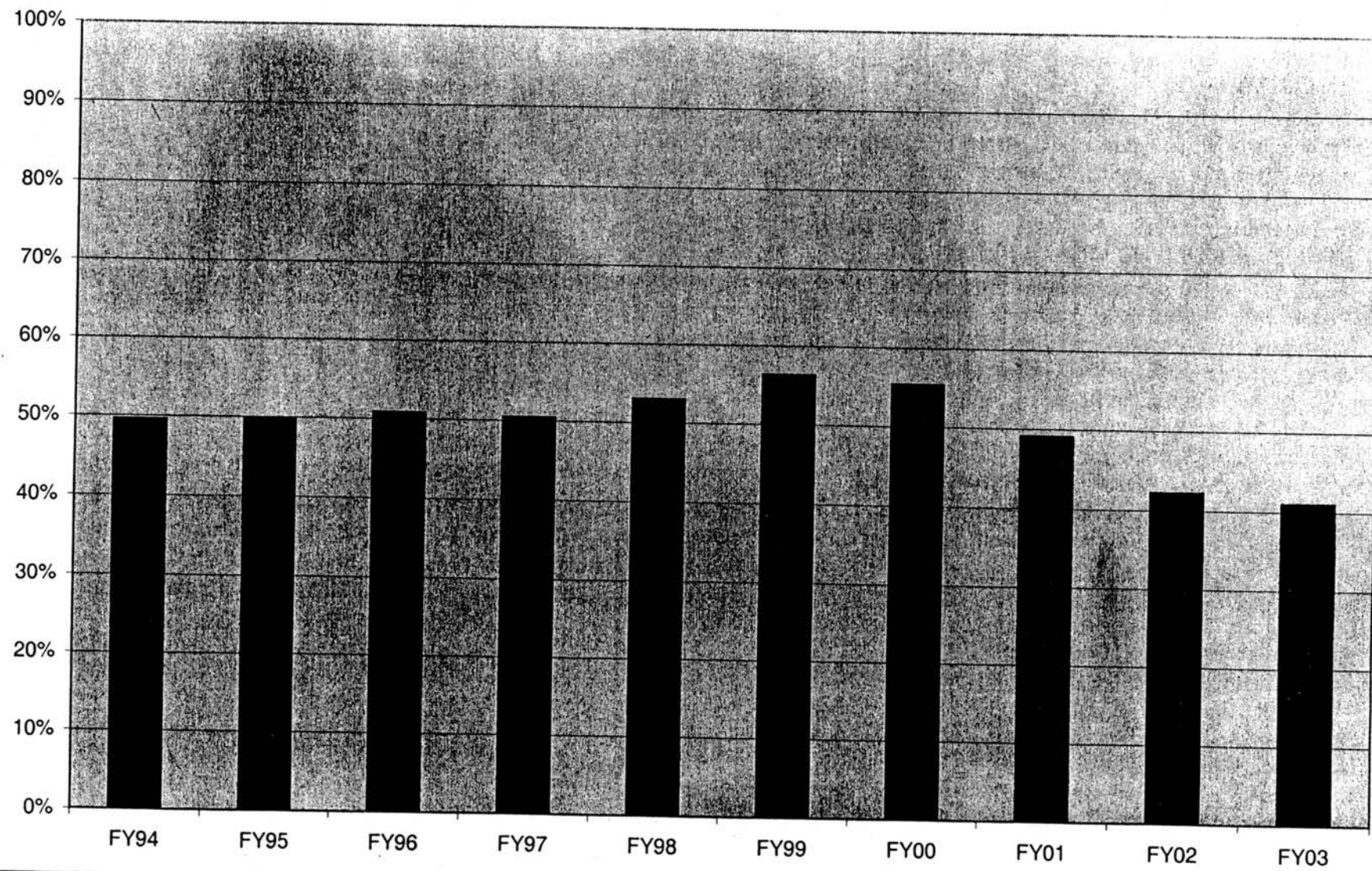
The “Price of Government” is defined as total state and local revenues as a percent of personal income. As such, it is a measure of the overall size of Minnesota state and local government and relative cost to taxpayers.

Minnesota Department of Finance

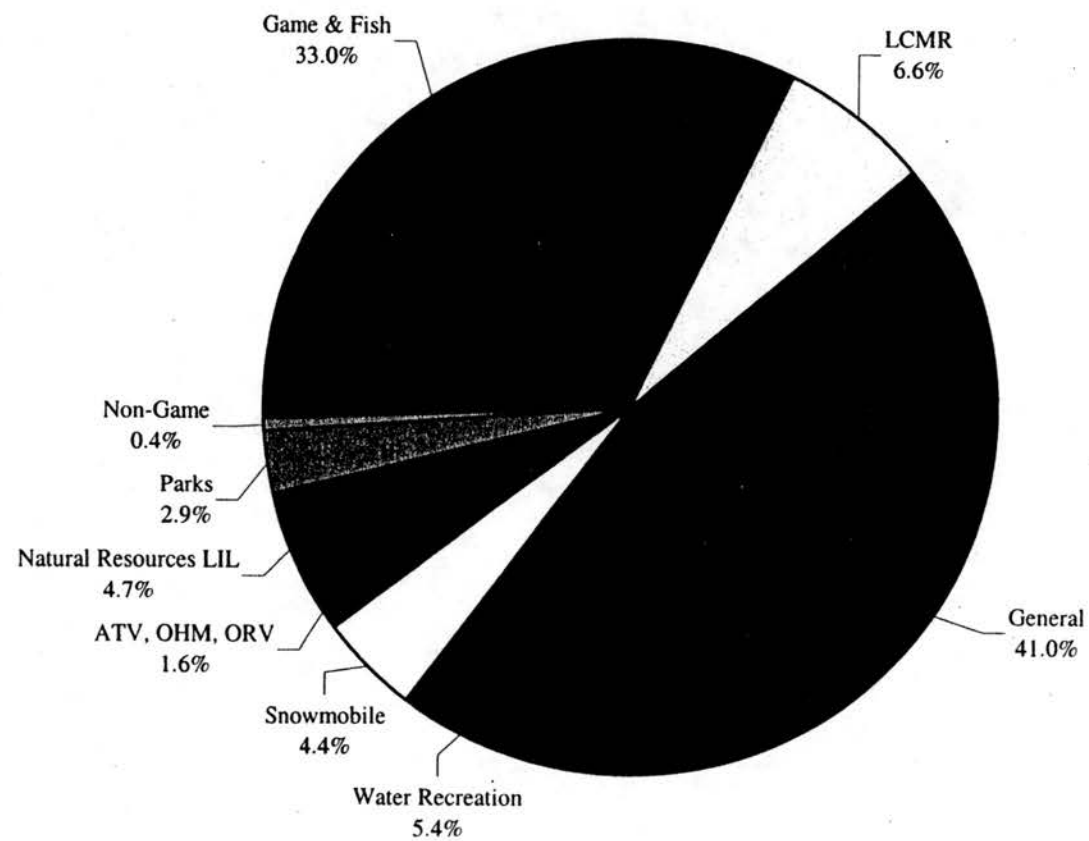
Price of Government
State and Local Revenues as Percent of Personal Income
 FY94 through FY03



General Fund Percentage of Total Direct Appropriations (With LCMR)



Department of Natural Resources
FY 2003 Direct Appropriations (With LCMR)

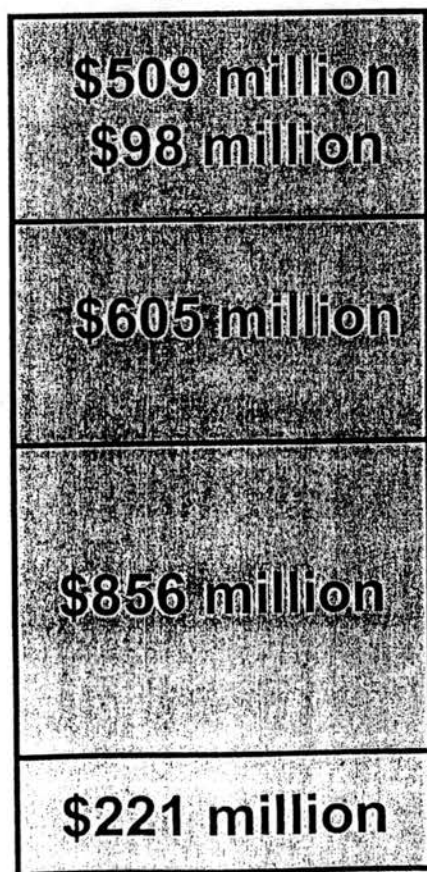


Backdrop for FY 04-05 Budget Preparation

- **Additional forecast risk remains for *current* biennium**
 - Year-to-date revenues below forecast
 - 12 months remaining with small reserve
- **FY 2004-05 budget gap of \$1.6 to \$2.7 billion (9.5%) based on current law and projected inflation**
- **Not unique – other states facing similar or *worse* problems**
- **Election year transition in Administration now definite**

Shifts and One-Time Savings Moderated Spending Cuts in Addressing FY02-03 Deficit

**\$2.289 Billion
Budget Gap**



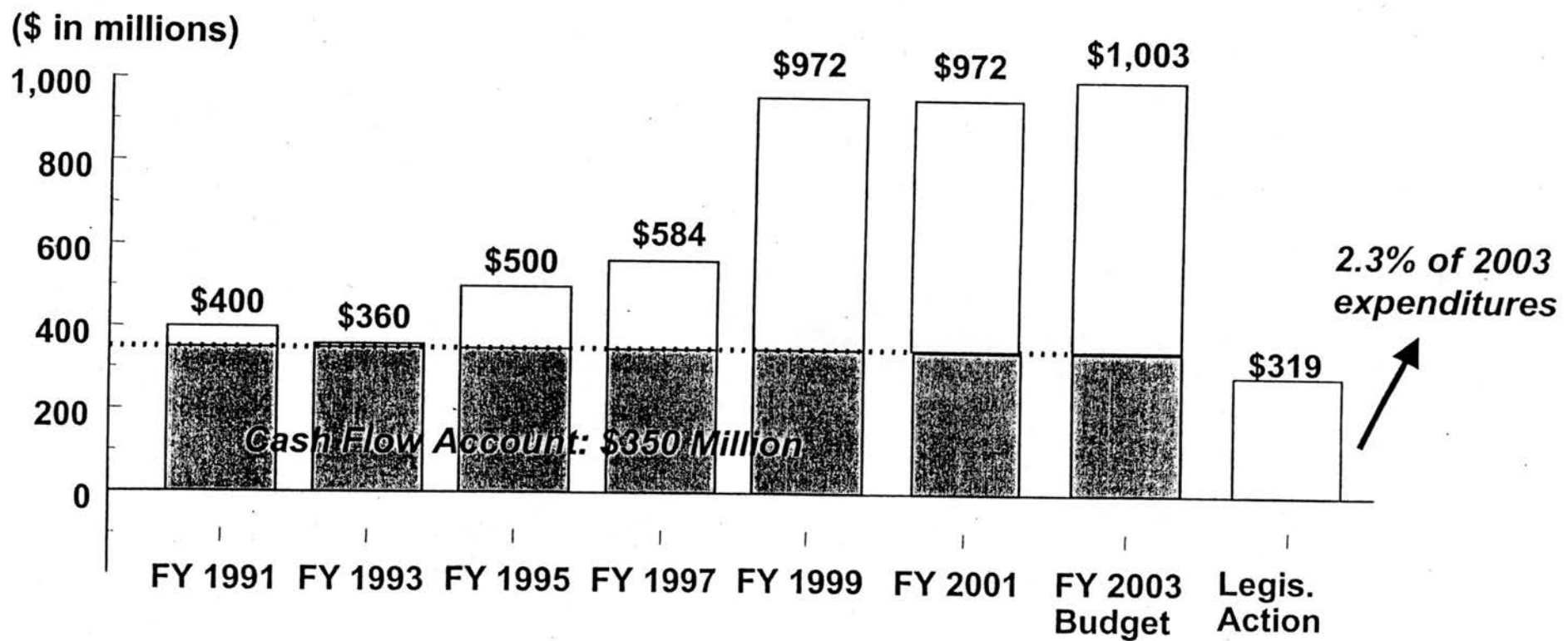
**Payment Changes,
Shifts, All Other – 27%**

**One-time Actions,
Refinancing – 26%**

Reserves – 38%

Spending Cuts – 9%

The Current \$319 Million Reserve is 2.3% of FY 2003 Spending



Current Budget is Still At Risk: FY02 Revenues were Down \$212 Million

	Estimate	Actual	Variance	Percent
Income	\$5,820	\$5,513	-\$307	-5.3
Sales	3,740	3,775	36	0.9
Corporate	533	533	0	0.1
Motor Vehicle	418	424	6	1.5
Other	<u>1,964</u>	<u>2,017</u>	<u>53</u>	<u>2.7</u>
Total	\$12,475	\$12,263	-\$212	-1.7

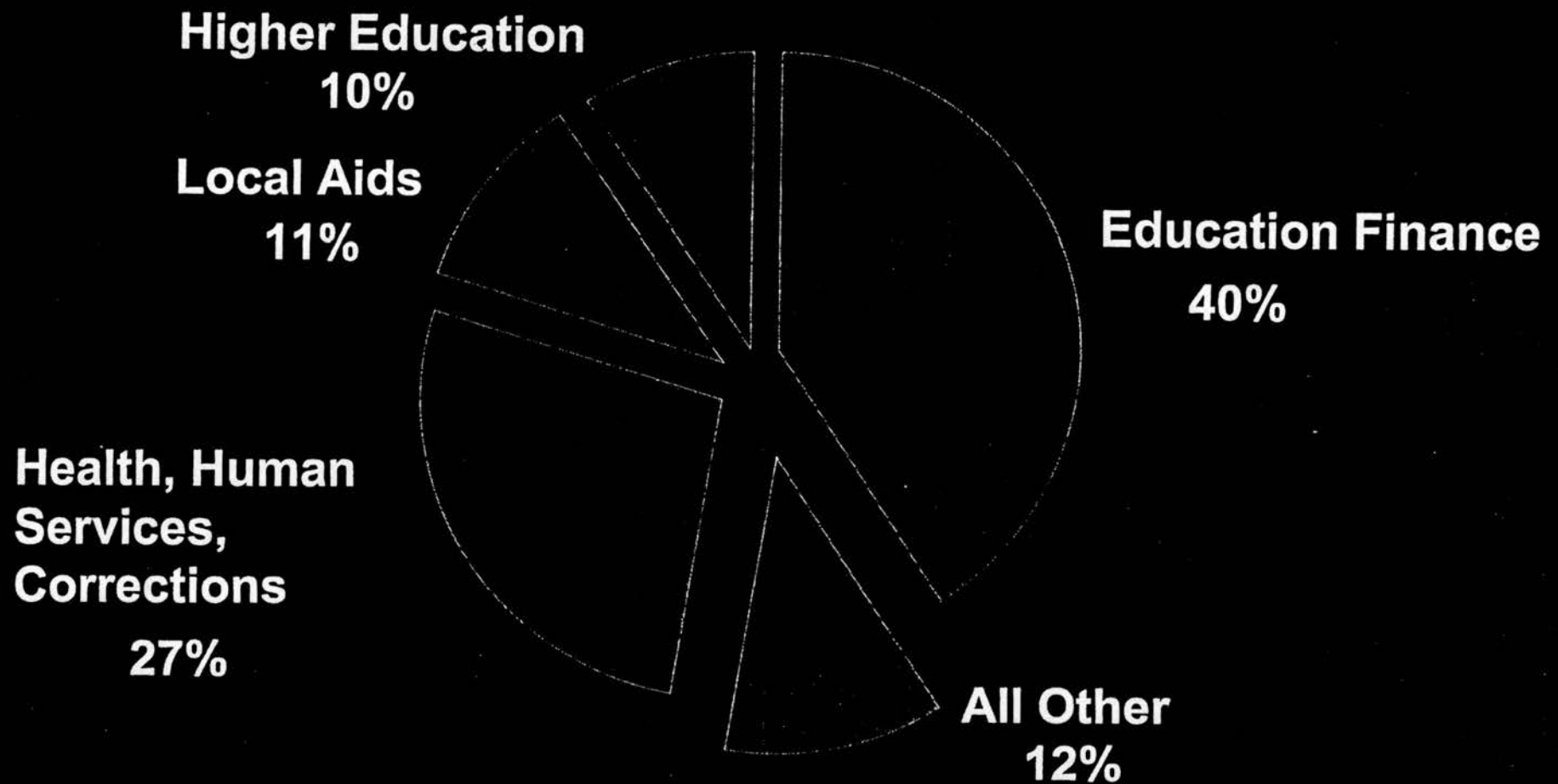
The Challenge: a \$1.6 to \$2.7 Billion Gap for the "04-05" Budget

	Current Budget		Next Biennium	
	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Revenues	\$12,358	\$13,304	\$13,814	\$14,677
Spending	<u>13,059</u>	<u>13,858</u>	<u>14,861</u>	<u>15,183</u>
<i>Structural Gap</i>	(701)	(554)	(1,047)	(506)
Est. Inflation @2.5%	<u>---</u>	<u>---</u>	<u>362</u>	<u>749</u>
<i>Difference</i>	\$(701)	\$(554)	\$(1,409)	\$ (1,255)

Four Factors Contribute to the \$2.7 Billion Problem for FY 2004-05

- **Forecast general revenues will increase \$2.8 billion (11.0%) over FY 2002-03.**
- ***Current law* spending will increase \$3.1 billion (11.6%) over FY 2002-03.**
- **While the *rates of growth* are close, we start “in the hole” by having spent \$1.3 billion more than we collected in FY 2002-03. (Balances and reserves “covered” this difference.)**
- **Projected inflation at 2.5% per year adds nearly \$1.1 billion to the problem.**

Eighty-eight Percent of the Budget is in the “Big Four” Areas



FY 2004-05 Budget Approach will be Different

- ***Key steps:***

- **Preparing background materials:
Inventory and analysis of state
programs and activities**
- **Identifying reduction options**
- **Identifying ranges of alternatives**

Ten Percent Reduction Planning

- **Broad tax and spending targets will not be available until post-election**
- **Size of the projected FY 04-05 shortfall and gubernatorial transition make it necessary to identify spending reduction *alternatives***
- **Agencies must identify the “weakest links” to results and lowest priorities**
- **Applies to all state funds, not just general fund activities**

The “Base” for Agency Budget Development will be Different

- **Starting point -- FY 2003 appropriations plus/minus only technical adjustments**
- **Does not include “policy” base adjustments (ie.compensation, rent)**
- **Agencies must plan to absorb potential compensation or other inflationary increases in all funds**

Change Items will Likely be Categorized for Review

- **Ten Percent Plan**
 - **Current Services Changes**
 - **Presentation of compensation, rent, other price adjustments will be decided by next administration**
 - **Alternatives**
 - **New Initiatives**
-
- ***Do not expect deficiency or supplemental funding for FY 2003***

Our Obligation: Assist in Planning a Transition Budget

- ***Agencies must focus on developing information and alternatives – not a single “agency request”***
- ***Background Information – agency profiles and lower level narratives must describe services and costs***
- ***Reduction Plans – workable, prioritized cuts***
- ***Alternatives – clearly mapping choices, possible tradeoffs***



Reduce Waste *If not you, who?*

YOUR LAWN AND THE ENVIRONMENT

New phosphorus lawn fertilizer law aims to protect Minnesota lakes and rivers

Minnesota has recently passed a law that restricts the use of lawn fertilizers containing phosphorus, the primary nutrient that turns lakes green with algae.

New Phosphorus Law

Starting January 1, 2004, **fertilizers containing phosphorus cannot be used on lawns in the Twin Cities metro area** (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties). Greater Minnesota is restricted to lawn fertilizers with 3 percent or less phosphate content (with fertilizer, phosphorus is measured as *phosphate*). Look for the middle number on a bag of fertilizer. For the metro area, it should be zero (0) and in Greater Minnesota it should be three (3).

Keep fertilizer off paved surfaces: It's illegal to spread any fertilizer on hard surfaces such as streets, sidewalks, and driveways. Rain can wash the fertilizer into nearby storm drains or road ditches, eventually getting into a lake or river near you. If you accidentally spill or spread fertilizer on a hard surface, clean it up immediately.

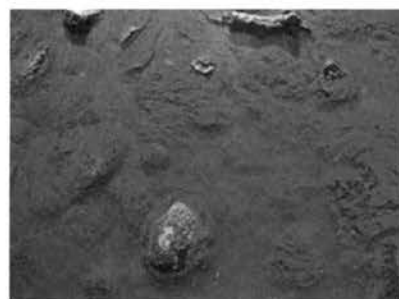
Exemptions

Fertilizers containing phosphorus may be used on lawns if a soil test indicates that it is needed or if you are establishing a new lawn.

These restrictions do not apply to fertilizers used for agricultural crops, flower and vegetable gardening, or on golf courses by trained staff.



THE PROBLEM: TOO GREEN



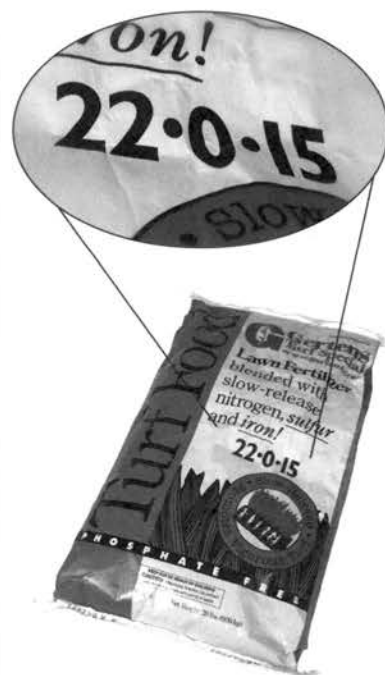
GREEN AND MUCKY Excess algae and weed growth is a major problem in many Minnesota lakes and waterways.



MORE PHOSPHORUS, LESS FISH Too much algae lowers oxygen levels and darkens the water. This can have a devastating effect on fish populations.

What to look for

On any bag or box of fertilizer, there is a string of three numbers. The middle number indicates phosphorus content and should read "0" in the Twin Cities seven-county metropolitan area, and "3" or less in Greater Minnesota.



DO THE GREEN THING: FERTILIZE RESPONSIBLY Many garden centers and hardware stores now carry phosphorus-free lawn fertilizers.

Will phosphorus-free fertilizer keep my lawn healthy?

While phosphorus is necessary to grow healthy lawns, soils in many parts of Minnesota already have an adequate amount. In these instances, adding more phosphorus in fertilizer is not needed and will not benefit your lawn. Healthy lawns can be maintained with phosphorus-free fertilizers.

What can you do to protect water quality?

Fertilizers, leaves, grass clippings, eroded soil, and animal waste are all sources of phosphorus. When they are swept or washed into the nearest street or storm drain, they end up in your local lake or river. You can do your part to protect water quality by doing the following:



- ▶ Follow Minnesota's new phosphorus lawn fertilizer law.
- ▶ Keep leaves and lawn clippings out of your gutters, streets, and ditches.
- ▶ Clean lawn and garden equipment on the grass, not on hard surfaces. Never wash or blow soil or grass clippings into the street.
- ▶ Pick up pet waste promptly. Pet waste can contain harmful bacteria as well as nutrients. Never drop pet waste in the street or ditches.
- ▶ Control soil erosion around your house. When left bare, soil is easily washed away with rain, carrying phosphorus with it. Soil erosion can be prevented by keeping soil covered with vegetation or mulch.



SWEEP IT UP Grass clippings and leaves left on streets and sidewalks are a major source of phosphorus.

Find out what you need: Test your soil

A soil test is a good idea, especially if you are concerned that your lawn may need phosphorus.



Instructions on soil testing are available through the University of Minnesota Extension Service's INFO-U by calling 612-624-2200 (metro) or 1-800-525-8636 and requesting message 468.

Soil testing information can also be obtained through the Internet by visiting www.extension.umn.edu and searching for "Lawn Soil Testing."

A list of laboratories certified for soil testing by the Minnesota Department of Agriculture can be found at www.mda.state.mn.us/appd/soilabs.htm.

Visit www.reduce.org for lots of ideas about reducing waste and toxic chemicals in your day-to-day life.

reduce.org

For more information on lawn care

- ▶ The **Yard & Garden Line** is the University of Minnesota Extension Service's one-stop telephone link to information about plants and insects in the home landscape. Call 612-624-4771, or (toll free) 1-888-624-4771 in Greater Minnesota.
- ▶ University of Minnesota **Extension Service's web site:** www.extension.umn.edu. From the home page click on "Garden" then on "Lawns."
- ▶ University of Minnesota Extension Service - **Sustainable Urban Landscape Information Series (SULIS):** www.sustland.umn.edu. From the home page, click on "Maintenance" then on "Lawn care."
- ▶ **Minnesota Department of Agriculture:** www.mda.state.mn.us. From the home page, click on "Water & Land," then on "Lawn Care & Water Quality."

To obtain additional copies of this fact sheet

contact Office of Environmental Assistance's **Education Clearinghouse** at 1-800-877-6300, 651-215-0232 or e-mail: clearinghouse@moea.state.mn.us.



OVERVIEW

South Two River Watershed District Overall Plan

Background

On August 5, 2002, the BWSR Water Planning Subcommittee recommended approval of the South Two River Watershed District Overall Plan to the BWSR Board. The BWSR Staff also recommends approval of the South Two River Watershed District Overall Plan.

Summary of Plan Review Process and Plan Strengths

In a letter dated October 2001, the BWSR commented on the initial draft South Two River Watershed District Overall Plan and outline. As a "bottom line", staff recommended that the Plan should outline the District's future activities and expenditures – justified by resource data. The BWSR recommended replacing the Introduction chapter with a concise Executive Summary section. Staff complimented the District for use of the SWOT (strength, weaknesses, opportunities and threats) analysis which provided a unique overall framework of issues that can serve as the focus point for the remainder of the Plan and connected the conditions/problems and the goals /implementation.

In a letter dated June 11, 2002, The BWSR Staff conducted its review of the March 2002 final draft of the STRWD Overall Plan in context of our previous reviews and meetings. As a result of a January 30, 2002 follow-up meeting the Plan was improved from the initial draft plan by having added a clear and concise list of implementation actions associated with each issue /goal topic that generally describes future activities and expenditures. Staff again commented on the effectiveness of the issue identification process that was able to accurately display the relative priority and rank of the issue. Staff also stated that the implementation chapter has been much improved by providing a detailed listing of the tools or activities needed to achieve each measurable outcome. The Plan does comply with the fundamental planning expectations articulated by BWSR.

The highlights of the Plan include 1) definition of specific projects/actions, responsible parties and set time line, 2) Identification of priority issues determined through citizen involvement and agency participation, 3) Concise implementation section with identified management and activities, and 4) Communication and partnership on management and monitoring programs.

Watershed Description

The South Two River Watershed District was established on December 31, 1986 and encompasses a total of 93 square miles. Lands within the District are distributed in the following counties: Stearns (93.5%) and Morrison (6.5%). The STRWD contains the cities of Albany and Holdingford and has two major lake resources including Pelican and Two River Lakes.

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

**In the Matter of prescribing a Revised
Watershed Management Plan for the
South Two River Watershed District
pursuant to Minnesota Statutes Section 103D.405**

**ORDER
PRESCRIBING
WATERSHED MANAGEMENT
PLAN**

Whereas, the Board of Managers of the South Two River Watershed District (STRWD) filed a proposed Revised Watershed Management Plan (Plan) dated March 2002 with the Minnesota Board of Water and Soil Resources (Board) pursuant to M.S. Section 103D.405, and;

Whereas, The Board has completed its review of the Plan;

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

FINDINGS OF FACT

1. **District Establishment.** The STRWD was established by the Minnesota Water Resources Board on December 31, 1986.
2. **Requirement to Plan.** The Plan includes an executive summary, an inventory of water resources information, updates of hydrological information, specific implementation projects and programs, a description of problems, a summary of completed studies, a summary of the district's program, and a summary of the financial tools available to the district. The district's major issues are to address the following: 1) poor water quality in the lakes and water ways, 2) seasonal lake flooding and significant lake level variations, 3) stream flooding, 4) sediment and erosion problems, 5) poor storm drainage facilities, 6) frequent flooding in septic tanks in shoreland areas and residential areas.
3. **Nature of the Watershed.** The STRWD is approximately 93 square miles in size and is located in central Minnesota. The district occupies parts of Stearns (93.5%) and Morrison Counties (6.5%). The STRWD contains the cities of Albany and Holdingford and has two major lake resources including Pelican and Two River Lakes.
4. **Local Review.** The STRWD sent a copy of the draft Plan to local units of government for their review pursuant to Minnesota Statutes Section 103D.405.
5. **State Review Agency Review.** State Review agencies did not provide review of Plan.
6. **Board Review.** In a letter dated October 2001, the BWSR commented on the initial draft South Two River Watershed District Overall Plan and outline. As a "bottom

line", staff recommended that the Plan should outline the District's future activities and expenditures – justified by resource data. The BWSR recommended replacing the Introduction chapter with a concise Executive Summary section. Staff complimented the District for use of the SWOT (strength, weaknesses, opportunities and threats) analysis, which provided a unique overall framework of issues that can serve as the focus point for the remainder of the Plan and connected the conditions/problems and the goals/implementation.

In a letter dated June 11, 2002, The BWSR Staff conducted its review of the March 2002 final draft of the STRWD Overall Plan in context of our previous reviews and meetings. As a result of our January 30, 2002, meeting between BWSR staff, District administrator and planning consultant the Plan was improved from the initial draft plan by having added a clear and concise list of implementation actions associated with each issue/goal topic that generally describes future activities and expenditures. Staff again commented on the effectiveness of the issue identification process that was able to accurately display the relative priority and rank of the issue. Staff also stated that the implementation chapter has been much improved by providing a detailed listing of the tools or activities needed to achieve each measurable outcome. The Plan does comply with the fundamental planning expectations articulated by BWSR.

7. **Publish Notice of Filing.** Legal notice of public hearing was published in the Stearns Morrison Enterprise on June 18 and 25, 2002; and in the Morrison County Record on June 16 and 23, 2002.
8. **Water Planning Subcommittee meeting.** On August 5, 2002, the BWSR Water Planning Subcommittee recommended approval of the South Two River Watershed District Overall Plan to the BWSR Board. The BWSR Staff also recommends approval of the South Two River Watershed District Overall Plan.
9. **Highlights of the Plan.** The critical elements included in the Plan are:
 - a. Definition of specific projects/actions, responsible parties and set time line;
 - b. Identification of priority issues determined through citizen involvement and agency participation;
 - c. Concise implementation section with identified management and activities;
 - d. Communication and partnership on management and monitoring programs.

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 approving a Revised Watershed Management Plan for the South Two River Watershed District pursuant to Minnesota Statutes Section 103D.405.
3. The South Two River Watershed District Revised Watershed Management Plan attached to this Order defines water-related problems within the STRWD boundaries, possible solutions thereto, and an implementation program.
4. The attached Plan is in conformance with the requirements of Minnesota Statutes Section 103D, BWSR guidelines for Watershed District Plan content, and is consistent with the affected county comprehensive water plan.

ORDER

The Board hereby prescribes the attached Plan as the Revised Watershed Management Plan for the South Two River Watershed District.

Dated at Saint Paul, Minnesota this 28th day of August 2002.

MINNESOTA BOARD OF WATER AND SOIL RESOURCES

BY: Leland G. Coe, Chair

Final Hearing, Sauk River Watershed District Watershed Management Plan

Donald Kanten, President

Kay Cook, Vice President

Jerome Pogose, Secretary

Edmond Hunstiger, Treasurer

Allan Kuseske, Manager

Sharen Kutter, Manager

Angie Tomovic, Manager

Robert Mostad, Manager

Virgil Rettig, Manager

Julie Klocker, Administrator

Starla Arceneau, Administrative Assistant

Melissa Bromenshenkel, Clerk

Amy Trisko, Environmental Technician

Lynn Nelson, Environmental Project Coordinator

Lindberg Ekola, Planning Consultant

John Kolb, Legal Consultant

Purpose of Management Plan

- Facilitates future planning by inventorying and assessing resources, and by identifying and detailing policies, goals and objectives of the district
- Identifies programs and projects to implement policies and achieve goals and objectives
- Establishes budgeting criteria and plans for funding programs
- Establishes a schedule and forms the basis for executing and implementing programs and projects

THE TOWN OF TOWN'S GIS DEPARTMENT HAS MADE EVERY EFFORT TO PROVIDE THE MOST UP-TO-DATE INFORMATION AVAILABLE IN THIS PUBLICATION AND CANNOT BE HELD RESPONSIBLE FOR ANY DISCREPANCIES.

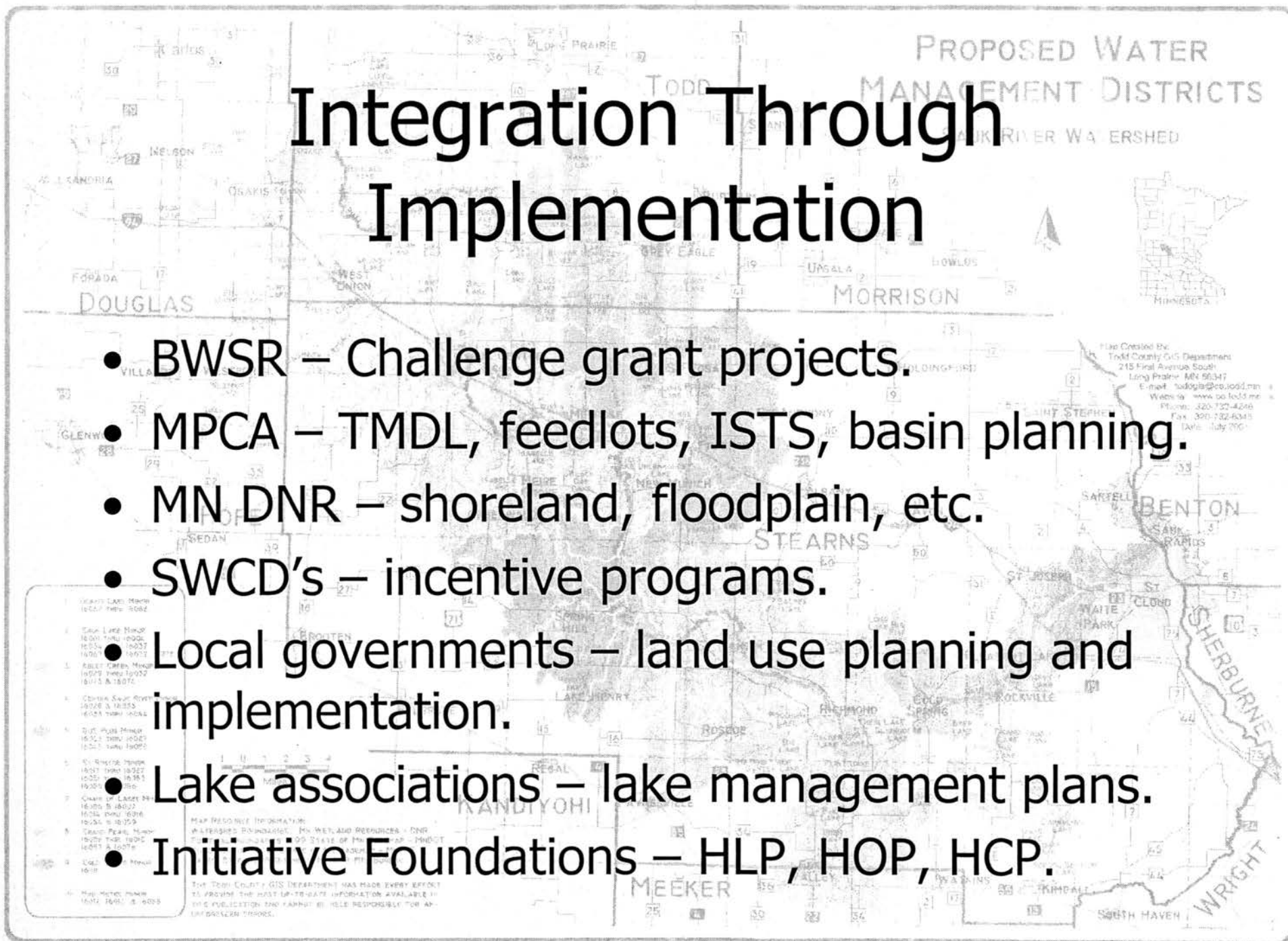
Integration Through Planning

- Board of Managers.
- Advisory Committee.
- Lake Associations – Osakis, Big Birch, Sauk Lake, Sauk River Chain of Lakes, etc.
- Agency representatives.
- Local government officials.
- Citizens.



Integration Through Implementation

- BWSR – Challenge grant projects.
- MPCA – TMDL, feedlots, ISTS, basin planning.
- MN DNR – shoreland, floodplain, etc.
- SWCD's – incentive programs.
- Local governments – land use planning and implementation.
- Lake associations – lake management plans.
- Initiative Foundations – HLP, HOP, HCP.



Implementation Programs/ Resource Allocation

Behm's Triangle

Regulation

Improvement

Incentive

Education

Resources Expended

\$

\$\$

\$\$\$

1. DEWITT LAKE, MINN. 18000 thru 18000
2. SALT LAKE, MINN. 18001 thru 18000, 18001 thru 18007, 18008 thru 18012, 18013
3. ADLEY CREEK, MINN. 18029 thru 18032, 18033 & 18034
4. CROWN LAKE, MINN. 18035 & 18036, 18037 thru 18040
5. GULF FLOOD, MINN. 18041 thru 18047, 18048 thru 18050
6. C. K. ROYCE, MINN. 18051 thru 18052, 18053 thru 18055, 18056 & 18058
7. CHASE OF LAKE, MINN. 18059 & 18060, 18061 thru 18068, 18069 & 18070
8. GRAND PEARL, MINN. 18071 thru 18072, 18073 & 18074
9. GOLD SPRING, MINN. 18075
10. NINE PINE, MINN. 18076 thru 18077 & 18078

TO PROVIDE THE MOST UP-TO-DATE INFORMATION AVAILABLE IN THIS PUBLICATION, THE PUBLISHER CANNOT BE HELD RESPONSIBLE FOR ANY DISCREPANCIES.

Challenges for the Sauk River Watershed District

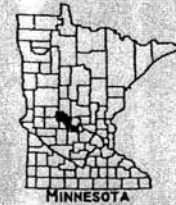
- Large land mass (over 1000 square mi.).
- Extreme social and economic diversity (metro – St. Cloud to extreme rural – west of Osakis).
- Extreme resource diversity (riverine to recreational lakes, prairie pothole to sand plain, native prairie to hardwood forest).
- Substantial diversity in resource needs (pristine to impaired waters).

MAP RESOURCE INFORMATION
WATERSHED BOUNDARIES - MN WETLAND RESOURCES - DNR
POLITICAL BOUNDARIES - CO STATE OF MN BUREAU - MNDOT
ROAD NETWORK - CO STATE OF MN BUREAU - MNDOT
TAXES - COUNTY & CITY TAXES - MN DNR - THIS BUREAU

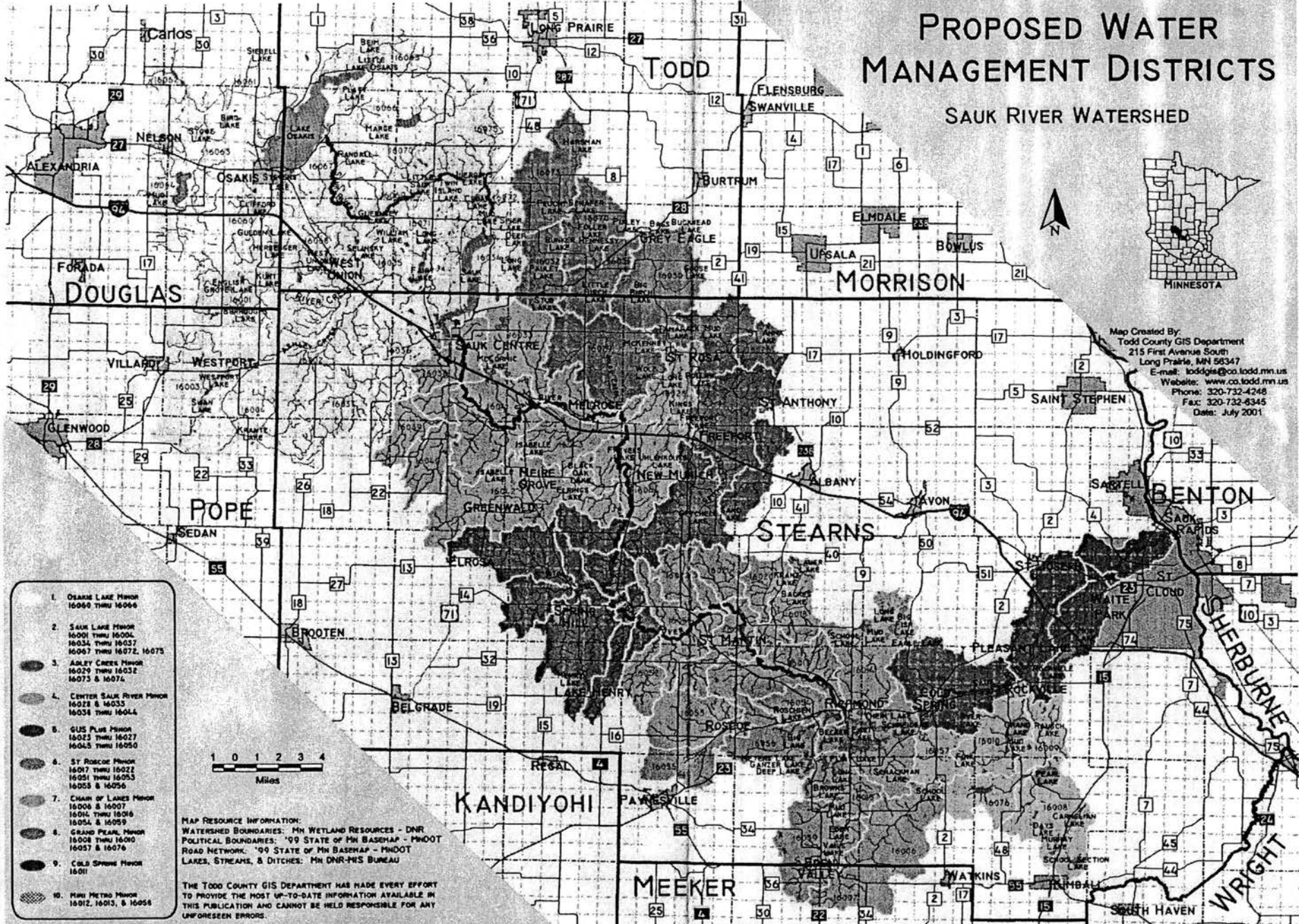
THE COORDINATE GIS DEPARTMENT HAS MADE EVERY EFFORT
TO PROVIDE THE MOST UP-TO-DATE INFORMATION AVAILABLE IN
THIS PUBLIC DOMAIN AND CANNOT BE HELD RESPONSIBLE FOR ANY
UNDESIRABLE CONSEQUENCES.

PROPOSED WATER MANAGEMENT DISTRICTS

SAUK RIVER WATERSHED



Map Created By:
Todd County GIS Department
215 First Avenue South
Long Prairie, MN 56347
E-mail: toddgis@co.todd.mn.us
Website: www.co.todd.mn.us
Phone: 320-732-4248
Fax: 320-732-6345
Date: July 2001



1. OSAUK LAKE MINOR
16060 THRU 16066
2. SAUK LAKE MINOR
16001 THRU 16004
16034 THRU 16037
16067 THRU 16072, 16075
3. ADLEY CREEK MINOR
16029 THRU 16032
16075 & 16076
4. CENTER SAUK RIVER MINOR
16038 & 16033
16038 THRU 16044
5. GUS PLUS MINOR
16023 THRU 16027
16045 THRU 16050
6. ST. ROSE MINOR
16051 THRU 16053
16055 & 16056
7. CHAIN OF LAKES MINOR
16006 & 16007
16014 THRU 16016
16054 & 16059
8. GRAND PEARL MINOR
16008 THRU 16010
16057 & 16076
9. COLD SPRING MINOR
16011
10. RUI METRO MINOR
16012, 16013, & 16054



MAP RESOURCE INFORMATION:
WATERSHED BOUNDARIES: MN Wetland Resources - DNR
POLITICAL BOUNDARIES: '99 STATE OF MN BASEMAP - MNDOT
ROAD NETWORK: '99 STATE OF MN BASEMAP - MNDOT
LAKES, STREAMS, & DITCHES: MN DNR-MIS BUREAU

THE TODD COUNTY GIS DEPARTMENT HAS MADE EVERY EFFORT TO PROVIDE THE MOST UP-TO-DATE INFORMATION AVAILABLE IN THIS PUBLICATION AND CANNOT BE HELD RESPONSIBLE FOR ANY UNFORESEEN ERRORS.

Considerations for WMD Establishment

- Hydrologic unit (sub-watershed).
- Common land uses.
- Common resource requirements/issues.
- Common community interests.
- Sustainable value.
- Manager established priorities of effort.



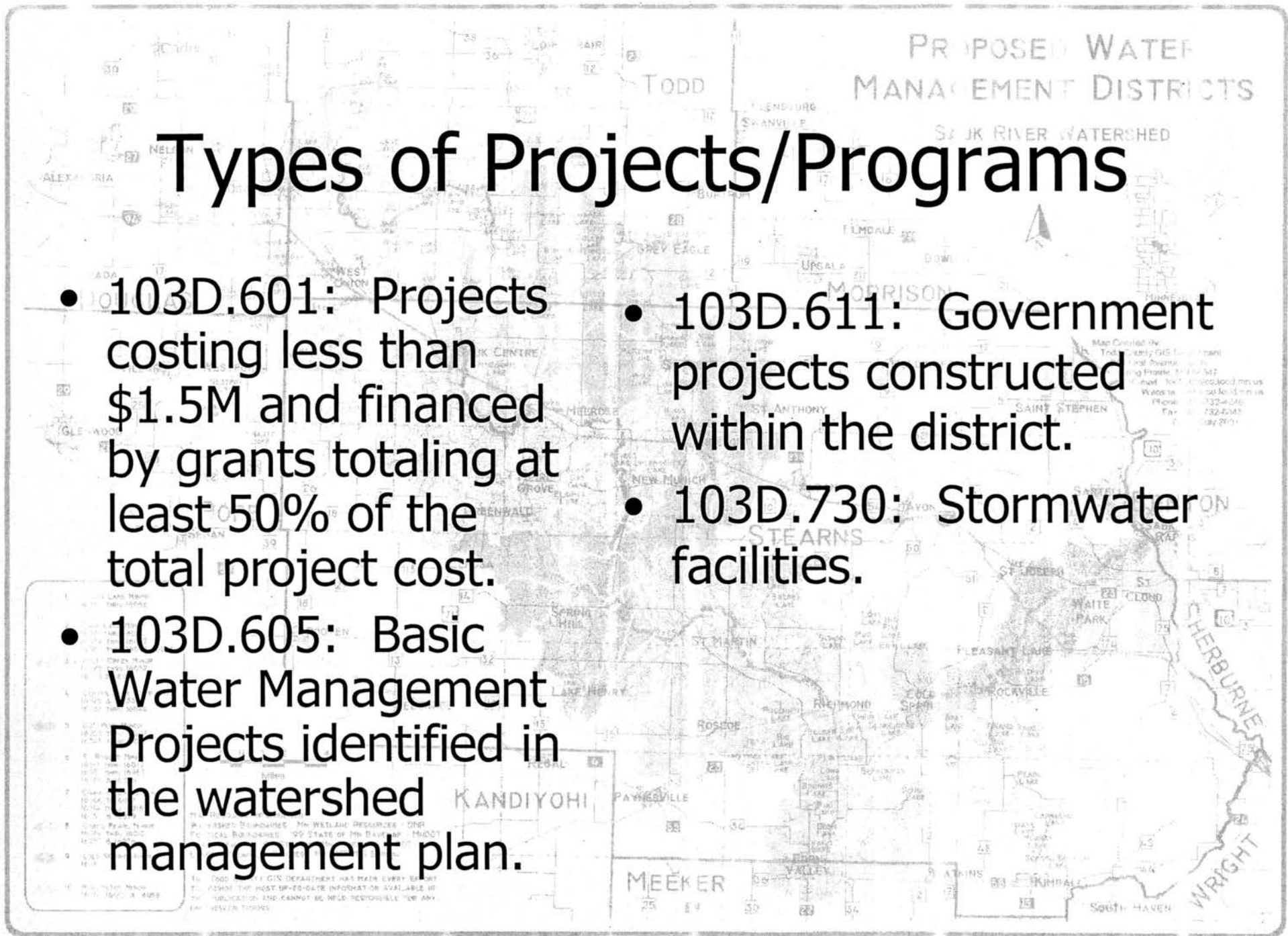
Water Management District (§103D.729)

A watershed district may establish a water management district or districts in the territory of the watershed for the purpose of collecting revenues and paying the cost of projects initiated under sections 103D.601, D.605, D.611 or D.730



Types of Projects/Programs

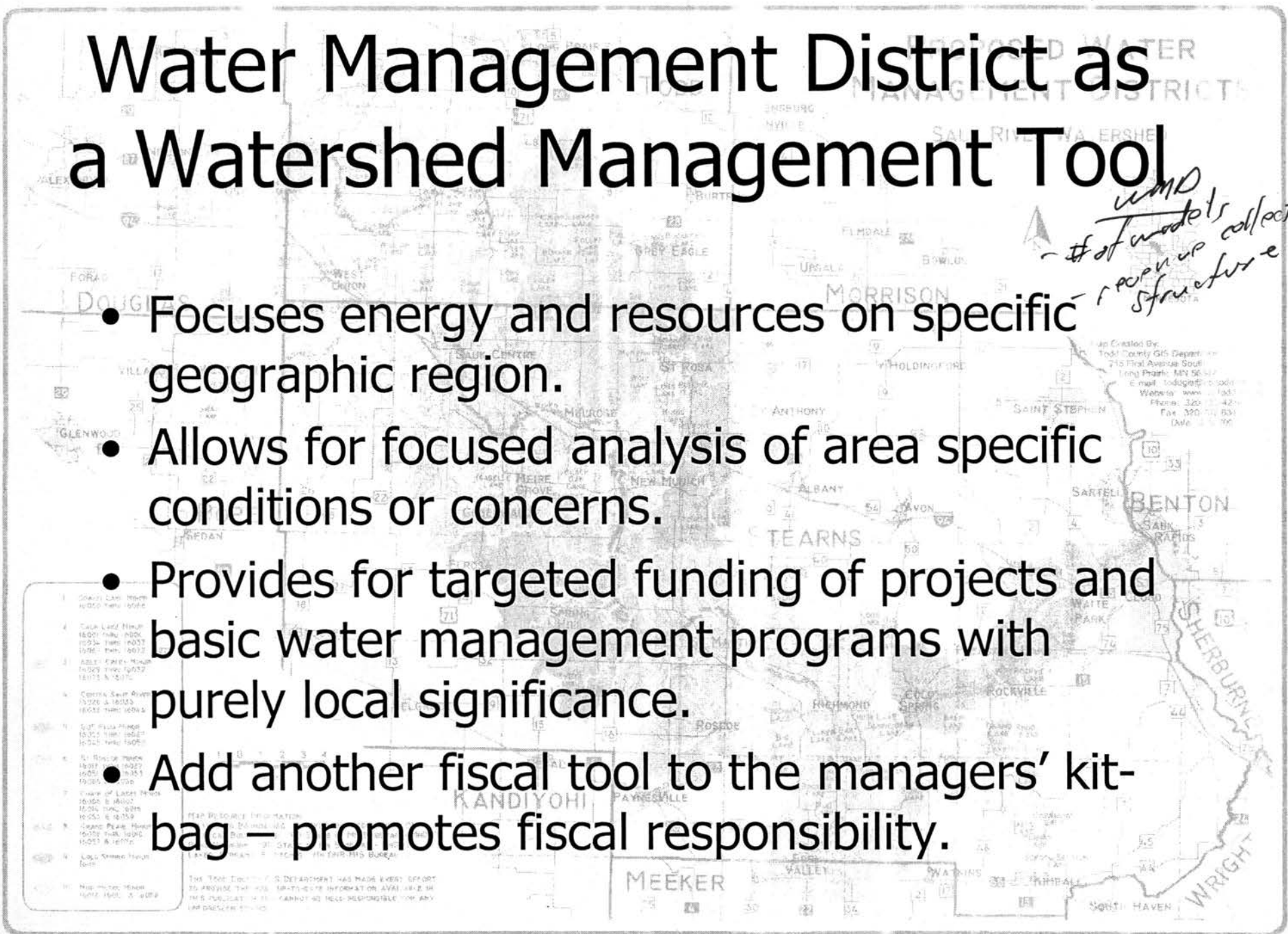
- 103D.601: Projects costing less than \$1.5M and financed by grants totaling at least 50% of the total project cost.
- 103D.605: Basic Water Management Projects identified in the watershed management plan.
- 103D.611: Government projects constructed within the district.
- 103D.730: Stormwater facilities.



Water Management District as a Watershed Management Tool

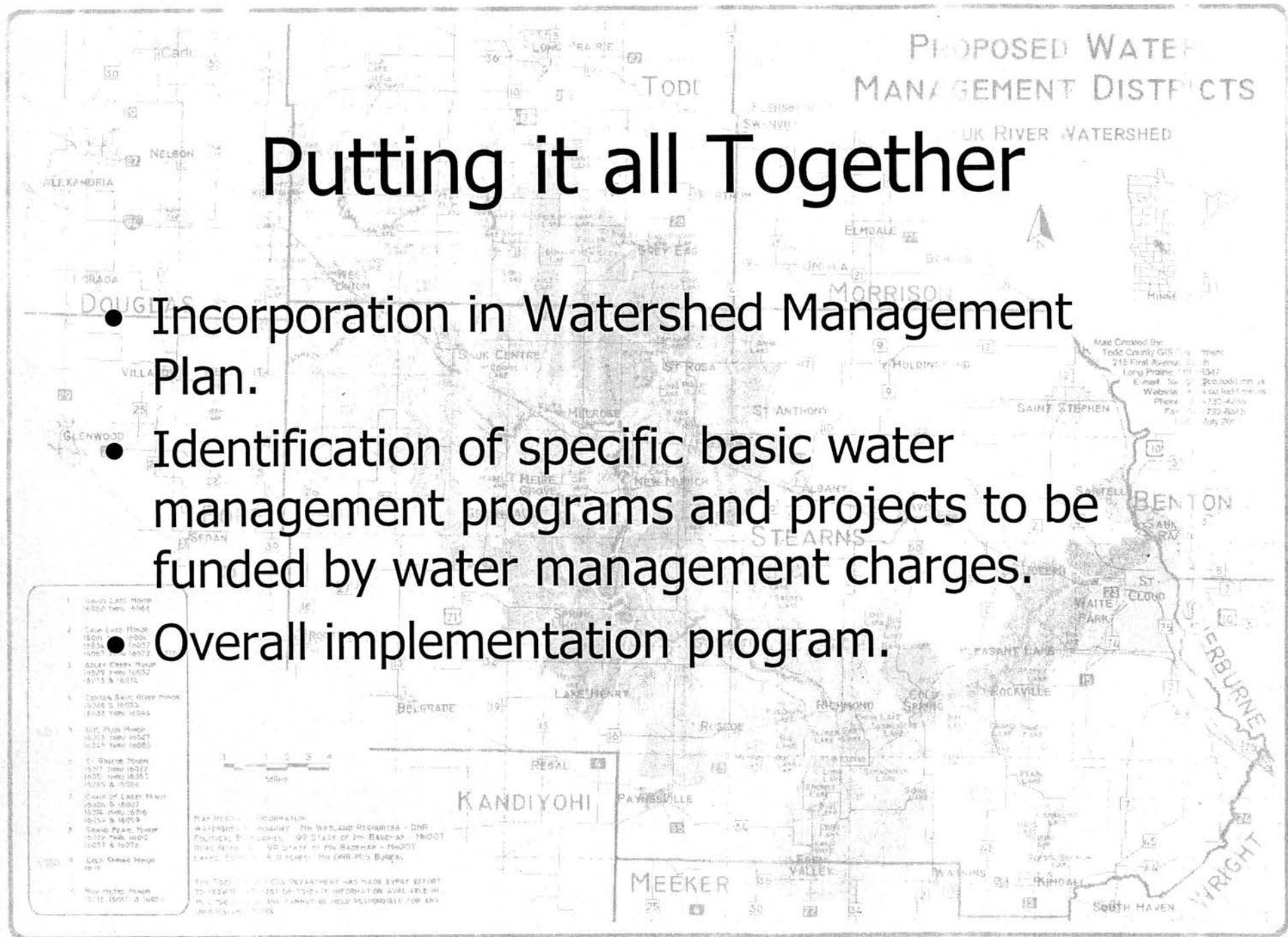
- Focuses energy and resources on specific geographic region.
- Allows for focused analysis of area specific conditions or concerns.
- Provides for targeted funding of projects and basic water management programs with purely local significance.
- Add another fiscal tool to the managers' kit-bag – promotes fiscal responsibility.

and that of water collect. structure



Putting it all Together

- Incorporation in Watershed Management Plan.
- Identification of specific basic water management programs and projects to be funded by water management charges.
- Overall implementation program.



Management Model

Technical/Engineering Studies
Monitoring/Data Collection
Public/Citizen Input
Municipal Review/Coordination
Manager Policies, Goals, Objectives

Projects
Permitting
Enforcement
Review

Planning

Maintenance
Regulatory
Information
Data Collection
Improvement

Programming

Execution/Implementation

Budgeting

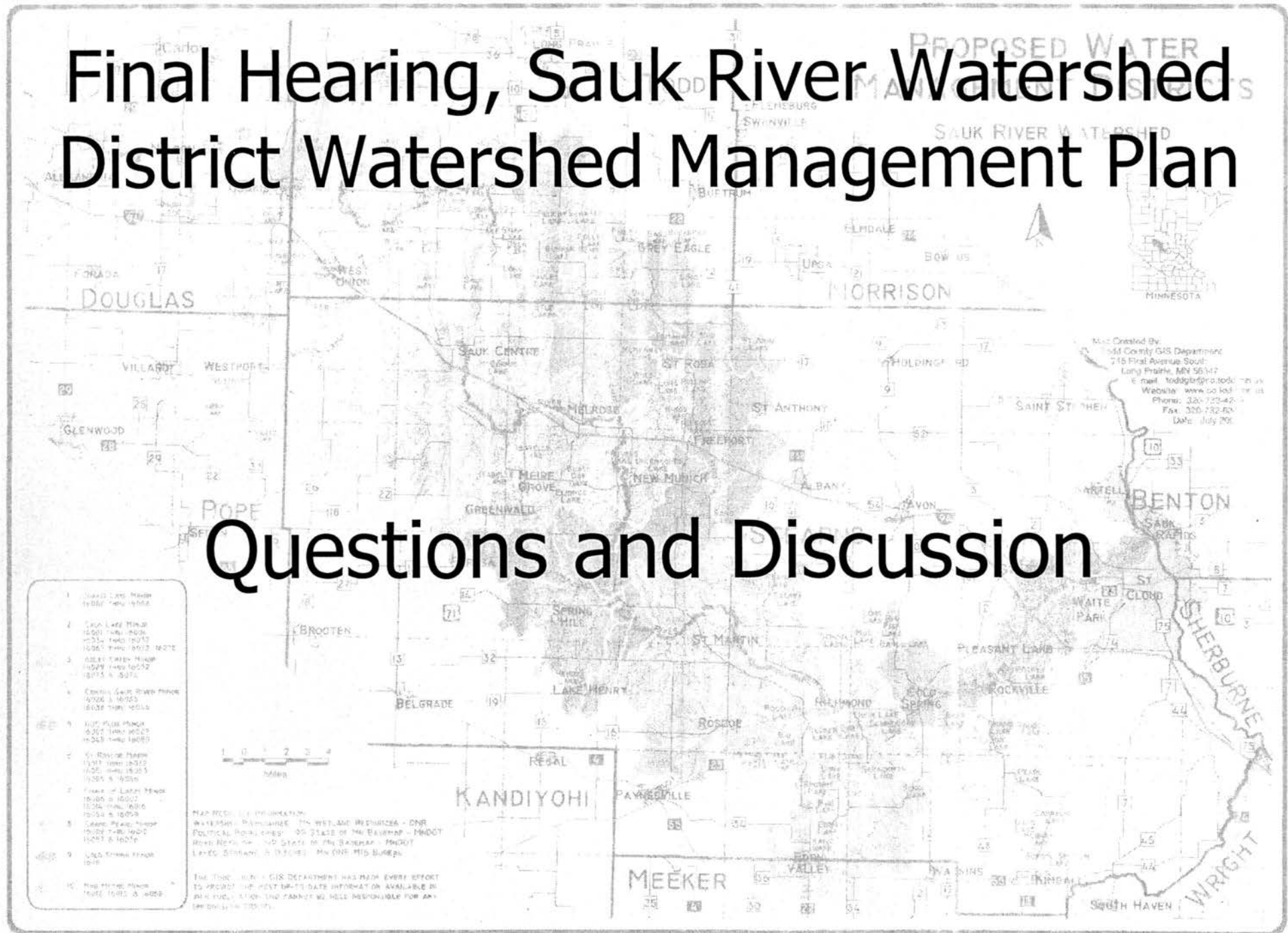
Special Assessment
Watershed Bond
Water Management Charges
Ad Valorem Taxes

Administrative Fund
Maintenance Fund
Implementation Fund
Data Collection Fund
Grants

1. Carl Ladd House 1800 1/2 1st St 1800 1/2 1st St 1800 1/2 1st St 1800 1/2 1st St 1800 1/2 1st St
2. John Ladd House 1800 1/2 1st St 1800 1/2 1st St 1800 1/2 1st St 1800 1/2 1st St
3. John Ladd House 1800 1/2 1st St 1800 1/2 1st St 1800 1/2 1st St 1800 1/2 1st St
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10. John Ladd House 1800 1/2 1st St 1800 1/2 1st St 1800 1/2 1st St 1800 1/2 1st St

Final Hearing, Sauk River Watershed District Watershed Management Plan

Questions and Discussion

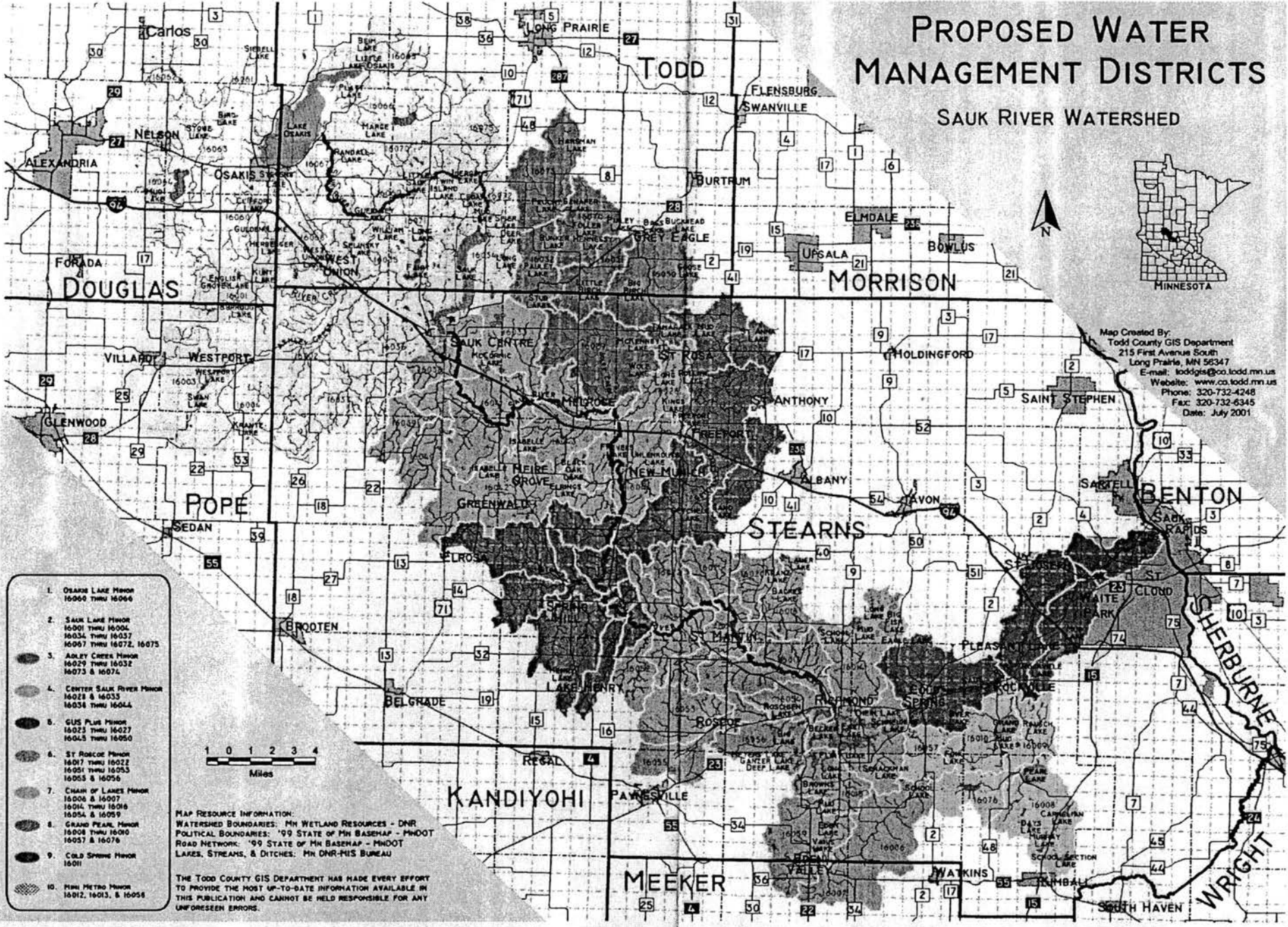


PROPOSED WATER MANAGEMENT DISTRICTS

SAUK RIVER WATERSHED



Map Created By:
Todd County GIS Department
215 First Avenue South
Long Prairie, MN 56347
E-mail: toddgis@co.todd.mn.us
Website: www.co.todd.mn.us
Phone: 320-732-4248
Fax: 320-732-6345
Date: July 2001



1. OSAGE LAKE MINOR
16060 THRU 16066
2. SAUK LAKE MINOR
16001 THRU 16004
16034 THRU 16037
16067 THRU 16072, 16075
16073 & 16074
3. ADLEY CREEK MINOR
16029 THRU 16032
16073 & 16074
4. CENTER SAUK RIVER MINOR
16013 & 16033
16034 THRU 16044
5. GUS PLUS MINOR
16023 THRU 16027
16045 THRU 16050
6. ST. ROSE MINOR
16017 THRU 16022
16051 THRU 16053
16055 & 16056
7. CHAIN OF LAKES MINOR
16006 & 16007
16014 THRU 16016
16054 & 16059
8. GRAND PEARL MINOR
16008 THRU 16010
16057 & 16076
9. COLD SPRING MINOR
16011
10. MIN. POND MINOR
16012, 16013, & 16058

MAP RESOURCE INFORMATION:
WATERSHED BOUNDARIES: MN WETLAND RESOURCES - DNR
POLITICAL BOUNDARIES: '99 STATE OF MN BASEMAP - MNDOT
ROAD NETWORK: '99 STATE OF MN BASEMAP - MNDOT
LAKES, STREAMS, & DITCHES: MN DNR-MIS BUREAU

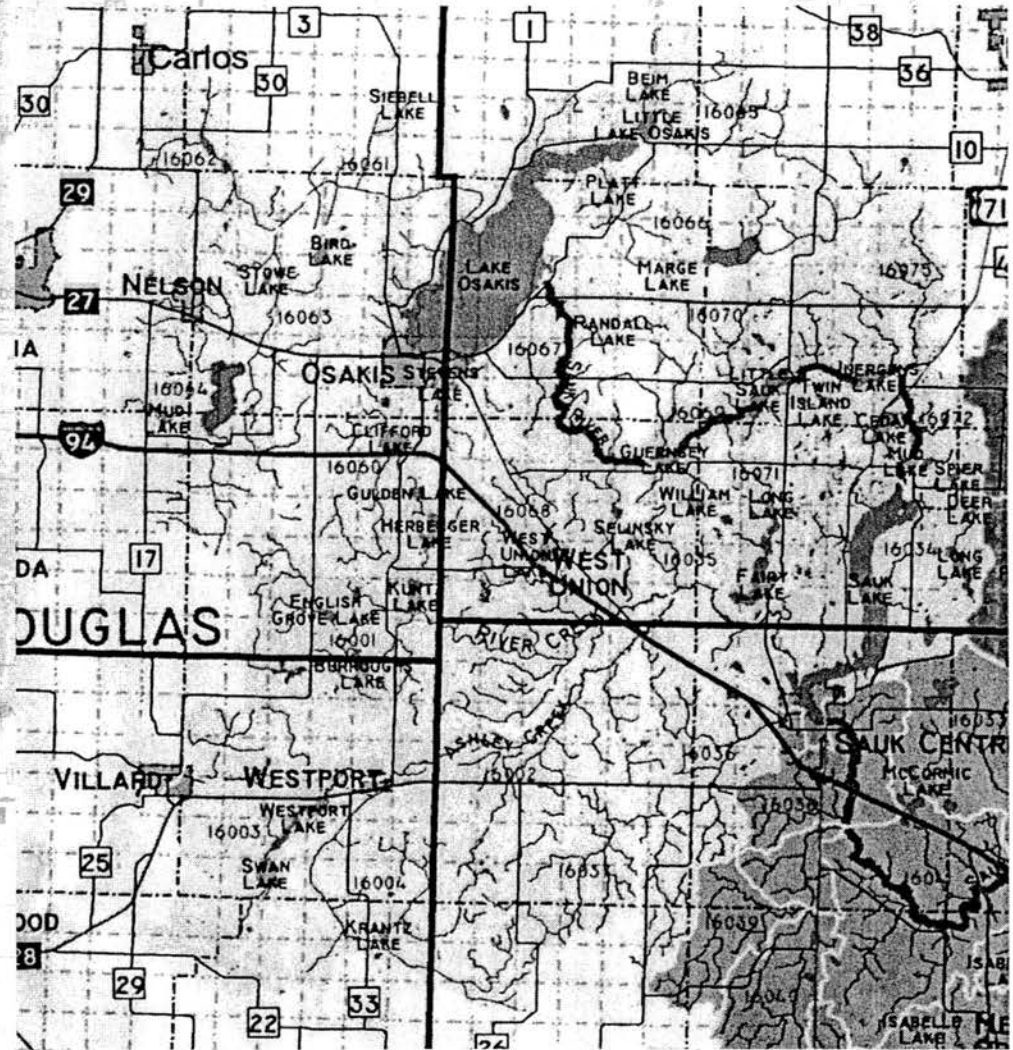
THE TODD COUNTY GIS DEPARTMENT HAS MADE EVERY EFFORT
TO PROVIDE THE MOST UP-TO-DATE INFORMATION AVAILABLE IN
THIS PUBLICATION AND CANNOT BE HELD RESPONSIBLE FOR ANY
UNFORESEEN ERRORS.

PROPOSED WATER MANAGEMENT DISTRICTS

SAUK RIVER WATERSHED

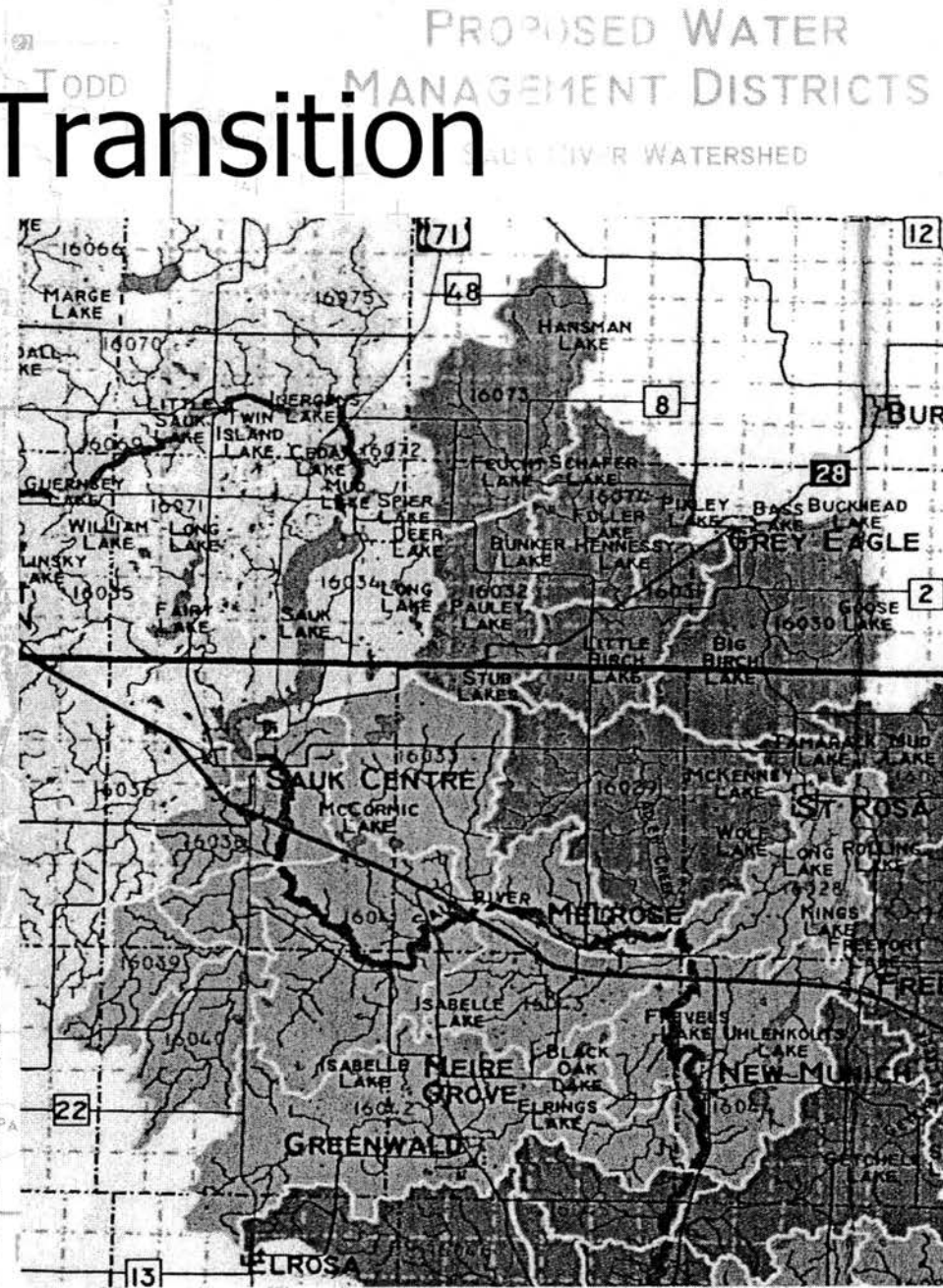
Headwater Area

- Lake Osakis WMD
 - High value recreational water
 - Lake development pressure
- Sauk Lake WMD
 - Transitional land use area
 - Impaired watercourses
 - Transitional soils area
 - Pothole region



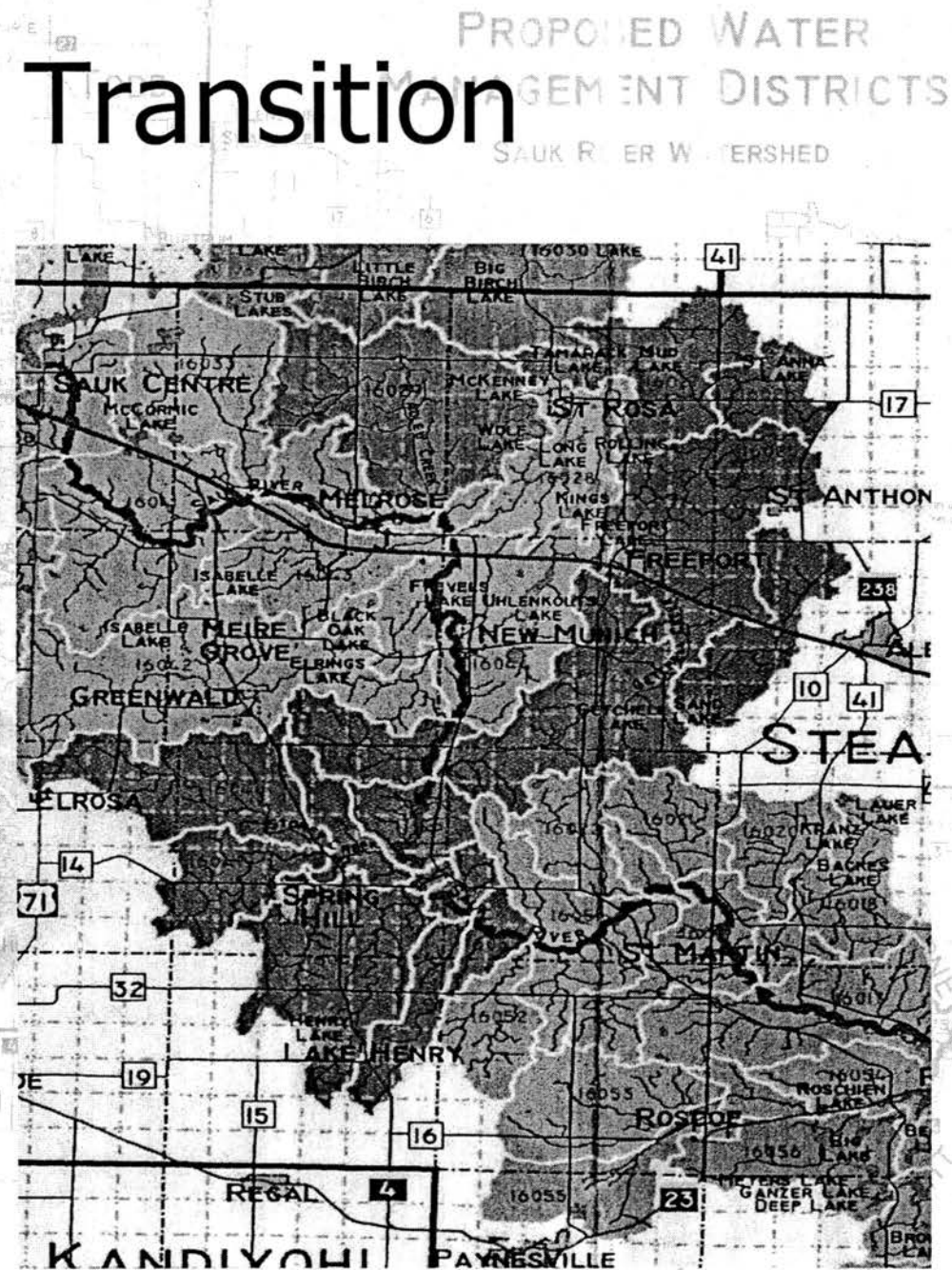
Central Transition

- Adley Creek WMD
 - Big/Little Birch Lakes
 - Central Hardwoods
- Center Sauk WMD
 - Intensive agriculture (animal)
 - High infiltration soils



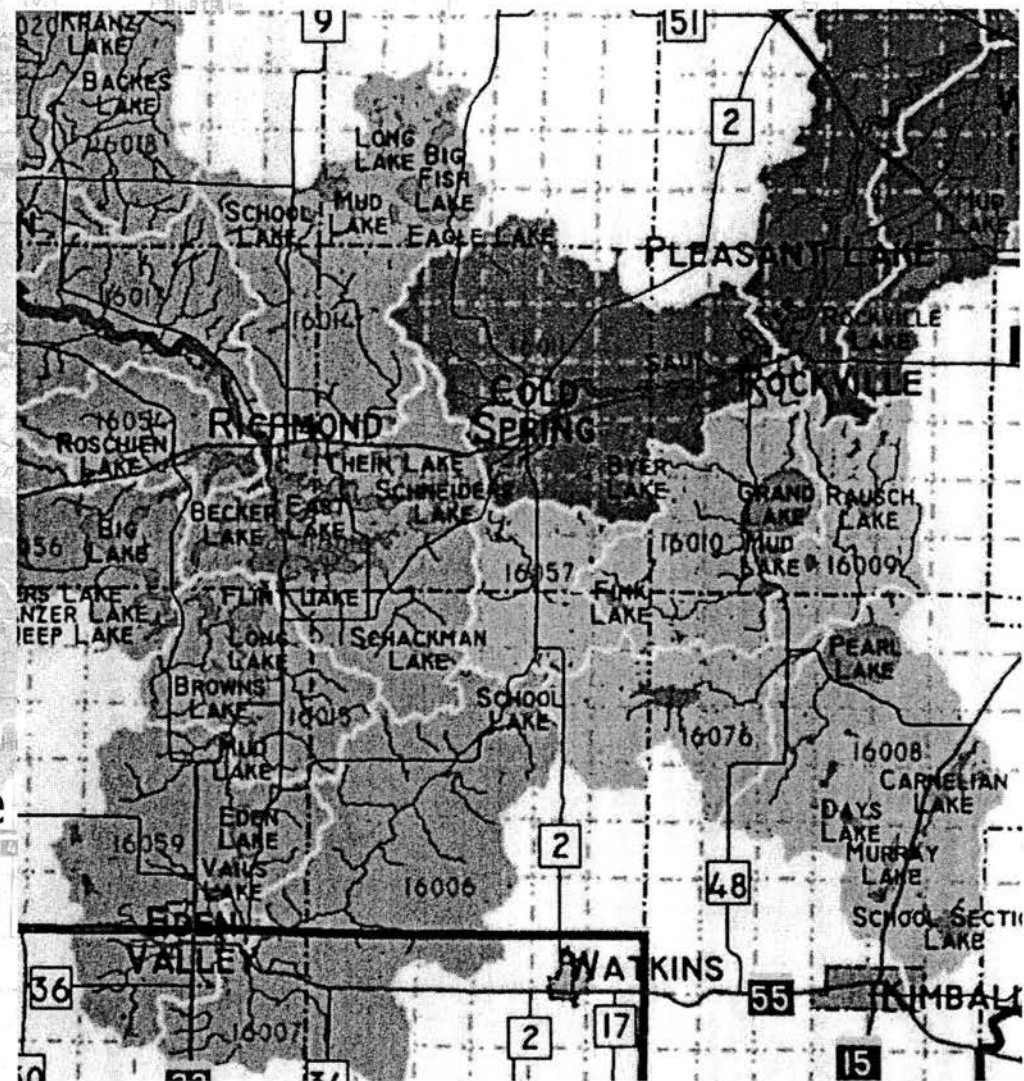
Central Transition

- GUS Plus WMD
 - Getchell, Stoney and un-named creeks
 - Impaired reaches of Sauk River
 - Intensive agriculture
- St. Roscoe WMD
 - Intensive agriculture (animal feed lots)
 - High infiltration soils



Lower Lakes Region

- Chain of Lakes WMD
 - Large flowage and backwater area of Sauk River
 - Impaired waters
 - Recreational uses
- Grand/Pearl Minor
 - Transitional recreational lakes area
 - High infiltration soils
 - High development pressure
- Cold Spring WMD
 - Transitional urban
 - Municipal stormwater

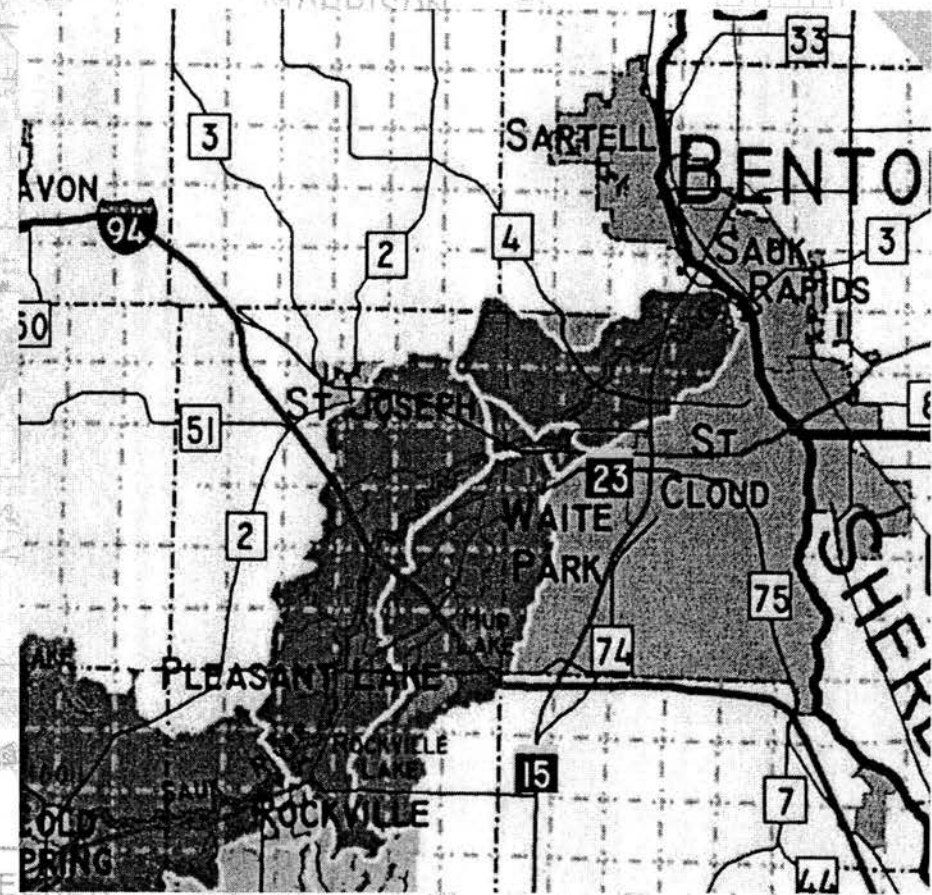


Metro Region

PROPOSED WATER MANAGEMENT DISTRICTS

SAUK RIVER WATERSHED

- Mini-metro WMD
 - Extreme development pressure
 - Impaired reaches of Sauk River
 - Substantial storm water and water quantity issues
 - High infiltration soils
 - High concentration ISTS
 - Shallow wells



MAP RESOURCE INFORMATION
 WATERSHED BOUNDARIES: MN WETLAND RESOURCES - DNR
 POLITICAL BOUNDARIES: 1990 STATE OF MN CENSUS - MNDOT
 ROAD NETWORK: 1990 STATE OF MN ROADMAP - MNDOT
 LAKE, STREAM & RIVER: MN DNR FISH BUREAU

THE TOWN OF BENTON HAS MADE EVERY EFFORT
 TO PROVIDE THE MOST UP-TO-DATE INFORMATION AVAILABLE IN
 THIS MAP. HOWEVER, THE TOWN WILL BE HELD RESPONSIBLE FOR ANY
 ERRORS OR OMISSIONS.

OVERVIEW

Sauk River Watershed District Revised Overall Plan

Background

At the August 5, 2002, public hearing on the Sauk River Watershed District (SRWD) on the Revised Overall Plan (Plan), the Board of Water and Soil Resources (BWSR) North Region Plan Review Subcommittee heard testimony from the SRWD Board of Managers, SRWD staff, BWSR staff and a member of the advisory committee in support of Plan approval. After receiving the testimony, the Subcommittee decided to recommend approval of the SRWD Plan to the BWSR Board.

Summary of Plan Review Process and Plan Strengths

The SRWD was established in 1986, with water quality restoration of the district's lakes and streams being the primary issue. The district has completed 29 major projects totaling \$7.5 million since its inception. Surface water quality restoration continues to be the driving issue.

BWSR staff Pete Waller, Dan Steward, and Phil Belfiori met several times with SRWD managers, staff, and their planning consultant to provide input on the draft Plan. BWSR also provided financial assistance with \$34,600 in planning grants. A critical issue that surfaced early in the process was the need for the SRWD to develop greater project funding capacity. Over time, a consensus was reached that the Plan should focus on providing support for the development of enhanced project capability by utilizing the storm water utility provisions of 103D. Following is a list of some of the strengths of the Plan.

- Ten separate water management districts or subbasins are defined. By having these areas identified in the Plan, the district can later establish stormwater utilities for some or all of these areas, as they deem necessary.
- Very strong resource inventory section (Volume 1).
- Strong resource assessment section (Volume 2).
- Excellent citizen input process.
- Revitalized citizens advisory committee.
- Implementation oriented Plan.

Watershed Description

The SRWD covers 1,040 square miles in central Minnesota. The District includes parts of five counties including Douglas, Meeker, Pope, Stearns and Todd. The SRWD has three major lake systems including Osakis, Sauk, and the Horseshoe Chain. The district is 75 miles long by 20 to 30 miles wide, and lies in a northwest to southeast orientation. The Sauk River flows southeasterly through the watershed for 120 miles before outletting to the Mississippi River just upstream from the city of St. Cloud. The district lies in the Minnesota transition zone, with agricultural land uses dominant, but with rapid urbanization occurring in the eastern parts of the watershed. A nine-member board of managers serves the SRWD.

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

In the Matter of prescribing a Revised
Watershed Management Plan for the
Sauk River Watershed District pursuant
to Minnesota Statutes Section 103D.405

**ORDER
PRESCRIBING
WATERSHED MANAGEMENT
PLAN**

Whereas, the Board of Managers of the Sauk River Watershed District (SRWD) filed a proposed Revised Watershed Management Plan (Plan) dated May 2002 with the Minnesota Board of Water and Soil Resources (Board) pursuant to M.S. Section 103D.405, and;

Whereas, The Board has completed its review of the Plan;

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

FINDINGS OF FACT

1. **District Establishment.** The SRWD was established by the Minnesota Water Resources Board on July 22, 1986.
2. **Requirement to Plan.** The Plan includes an executive summary, an inventory of water resources information, updates of hydrological information, specific implementation projects and programs, a description of problems, a summary of completed studies, a summary of the district's rules program, and a summary of the financial tools available to the district. The district's major issue is protecting or improving water quality in the district's lakes and streams, with an emphasis on Lake Osakis, Sauk Lake, and the Horseshoe Chain of Lakes. This issue is made more complex by the major growth occurring in the area. The District's mission is "to apply our unique abilities and authorities in ways that protect and enhance our watershed's resources for today and tomorrow."
3. **Nature of the Watershed.** The SRWD is approximately 1,040 square miles in size and is located in central Minnesota. The district occupies parts of Douglas, Pope, Meeker, Stearns and Todd Counties. The SRWD straddles Interstate 94, is 75 miles long, and 20 to 30 miles wide. The Sauk River flows through the center of the watershed in a northwest to southeast direction. The Sauk River flows southeasterly for 120 miles before emptying into the Mississippi River just upstream from the city of St. Cloud.
4. **Local Review.** The SRWD sent a copy of the draft Plan to local units of government for their review pursuant to Minnesota Statutes Section 103D.405.

5. **Department of Natural Resources Review.** In a letter dated July 29, 2002, the DNR commented on the SRWD's sound watershed based approach to managing water resources. The Department noted in particular the formation of ten sub-watershed management districts within the overall Sauk River watershed.

The Department also provided detailed comments on each of the Plan's three main sections. Several of the comments related to detailed hydrologic information. Other comments referred to groundwater quantity, buffer strips on ditches, and providing training to the advisory committee. The Department closed their comments by noting that the Plan is well thought out and is embarking the District on an ambitious ten-year effort.

6. **Pollution Control Agency Review.** In letters dated August 2, 2002, and August 5, 2002, the MPCA provided comments on the Plan. The August 2, 2002 letter from Jim Hodgson, commented from the perspective of the Upper Mississippi Basin Planning Process, and how to include the bulk of the Plan in the Basin Plan. The MPCA also recommended identifying any specific projects that the District is considering for funding over the next five to ten years. The letter also commented on existing Clean Water Partnership Projects within the district and specific water quality goals for phosphorus reduction.

In a separate letter dated August 5, 2002, Lisa Kraemer of MPCA provided comments on the Plan. The comments focused on encouraging the District to identify specific projects in order to not restrict future funding opportunities. The comments also noted that in general, the Plan looks very good.

7. **Stearns County Review.** In its comments dated June 6, 2002, the county commented on municipal stormwater ponds, a comprehensive wetland management plan and low cost options for feedlot runoff problems.
8. **SRWD Staff Review.** On August 2, 2002, the SRWD administrator provided written comments on the Plan. The comments related to the role the District would play in implementation of various projects or programs, lake management plans, various education related comments and expanding the citizens lake-monitoring program.
9. **Board Review.** Board staff met numerous times with SRWD staff and the Plan consultant to assist with development of the Plan. As a result, Board staff comments were provided while the Plan was being developed and Board staff did not develop formal written comments. Informal staff comments were focused on the fiscal tools the SRWD could use to implement the Plan.
10. **Highlights of the Plan.** Critical elements in the Plan include:
 - a. Strong citizen input process,
 - b. Enhanced citizen advisory committee involvement,
 - c. Comprehensive resource inventory,
 - d. Strong resource assessment, and
 - e. Inclusion of ten sub watershed units as implementation tools.

11. **Publish Notice of Public Hearing.** Legal notice of public hearing was published in the Stearns Morrison Enterprise on June 18 and 25, 2002; and in the Morrison County Record on June 16 and 23, 2002.
12. **Public Hearing.** On August 5, 2002, the Board's Northern Region Water Planning Subcommittee presided over a public hearing on the Plan. The subcommittee heard testimony from the SRWD Board of Managers in support of Plan approval. Board staff also recommended approval of the Plan. After receiving oral and written testimony on the Plan, the subcommittee decided to recommend approval of the Sauk River Watershed District Revised Watershed Management Plan to the full Board. The subcommittee agreed that SRWD staff would make minor changes to the Plan in response to comments. The subcommittee decided to not hold the record open.

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 approving a Revised Watershed Management Plan for the Sauk River Watershed District pursuant to Minnesota Statutes Section 103D.405.
3. The Sauk River Watershed District Revised Watershed Management Plan attached to this Order defines water-related problems within the SRWD boundaries, possible solutions thereto, and an implementation program.
4. The attached Plan is in conformance with the requirements of Minnesota Statutes Section 103D, BWSR guidelines for Watershed District Plan content, and is consistent with the affected county comprehensive water plan.

ORDER

The Board hereby prescribes the attached Plan as the Revised Watershed Management Plan for the Sauk River Watershed District.

Dated at Saint Paul, Minnesota this 28th day of August 2002.

MINNESOTA BOARD OF WATER AND SOIL RESOURCES

BY: Leland G. Coe, Chair

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

In the Matter of the Enlargement, Increasing
the Number of Managers, and Name Change of
Middle River-Snake River Watershed District
pursuant to Minn. Stat. §§ 103D.261 and .305.

**ORDER ENLARGEMENT, INCREASE
NUMBER OF MANAGERS, AND
NAME CHANGE OF MIDDLE RIVER-
SNAKE RIVER WATERSHED DISTRICT**

Whereas, the Marshall County Board of Commissioners filed a Petition dated May 7, 2002, with the Board of Water and Soil Resources (Board) on May 13, 2002, to enlarge and change the name of the Middle River-Snake River Watershed District pursuant to Minn. Stat. § 103D.261, and to increase the number of managers of the Middle River-Snake River Watershed District pursuant to Minn. Stat. § 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. **Petition.** The Petition (Exhibit 1) to enlarge, change the name, and increase the number of managers of the Middle River-Snake River Watershed District dated May 7, 2002, was filed by Marshall County with the Board on May 13, 2002.
2. **Property Description.** The territory to be included in the watershed district, the Petitioned Area, is located in Marshall, Roseau and Kittson Counties and is approximately 442 square miles of land in the Tamarac River watershed contiguous to the Middle River-Snake River Watershed District, which includes land in the Townships of Eagle Point, Donelly, Sinnott, Augsburg, Nelson Park, Lincoln, East Park, Huntly, Como, Fork, Parker, Tamarac, Wanger, Wright, West Valley, New Maine, Middle River, and Alma in Marshall County; Lind, Deer, Huss, and Poplar Grove in Roseau County; and Deerwood and Arveson in Kittson County;

and further depicted on a map (Exhibit 2) and table of land tracts identified by Section, Township and Range (Exhibit 3), both attached to the Petition.

3. **District Name.** The Petition specifies the name of the enlarged district shall be the "Middle-Snake-Tamarac Rivers Watershed District".
4. **Number of Managers.** The Petition specifies the number of managers shall be increased to seven (7) managers from the present number of five (5) managers.
5. **Reasons for Change.** The Petition specifies the following:
 - A. Without the structure of a watershed district, certain drainage, flood control and water management projects are not being accomplished.
 - B. The ability of a watershed district to accomplish the specific purposes provided in Minnesota Statutes will be a benefit to the area.
 - C. It is important that an entity with expertise in water management oversee the area proposed to be added.
 - D. Adding the area proposed would be conducive to the public health and welfare.
6. **Hearing Order.** At its regular meeting on May 22, 2002, the Board determined that the Petition met the requirements of Minn. Stat. §§ 103D.261 and 103D.305, and consequently ordered a public hearing to be held on the Petition and appointed three Board members to be the hearing panel. (Exhibit 6)
7. **Hearing Notice.** Legal notice of the public hearing on the Petition, pursuant to Minn. Stat. §§ 103D.261, Subd. 1 (c) and 103D.305, Subd. 4, was published in the North Star News on June 27 and July 4, 2002 (Exhibit 7), in the Thief River Falls Times on June 26 and July 3, 2002 (Exhibit 8), in the Greenbush Tribune on June 26 and July 3, 2002 (Exhibit 9), in the Warren Sheaf on June 26 and July 3, 2002 (Exhibit 10), in the Crookston Daily Times on June 25 and July 3, 2002 (Exhibit 11), and in the Stephen Messenger on June 27 and July 4, 2002 (Exhibit 12). Further, a copy of the hearing notice and map was mailed to several addressees notifying them of the public hearing, including the Kittson, Marshall, Pennington, Polk and Roseau County Auditors, Boards of Commissioners and SWCD's; all of the cities in the Petitioned Area; and legal counsel for the watershed district. (Exhibit 13)

8. **Public Hearing.** A public hearing was held on the Petition on July 22, 2002, at the Stephen Community Center, 319 Fifth Street, Stephen, Minnesota. The proceedings were tape recorded. The hearing panel was Ginny Imholte, Jerome Deal and Lee Coe as chair.

Jim Haertel, Board staff, entered Exhibits 1 through 13 into the record by reading a brief description of each exhibit.

Exhibit 1. Petition to enlarge, increase the number of managers and change the name of the Middle River-Snake River Watershed District from the Marshall County Board of Commissioners dated May 7, 2002.

Exhibit 2. Map of the watershed district and proposed enlargement dated 12-01, submitted with the Petition which is Exhibit 1.

Exhibit 3. Listing of proposed enlargement area by Section, Township and Range dated 12/28/01, submitted with the Petition which is Exhibit 1.

Exhibit 4. Letter dated May 10, 2002, from Blake Sobolik forwarding the Petition and Exhibit 5.

Exhibit 5. Certification and Extract of Minutes from the July 16, 2001 Middle River-Snake River Watershed District Board of Managers' meeting supporting the proposed enlargement.

Exhibit 6. Order dated May 22, 2002, from the Board of Water and Soil Resources for a public hearing on the Petition.

Exhibit 7. Affidavit of Publication dated July 5, 2002, of Legal Notice in the North Star News on June 27 and July 4, 2002.

Exhibit 8. Affidavit of Publication dated July 3, 2002, of Legal Notice in the Thief River Falls Times on June 26 and July 3, 2002.

Exhibit 9. Affidavit of Publication dated July 3, 2002, of Legal Notice in the Greenbush Tribune on June 26 and July 3, 2002.

Exhibit 10. Affidavit of Publication dated July 3, 2002, of Legal Notice in the Warren Sheaf on June 26 and July 3, 2002.

Exhibit 11. Affidavit of Publication dated July 1, 2002, of Legal Notice in the Crookston Daily Times on June 25 and July 3, 2002.

Exhibit 12. Affidavit of Publication dated July 5, 2002, of Legal Notice in the Stephen Messenger on June 27 and July 4, 2002.

Exhibit 13. Letter dated June 12, 2002, from Jim Haertel to several addressees notifying them of the public hearing, including copies of the legal notice and map.

Exhibit 14. Written statement from Delray Larson, Marshall County Commissioner, in opposition to the proposed enlargement.

Exhibit 15. Karlstad City Council resolution dated July 16, 2002, requesting a postponement in the decision on the proposed enlargement.

Exhibit 16. Strandquist City Council resolution dated May 15, 2002, in opposition to the proposed enlargement.

Exhibit 17. Strathcona City Council resolution dated May 7, 2002, in opposition to the proposed enlargement.

Exhibit 18. Roseau County Commissioner resolution dated June 4, 2002, in opposition to the proposed enlargement.

Exhibit 19. Written statement from Tim Hividsen in support of the proposed enlargement.

Exhibit 20. Citizen petition in opposition to the proposed enlargement with 260 signatures.

Exhibit 21. Como Township resolution dated May 26 and 27, 2002, in opposition to the proposed enlargement.

Exhibit 22. Nelson Park Township resolution dated May 14 and July 9, 2002, in opposition to the proposed enlargement.

Exhibit 23. Huss Township resolution dated June 7, 2002, in opposition to the proposed enlargement.

Exhibit 24. Poplar Grove Township resolution dated May 20-29, 2002, in opposition to the proposed enlargement.

Exhibit 25. Huntly Township resolution dated April 24, 2002, in opposition to the proposed enlargement.

Exhibit 26. East Park Township resolution dated April 27, 2002, in opposition to the proposed enlargement.

After all people present at the public hearing were given an opportunity to speak, the hearing record was left open for one week until 4:30 PM on July 29, 2002, for receipt of written comments. The following exhibits were received while the record was open.

Exhibit 27. Letter dated July 23, 2002, from Ronald J. Adrian, Engineer, Middle River-Snake River Watershed District regarding preparation of the map of the proposed enlargement area, land areas and population.

Exhibit 28. Letter dated July 29, 2002, from A. Szczepanski in favor of the proposed enlargement.

Exhibit 29. Letter dated July 25, 2002, from Ronald J. Adrian, Engineer, Middle River-Snake River Watershed District regarding preparation of the map of the proposed enlargement area and the watershed boundary with the Two Rivers Watershed District.

Exhibit 30. Citizen petition from Wanger Township in support of the proposed enlargement with 22 signatures.

9. **Hearing Panel.** The hearing panel met on August 5, 2002, and, based on the oral and written record in this matter, decided with a unanimous vote to recommend to the full Board that the Middle River-Snake River Watershed District be enlarged as proposed in the Petition, that the name be changed as proposed in the Petition, and that the number of managers be increased to seven as proposed in the Petition. The hearing panel further decided that the two additional managers should be appointed from Marshall County. The hearing panel noted that the enlargement and increase in number of managers would be for the public welfare and public interest and the purpose of Minnesota Statutes Chapter 103D would be served.

The hearing panel discussed the need for a boundary change between the enlarged Middle River-Snake River Watershed District and the Two Rivers Watershed District. The record (Exhibit 29) supports that a joint boundary change petition should be promptly submitted, which the hearing panel concurred with.

The hearing panel also recommended that the watershed management plan for the enlarged Middle River-Snake River Watershed District be amended within two years to include the enlargement area.

CONCLUSIONS

1. The Petition for the enlargement, name change, and increasing the number of managers of the Middle River-Snake River Watershed District is valid in accordance with Minn. Stat. §§ 103D.261 and 103D.305.
2. Proper notice of hearing was given and the public hearing was held in accordance with applicable laws.
3. All relevant substantive and procedural requirements of law and rule have been fulfilled.
4. The Board has proper jurisdiction in the matter of ordering a watershed district enlargement, name change and increase in number of managers.
5. The enlargement and increase in number of managers of the Middle River-Snake River Watershed District as proposed in the Petition would be for the public welfare and public interest and the purpose of Minnesota Statutes Chapter 103D would be served.
6. The name of the enlarged Middle River-Snake River Watershed District should be changed to the "Middle-Snake-Tamarac Rivers Watershed District" pursuant to Minn. Stat. § 103D.261, Subd. 2 (b).
7. A joint boundary change petition should be promptly submitted to the Board to correct the common boundary between the enlarged Middle River-Snake River Watershed District and the Two Rivers Watershed District.
8. The Middle River-Snake River Watershed District Watershed Management Plan should be amended within two years to include the enlargement area.

ORDER

The Board hereby orders that the Middle River-Snake River Watershed District be enlarged per the Marshall County Petition (Exhibit 1) dated May 7, 2002, according to Exhibit 3 of said Petition attached and made a part of this Order hereof, that the name be changed to the "Middle-Snake-Tamarac Rivers Watershed District", and that the number of managers be increased to seven with the two additional managers appointed from Marshall County.

Dated at Saint Paul, Minnesota this 28th day of August, 2002.

MINNESOTA BOARD OF WATER AND SOIL RESOURCES

By: _____
Leland Coe, Chair

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

In the Matter of the Boundary Change for the
Brown's Creek Watershed District and the Valley
Branch Watershed District in Washington County
pursuant to Minnesota Statutes § 103D.251

**ORDER
BOUNDARY
CHANGE**

Whereas, the Brown's Creek Watershed District and the Valley Branch Watershed District filed a joint Petition dated March 28 and April 8, 2002 with the Board of Water and Soil Resources (Board) on May 22, 2002, to change the boundary of the Brown's Creek Watershed District and the Valley Branch Watershed District pursuant to Minn. Stat. § 103D.251, 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. **Petition.** The Petition (See Exhibit 1) to change the boundary of the Brown's Creek Watershed District (BCWD) and the Valley Branch Watershed District (VBWD) was filed by the BCWD Board of Managers and the VBWD Board of Managers with the Board on May 22, 2002.
2. **Property Description.** The territory included in the boundary change, the Petitioned Area, is located in Washington County entirely within the metropolitan area and totals approximately 310.77 acres of which approximately 161.51 acres are being transferred from the BCWD to the VBWD and approximately 149.26 acres are being transferred from the VBWD to the BCWD. The Petitioned Area includes land in the Cities of Grant, Lake Elmo and Oak Park Heights. The Petitioned Area is depicted on a map attached to the Petition as Exhibit 1 and further identified in a listing of the parcel identification numbers (PID, or Geocode) in Exhibit 2 of the Petition.

3. **Reasons for Boundary Change.** The Petition lists the following (See Exhibit 1):
 - A. At the time the boundary was established, the topography in the area of the common hydrologic boundary was mapped only in 10-foot contours. Two-foot contour mapping is now available for the entire area along the hydrologic boundary. This allows for the hydrologic boundary to be located now with substantially greater accuracy than it was at the time the jurisdictional boundary was established.
 - B. Oftentimes watershed jurisdictional boundaries have been set to follow property lines which diverge from the hydrological boundary. At the time the boundary was established, much of the petitioned area was unplatted and the watershed boundary deviated substantially from the hydrologic boundary in a number of locations to avoid splitting individual land parcels. Extensive subdivision since then has occurred and in the petitioned area it is possible to follow the hydrologic boundary much more closely without splitting parcels.
4. **Hearing Order.** At its regular meeting on June 26, 2002, the Board determined that the Petition met the requirements of Minn. Stat. § 103D.251 and consequently ordered a public hearing to be held on the Petition for the Boundary Change of the Brown's Creek Watershed District and the Valley Branch Watershed District. (See Exhibit 3)
5. **Hearing Notice.** Legal notice of the public hearing on the proposed boundary change, pursuant to Minn. Stat. §§ 103D.251, Subd. 6 and 103D.221, Subd. 2, was published in the Stillwater Evening Gazette on June 26 and July 3, 2002, and in the Lillie Suburban Newspaper the Oakdale-Lake Elmo Review on June 26 and July 3, 2002. (See Exhibits 4 and 5) Further, a copy of the hearing notice was mailed to several addressees including the Washington County Auditor, Washington County Administrator, legal counsel for the two watershed districts, all of the cities affected by the proposed boundary change, the SWCD, and the DNR. (See Exhibit 6)
6. **Public Hearing.** A public hearing was held on the boundary change petition on Thursday, July 18, 2002 in Room 560 at the Washington County Government Center, 14949 North 62nd Street, Stillwater, Minnesota. The proceedings were tape recorded. The hearing panel was the Metropolitan Water Planning Subcommittee which consisted of Board members Karen Harder, Dwain Otte, and Jack Frost as chair.

Jim Haertel, Board staff, entered Exhibits 1 through 7 into the record by reading a brief description of each exhibit.

Exhibit 1. Petition to change the boundary of the Brown's Creek Watershed District and the Valley Branch Watershed District filed jointly by the two watershed districts and dated March 28 and April 8, 2002.

Exhibit 2. Resolution Number 02-01 dated March 25, 2002, from the Brown's Creek Watershed District to file the Petition.

Exhibit 3. Order dated June 26, 2002, from the Board of Water and Soil Resources for a Public Hearing on the Petition.

Exhibit 4. Affidavit of Publication dated July 5, 2002, of Legal Notice in the Stillwater Evening Gazette on June 26 and July 3, 2002.

Exhibit 5. Affidavit of Publication dated July 3, 2002, of Legal Notice in the Lillie Suburban Newspaper the Oakdale-Lake Elmo Review on June 26 and July 3, 2002.

Exhibit 6. Letter dated June 26, 2002, from Jim Haertel to several addressees notifying them of the public hearing, including copies of the legal notice and map.

Exhibit 7. Letter dated July 17, 2002, from Kimberly Kamper, City of Oak Park Heights Acting Administrator, stating that the city does not object to the proposed boundary change.

7. **Hearing Panel.** After hearing oral testimony, the public hearing was closed. Based on the oral and written record in this matter, the hearing panel decided with a unanimous vote to recommend to the full Board that the proposed boundary change by the Valley Branch Watershed District and the Brown's Creek Watershed District be established. The proposed boundary change would benefit the public welfare and public interest and advance the purpose of Minnesota Statutes Chapter 103D.

CONCLUSIONS

1. The Petition for boundary change of the Brown's Creek Watershed District and the Valley Branch Watershed District is valid in accordance with Minn. Stat. § 103D.251.
2. All relevant substantive and procedural requirements of law and rule have been fulfilled.
3. The Board has proper jurisdiction in the matter of ordering a watershed district boundary change.
4. The proposed boundary change should be approved per the Petition. (See Exhibit 1)
5. The proposed boundary change is consistent with the requirements of, and would advance the purpose of, Minnesota Statutes Chapter 103D.
6. The proposed boundary change would benefit the public welfare and public interest.

ORDER

The Board hereby orders that the boundaries of the Brown's Creek Watershed District (BCWD) and the Valley Branch Watershed District (VBWD) are changed per the Petition. (See Exhibit 1) The boundary change is as specified in Exhibit 2 of said Petition attached hereto and made a part of this order hereof.

Dated this 28th day of August, 2002.

MINNESOTA BOARD OF WATER AND SOIL RESOURCES

By: _____
Leland Coe, Chair

EXHIBIT 2 Properties Affected by Boundary Change

A. *To be Added to VBWD and Removed from BCWD*

AREA	PID (Geocode)
1	602920110007
	602920110010
	602820110011
	602920110012
	602920110013
	602920110014
	602920110015
	602920110017
	602920110018
	602920120007
	602920120010
	602920120012
	602920130002
	602920130003
	602920130004
	602920130006
	602920130007
	602920140007
3	102921130002
4	102921210006
5	3603012130006
	3603021230007
	3603021230008
6	3503021110001
	3503021110002
	3503021110003
	3503021110004
	3503021110005
	3503201110010
	3503021110011
	3503021120004
	3503021120005
	3503021120006
	3503021120007
9	2603021320001
	2603021320002
11	2703021130003
13	2703021230006
	2703021240001

B. *To be Added to BCWD and Removed from VBWD*

AREA	PID (Geocode)
2a	602920210001
	602920210004
	602920210005
	602920240003
	602920240004
	602920240005
	602920240006
	602920240007
	602920240008
	602920240009
	602920240010
	602920240014
	602920240015
	602920240016
	602920240017
	602920240018
	602920240019
	602920240020
2b	602920310010
	602920310013
	602920310014
	602920310015
	602920310016
	602920310017
	602920310018
	602920310019
	602920310020
	602920310021
	602920310022
	602920310023
	602920310024
	602920310025
	602920310026

AREA	PID (Geocode)
2b (cont.)	602920310027
	602920310028
	602920310028
	602920310029
	602920310030
	602920310031
	602920310032
	602920310033
	602920310034
	602920310035
	602920310036
	602920310037
	602920310038
	602920310039
	602920310043
	602920320016
	602920320017
	602920320018
	602920320019
	602920320020
	602920320021
	602920320026
	602920320027
	602920320028
	602920320029
	602920320030
	602920320031
	602920320032
	602920320033
7	3503021210002
8	2603021340001
10	2703021410003
12	2703021230001

C. *To be Added to BCWD (Currently Unassigned)*

AREA	PID (Geocode)
8	2603021330001

Current as of July 16, 2014

Legend:

- Public Assistance Only
- Individual and Public Assistance
- Not Eligible

Note: All counties are eligible for the Hazard Mitigation Program.

Challenge Grant Funds for Flood Recovery

Excessive rainfall in June 2002 caused overland and ravine flooding in many counties in Minnesota. As a result of the flooding, President Bush has responded to Governor Ventura's request and declared a major disaster for the state of Minnesota. Landowners in many counties are now eligible for federal assistance. The eligible counties are Clay, Becker, Clearwater, Mahnomen, Norman, Polk, Red Lake, Pennington, Marshall, Beltrami, Kittson, Roseau, Koochiching, Itasca, McLeod, and Wright.

The floods of 2002 have washed out many roads, damaged vast areas of cropland, damaged buildings, caused loss of livestock, and caused severe erosion and sedimentation on many sites. State, federal, and local agencies are working together to assess the total scope of the flood damages. Much of the effort is going into addressing the community related damages and the damages to crops. BWSR is also concerned about the damage to conservation practices caused by the flooding, and the erosion and sedimentation that have occurred on unprotected areas. Trees in field windbreaks have been flooded out, shoreline stabilization structures have been damaged, fish and wildlife habitat destroyed etc.

BWSR staff is proposing to make \$103,000 of returned Challenge Grant money available to disaster eligible counties to inventory damaged conservation practices and new areas of significant erosion or sedimentation caused by the floods of 2002. A portion of the \$103,000 will be divided and allocated to eligible SWCDs to conduct the inventories. The remainder will be used for data compilation.

We anticipate completion of this project by February 2003.

We are asking Board approval to allocate the \$103,000 for the purposes described above.

Prepared by Ron Shelito

RIM FUNDS AVAILABLE FOR FLOOD RECOVERY

BWSR staff are proposing to authorize approximately \$640,000 in Reinvest In Minnesota (RIM) funds for easements in counties affected by the 2002 floods. The following counties are currently listed as flood disaster counties: Becker, Beltrami, Clay, Clearwater, Itasca, Kittson, Koochiching, Lake of the Woods, McLeod, Mahnomen, Marshall, Norman, Pennington, East Polk, West Polk, Red Lake, Roseau, Hubbard, and Wright. If approved by the BWSR Board, landowners in these counties will be eligible to apply. Easements will be targeted to sites affected by the 2002 flooding or to sites that could reduce the effects of future floods.

SWCDs in eligible counties will be asked to hold a sign-up as soon as practicable after notification that the program has been authorized by the BWSR Board. If approved, applications will be accepted in the following categories.

- First Priority:** **Permanent easements on sites suited to temporary storage of floodwater.** Watershed district project teams will make recommendations for these sites to the SWCD.
- Second Priority:** **Permanent easements on sites damaged by the flood.** These will generally be sites where soil erosion or sedimentation has damaged the landscape to a point where restoring the site to cropland is improbable.
- Third Priority:** **Permanent easements on sites that currently have a continuous CRP contract.**
- Fourth Priority:** **Limited duration easements on sites that are suited to temporary flood storage.**
- Fifth Priority:** **Limited duration easements on sites that have been damaged by floodwaters.**

BWSR will fund applications based on the above listed priorities. This is a one-time program. Any money not used through this special sign-up will be made available statewide. This RIM money must be encumbered by December 31, 2003.

We are asking Board approval to allocate the \$640,000 in RIM funds for a Special flood recovery sign-up beginning in September 2002.

Prepared by Ron Shelito

PROPOSED FY 03 NPEA BASE GRANTS

BACKGROUND

The Non Point Engineering Assistance (NPEA) Grants are allocated annually to the eleven NPEA Joint Powers Boards for the purpose of providing technical assistance to landowners to apply conservation practices. The legislature appropriates \$1.13 M annually for this Program.

ISSUE

These base grants are allocated according to policy adopted at the February '01 BWSR Meeting, as follows:

- A) The entire FY 03 legislative appropriation will be allocated equally, (currently \$102,727 per JPB) up to the total requested amount.
- B) Any unused FY 02 grant funds will be used for FY 03 budget expenses.
- C) JPBs will be responsible for their budget shortfalls.
- D) JPBs will be required, to submit a Board Conservationist approved budget and plan detailing how they will resolve their budget shortfalls, and provide adequate engineering assistance in their JPB area.

RECOMMENDATION

Staff recommends the approval of the FY 03 NPEA Base Grants as listed in the "Adjusted Base Grant" column on the enclosed spreadsheet. The BWSR SWCD Accounting Coordinator has approved all FY 02 Financial Reports. All FY 03 JPB budgets, including "budget shortfall plans", have been approved by Board Conservationists.

NOTE: "Budget shortfall plans" include the following:

- Charging fees for services
- SWCD contributions
- Grants from other sources
- Spending down JPB fund balances

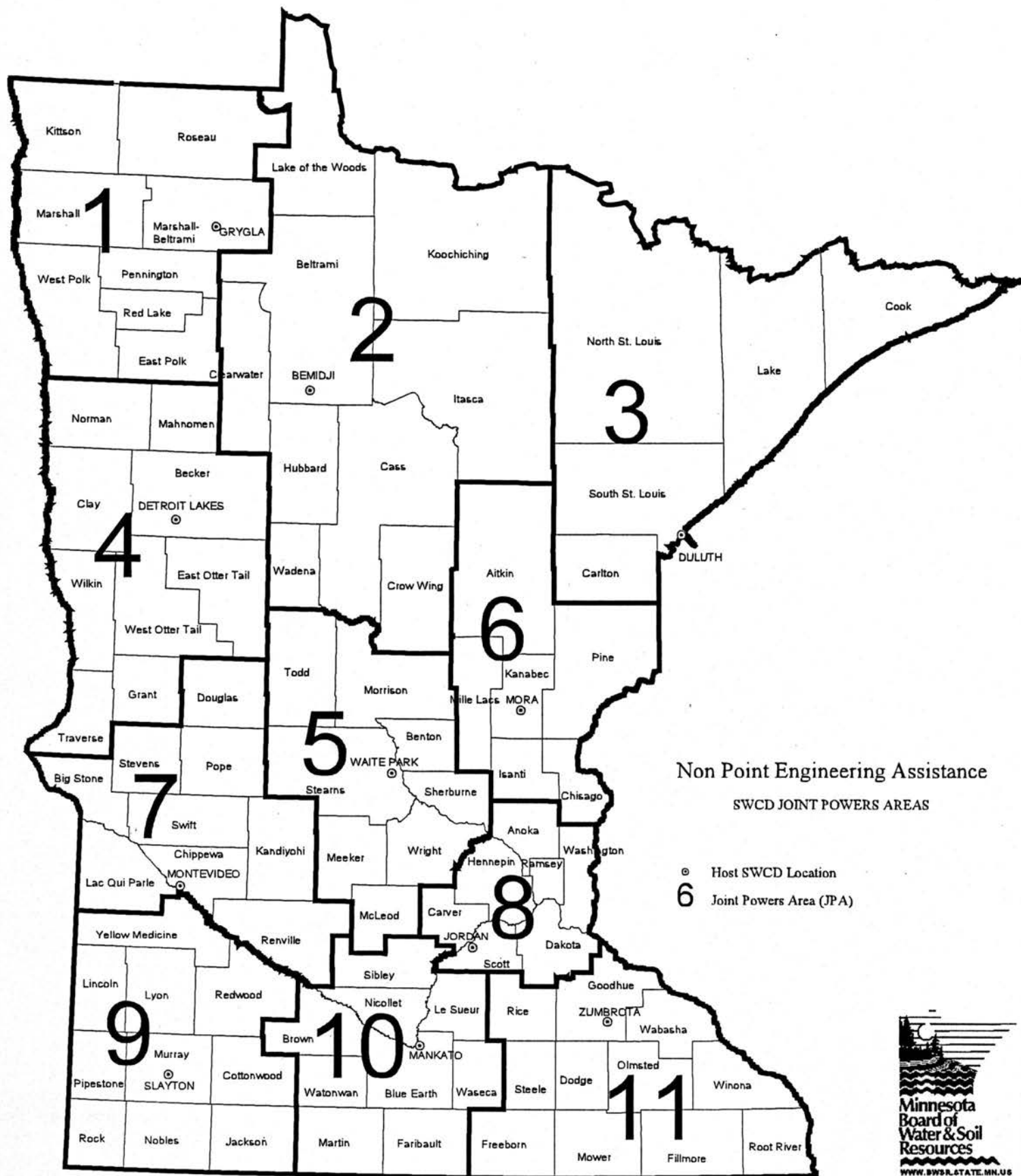
PROPOSED FY 03 NPEA BASE GRANTS

AMOUNT AVAILABLE - \$1,130,000

JPB	FY 03 BASE GRANT	FY 02 CARRYOVER	FY 03 BUDGET	FUNDING SHORTFALL	ADJUSTED BASE GRANT
1	\$102,727	\$5,809	\$127,450	(\$18,914)	\$102,727
2	\$102,727	\$0	\$144,394	(\$41,667)	\$102,727
3	\$102,727	\$49,636	\$183,699	(\$31,336)	\$102,727
4	\$102,727	\$21,543	\$131,254	(\$6,984)	\$102,727
5	\$102,727	\$4,575	\$145,648	(\$38,346)	\$102,727
6	\$102,727	\$43,412	\$148,825	(\$2,686)	\$102,727
7	\$102,727	\$45,195	\$152,550	(\$4,628)	\$102,727
8	\$102,727	\$33,019	\$145,500	(\$9,754)	\$102,727
9	\$102,727	\$2,602	\$191,530	(\$86,201)	\$102,727
10	\$102,727	\$806	\$121,557	(\$18,024)	\$102,727
11	\$102,727	\$60,273	\$172,267	(\$9,267)	\$102,727
TOTAL	\$1,129,997	\$266,870	\$1,664,674	(\$267,807)	\$1,129,997
AVE.	\$102,727	\$24,261	\$151,334	(\$24,346)	\$102,727

H:03NPEABG

Non Point Engineering Assistance



Counterpoint

A forum for reactions and rebuttals

So-called soil crisis is just a pretense

According to a small group of social activists in Kansas, American farmers are systematically raping the land so appallingly that our farm fields are losing the ability to produce healthy food. According to these activists, the abundance emanating from U.S. farmland is merely an illusion, and we're all headed for certain disaster if we don't make radical changes in our society and the way we farm.

Key to their vision of the future is millions of Americans leaving the cities to live and toil on small farms, producing all of their own food and energy far away from a Starbucks.

The group has been peddling this vision for 20 years with little success, so it recently hired a former Kansas journalist, George Pyle, to raise the group's public profile by writing articles for newspapers and magazines. The strategy worked; the Los Angeles Times and several other major newspapers, including the Star Tribune on Aug. 2, recently ran commentary pieces by Pyle.

The journalist-turned-activist knew a fundamental truth about media: doom and gloom. Instead of trying to sell the group's austere vision of a hand-powered farming future, Pyle wrote about the victimization of farm fields by the industrialization of food production. It was well-written, pessimistic poetry, heavy on rhetoric but short on reality.

According to Pyle, "The latest federal figures available, from 1997, indicate that each year wind and water erosion alone carries away . . . 5.6



Brian Conn/Associated Press

A Kansas farmer cut his wheat: Are we to believe that our abundant food supply is an illusion?

tons" of soil per cultivated acre.

Wrong. It's a common mistake among the agriculturally uneducated, but the U.S. Department of Agriculture estimates soil movement, not loss. While the USDA estimates that 5.6 tons of soil per acre is moved each year, most of it is deposited on the same or nearby fields. How much is actually lost? Not even the government knows, although recent scientific research indicates that it is a small fraction of 5.6 tons per acre.

Pyle claims that modern farming poisons the waters and creates large areas of oxygen-starved, fish-destroying dead zones in coastal waters. He fails to mention that such low-oxygen zones are often natural, seasonal phenomena and have appeared in some

coastal waters for literally eons. The nutrients from the land are the basis of the marine food chain; the open oceans are aquatic deserts because they lack nutrients from the land.

There is little doubt that human activities have increased the amount of nutrients flowing to the seas, but is it really the horror that Pyle portrays it to be? Near the largest so-called dead zone in the United States, occurring most summers along the Louisiana and Texas coasts due to nutrients from the Mississippi River, food is so abundant that a pod of 500 endangered sperm whales has taken up year-round residence. Pyle may consider those nutrients an environmental horror, but the whales call it dinner.

Pyle says, "Not only are our

fields losing quantity, the remaining soil is of ever-decreasing quality." Wrong, again. The most advanced modern farming systems are actually building the topsoil on farmers' fields, rather than depleting it. These no-tillage systems use herbicides to spare farmland from the scarring of the plow, which destroys organic matter, earthworms and soil structure. According to the Soil and Water Conservation Society of America, no-till and other conservation farming systems are the most sustainable in history.

"Like a drug addict who loses the ability to feel normal without chemical stimulus, modern agriculture has so fried the soil that it cannot produce without larger and larger infusions of chemi-

cals." Actually, research has repeatedly shown that modern crops utilize soil nutrients at far higher efficiencies than the old varieties.

Can Pyle name a farming system that can remain sustainable without using fertilizer? There is only one, bush fallow, but it requires leaving most of the land uncropped for 15 years at a time. Even organic farmers use fertilizers to restore the soil's fertility. They use either animal manures or they grow green manure crops that yield only soil fertility, not a harvestable crop.

It would require the manure from an additional 6 to 8 billion cattle to replace the current amount of synthetic nitrogen fertilizer used by the world's farmers. (The world currently has only about 1.2 billion cattle.) Where would Pyle suggest we pasture another 8 billion bovines?

We had the first Dust Bowl because farmers didn't use enough fertilizer. Since the 1870s, Midwestern farmers had been relying on the residual soil fertility built up over the centuries by the prairie grasses. By the 1930s, those nutrients were depleted, the soil worn out. When the drought hit, the soil literally blew away.

The fact that we're not in the midst of a Dust Bowl this summer, despite a drought nearly as severe as the 1930s, proves how ill-informed Pyle and the Kansas activists really are.

— George McGovern and Rudy Boschwitz. Former U.S. senators and members of the Senate Agriculture Committee.