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⇒ Designates that this item is a change item

## Agency Purpose

The mission of the Minnesota Board of Water and Soil Resources (BWSR) is to improve and protect Minnesota's water and soil resources by working in partnership with local organizations and private landowners. The statutes which govern the agency allow for implementing conservation programs and policies via a unique statewide partnership that weds state, local and federal efforts to protect and restore the waters, wetlands, working lands, soils, woodlots, prairies and related natural habitats of Minnesota.

Agency programs, primarily delivered through local units of government, have resulted in less sediment and nutrients entering our lakes, rivers and streams; greater fish, wildlife and native plant habitat; and conservation measures being implemented on public drainage systems. These outcomes are achieved despite more intense agricultural practices, greater demands for forest products, and urbanization in many parts of the state.

Sound management of our water resources is critical to a healthy and thriving Minnesota – and that view is shared by a large and growing number of local communities and citizens. Because 78% of the state's land is held in private ownership, BWSR's focus on private lands is critical to the state attaining its goals for clean water and healthy landscapes. Managed wisely, our watersheds, our working lands, and our groundwater resources will continue to be foundational components of the state's current and future environmental and economic quality of life.

A critical element of the agency's success is the engagement and oversight provided by the 20 member board that consists of 15 members including three citizens, 11 local government entities (county commissioners, soil and water conservation district supervisors, and watershed district managers), four commissioners of state agencies, and one representative of the University of Minnesota Extension Service. The board's balanced mix of perspectives and experiences came about through a merger and contributes greatly to the public processes that lead to practical and credible conservation policy and program development. The board's membership provides a means for citizens and local governments to take direct ownership of conservation issues and assures that the balance between private and public interests needed to achieve and sustain significant conservation advances is in place.

## At a Glance

### **Land and Water Conservation Projects**

- Nearly 11,000 land and water conservation practices implemented via grants from 2005-2008
- Over 5,400 permanent conservation easements on approximately 210,000 acres of environmentally sensitive land
- Over \$20M in Clean Water Fund implementation funds provided for local implementation through a competitive grant program
- Every state dollar invested into the Reinvest in Minnesota/Wetlands Reserve Program (RIM/WRP) partnership leverages 1.5 federal dollars

### **Resource Planning and Delivery Effectiveness**

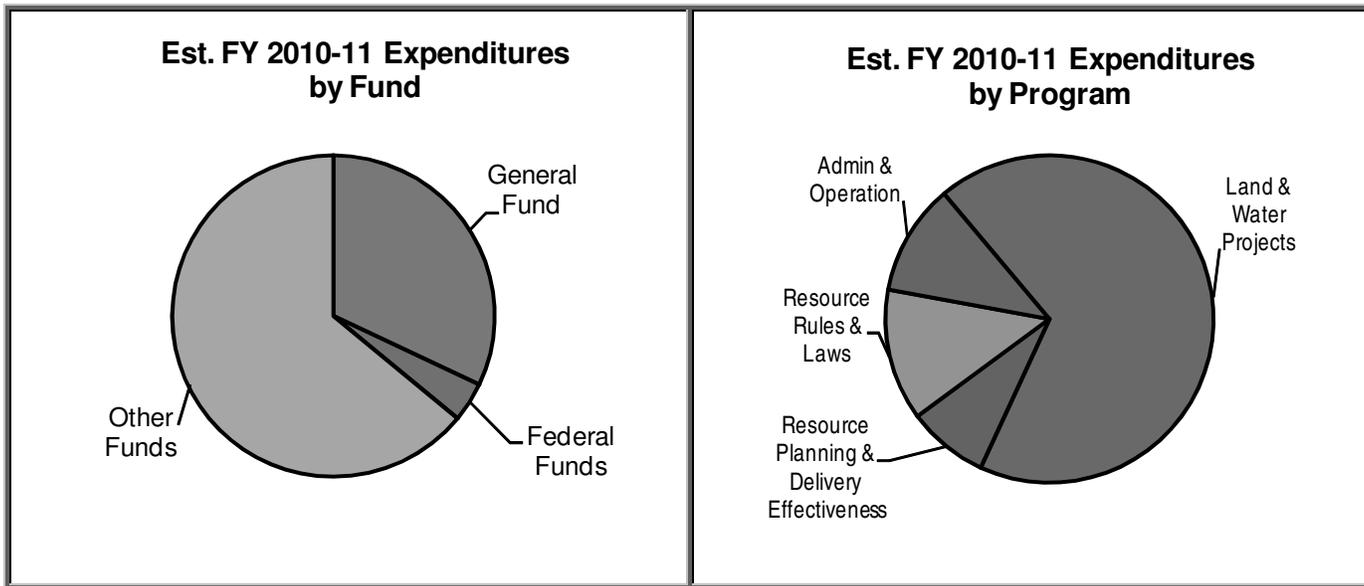
- Organizational performance reviews conducted annually for approximately 240 local governments
- Evaluation and monitoring of the ecological integrity of more than 5,400 conservation and wetland bank easements
- Technical, administrative and organizational development training provided at a rate of over 2,000 participant days per year

### **Resource Protection Rules and Laws**

- Technical, administrative, and financial support provided to more than 400 local governments that administer Wetland Conservation Area (WCA) and other state mandated resource programs
- Manage and oversee the state wetland banking system in accordance with federal laws to ensure no-net-loss of wetlands
- Coordinate drainage stakeholders in developing consensus recommendations for drainage law updates

### **Board Administration and Agency Operations**

- 20 member board that represents local governments (county, city, township, Soil and Water Conservation Districts (SWCD), Watershed Districts (WD), four state agencies, and the University of Minnesota Extension Service
- Approximately 80 employees with slightly more than half located in St. Paul
- Implement an annual budget of about \$50 million in FY 2010 and FY 2011



Source: Consolidated Fund Statement.

Source: MAPS data

**Strategies**

The agency has four major strategies to accomplish its mission.

- Develop and implement targeted grant programs that encourage voluntary adoption of land management practices and projects that protect and improve Minnesota’s natural environment;
- Assist local units of government in the development of comprehensive water and resource planning and implementation programs that target investments in conservation to obtain the greatest ecological benefit;
- Administer the state’s Wetland Conservation Act with the goal of no-net-loss through coordinating the regulatory functions of federal and state agencies; and
- Provide an essential interface between the executive branch agencies and local units of governments so that water, soil and habitat conservation and protection programs are fully integrated.

**Operations**

**Land and Water Conservation Projects:** Getting land and water conservation projects on-the-ground, in the best location for the best environmental outcome, is the major focus of the agency. Conservation measures are implemented throughout the state via local governments that work with landowners who voluntarily adopt conservation practices or enroll their land in a permanent protection conservation easement. This program addresses high priority state and local resource concerns such as:

- Keeping water on the land;
- Maintaining healthy soils;
- Reducing pollutants in ground and surface water;
- Insuring biological diversity;
- Reducing flooding potential; and
- Maintaining stream integrity.

**Resource Planning and Delivery Effectiveness:** Providing for the most targeted resource planning and evaluating the effectiveness of both the local governments implementing conservation efforts as well as the environmental outcomes are the goals of this program. The goal is accomplished by:

- Providing technical, administrative, and financial support to a core network of conservation delivery professionals in over 240 local governments;

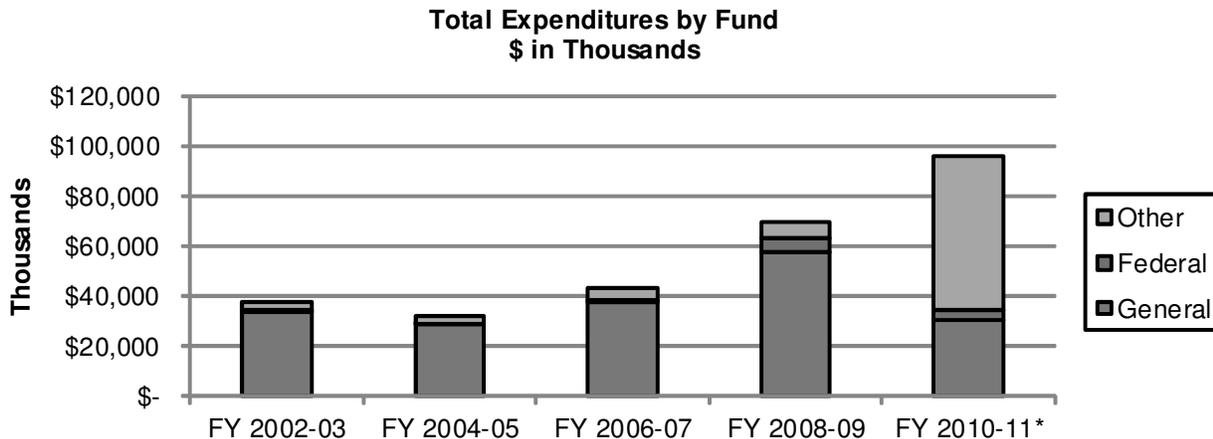
- Assisting and providing guidance to local governments in the development of comprehensive resource management plans that address critical state and local needs and priorities;
- Increasing the skill based of local governments through a comprehensive training program;
- Systematically reviewing the performance of local governments in meeting the goals of their own management plans; and
- Evaluating the ecological integrity of restoration evaluations while assuring that conservation easements are maintained in the state’s best interest.

**Resource Protection Rules and Laws:** Ensuring compliance with environmental laws, rules, and regulations is the goal of this program. BWSR is responsible for administering the Wetland Conservation Act (WCA) and providing oversight to drainage authorities operating under the drainage law (M.S. 103E). The agency conducts this program by:

- Providing oversight of local implementation through annual reporting and adjudicating or mediating disputes elevated through an appeals process of local government decisions;
- Managing and administering the state wetland bank system;
- Coordinating inter-agency funding to local governments for implementation of the WCA, DNR Shoreland Management Program, PCA Subsurface Sewage Treatment System Program, PCA Feedlot Permit Program and BWSR Comprehensive Local Water Management Program; and
- Facilitating the Drainage Work Group in developing consensus recommendations of updates to drainage law to be adopted by the legislature without controversy.

**Board Administration and Agency Operations:** Board and administrative leadership, internal business systems, and operational support are provided to the agency by this program. This program includes the board and board management, financial and accounting services, legislative and public relations, as well as information technology services, communications, and human resources.

**Budget Trends**



\* FY 2010-11 is estimated, not actual. Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 08/24/10..Please note that FY2006-07 and 2008-09 General Fund allocations included large one-time Clean Water Legacy appropriations of \$5.84 million and \$14.166 million respectively.

Recent passage of the Clean Water, Land, and Legacy Amendment speaks to the value Minnesota residents have regarding natural resources and provides significant funding for conservation efforts. The passage of the amendment also has raised expectations regarding the use of and the outcomes achieved by the funds. Obtaining the best environmental outcomes requires technical capacity and excellence at the local level. The trend of reduced local government budgets presents a significant challenge regarding the level of technical expertise needed to implement conservation programs. Resource protection activities are increasing statewide as evidenced by the request of four times the amount of project grant funds available. Landowner interests in

easements that provide permanent resource protection continues to exceed funding available. Increased citizen expectations regarding transparent, readily-available information on the progress being made towards resource protection and improvement goals will require improvements to existing reporting systems.

### Contact

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Saint Paul, Minnesota 55155

For information on how this agency works to fulfill its mission and documents its performance towards achieving measures, please refer to our website.

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<b><u>Direct Appropriations by Fund</u></b>					
<b>Environment &amp; Natural Resource</b>					
Current Appropriation	3,425	2,235	2,235	2,235	4,470
<b>Recommended</b>	<b>3,425</b>	<b>2,235</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change		0	(2,235)	(2,235)	(4,470)
% Biennial Change from 2010-11					-100%
<b>General</b>					
Current Appropriation	15,663	16,344	16,344	16,344	32,688
<b>Recommended</b>	<b>15,663</b>	<b>16,344</b>	<b>12,742</b>	<b>12,742</b>	<b>25,484</b>
Change		0	(3,602)	(3,602)	(7,204)
% Biennial Change from 2010-11					-20.4%
<b>Outdoor Heritage</b>					
Current Appropriation	9,058	6,895	6,895	6,895	13,790
<b>Recommended</b>	<b>9,058</b>	<b>6,895</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change		0	(6,895)	(6,895)	(13,790)
% Biennial Change from 2010-11					-100%
<b>Clean Water</b>					
Current Appropriation	18,705	20,619	20,619	20,619	41,238
<b>Recommended</b>	<b>18,705</b>	<b>20,619</b>	<b>24,484</b>	<b>24,484</b>	<b>48,968</b>
Change		0	3,865	3,865	7,730
% Biennial Change from 2010-11					24.5%
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Environment & Natural Resource	3,546	2,988	0	0	0
General	16,411	16,934	12,742	12,742	25,484
Miscellaneous Special Revenue	2,668	4,965	3,602	3,602	7,204
Federal	155	314	200	200	400
Outdoor Heritage	1,994	13,959	0	0	0
Clean Water	16,172	23,152	24,484	24,484	48,968
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	1,346	4,195	3,255	3,255	6,510
Federal	4,064	413	384	384	768
<b>Total</b>	<b>46,356</b>	<b>66,920</b>	<b>44,667</b>	<b>44,667</b>	<b>89,334</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	6,266	7,197	5,567	5,567	11,134
Other Operating Expenses	1,935	2,258	679	679	1,358
Capital Outlay & Real Property	10,352	20,084	(59)	(59)	(118)
Local Assistance	27,803	34,381	35,380	35,380	70,760
Transfers	0	3,000	3,100	3,100	6,200
<b>Total</b>	<b>46,356</b>	<b>66,920</b>	<b>44,667</b>	<b>44,667</b>	<b>89,334</b>
<b><u>Expenditures by Program</u></b>					
Land & Water Cons. Projects	31,071	46,280	30,902	30,902	61,804
Resource Planning & Delivery	6,768	6,085	3,210	3,210	6,420
Resource Protection Rules/Laws	3,616	8,971	5,440	5,440	10,880
Board Admin & Agency Ops	4,901	5,584	5,115	5,115	10,230
<b>Total</b>	<b>46,356</b>	<b>66,920</b>	<b>44,667</b>	<b>44,667</b>	<b>89,334</b>
<b>Full-Time Equivalents (FTE)</b>	<b>71.1</b>	<b>65.9</b>	<b>57.2</b>	<b>57.2</b>	

# WATER & SOIL RESOURCES BOARD

# Change Summary

<i>Dollars in Thousands</i>				
	FY2011	Governor's Recomm.		Biennium
		FY2012	FY2013	2012-13
<b>Fund: ENVIRONMENT &amp; NATURAL RESOURCE</b>				
FY 2011 Appropriations	2,235	2,235	2,235	4,470
<b>Technical Adjustments</b>				
One-time Appropriations		(2,235)	(2,235)	(4,470)
<b>Subtotal - Forecast Base</b>	<b>2,235</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Governor's Recommendations</b>	<b>2,235</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund: GENERAL</b>				
FY 2011 Appropriations	16,344	16,344	16,344	32,688
<b>Technical Adjustments</b>				
Biennial Appropriations		504	504	1,008
Current Law Base Change		132	132	264
One-time Appropriations		(3,000)	(3,000)	(6,000)
<b>Subtotal - Forecast Base</b>	<b>16,344</b>	<b>13,980</b>	<b>13,980</b>	<b>27,960</b>
<b>Change Items</b>				
COST-SHARE REDUCTION	0	(560)	(560)	(1,120)
GRANTS TO LOCAL BOARDS REDUCTION	0	(288)	(288)	(576)
WETLAND CONSERVATION ACT REDUCTION	0	(200)	(200)	(400)
ADMIN AND OPERATIONS REDUCTION	0	(190)	(190)	(380)
<b>Total Governor's Recommendations</b>	<b>16,344</b>	<b>12,742</b>	<b>12,742</b>	<b>25,484</b>
<b>Fund: OUTDOOR HERITAGE</b>				
FY 2011 Appropriations	6,895	6,895	6,895	13,790
<b>Technical Adjustments</b>				
One-time Appropriations		(6,895)	(6,895)	(13,790)
<b>Subtotal - Forecast Base</b>	<b>6,895</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Governor's Recommendations</b>	<b>6,895</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund: CLEAN WATER</b>				
FY 2011 Appropriations	20,619	20,619	20,619	41,238
<b>Technical Adjustments</b>				
One-time Appropriations		(20,619)	(20,619)	(41,238)
<b>Subtotal - Forecast Base</b>	<b>20,619</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change Items</b>				
SURFACE & DRINKING WATER PROTECTION	0	12,500	12,500	25,000
LOCAL RESOURCE PROTECTION GRANTS	0	2,250	2,250	4,500
CONSERVATION DRAINAGE MGMT & ASSISTANCE	0	1,000	1,000	2,000
COMMUNITY PARTNERS CLEAN WATER PROGRAM	0	1,250	1,250	2,500
RESTORATION EVALUATIONS PROJECT	0	84	84	168
ACCOUNTABILITY, OVERSIGHT & TRAINING	0	900	900	1,800
PERMANENT RESOURCE PROTECTION	0	6,500	6,500	13,000
<b>Total Governor's Recommendations</b>	<b>20,619</b>	<b>24,484</b>	<b>24,484</b>	<b>48,968</b>

**WATER & SOIL RESOURCES BOARD**

Change Summary

*Dollars in Thousands*

	FY2011	Governor's Recomm.		Biennium 2012-13
		FY2012	FY2013	
<b><i>Fund: MISCELLANEOUS SPECIAL REVENUE</i></b>				
Planned Statutory Spending	4,195	3,255	3,255	6,510
Total Governor's Recommendations	4,195	3,255	3,255	6,510
<b><i>Fund: FEDERAL</i></b>				
Planned Statutory Spending	413	384	384	768
Total Governor's Recommendations	413	384	384	768

# WATER & SOIL RESOURCES BOARD

## Change Item: ACCOUNTABILITY, OVERSIGHT & TRAINING

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures	\$900	\$900	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$900	\$900	0	0

### Recommendation

The Governor recommends \$1.8 million for the biennium from the clean water fund to implement a comprehensive and cohesive system for providing accountability, evaluating the results, and measuring the value of conservation programs. These efforts insure the taxpayer's investment in conservation projects, programs, and practices provide real benefits to Minnesota citizens.

### Rationale

Local governments are foundational to delivering the results of the state's conservation programs. The Clean Water Legacy Act in 2006 highlighted the expectation for local governments to function efficiently as they are the delivery mechanism by which nearly all of the water quality improvements would be achieved. Additionally, the passage of the Constitutional Amendment in 2008 is providing increased funding to environmental quality programs and conservation practices.

The agency will provide accountability to the state while supporting and providing assistance to local governments implementing conservation projects by:

1. Building strong technical skills within the local government conservation delivery
2. Providing assistance to local governments for improved program implementation, streamlining reporting requirements, and providing transparency regarding local government performance in meeting clean water program goals
3. Evaluating the success and value of on-the-ground restoration and protection activities in order to better target implementation funds

### Building and Insuring Technical Capacity

Currently there is no comprehensive technical training program that allows conservation professionals to acquire new skills to meet emerging needs. The agency provides training opportunities to the extent it can. The demand for more training is evident by the over 300 conservation professionals that attend the agency's annual training program. However, there is a need for more skills acquisition and this need is growing due to an increase in conservation funds and a wave of retiring practitioners.

This proposal allows for building and enhancing the technical skills of conservation technicians and engineers who design, install, and inspect conservation practices such as stream channel restorations, wetland restorations, water retention structures, and feedlot upgrades, among others. A mentoring program to build additional and future technical capacity will be established to meet the increased demand for Clean Water projects. All training, certification and mentoring efforts will be coordinated through the Inter-Agency Training Team which consists of representatives from NRCS, University of Minnesota, DNR, Dept of Ag, MPCA, Dept of Health, and others. Program curriculums, delivery, implementation, quality, and evaluation will be ensured by coordinating through this team.

### Providing Assistance for Improved Performance

Not every local government in the conservation delivery system is equally capable of high performance. By evaluating progress towards achieving locally prioritized conservation goals as well as state required programs, roadblocks to achieving high performance can be systematically identified and addressed. This program provides for individualized assistance with boards and key staff from local governments in order to develop a pathway to

success either through facilitation, additional organizational development resources, or other leadership development tools.

**Evaluating Success for Increased Value**

What happens on the land determines the quality of our surface water. Evaluating the on-the-ground resource conditions, from determining adoption rates of conservation practices to measuring soil erosion rates in a standardized and uniform manner, is critical for determine what conservation practices and programs are most effective. Lake and stream monitoring is performed to determine the quality of surface waters. This proposal is for monitoring the condition of the land and will greatly enhance the capacity to interpret what's happening in a watershed. It is anticipated that grants will be available to local governments to conduct the on-the-ground/landscape conditions on a revolving basis and could coordinated with other water quality assessment programs.

**Key Goals and Measures**

**Increasing local government effectiveness:** the ability for BWSR to fulfill its role in protecting and improving water and soil resources relies on an effective delivery system of local governments. This goal is contained in the BWSR mission statement and strategic plan. This program activity supports this goal by:

- Increasing the quality and availability of training opportunities for critical skills enhancement that is coordinated with other organizations, valued by participants and results in more effective project results; and
- Developing and utilizing assessment and evaluation methods that are science-based, practical, effective, and transparent.

**Insuring the integrity of the state's investment:** evaluating the success of the conservation practices is critical to insuring the state's clean water goals will be met. This goal is contained in the Minnesota Milestone of "Minnesotans will restore and maintain healthy ecosystems that support diverse plants and wildlife". This program will determine:

- Change in landscape and water quality conditions due to the implementation of conservation practices.
- Improving the science of implementing conservation practices through thorough evaluation to determine potential improvements.

**Statutory Change:** Not Applicable

# WATER AND SOIL RESOURCES BOARD

## Program: ADMINISTRATION AND OPERATIONS

### Change Item Change Item: Operating Budget Reductions:

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$(190)	\$(190)	\$(190)	\$(190)
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$(190)	\$(190)	\$(190)	\$(190)

### Recommendation

The Governor recommends a reduction of \$190,000 in FY 2012 and \$190,000 in FY 2013 to the Board of Water and Soil Resources general fund operating budget. The Governor intends that the Board of Water and Soil Resources should focus its operating funds on maintaining its highest priority services. In addition, the Governor intends to provide as much flexibility as possible to the agency for the implementation of these reductions.

This proposal represents a 5% percent reduction to the Board of Water and Soil Resource's administrative budget.

### Rationale

The Board of Water and Soil Resources general fund base budget recommended by the Governor is \$12,742,000 for each year of the FY12-13 biennium and includes amounts budgeted for the Land Water Projects, Planning and Effectiveness, Rules and Laws, and Administration and Operations programs. The portion of this base budget for Administration and Operations is \$3,604,000 for each year of the FY12-13 biennium. The Board of Water and Soil Resources proposes to reduce operating expenditures and positions during the FY 2012-13 biennium by the following amounts:

- Program delivery staff: \$190,000 and 2 FTE

**Statutory Change:** Not Applicable.

# WATER & SOIL RESOURCES BOARD

## Change Item: COMMUNITY PARTNERS CLEAN WATER PROGRAM

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures	\$1,250	\$1,250	0	0
Revenues	0	0	0	0
Net Fiscal Impact	0	0	0	0

### Recommendation

The Governor recommends \$2.5 million for the biennium from the clean water fund for the Citizen and Community Participation Program (CCPP). This small-grants program will broaden and leverage citizen participation in doing water quality projects.

### Rationale

Achieving the long-term goals of clean lakes, rivers and drinking water is not attainable without active and engaged citizens and communities. This proposal will use existing program delivery mechanisms to address a current funding gap and allow citizens to take action in managing and protecting their local water resources.

Currently, the majority of the clean water funds used for on-the-ground conservation work are targeted to high priority projects identified in comprehensive local water plans or plans to restore water quality to degraded lakes and rivers. However, there is no state-wide funding program for small projects that are based at a community group level such as a lake association, scout troop, 4-H club, conservation club, non-governmental organization, civic group or school that wishes to implement community service and education projects.

This program will enable local governments to engage citizens into taking action in managing their local resources. BWSR will provide funding to existing local governments or regional joint powers organizations based on an approved plan for prioritizing conservation efforts that:

- address critical water resource needs
- engage citizens and community groups to take action in local resource management
- provide a clear pathway for citizen leadership in project development and implementation
- meet accountability requirements by using existing local government reporting processes

By using existing local governments as the delivery mechanism for the small grants, agency and local government grant administration will be streamlined and have accountability assurances due to local government requirements for open meetings, standardized government accounting practices, and transparent reporting. This will lower transaction costs and increases the quality of oversight compared to having BWSR administer grants directly to small and informal community groups. A major benefit of the approach is to bring local government and non-government organization into closer working relationships so common goals may lead to integrated strategies and efficiencies.

### Key Goals and Measures

- **Strengthen the public's sense of ownership and responsibility:** BWSR works to accomplish the Minnesota Milestone goal of "Minnesotans will conserve natural resources to give future generations a healthy environment and a strong economy" through the creation of this program specifically targeted to engage citizens into active participation in creating a healthy environment.
- **Delivering conservation programs to maximize their impact on the land and water resource:** the agency's strategic plan includes this goal which is realized through the development of grant programs that target funding to projects with the best environmental outcome.

**Statutory Change:** Not Applicable

<b>Fiscal Impact (\$000s)</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures	\$1,000	\$1,000	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$1,000	\$1,000	0	0

**Recommendation**

The Governor recommends \$2 million for the biennium from the clean water fund for Conservation Drainage Management and Assistance activities. The goal of this change item is to greatly accelerate the successful FY 2010-2011 clean water fund program which provided cost-share grants for pilot projects to retrofit existing drainage systems with water quality improvement and retention practices while maintaining agricultural uses.

**Rationale**

Drainage is a necessary and expanding economic component on much of the agricultural land in Minnesota, and is also important for protection and safety of roads and other infrastructure. Extensive public and private drainage infrastructure exists in Minnesota that can affect peak channel flows, soil erosion, and water quality, including both surface ditches and subsurface tile. In recent years, a number of best management practices (BMPs) have been identified and developed under the umbrella of “conservation drainage” to better enable multipurpose drainage management. These BMPs are based on research and demonstration projects in Minnesota and other states having extensive drainage infrastructure.

This program provides for financial and technical assistance to increase adoption of conservation drainage BMPs to retrofit existing drainage systems. These practices promote retention of rainfall and runoff on the land, soil erosion reduction, and water quality improvement in drainage systems and receiving waters while maintaining agricultural production. In FY2010-11 there was very limited funding available for this program (\$500K total) and the request for funds was nearly five times the amount available.

This program utilizes the conservation delivery system including watershed districts, counties, and soil and water conservation districts to retrofit multipurpose conservation drainage practices on existing public and private agricultural drainage systems. The local governments work in partnership with private landowners to effectively implement state financial and technical incentives for conservation drainage practices. All projects will include outreach and education in order to increase the adoption of these emerging conservation drainage best management practices that provide multiple benefits.

**Key Goals and Measures**

- A key goal of this program is accelerated demonstration and adoption of multipurpose drainage management using a suite of conservation drainage practices.
- Key measures and outcomes include peak flow reduction, tons of soil and suspended solids kept on the land and out of drainage systems, as well as pounds of phosphorus and nitrogen kept out of receiving waters.
- This program accelerates the implementation of conservation drainage on private working lands and therefore supports the mission of the Board of Water and Soil Resources to protect and improve Minnesota’s soil and water resources.
- Outreach and demonstration of conservation drainage practices will be implemented within various drained agricultural landscapes in Minnesota.

**Statutory Change:** Not Applicable

# WATER & SOIL RESOURCES BOARD

Change Item: COST-SHARE REDUCTION

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$(560)	\$(560)	\$(560)	\$(560)
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$(560)	\$(560)	\$(560)	\$(560)

## Recommendation

The Governor recommends an ongoing reduction of \$560,000 per year in the cost-share grant program. The cost-share feedlot program will be reduced \$455,000 to \$0, a 100% reduction, and the cost-share native vegetation buffer program will be reduced \$105,000 per year to \$608,000, a 15% reduction.

## Rationale

BWSR administers cost-share programs as provided in 103C.501 by providing grants to soil and water conservation districts (SWCD). The SWCDs provide technical and financial assistance to landowners for the installation of conservation practices. This proposal would eliminate the program that upgrades feedlots, and reduces another that supports the creation of native vegetation buffers adjacent to surface waters. The impact of these reductions is less funds available for direct on the ground conservation projects.

## Key Goals and Measures

- **Delivering conservation programs to maximize their impact on the land and water resource:**

**Statutory Change:** Not Applicable

# WATER & SOIL RESOURCES BOARD

Change Item: GRANTS TO LOCAL GOVERNMENTS REDUCTION

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$(288)	\$(288)	\$(288)	\$(288)
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$(288)	\$(288)	\$(288)	\$(288)

## Recommendation

The Governor recommends an ongoing reduction of \$288,000 per year in three grants that go to local boards. The Red River Basin Commission grant of \$84,000 per year, the MN River Joint Powers Board grant of \$84,000 per year, and the Area II grant of \$120,000 per year would be eliminated.

## Rationale

These grants go to boards that coordinate water and land conservation planning. The Red River Basin Commission is a non-governmental agency that assesses water issues in the Red River Basin. The MN Joint Powers Board coordinates clean water efforts in the Minnesota River Basin. The Area II group provides financial and technical assistance to the nine member counties for the planning, design, and installation of floodwater retention projects. Elimination of these grants will impact the ability of these groups to continue their work.

## Key Goals and Measures

- Delivering conservation programs to maximize their impact on the land and water resources.

**Statutory Change:** Not Applicable

# WATER & SOIL RESOURCES BOARD

## Change Item: LOCAL RESOURCE PROTECTION GRANTS

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures	\$2,250	\$2,250	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$2,250	\$2,250	0	0

### Recommendation

The Governor recommends \$4,500 thousand in clean water fund money for the biennium for grants to local governments. Funding will be used for local governments to develop and apply water resource protection and management measures that go beyond state minimum standards and undertake innovative programs that result in highly targeted resource protection and restoration strategies.

### Rationale

Counties, cities, watershed districts, and soil and water conservation districts implement state shoreland regulations, sub-surface sewage treatment system (SSTS) rules, wetland protection programs, drainage laws, and stormwater management requirements. Efforts to meet minimum state standards are partially funded through existing General Fund base grants. This program will provide for accelerated efforts that exceed state minimum standards by: (1) protecting waters of the state and preventing them from becoming impaired, and (2) cleaning up state waters that are impaired. An impediment to enhanced local implementation of natural resource protection and restoration activities is inadequate resources necessary to develop plans, ordinances and incentives to direct these efforts.

These funds will be targeted to counties, cities, watershed districts and soil and water conservation districts in a lead or partnership role.

### Local Water Resources Protection

Local governments, not state agencies, have direct authority and responsibility for land use planning, which has a major impact on the quality of natural resources. They are also responsible for implementing state regulations related to resource protection through ordinances and related planning initiatives. An important goal of this program is to accelerate the integration of state and federal impaired waters restoration plans, resource protection strategies, stormwater management plans, and other critical resource directed efforts into the every-day processes of local governance. One area of specific need that will be addressed through this program is to assist cities and counties in building capacity to address non-conforming and failing septic systems including supporting implementation of county SSTS ordinances.

### Innovation Challenge Grant

New technologies, such as statewide LiDAR and the development of digital terrain analysis, will lead to the nearly surgical placement of best management practices on the landscape. By increasing the accuracy of conservation practices to the best location for the greatest benefit, state and local clean water goals will be more achievable in a shorter period of time. Additionally, research continues to be conducted on new implementation techniques and technologies that increase the results of conservation practices. The goal of the Innovation Challenge Grant program is to accelerate the adoption of new technologies for targeting resource protection efforts. Adopting new practices is especially difficult when funds are tight, this program will reduce the financial impediment to adopting new technologies and techniques.

### Key Goals and Measures

**Increasing local government effectiveness:** the ability for BWSR to fulfill its role in protecting and improving water and soil resources relies on an effective delivery system of local governments. This goal is contained in the BWSR mission statement and strategic plan. This program activity supports this goal by:

## WATER & SOIL RESOURCES BOARD

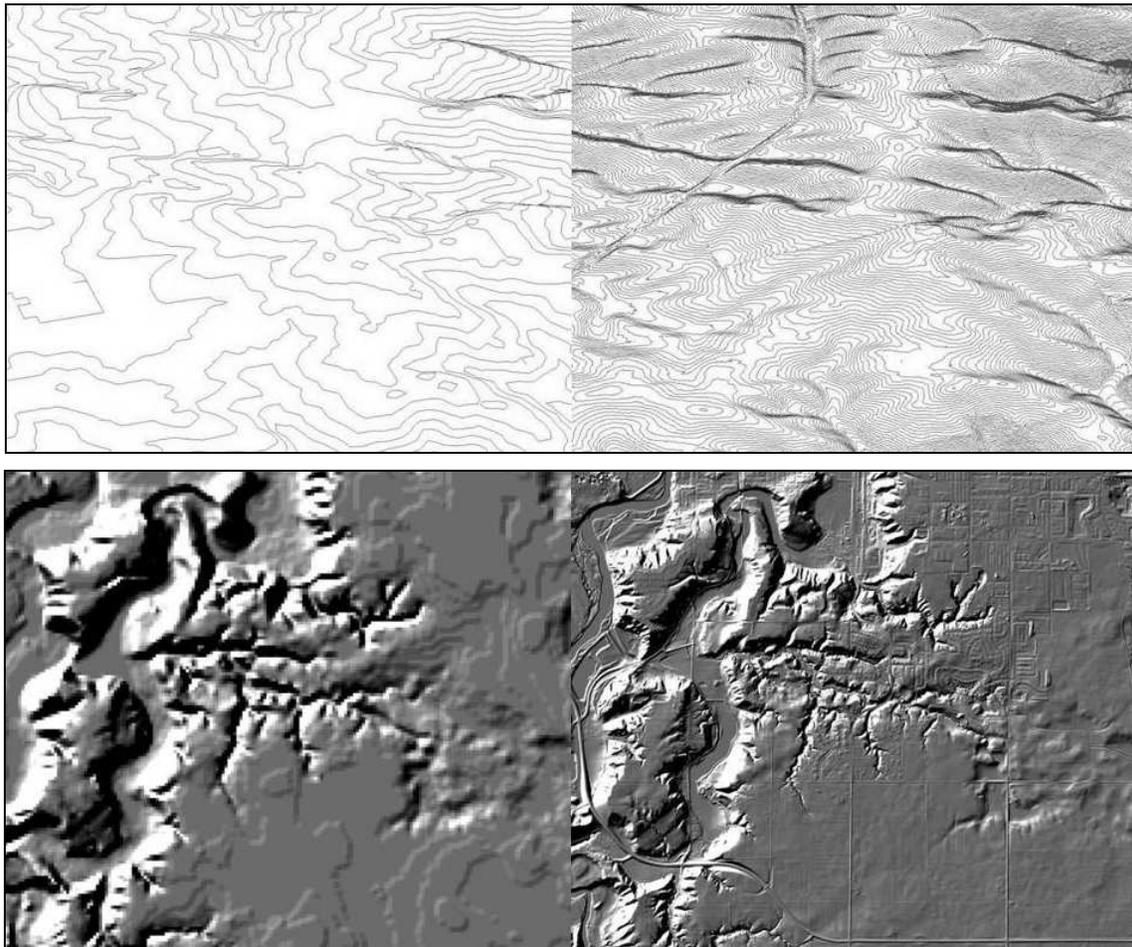
### Change Item: LOCAL RESOURCE PROTECTION GRANTS

- Integrating approved impaired waters restoration plans into local government plans and programs.
- Ordinances that protect natural resources of local concern and exceed state minimum standards are adopted.

**Delivering conservation programs to maximize their impact on the land and water resource:** the agency's strategic plan includes this goal which is realized through the development of the challenge grant programs that result in more precise targeting of conservation projects in order to obtain the best environmental outcome.

- Targeting restoration and protection work to most critical sites
- Innovative technologies and techniques are implemented, and used in training, education, and communication efforts to further their acceptance.

**Below:** examples of current technology used for targeting and designing conservation practices on the left. On the right are examples of the precision in site selection and practice design achievable with availability of LiDAR data.



**Statutory Change:** Not necessary, although a policy amendment (M.S. 103B) to streamline the water plan amendment process has been developed.

# WATER & SOIL RESOURCES BOARD

Change Item: PERMANENT RESOURCE PROTECTION

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures	\$6,500	\$6,500	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$6,500	\$6,500	0	0

## Recommendation

The Governor recommends \$13 million in clean water funds for the biennium to permanently protect critical water resources through the acquisition of easements on private land along public waters and in highly vulnerable ground water protection areas.

## Rationale

Buffer strips are one of the most effective and proven methods to protect surface water quality in environmentally sensitive or highly erodible soils along rivers and streams. Landscape restoration is also an effective way to protect highly vulnerable aquifers from contamination. This program will accomplish both of these protection strategies while achieving multiple benefits such as improving wildlife habitat and flood attenuation while keeping land in the hands of private land owners and on the tax rolls.

## Buffer strips

This proposal builds on the highly successful initial FY2010-11 buffer program which targeted critical expiring Conservation Reserve Program (CRP) acres so that these acres would be permanently protected. By targeting acres currently enrolled in the federal Farm Bill program, delivery of the easement initiative was highly efficient and provided overall better value for the cost of the easement since landowners were already supportive of conservation and the state typically did not have to pay for the practices to establish the buffer. This program is a cooperative effort with Soil and Water Conservation Districts that promote the conservation easement program to eligible landowners and assist in processing the easement agreements.

Response and results for the \$6.5M of FY 2010-11 clean water funds for the buffer strip program was incredibly rapid. The announcement and sign-up of the first \$3.25M (2010 appropriation) was announced December 1, 2009 and was fully allocated within two months. The agency continued to take applications to streamline the process of allocating the \$3.25 in 2011 funds. The total amount of funding for the biennium was allocated within three months of the program announcement and there is a waiting list of unmet need. The result of this program is that highly erodible soils along streambanks and other public waters in 23 counties are permanently protected and will provide lasting value for multiple conservation benefits.

The proposal also includes a special initiative for high-quality, multi-purpose buffers to combine a recommended \$2.5M in Outdoor Heritage Funds with \$2.5M from the Clean Water Fund to target areas that can generate more wildlife nesting and cover benefits via wider buffers.

## Protecting Drinking Water

The proposal expands the FY 2010-11 Clean Water Fund wellhead protection program. The focus of this program is to convert agricultural land to grass lands and wetlands in areas designated with high or very high vulnerability to contamination as defined in Minnesota Rules, part 4720.5100. The agency worked with Minnesota Department of Health and Minnesota Department of Agriculture to determine the list of targeted areas and then worked with SWCDs in those areas to promote the conservation easement program to eligible landowners. Seven communities were selected for targeted implementation. This proposal will expand the number of communities served in order to provide more citizens with safe drinking water.

## Key Goals and Measures

- **Delivering conservation programs to maximize their impact on the land and water resource:** the agency's strategic plan includes this goal which is realized through the permanent acquisition of sensitive

## WATER & SOIL RESOURCES BOARD

### Change Item: PERMANENT RESOURCE PROTECTION

landscapes for the greatest resource outcome. Improved targeting of conservation practices result in an increase in currently reported outcomes reduced soil loss and sediment loading into surface waters.

- **Permanent protection of environmental sensitive and highly vulnerable resources:** this program will work to accomplish the Minnesota Milestone goal of “Minnesotans will improve the quality of the air, water, and earth” and will do so in a manner that secures the benefits for future generations.

**Statutory Change:** Not Applicable

# WATER & SOIL RESOURCES BOARD

## Change Item: RESTORATION EVALUATIONS PROJECT

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures	\$84	\$84	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$84	\$84	0	0

### Recommendation

The Governor recommends \$168,000 for the biennium in clean water funds for the implementation of the Restoration Evaluations project as required by M. L. 2010, Ch 361, Art 1.

### Rationale

State law requires restoration evaluations be conducted on habitat restoration projects completed with funds from the clean water fund (M.S. 114D.50), outdoor heritage fund (M.S. 97A.056), and parks and trails fund (M.S. 85.53). As provided by law, BWSR is the responsible agency for clean water fund restoration evaluations; DNR is the responsible agency for parks and trails fund restoration evaluations; and DNR and BWSR are jointly responsible for outdoor heritage fund restoration evaluations (M.L. 2010, Ch. 361, Art.1). Unlike the outdoor heritage fund, for which funding recommendations are made by the Lessard-Sams Outdoor Heritage Council (LSOHC), funding recommendations for the clean water fund and parks and trails Fund are provided by the Governor's Office as part of the biennial budget request.

The Department of Natural Resources (DNR) and the Board of Water and Soil Resources (BWSR) are jointly responsible for convening a technical evaluation panel (TEP) to annually evaluate a sample of up to 10 habitat restoration projects completed with outdoor heritage funding, as provided in M.L. 2010, Ch. 361, Art. 1. The agencies will assign a coordinator for the TEP. The coordinator is responsible for identifying the sample of projects to be evaluated by the panel. The TEP will evaluate the selected habitat restoration projects relative to the law, current science, stated goals and standards in the restoration plans, and applicable guidelines. The coordinator will summarize the findings of the panel and providing a report to the chairs of the LSOHC and respective Minnesota House and Senate policy and finance committees with jurisdiction over natural resources and Outdoor Heritage Fund spending. The report will determine whether restorations are meeting planned goals, identify problems with implementation of restorations and, if necessary, provide recommendations on improving restorations. It is anticipated the TEP will travel to conduct site visits for the restoration evaluations.

### Key Goals and Measures

BWSR and DNR share the following goals and objectives for the program based on a joint pilot effort:

- *Effectiveness:* A process for evaluating habitat restoration projects will be recommended that provides for transparency and accountability in the use of Legacy funds and supports a collaborative, continuous learning environment that informs future habitat restorations throughout the state.
- *Consistency:* A process will be recommended that provides for consistency in program development and implementation within and across the three funds.
- *Efficiency:* A process will be recommended that allows the responsible agencies to comply with all program requirements established in law within the budgeted allowances for the Program (up to one-tenth of one percent of forecasted receipts for each fund).
- *Partnerships:* Partners will be engaged and involved in the development of the program.

**Statutory Change:** Not Applicable

# WATER & SOIL RESOURCES BOARD

## Change Item: SURFACE & DRINKING WATER PROTECTION

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures	\$12,500	\$12,500	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$12,500	\$12,500	0	00

### Recommendation

The Governor recommends \$25 million for the biennium in clean water funds to develop and implement targeted grant programs that encourage voluntary adoption of land management practices and projects that protect and improve Minnesota surface water and ground water resources.

### Rationale

The goal for this proposal is to accelerate the state's objectives for clean water through partnerships with local governments. Local governments in turn enter into agreements with private landowners to implement conservation practices and projects to make progress towards state goals and address high priority local resource concerns such as the following:

- ⇒ *Keeping water on the land*: the goal of restoring natural hydrology and reducing runoff is addressed by restoring wetlands, installing raingardens, developing stormwater treatment ponds, and implementing conservation drainage practices.
- ⇒ *Maintaining healthy soils*: healthy soils are necessary for a thriving agricultural economy and are supported through conservation tillage and erosion control projects.
- ⇒ *Reducing pollutants in ground and surface water*: targeted activities to reduce pollution in sensitive ecological settings are accomplished by upgrading feedlots, subsurface sewage treatment systems, and sealing abandoned wells that present a pollution problem.
- ⇒ *Maintaining stream integrity*: healthy stream hydrology and abundant fish and biota are accomplished through implementing streambank and shore stabilization
- ⇒ *Addressing imminent threat or failing sub-surface sewage treatment systems*: These funds will provide need-based grants to implement repairs of SSTS known to be contributing to the deterioration of surface waters.
- ⇒ *Engineering assistance*: Landowners need assistance in planning, design, and implementation of a wide variety of water quality improvement practices and the state needs qualified professionals to insure the proper planning and installation of practices.

This program builds on and expands the highly successful FY 2010-11 clean water funds appropriated through a competitive program by BWSR that were dedicated for this purpose. During the current biennium over \$60M in funding to address high priority needs was requested by local governments and only \$24M was available. All funds were provided based on the local government's ability to document the greatest value and benefit for the state's investment and are tracked to determine performance towards anticipated outcomes.

Eligibility for these funds is contingent on a state approved and locally adopted water management plan as required by M.S. 103B.3369. These plans that link scientific information and citizen priorities include county comprehensive local water management plans, watershed district management plans, and city surface water management plans. The planning requirement ensures that state funded projects are targeted to address water quality restoration or protection needs most effectively.

### Key Goals and Measures

**Delivering conservation programs to maximize their impact on the land and water resource:** the agency's strategic plan includes this goal which is realized through the development of Clean Water Fund grant programs

that specifically target funding to implement conservation projects with the best value in achieving environmental outcomes.

- Project and practice eligibility criteria will continue to strengthen the allocation of grant funding.
- Landscape conditions, including the reduction in erosion and sedimentation, as well as water quality trends will be an indicator of progress towards clean water goals.

**Addressing state and local natural resource priorities:** this program will work to accomplish the Minnesota Milestone goal of “Minnesotans will improve the quality of the air, water, and earth” through voluntary adoption of land management practices and project that improve and protect surface water, groundwater, and drinking water.

- Restoration of natural hydrology and reduction of runoff by holding water on the landscape and implementing infiltration practices.
- Reducing the amount of pollutants that enter surface and groundwater through targeted activities such as upgrading feedlots and septic systems deemed to be a public health threat.

**Statutory Change:** Not Applicable

# WATER & SOIL RESOURCES BOARD

Change Item: WETLAND CONS ACT REDUCTION

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$(200)	\$(200)	\$(200)	\$(200)
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$(200)	\$(200)	\$(200)	\$(200)

## Recommendation

The Governor recommends an ongoing reduction of \$200,000 per year for two grant program that began in 2007 as part of the agency's Wetland Conservation Grant (WCA) program. The ongoing \$100,000 pass through grant to the Department of Natural Resources would be eliminated, as well as the ongoing \$100,000 appropriation for WCA grants for the 11-county Metro area. These reductions amount to 5% of the current WCA grant budget.

## Rationale

WCA enforcement activities would slow as a result of this proposal.

## Key Goals and Measures

- Delivering conservation programs to maximize their impact on the land and water resources.

**Statutory Change:** Not Applicable

**Program Description**

The purpose of the Land and Water Conservation Projects Program is to improve and protect Minnesota's land and water resources by providing funding for conservation practices and projects as well as providing for the accountability, reporting, and transparency on environmental outcomes and management of funds.

**Budget Activities**

This program includes the following budget activities:

- Project and Project Management
- Permanent Resource Protection

# WATER & SOIL RESOURCES BOARD

Program: LAND & WATER CONS. PROJECTS

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor Recomm.</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>Environment &amp; Natural Resource</b>					
Current Appropriation	1,918	2,235	2,235	2,235	4,470
<b>Technical Adjustments</b>					
One-time Appropriations			(2,235)	(2,235)	(4,470)
Subtotal - Forecast Base	1,918	2,235	0	0	0
<b>Total</b>	<b>1,918</b>	<b>2,235</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General</b>					
Current Appropriation	3,167	5,142	5,142	5,142	10,284
<b>Technical Adjustments</b>					
Biennial Appropriations			299	299	598
Current Law Base Change			100	100	200
One-time Appropriations			(3,000)	(3,000)	(6,000)
Subtotal - Forecast Base	3,167	5,142	2,541	2,541	5,082
<b>Governor's Recommendations</b>					
COST-SHARE REDUCTION		0	(560)	(560)	(1,120)
<b>Total</b>	<b>3,167</b>	<b>5,142</b>	<b>1,981</b>	<b>1,981</b>	<b>3,962</b>
<b>Outdoor Heritage</b>					
Current Appropriation	9,058	6,895	6,895	6,895	13,790
<b>Technical Adjustments</b>					
One-time Appropriations			(6,895)	(6,895)	(13,790)
Subtotal - Forecast Base	9,058	6,895	0	0	0
<b>Total</b>	<b>9,058</b>	<b>6,895</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Clean Water</b>					
Current Appropriation	15,127	16,435	16,435	16,435	32,870
<b>Technical Adjustments</b>					
One-time Appropriations			(16,435)	(16,435)	(32,870)
Subtotal - Forecast Base	15,127	16,435	0	0	0
<b>Governor's Recommendations</b>					
SURFACE & DRINKING WATER PROTECTION		0	12,500	12,500	25,000
LOCAL RESOURCE PROTECTION GRANTS		0	2,250	2,250	4,500
CONSERVATION DRAINAGE MGMT & ASSISTANCE		0	1,000	1,000	2,000
COMMUNITY PARTNERS CLEAN WATER PROGRAM		0	1,250	1,250	2,500
PERMANENT RESOURCE PROTECTION		0	6,500	6,500	13,000
<b>Total</b>	<b>15,127</b>	<b>16,435</b>	<b>23,500</b>	<b>23,500</b>	<b>47,000</b>

# WATER & SOIL RESOURCES BOARD

Program: LAND & WATER CONS. PROJECTS

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor Recomm.</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Environment & Natural Resource	2,242	2,255	0	0	0
General	6,254	7,755	4,320	4,320	8,640
Miscellaneous Special Revenue	2,584	2,889	2,324	2,324	4,648
Federal	155	314	200	200	400
Outdoor Heritage	1,994	13,959	0	0	0
Clean Water	12,993	17,975	23,500	23,500	47,000
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	785	720	174	174	348
Federal	4,064	413	384	384	768
<b>Total</b>	<b>31,071</b>	<b>46,280</b>	<b>30,902</b>	<b>30,902</b>	<b>61,804</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	1,359	1,623	588	588	1,176
Other Operating Expenses	279	265	17	17	34
Capital Outlay & Real Property	10,307	20,081	(60)	(60)	(120)
Local Assistance	19,126	21,311	27,357	27,357	54,714
Transfers	0	3,000	3,000	3,000	6,000
<b>Total</b>	<b>31,071</b>	<b>46,280</b>	<b>30,902</b>	<b>30,902</b>	<b>61,804</b>
<b><u>Expenditures by Activity</u></b>					
Projects And Project Mgmt	17,505	26,035	30,363	30,363	60,726
Permanent Resource Protection	13,566	20,245	539	539	1,078
<b>Total</b>	<b>31,071</b>	<b>46,280</b>	<b>30,902</b>	<b>30,902</b>	<b>61,804</b>
<b>Full-Time Equivalents (FTE)</b>	<b>11.5</b>	<b>10.4</b>	<b>8.4</b>	<b>8.4</b>	

**Activity at a Glance****Land and Water Treatment**

2005 – 2008 Implementation

- 11,942 land and water treatment practices
- 783 acres of native buffers established
- 564 abandoned wells sealed
- 301 feedlots upgraded
- \$18 million federal grants and loans leveraged
- 432,387 tons of soil saved/year

**Grants Management and Services**

- 210 project grants to local governments in FY 2010
- 17 grant trainings and outreach sessions in 2010
- Financial reconciliations of 125 grants in 2009
- Each grantee receives annual onsite BWSR staff consultation and assistance to assure financial and environment outcomes are met

**Flood Recovery Disaster Assistance**

- \$5 million to southeast Minnesota local governments
- \$1.5 million to Red River area local governments

**Activity Description**

The goal of this activity is to meet state objectives for clean water, productive soil, and abundant fish and wildlife habitat through partnerships with local governments. Local governments in turn enter into agreements with private landowners to implement conservation practices and other projects that make progress toward state objectives.

Minnesota will be most able to achieve its conservation goals when businesses, citizens and units of government adopt voluntary resource protection and improvement activities. BWSR develops and delivers programs and projects by providing grants for targeted activities. These types of practices reduce the damage to Minnesota resources from soil erosion and the transport of pollutants into surface and groundwater. Sedimentation fills rivers and lakes, destroys habitat, carries pollutants, increases flood damages and reduces recreational value of water bodies. Soil erosion also reduces farm productivity, increases the costs of farming, and creates sediment for downstream communities to address. To address these issues key activities funded by these programs keep water on the land, or where this is not possible, treats runoff prior to entering a body of water.

**Population Served**

All Minnesota citizens, businesses and communities benefit from clean water, healthy soils and abundant habitat.

Thousands of Minnesotans continue to improve our natural resources by implementing conservation practices on their own land. Practices and projects are implemented via grants to a core conservation delivery network of approximately 250 local government units, including Soil and Water Conservation Districts, Counties, Cities, Watershed Districts and Watershed Management Organizations. The broad range of activities that are carried out under this program require that BWSR coordinates with other state and federal agencies, nonprofit organizations and other policy and natural resource managers. In the past four years, the Conservation Corp of Minnesota and Iowa has also participated in implementing the grant projects.

**Services Provided****Conservation Project and Practice Grants**

State objectives for clean water, healthy soil, and abundant habitat are achieved by on-the-ground implementation of projects that address a wide range of conservation concerns. The grant programs are developed to target high priority concerns such as the following.

- *Keeping water on the land:* the goal of restoring natural hydrology and reducing runoff is addressed by restoring wetlands, installing raingardens, developing stormwater treatment ponds, and implementing conservation drainage practices.
- *Maintaining healthy soils:* healthy soils are necessary for a thriving agricultural economy and are supported through conservation tillage and erosion control projects.
- *Reducing pollutants in ground and surface water:* targeted activities to reduce pollution in sensitive ecological settings are accomplished by upgrading feedlots, subsurface sewage treatment systems, and sealing abandoned wells that present a pollution problem.
- *Insuring biological diversity:* the native buffer program and cooperative weed management programs address invasive species management and increase the abundance of native plants to achieve water quality improvement, especially in the most sensitive Minnesota landscapes.

# WATER & SOIL RESOURCES BOARD

**Program:** LAND & WATER CONS. PROJECTS

**Activity:** PROJECTS AND PROJECT MGMT

Narrative

- *Maintaining stream integrity:* healthy stream hydrology and abundant fish and biota are accomplished through implementing streambank and shore stabilization.

In addition to paying the direct costs of constructing conservation practices and projects, funds are also provided to local governments for the costs of project design, construction oversight, and to fulfill required fiscal and outcomes reporting.

Eligibility for these funds is contingent on a state approved and locally adopted water management plan as required by M.S. 103B.3369. These plans that link scientific information and citizen priorities include county comprehensive local water management plans, watershed district management plans, and city surface water management plans. The planning requirement ensures that state funded projects are targeted to address water quality restoration or protection needs most effectively.

### **Grant Management Services:**

BWSR has developed and implemented a comprehensive grant management system that is focused on providing the highest levels of accountability in the use of state funds in the most efficient manner possible. BWSR establishes eligibility criteria, determines grant program policies, reviews work plans, issues contracts, and conducts close-out reviews upon completion of grants to ensure accountability. Central to BWSR's grant management system is compliance with the Grant Management policies adopted by the Department of Administration, Office of Grants Management ([http://www.admin.state.mn.us/ogm\\_policies\\_and\\_statute.html](http://www.admin.state.mn.us/ogm_policies_and_statute.html)).

A critical element of this grant management system is the BWSR developed and supported eLINK online grant management system. Grant recipients use this database to develop project workplans, report grant activity and to estimate project pollution reduction and related outcomes. BWSR staff use this system to monitor grant recipient progress in meeting project goals and to generate data on practice outcomes and locations. In addition, BWSR provides local government training and technical support.

### **Historical Perspective**

As mentioned above, in State Fiscal Year 2011, BWSR is administering 17 land and water conservation grant programs. The passage of the Clean Water, Land and Legacy Constitutional Amendment has resulted in a significant increase in the volume and diversity of grant activity administered by BWSR.

Agency land and water conservation project responsibilities began with the State Conservation Cost-Share Program in 1977. This program provides up to 75 percent of the total eligible costs of conservation practices on private lands. Landowners or occupiers can request financial and technical assistance from their local SWCD to implement state-approved, enduring conservation practices. A wide variety of erosion control and water quality practices are eligible for these funds. Funding for the State Conservation Cost Share Program is provided through General Fund appropriations.

BWSR administers the Feedlot Water Quality Management Program in cooperation with SWCDs. SWCDs work with local producers to evaluate feedlots, identify water quality problems, coordinate financial and technical assistance, and implement solutions to fulfill state Feedlot Rule requirements. Program priorities focus on water quality restoration and protection. Between 1997 and 2009, this program was funded through General Fund appropriations, with substantial increases in FY 2008-2009 through Clean Water Legacy Act appropriations. Current biennial appropriations are provided by both the General Fund and supplemented by the Clean Water Fund.

The Cooperative Weed Management Area Program and the Native Buffer Cost-Share Program were created in 2007. The purposes of these programs are to manage noxious weeds or invasive plants in order to establish diverse native vegetation buffers for water quality and habitat improvement. Current biennial funding for these programs is from the General Fund.

## WATER & SOIL RESOURCES BOARD

**Program:** LAND & WATER CONS. PROJECTS

**Activity:** PROJECTS AND PROJECT MGMT

Narrative

Funding for an array of new water quality restoration and protection grant programs began in the FY2010-11 biennium following passage of the Clean Water, Land and Legacy Constitutional Amendment. Principal restoration and protection activities funded through these programs include feedlots, subsurface sewage treatment systems, stormwater and runoff reduction and streambank and riparian stabilization.

### Key Activity Goals & Measures

**Delivering conservation programs to maximize their impact on the land and water resource:** The agency's strategic plan includes this goal which is realized through the development of grant programs that target funding to projects with the best environmental outcome.

- Project and practice eligibility criteria and requirements will continue to strengthen the direction allocation of grant funding.
- Project and practice environmental outcome estimates will be primary basis for evaluating funding priorities.

**Efficient and effective program implementation:** BWSR works to accomplish the Minnesota Milestone goal of "Government in Minnesota will be cost effective and services will be designed to meet the needs of the people who use them". Grant program administration efficiencies continue to increase while experiencing growth. Grant funds in this activity, excluding one-time flood response appropriations, have increased by 94% since 2007 while grant administration staff has increased by less than 1.5 FTE.

### Activity Funding

Funding sources include the General Fund and the Clean Water Fund. For FY 2010-11 the General Fund accounted for 15% and the Clean Water Fund accounted for 85% of the funding for this activity.

### Contact

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**WATER & SOIL RESOURCES BOARD**  
**Program: LAND & WATER CONS. PROJECTS**  
**Activity: PROJECTS AND PROJECT MGMT**

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor's Recomm.</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Environment & Natural Resource	45	853	0	0	0
General	6,254	7,755	4,320	4,320	8,640
Miscellaneous Special Revenue	259	2,324	2,324	2,324	4,648
Clean Water	10,120	14,576	23,500	23,500	47,000
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	827	482	174	174	348
Federal	0	45	45	45	90
<b>Total</b>	<b>17,505</b>	<b>26,035</b>	<b>30,363</b>	<b>30,363</b>	<b>60,726</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	640	525	210	210	420
Other Operating Expenses	292	6	0	0	0
Capital Outlay & Real Property	440	2,444	174	174	348
Local Assistance	16,133	20,060	26,979	26,979	53,958
Transfers	0	3,000	3,000	3,000	6,000
<b>Total</b>	<b>17,505</b>	<b>26,035</b>	<b>30,363</b>	<b>30,363</b>	<b>60,726</b>
<b>Full-Time Equivalents (FTE)</b>	<b>7.3</b>	<b>4.0</b>	<b>3.0</b>	<b>3.0</b>	

**Activity at a Glance**

**Reinvest In Minnesota-Wetlands Reserve Program (RIM-WRP) Partnership** – the premier private lands wetland restoration program in the nation

2008 – First in the nation in number of easements acquired; second in acres; \$33 million leveraged

2009 – Second in the nation in easements acquired; first in acres; \$41 million leveraged

2010 – \$1.6 federal funds leveraged for every state dollar.

Since 2000, RIM Reserve has leveraged over **\$250 million** in **Federal Farm Bill** Conservation program dollars to Minnesota's conservation easement protection and restoration outcomes.

**Clean Water Funds (CWF)** – In 2010, over \$7.9 million CWF RIM Reserve riparian buffer and wellhead protection easements were secured on approximately 1,680 acres.

**Outdoor Heritage Funds (OHF)**

2009 – Received second largest OHF appropriation \$9.058 million.

2010 – Received largest appropriation from OHF \$6.895 million.

**Army Compatible Use Buffer Program (ACUB)**  
\$10.9 million federal dollars awarded to the BWSR since 2006.

**Activity Description**

The goal of this activity is to meet state objectives for clean water, productive soil, and abundant fish and wildlife habitat through partnerships through securing permanent conservation easements in partnership with local organizations and private landowners. Currently, much of the focus of this activity is the Reinvest in Minnesota (RIM) Reserve – Wetlands Reserve Program (WRP) Partnership, the premier private lands wetland restoration program in the nation. This is a local-state-federal partnership developed only in Minnesota via an agreement between the Natural Resources Conservation Service (NRCS), the Soil and Water Conservation Districts (SWCDs) and the Board of Water and Soil Resources (BWSR). Additional program priorities include protecting surface and groundwater through acquiring buffers in sensitive landscapes and reducing flooding potential by expanding flood retention areas along rivers. This is accomplished by installing extensive berm systems to keep floodwaters within a flood plain and away from infrastructure and productive land.

The RIM Reserve program compensates landowners for granting conservation easements and establishing native vegetation habitat on economically marginal, flood-prone, environmentally sensitive or highly erodible lands. It protects the state's water and soil resources by retiring existing marginal agricultural lands and by restoring drained wetland and associated buffers.

BWSR's RIM Reserve program is a critical component of the state's efforts to improve water quality by reducing soil erosion, reducing phosphorus and nitrogen loading and improving wildlife habitat on private lands. RIM Reserve is implemented in cooperation with local Soil and Water Conservation Districts (SWCDs).

**Population Served**

Voluntary conservation projects with private landowners and units of government focus on restoring drained wetlands and enrolling highly erodible, riparian and sensitive groundwater lands.

**Services Provided****Permanent Resource Protection:**

The RIM Reserve program provides BWSR with the authority to acquire, on behalf of the state, conservation easements to permanently protect, restore and manage critical natural resources without owning the land outright. The land remains in private ownership and the landowner retains responsibility for maintenance and paying applicable real estate taxes and assessments. Because the state does not hold fee title to the property, conservation easements are often the most cost-effective tool for the protection and restoration of natural resources on private lands.

The conservation easement program is implemented at the local level by county SWCDs. BWSR provides statewide program coordination and administration such as developing easement eligibility criteria for SWCDs to conduct sign-ups with their local landowners who have land that meets the eligibility criteria established by the board and is consistent with the requirements of M.S. 103F.505.

# WATER & SOIL RESOURCES BOARD

**Program:** LAND & WATER CONS. PROJECTS

**Activity:** PERMANENT RESOURCE PROTECTION

Narrative

SWCDs send their completed applications to BWSR for funding selection. BWSR provides grants to SWCDs for easement acquisition and technical assistance required to secure these perpetual easements and to install the required conservation practices. This amount is in addition to RIM Service grants.

### **Conservation Easement Acquisition:**

BWSR staff provides the necessary administrative, legal, and engineering duties to secure the conservation easements with landowners through the local SWCDs. BWSR duties include:

- Developing and administering eligibility and ranking criteria;
- Determining payment rates that ensure both program success as well as fiscal responsibility;
- Technical feasibility and project design;
- Verifying land ownership;
- Identifying and resolving title issues to ensure the state's interest in the land is sufficiently secured;
- Developing a legal description and map of the easement area;
- Developing legal documents signed by the landowners and the state;
- Reviewing and approving conservation plans developed by local partners;
- Encumbering and paying associated costs for acquisition and enhancement of lands under easement; and,
- Construction management of easement sites.

BWSR also provides easement acquisition services to:

- Army National Guard for their Army Compatible Use Buffer (ACUB) project associated with the Camp Ripley installation near Little Falls. Thus far, BWSR has acquired over 62 conservation easements utilizing \$10.9 million federal dollars. This fee-for-service partnership has brought additional federal dollars for implementation to BWSR, approximately half of which is granted to the SWCDs in the counties where ACUB easements are being acquired.
- The RIM Reserve program is the primary land acquisition program for state-held conservation easements and restoration of wetlands and native grasslands on privately owned land in Minnesota. This program partners with public and private landowners, state, federal and local government entities, non-profit organization and the citizens of Minnesota. Many of our partners seek the RIM Reserve program out as a vehicle by which they can realize their own goals and priorities.

### **Conservation Easement Management:**

- BWSR has formal agency rules and policies governing many aspects of the management of RIM easements, and a comprehensive management program to safeguard the public's investment in conservation easements on private natural resources lands.
- Effective easement management requires baseline reports at the time of acquisition and ongoing monitoring to ensure compliance. Baseline measurement and monitoring data is currently captured in BWSR's *RIM Reserve Conservation Easement Database*.
- Monitoring components include property monitoring as well as easement enforcement, alternation and termination. The BWSR partners with local SWCDs to carry-out oversight monitoring and inspection of its conservation easements.
- Easements are inspected for the first five consecutive years beginning in the year after the easement is recorded. Thereafter, on-site inspections are performed every three years and compliance checks are performed in the other two years. SWCDs report to BWSR on each site inspection conducted and NRCS and partners' staff document findings. A non-compliance procedure is implemented when potential violations or problems are identified.
- Geospatial data maintenance and delivery through an online mapping interface is available on the BWSR website. This web-based application displays easement boundary data, conservation practice data and associated tabular data which is also available for download in a GIS format.
- An additional application that incorporates current GIS capabilities for monitoring and field data collection is being developed. If funding is made available, this system will be used statewide for SWCDs to further enhance monitoring and management of easements.

# WATER & SOIL RESOURCES BOARD

**Program:** LAND & WATER CONS. PROJECTS

**Activity:** PERMANENT RESOURCE PROTECTION

Narrative

## Historical Perspective

In 1986, the Reinvest in Minnesota Resources Act (M.S. 103F.505) was enacted to restore certain marginal and environmental sensitive agricultural land to protect soil and water quality and support fish and wildlife habitat. To-date we have received funding of over \$158 million dollars from bonding and other sources which has allowed us to acquire approximately 6,400 easements over 231,494 acres. Approximately 15% of these easements were limited in duration and have expired.) The program currently focuses on permanent wetland restoration and adjacent native grassland wildlife habitat complexes and permanent riparian buffers.

## Key Activity Goals & Measures

Delivering conservation programs to maximize their impact on the land and water resource: the agency's strategic plan includes this goal which is realized through the permanent acquisition of sensitive landscapes for the greatest resources outcome. Improved targeting of conservation practices result in an increase in currently reported outcomes reduced soil loss and sediment loading into surface waters.

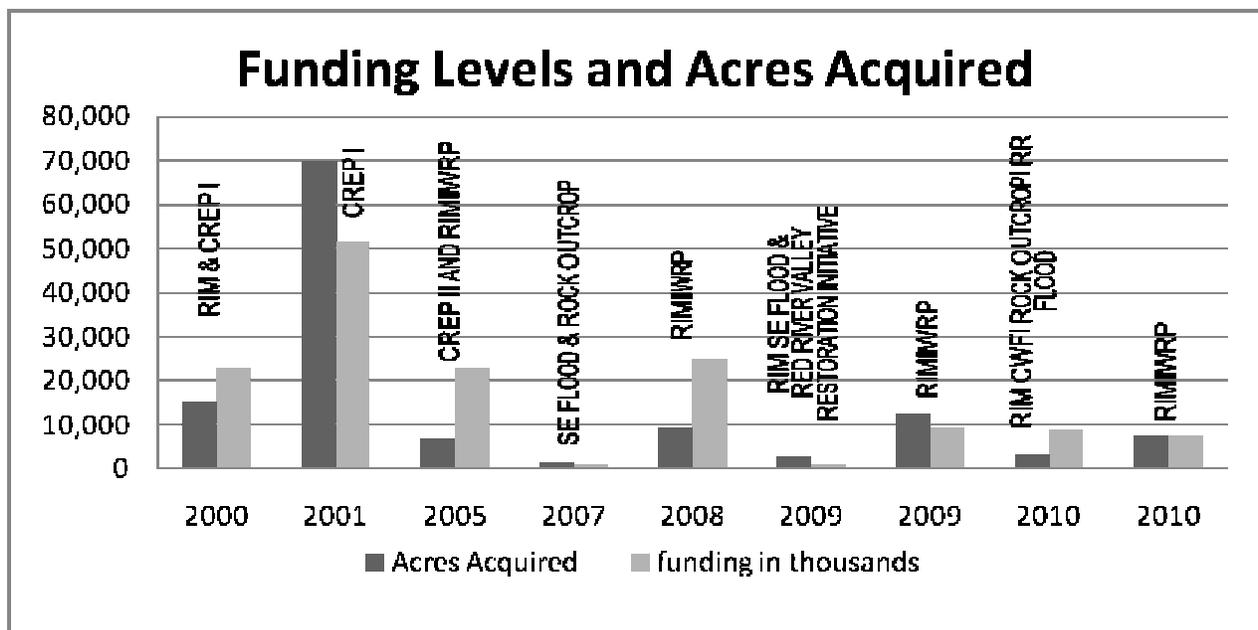
- RIM Reserve has approximately 5,400 active easements totaling approximately 210,000 acres of environmentally fragile land.
- Water quality improves by removing environmentally sensitive cropland from production reported by SWCDs calculate reductions of 9.6 tons/year sediment, 4.2 tons/year soil loss, and 5.3 pounds/year phosphorous from each acre enrolled in a conservation easement (based on data reported 1998-2002).

**Addressing state and local natural resource priorities:** Statewide Conservation and Preservation Plan calls for the protecting priority land habitats; restoring land, wetlands and wetland-associated watersheds; and keeping water on the landscape.

- RIM Reserve is a flexible program that can be used to mean multiple outcomes and objectives including flood reduction, protecting groundwater, restoring wetlands and creating habitat. The flexibility of this program enable state and local priorities to be protected.

**Efficient and effective program implementation:** BWSR works to accomplish the Minnesota Milestone goal of "Government in Minnesota will be cost effective and services will be designed to meet the needs of the people who use them".

- By partnering with USDA programs compatible with RIM Reserve, the state has successfully leveraged 1.5 federal dollars for each state dollar for a total of \$250 million in federal funding.



# WATER & SOIL RESOURCES BOARD

Program: **LAND & WATER CONS. PROJECTS**

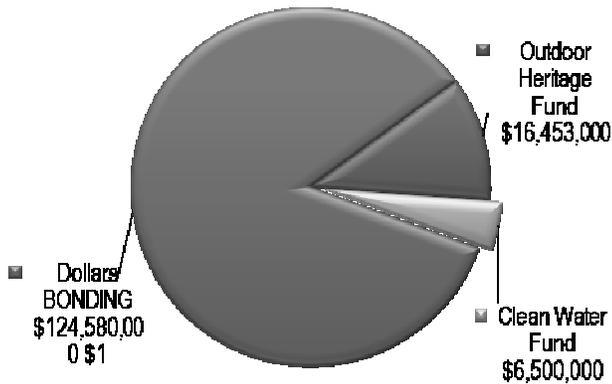
Activity: **PERMANENT RESOURCE PROTECTION**

Narrative

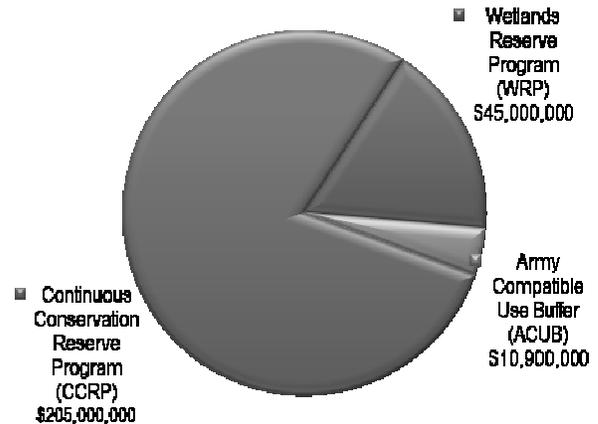
## Activity Funding

Permanent protection conservation easement often leverages local and federal dollars. For State funding during the 2000-2010 period, bonding supplied 84% of the total and the new constitution funds have supplied 16%, which only began in 2010. In terms of federal funds leveraged: For the period 2000-2010, state funds represent 38% and federal funds 62% of the total used, with federal funds almost 2 to 1.

**State Funding Sources  
2000-2010**



**Federal Funds Leveraged  
2000-2010**



## Contact

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For more information on the RIM Reserve Program please visit: **BWSR – Easements**  
(<http://www.bwsr.state.mn.us/easements>)

For online conservation easement maps, please visit: <http://maps.bwsr.state.mn.us/BWSRRIM/>

# WATER & SOIL RESOURCES BOARD

## Program: LAND & WATER CONS. PROJECTS

Activity: PERMANENT RESOURCE PROTECTION

Budget Activity Summary

	<i>Dollars in Thousands</i>		<i>Dollars in Thousands</i>		<i>Biennium 2012-13</i>
	<i>Current FY2010</i>	<i>Current FY2011</i>	<i>Governor's Recomm. FY2012</i>	<i>Governor's Recomm. FY2013</i>	
<b><i>Expenditures by Fund</i></b>					
<b>Direct Appropriations</b>					
Environment & Natural Resource	2,197	1,402	0	0	0
Miscellaneous Special Revenue	2,325	565	0	0	0
Federal	155	314	200	200	400
Outdoor Heritage	1,994	13,959	0	0	0
Clean Water	2,873	3,399	0	0	0
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	-42	238	0	0	0
Federal	4,064	368	339	339	678
<b>Total</b>	<b>13,566</b>	<b>20,245</b>	<b>539</b>	<b>539</b>	<b>1,078</b>
<b><i>Expenditures by Category</i></b>					
Total Compensation	719	1,098	378	378	756
Other Operating Expenses	(13)	259	17	17	34
Capital Outlay & Real Property	9,867	17,637	(234)	(234)	(468)
Local Assistance	2,993	1,251	378	378	756
<b>Total</b>	<b>13,566</b>	<b>20,245</b>	<b>539</b>	<b>539</b>	<b>1,078</b>
<b>Full-Time Equivalents (FTE)</b>	<b>4.2</b>	<b>6.4</b>	<b>5.4</b>	<b>5.4</b>	

**Program at a Glance**

- Training and assistance on resource planning, improved conservation targeting, and citizen involvement is provided to local governments updating Comprehensive Water Management Plans to address emerging concerns.
- Organizational performance reviews for approximately 240 local governments with results available via a searchable database on the BWSR website.
- Technical training of over 1,000 participant days provided annually through Wetland Delineator Certification Program coordinated with the University of Minnesota.
- Evaluation and monitoring of approximately 5,400 permanent conservation easements is conducted annually for the first five years and no less than every five years thereafter.
- Delivery of training programs via scheduled webinars and online videos available anytime reduce training program costs while increasing participation.

**Program Description**

The purposes of the Resource Planning and Delivery Effectiveness program are to:

- Develop clear findings, direction and priorities for addressing resource protection and restoration goals;
- Insure adequate technical resources and capacity are in place to implement protection and restoration projects at the local level;
- Provide for adequate training, oversight, and accountability for resource management; and
- Evaluate the effectiveness of the protection and restoration efforts.

The Board of Water and Soil Resources (BWSR) mission is to improve and protect Minnesota's water and soil resources by working in partnership with local organizations and private landowners. This program provides the dual role of supporting the local capacity necessary to deliver conservation programs while providing oversight and accountability for the state's investments in resource conservation.

BWSR accomplishes its mission through a network of local governments. In order to insure that state goals are balanced with local priorities, BWSR staff work with local

government and their stakeholders to develop science-based, state approved, and locally adopted comprehensive water plans. The plans guide the direction and investment of state, local and federal conservation programs in order to achieve the greatest benefit regarding:

- improving water quality in impaired waters;
- protecting high quality surface and ground water from degradation;
- preventing flood damages;
- assuring sufficient water supplies; and
- directing land use decisions to prevent future problems.

Additionally, Soil and Water Conservation Districts (SWCDs) and SWCD joint powers boards engineering services are provided a portion of their overall funding in order to maintain this existing delivery system. The funding leverages federal and local funds and provides for design and implementation of conservation projects prioritized and supported within their communities.

In recognition of the value of continuous learning to increased performance, the BWSR Training Program was formalized in 2009 as a comprehensive strategy for supporting and building the effectiveness of organizations implementing conservation programs. The training program strategy is based on a thorough assessment of skills, knowledge, and needs prioritized by those responsible for results. The training program encompasses the business, technical and technology skills necessary to develop organization and program success.

BWSR also has the responsibility and obligation to provide oversight to the organizations that deliver conservation programs, the funding provided to those organizations, as well as for the outcomes of conservation initiatives. BWSR reviews the core delivery of all organizations to determine performance in meeting state mandates and goals once a year. In-depth performance evaluations are conducted at least once every five years per M.S. 103B.102. Additionally, BWSR conducts oversight for each grant agreement via procedures that monitor, verify, and reconcile all grant funds with BWSR policies and grant agreement requirements. All grant recipients are required to report in a timely manner the environmental outcomes as well as the expenditures and use of the funds in accordance with BWSR policies. Penalties are imposed for inadequate and insufficient expenditure and outcome reporting.

Finally, BWSR has the responsibility to insure that overall environmental goals are met by conducting evaluations of conservation projects. Monitoring of state-held wetland bank sites (see Resource Rule and Law Implementation) and of permanent protection easements (see Permanent Resource Protection) ensures the ecological integrity of the site is maintained and is in accordance with the site specific management plan.

### **Population Served**

This program supports a core delivery network of approximately 250 Local Governmental Units (LGUs), including Soil and Water Conservation Districts, Counties, Cities, Watershed Districts and Watershed Management Organizations. Training programs serve a wider population including staff from federal agencies, private companies, universities, cities, townships, nonprofits. LGU performance information serves all of Minnesota and guides BWSR policy development.

### **Services Provided**

#### **Local Resource Protection Support:**

- Soil and Water Conservation District General Services Grants provide each district with core conservation funds for a portion of their overall operations. The grants are intended to provide districts a certain degree of funding stability. This grant represents the state contribution of a decades-long partnership between state, local and federal governments to provide base-level resources for staff and operating expenses associated with delivery of all state conservation programs.
- Engineering and technical assistance for SWCDs is provided throughout the state through eight regional Technical Service Area (TSA) joint powers boards. Grant funds are provided to insure adequate resources are in place to deliver specialized expertise on conservation projects and practices in a cost effective manner.
- Inspections of more than 5,200 RIM easements are conducted by SWCD staff to insure that the easement is intact and the restoration goals are met. This inspection program is funded by a portion of SWCD General Service grants.

#### **Water Management Planning and Implementation:**

- BWSR agency staff guide local government staff and board members as they develop local comprehensive water management plans that address local priorities while meeting state requirements and objectives. The water plan development and update process requires BWSR Board involvement and approval. BWSR also works to:
  - Integrate Total Maximum Daily Load (TMDL) implementation plans into local water management plan;
  - Enhance micro-targeting of conservation priorities to obtain the best environmental outcome;
  - Facilitate and participate in multi-agency programs and projects such as the Environmental Quality Board (EQB) water planning, Red River Basin Long-Term Flood Solutions, Minnesota River Board, Area II Board and others; and
  - Hear appeals of local water management plans and watershed district projects and actions conducted under M.S. 103B and M.S. 103D.

#### **Quality Assurance and Quality Control:**

- BWSR's comprehensive training program allows for conservation practitioners to acquire critical skills necessary to implement conservation programs. The training program utilizes multiple methods including traditional face-to-face and web-based delivery in order to address various learning styles as well as financial and time constraints.
- The Performance Review and Assistance Program (PRAP) is a systematic and pre-emptive process to provide performance reviews and assistance to local governments. Progress is gauged by how well the organization is implementing its locally adopted and state approved plan. The results are reported made available to local constituents and officials.
- Reporting of financial and conservation outcomes is accomplished via eLINK, a database that is used to report grant activity and to estimate project pollution reduction benefits and related outcomes.

**Restoration Evaluations**

Insuring the long-term integrity of the state's investment in permanent conservation easement programs is a critical component of the BWSR mission. Three inspection and restoration evaluation programs assure that easements remain intact and the restoration is high quality.

- RIM easements are inspected annually for the first five years of establishment and then once every three years thereafter. Inspections are conducted by SWCD staff. In 2010, BWSR initiated a spot check sampling program to qualitatively support the compliance inspections.
- Wetland Bank monitoring requirements now include hydrological monitoring using sampling wells to validate acreage of wetlands restored in addition to vegetation assessment. BWSR monitors each site until all the restored wetland credits are approved by the local, state, and federal authorities and then conducts routine monitoring every five years thereafter.
- Habitat restoration evaluations are a requirement of legislation passed in 2010 and require BWSR and the DNR to establish technical evaluation panels to conduct evaluations of Legacy Amendment habitat restoration projects. This program is under development as is set to be launched in the summer of 2011.

**Historical Perspective****Water Planning:**

- Soil and Water Conservation Districts (M.S. 103C) were established in 1937 as a result of the dust bowl in order to provide outreach, technical and financial assistance to landowners that volunteered to implement conservation projects. There are currently 90 SWCDs in Minnesota.
- Watershed Act (M.S. 103D), enacted in 1955, allowed for the creation of watershed districts (WDs). The statutory purpose is to conserve the natural resources of the state by land use planning, flood control, and other conservation projects, using sound scientific principles for the protection of public health and welfare and the provident use of natural resources. There are currently 46 WDs in Minnesota.
- Metropolitan Surface Water Management Act (M.S. 103B) was enacted in 1982 and required watershed management principles to be applied to the seven county metropolitan area through the establishment of 46 watershed management organizations. Through consolidation efforts there are now 35 organizations.
- Comprehensive Local Water Planning and Management Act (M.S. 103B), enacted in 1985, encouraged counties outside the metropolitan area to plan for the protection and management of water and water-related resources. Eighty non-metro counties implement water planning through this program.
- Ground Water Protection Act, enacted in 1989, contained language providing ongoing state support for local water planning through the local Water Resources Protection and Management Program.

**Quality Assurance and Quality Control**

- BWSR developed a comprehensive training program in 2010 in order to insure that the state and local conservation and resource protection goals are met.
- In 2007, BWSR was given the responsibility to conduct local government unit water management performance reviews via M.S. 103B.102 – Local Water Management Accountability and Oversight. The addresses approximately 250 units of government and requires BWSR to review the performance of each, in a frequency of not less than once every five years, although funding has not allowed this frequency to be achieved. Performance Review and Assistance Program (PRAP) results are maintained on the agency website and transmitted to the legislature in an annual report due February 1 of each year. The program was developed through a stakeholder process and is now in its third full year of implementation.

**Restoration evaluations**

- RIM Reserve easement inspections and wetland bank easement monitoring and inspections are requirements of each program and are conducted in accordance with program requirements in order to ensure the integrity of the state's investment is maintained.
- Legislation passed in 2010 (M.S. 97A.056, M.S. 114D.50, M.S. 85.53) requires BWSR, in conjunction with DNR, to conduct evaluations of habitat restoration projects funded by the Legacy Amendment for the purposes of accountability, transparency and improvement of future projects.

**Key Program Goals & Measures**

**Increasing local government effectiveness:** The ability for BWSR to fulfill its goals in protecting and improving water and soil resources relies on an effective delivery system of local governments. This goal is contained in the BWSR mission statement and strategic plan. This program activity supports this goal by:

- Striving to have 100% of the state approved and locally adopted water plans to be current and include targeting measures to address water quality concerns;
- Annually providing in-depth evaluation of eight local government units performance in meeting the goals outlined in their water plan;
- Increasing training opportunities for critical skills enhancement by 10% over the next two years. ; and
- Developing and utilizing assessment and evaluation methods that are science-based, practical, effective, and transparent.

**Insuring the integrity of the state's investment:** Monitoring, inspecting, and evaluating permanent conservation easements is critical to insuring the long term integrity of the habitat and ecological goals of the restoration as well as the state's investment. This goal is contained in the Minnesota Milestone of "Minnesotans will restore and maintain healthy ecosystems that support diverse plants and wildlife". BWSR will continue to inspect and monitor new easements annual for at least five years and at a frequency of not less than every five years thereafter.

**Program Funding**

Funding sources include the General Fund, Environment and Natural Resources Trust Fund, Outdoor Heritage Funds, and Clean Water Funds. For FY2010-11 the General Fund accounts for 58%, the Environment and Natural Resources Trust Fund accounts for 11%, and the Clean Water Fund and Outdoor Heritage Fund together account for 31% of the funding for this program.

**Contact**

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For information on the Performance Review and Assistance Program, please visit:  
<http://www.bwsr.state.mn.us/PRAP/index.html>

For information regarding the Training Program, please visit: <http://www.bwsr.state.mn.us/PRAP/index.html>

# WATER & SOIL RESOURCES BOARD

Program: RESOURCE PLANNING & DELIVERY

Program Summary

	<i>Dollars in Thousands</i>				
	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<b><u>Direct Appropriations by Fund</u></b>					
<b>Environment &amp; Natural Resource</b>					
Current Appropriation	1,507	0	0	0	0
Subtotal - Forecast Base	1,507	0	0	0	0
<b>Total</b>	<b>1,507</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General</b>					
Current Appropriation	3,664	3,234	3,234	3,234	6,468
<b>Technical Adjustments</b>					
Biennial Appropriations			119	119	238
Subtotal - Forecast Base	3,664	3,234	3,353	3,353	6,706
<b>Governor's Recommendations</b>					
GRANTS TO LOCAL BOARDS REDUCTION		0	(288)	(288)	(576)
<b>Total</b>	<b>3,664</b>	<b>3,234</b>	<b>3,065</b>	<b>3,065</b>	<b>6,130</b>
<b>Clean Water</b>					
Current Appropriation	1,600	1,900	1,900	1,900	3,800
<b>Technical Adjustments</b>					
One-time Appropriations			(1,900)	(1,900)	(3,800)
Subtotal - Forecast Base	1,600	1,900	0	0	0
<b>Total</b>	<b>1,600</b>	<b>1,900</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Environment & Natural Resource	1,304	733	0	0	0
General	3,801	3,355	3,185	3,185	6,370
Miscellaneous Special Revenue	1	0	0	0	0
Clean Water	1,598	1,807	0	0	0
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	64	190	25	25	50
<b>Total</b>	<b>6,768</b>	<b>6,085</b>	<b>3,210</b>	<b>3,210</b>	<b>6,420</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	176	94	0	0	0
Other Operating Expenses	566	62	1	1	2
Local Assistance	6,026	5,929	3,209	3,209	6,418
<b>Total</b>	<b>6,768</b>	<b>6,085</b>	<b>3,210</b>	<b>3,210</b>	<b>6,420</b>
<b><u>Expenditures by Activity</u></b>					
Resource Planning & Delivery	6,768	6,085	3,210	3,210	6,420
<b>Total</b>	<b>6,768</b>	<b>6,085</b>	<b>3,210</b>	<b>3,210</b>	<b>6,420</b>
<b>Full-Time Equivalents (FTE)</b>	<b>2.5</b>	<b>2.0</b>	<b>0.0</b>	<b>0.0</b>	

**Program at a Glance**

- \$5.0 million granted annually to local governments for program implementation through a coordinated grant program.
- Provide technical, administrative, and financial support to more than 400 local governments that administer wetland and other state mandated resource management programs.
- Administration of WCA – the most effective wetland protection program in the country.
- Manage and oversee the state wetland banking system to ensure no-net-loss of wetlands.
- Technical and administrative quality assurance through BWSR-provided training and partnerships with the U of M Wetland Delineator Certification Program and other agencies.
- Engineering review of 15 - 25 watershed district engineers' proposals for water management projects involving drainage, flood damage reduction, water quality, and other natural resource enhancement.
- Administer annual ditch buffer strip reporting requirements for about 100 drainage authorities.
- Coordination of drainage stakeholders to update M.S. 103E and related provisions of law, and to promote local adoption of conservation drainage practices.

**Program Description**

The purpose of this program is to support and ensure compliance with environmental protection laws, rules and regulations. BWSR is responsible for the implementation of the Wetland Conservation Act (WCA, Minnesota Rules 8420), provides oversight to watershed district and county drainage authorities implementing M.S. 103E (drainage law), and leads the oversight, assistance, and facilitation elements of the state's public drainage systems. Additionally, BWSR coordinates the funding and reporting of outcomes for local units of government that are responsible for the implementation of shoreland, feedlot, WCA, and subsurface sewage treatment system rules through the Natural Resource Block Grant (NRBG) program.

Local implementation of state resource management programs and drainage law provides important benefits to all landowners and citizens. These benefits include ensuring that local conditions, needs and authorities, are integrated with statewide natural resources management programs. BWSR provides important coordination, assistance, and oversight to ensure local governments have current knowledge as well as financial and staff resources to properly implement state programs. BWSR also conducts significant oversight of local implementation through the WCA process, management of the state wetland banking system, review of watershed district engineers' project proposals, administration of ditch buffer strip reporting, reporting by local governments through the eLINK on-line grant management system, and by providing training coordinated with other state and federal agencies and the University of Minnesota.

WCA requires protection of the state's wetland resources through avoidance and minimization of drain and fill projects. It also provides a process to replace wetlands when an impact is unavoidable. An important goal of this program is to balance the needs of local economies throughout the state with the environmental benefits provided by wetlands. An important function provided by BWSR is to coordinate WCA implementation with the requirements of the federal Clean Water Act administered by the U.S. Army Corps of Engineers.

**Population Served**

Program activities directly provide benefits and services to local government officials and indirectly to landowners. However, the coordinated nature of these responsibilities requires BWSR to work with other state and federal agencies, nonprofit organizations, businesses, and other policy leaders and natural resource managers.

**Services Provided**

**Wetland Regulation:** BWSR is responsible for implementation and oversight of the Wetland Conservation Act in accordance with Minnesota Rules 8420.

- Implementation of WCA is conducted through a network of local government.
- Technical and administrative assistance is provided to local governments through participation in local Technical Evaluation Panels (TEPs), rule guidance, enforcement, and regular training.
- Oversight of local implementation is provided through individual project review, annual reporting, and periodic program audits.

- Management is provided for the most effective and efficient wetland mitigation system in the country, with 1,977 acres of wetland credits currently available in 208 banks. BWSR facilitated 237 wetland bank transactions in 2009.
- Regulatory authority and resolution of differences is coordinated through interagency coordination with the US Army Corps of Engineers, the USDA Natural Resource Conservation Service, the MN Pollution Control Agency, and the Departments of Transportation, Agriculture, and Natural Resources.
- Adjudication or mediation by BWSR may be required to resolve permit or project disputes elevated by appeals of local WCA decisions.

**Local Government Roads Wetland Replacement Program**

- BWSR provided 160 acres of required wetland replacement for local transportation projects in 2009 as a way to improve the efficiency of local transportation project implementation when wetlands are impacted as roads are upgraded to meet state or federal design standards.
- State wetland mitigation needs are met through a cooperative agreement between BWSR and the Minnesota Department of Transportation.
- Regulatory simplification and more efficient mitigation is supported by the U.S. Army Corps of Engineers.
- Consolidating fragmented wetland impacts in targeted areas, providing better habitat, improved water quality, and other benefits at a lower public cost.
- Administer the state wetland bank, including review and approval of private wetland bank plans with local Technical Evaluation Panels, tracking of bank balances, and monitoring to ensure compliance.

**Local Provided Enforcement and Implementation**

- Coordinated state financial support to local units of government mandated to manage Minnesota's shorelands, wetlands and water resources through the Natural Resources Block Grant (NRBG). Programs are: BWSR Wetland Conservation Act, BWSR Comprehensive Local Water Management Program, DNR Shoreland Management Program, PCA Feedlot Permit Program, and PCA Subsurface Sewage Treatment System Program.
- Local governments perform essential technical and administrative duties in implementing WCA, these include:
- **Project review** - make wetland delineations, review project applications for applicability of exemptions and adequacy of proposed wetland replacement, review wetland banking plans.
- **Project oversight** – verify impacts requiring replacement, monitor wetland restorations, certify adequate replacement.
- **Program administration** – coordinate technical evaluation panel meetings, send application and decision notices, document decisions, assist landowners, annually report activities to BWSR.
- Local Governments perform essential functions in the enforcement of WCA, such as evaluating potential violations, coordinate with conservation officers, develop restoration orders, work with landowners to achieve compliance, and work with the county attorney on court action when other avenues of achieving compliance are unsuccessful.
- Grant accountability is provided by BWSR through regular oversight and grant recipient reporting through the eLINK on-line grant management system.

**Drainage Management**

- In accordance with M.S. 103D.605 and M.S. 103D.711, BWSR provides advisory review of watershed district engineers' reports and plans for drainage, flood damage reduction, water quality, and other natural resource enhancement projects.
- BWSR administers M.S. 103E.067 Ditch Buffer Strip Annual Reporting, which requires county and watershed district public drainage authorities to report miles of buffer strips established in accordance with M.S. 103E.021, as well as numbers of system inspections and enforcement actions each year. This information is collected, summarized, and made available on the BWSR website.
- In accordance with M.S. 103B.101, Subd. 13, BWSR facilitates drainage stakeholder coordination through the Drainage Work Group. This group includes representatives of more than 20 stakeholder entities, including drainage authorities, farm groups, environmental organizations, other involved associations, and 4 state agencies. The group develops consensus recommendations for updates of M.S. 103E drainage law that have been adopted by the Legislature without controversy.

- BWSR also facilitates the interagency Drainage Management Team, which includes knowledgeable representatives from BWSR, MDA, DNR, MPCA, USDA-NRCS, UMN and MSU-Mankato. This team coordinates information and technical assistance to facilitate adoption at the local level of multipurpose conservation projects on drainage infrastructure.

### **Historical Perspective**

WCA was enacted in 1991, and the first permanent rule adopted in 1994. This program has been the subject of recurring Legislative and rulemaking activity, with the most recent rulemaking concluding in 2009. As the program and the underlying science has evolved, the following issues have become increasingly important:

- Science-based technical expectations have increased, resulting in increased demands on program staff;
- Training and associated quality assurance efforts;
- Increased need for coordination with other state and federal agencies, including the U.S. Army Corps of Engineers;
- Enhanced site selection, construction techniques, and monitoring of wetland banks and other wetland replacement sites to ensure replacement of public value lost to wetland impacts; and
- Continued development of wetland replacement sites for the Local Government Roads Wetland Replacement Program.

The Natural Resource Block Grant (NRBG) Program has been administered by BWSR, in cooperation with DNR and MPCA since 1993. With the enactment of WCA in 1991 and increased Subsurface Sewage Treatment System (SSTS) requirements shortly thereafter, BWSR led an initiative to efficiently provide implementation funds to local governments. BWSR has continually upgraded grant management systems and practices to stay abreast of increasing expectations for accountability and requirements for oversight in the use of state funds. However, compliance with these requirements has increased the administrative overhead for BWSR and local governments, even as funding has been reduced.

BWSR review responsibilities in M.S. 103D for watershed district projects have increased in significance as water quality concerns and related drainage management issues have increased. M.S. 103E ditch buffer strip annual reporting requirements were added to Minnesota drainage law in 2007. Drainage stakeholder and interagency coordination facilitated by BWSR began in 2005 in conjunction with the legislature-directed Public Drainage Ditch Buffer Study and has continued in response to support from stakeholders and legislative appropriations. BWSR statutory authority for this coordination was added to M.S. 103B in 2010. The stakeholder Drainage Work Group has provided consensus recommendations to the Legislature in 2007, 2009 and 2010.

### **Key Program Goals & Measures**

The program focuses on supporting natural resource management activities of local governments with resulting regulatory oversight for land use activities as they relate to wetlands, shoreland areas, feedlots, and SSTS. Key goals are to comply with the Grant Management policies adopted by the Department of Administration, Office of Grants Management ([http://www.admin.state.mn.us/ogm\\_policies\\_and\\_statute.html](http://www.admin.state.mn.us/ogm_policies_and_statute.html)) and to continue to coordinate with DNR and MPCA to ensure funds are issued in accordance with program's policies and goals.

Specific to WCA, BWSR will continue to provide support via ongoing interaction with local government officials, training programs, and program implementation guidance. A key goal is continued and improved coordination with federal wetland regulations under the Clean Water Act and federal Farm Bill. The benefits of improving this programmatic relationship are far reaching – particularly for conservation officials - and warrant significant effort by BWSR.

**NRBG Grant funds are efficiently issued and monitored.** To ensure continuity in local government implementation, it is important for grant funds to be issued soon after the start of the state fiscal year. This requires close coordination with the DNR and MPCA for transfer of funds, as appropriate, and the development of grant awards. On an annual basis, grant agreements should be sent to local governments by mid-August, with funds transferred to the grantee by the end of the calendar year. To ensure accountability and comply with Grants Management Policies, BWSR will monitor and conduct financial reconciliations these grants.

**Local Governments continue to effectively implement WCA.** WCA is administered by more than 300 local governments. An essential responsibility of BWSR is to work with these entities to ensure the program is implemented according to program rules (MN Rules Chapter 8420). This support and oversight responsibility entails regular meetings and frequent phone and email consultations. In addition, BWSR staff conduct regular program implementation reviews and conduct administrative and technical training sessions geared to maintaining and improving the capability of local governments. Three main goals for effective program implementation are:

- Ensuring knowledgeable and trained staff through training, technical support, and program guidance;
- Supporting local decision-making through participation on TEPs and other means; and
- Continuation of ongoing monitoring and assessment of program effectiveness.

### **Program Funding**

For FY2010-11 General Fund, fees and interagency agreements account for 36%, bonding funds account for 15%, and the Clean Water Fund and Outdoor Heritage Fund together account for 49% of the funding for this program.

### **Contact**

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For more information Drainage Management please visit: <http://www.bwsr.state.mn.us/drainage>

Minnesota Board of Water and Soil Resources

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Saint Paul, Minnesota 55155

# WATER & SOIL RESOURCES BOARD

Program: RESOURCE PROTECTION RULES/LAWS

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor Recomm.</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	4,871	4,245	4,245	4,245	8,490
<b>Technical Adjustments</b>					
Biennial Appropriations			15	15	30
Current Law Base Change			32	32	64
Subtotal - Forecast Base	4,871	4,245	4,292	4,292	8,584
<b>Governor's Recommendations</b>					
WETLAND CONSERVATION ACT REDUCTION		0	(200)	(200)	(400)
<b>Total</b>	<b>4,871</b>	<b>4,245</b>	<b>4,092</b>	<b>4,092</b>	<b>8,184</b>
<b>Clean Water</b>					
Current Appropriation	1,162	1,395	1,395	1,395	2,790
<b>Technical Adjustments</b>					
One-time Appropriations			(1,395)	(1,395)	(2,790)
Subtotal - Forecast Base	1,162	1,395	0	0	0
<b>Total</b>	<b>1,162</b>	<b>1,395</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	2,402	2,018	1,633	1,633	3,266
Miscellaneous Special Revenue	83	2,076	1,278	1,278	2,556
Clean Water	922	1,635	0	0	0
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	209	3,242	2,529	2,529	5,058
<b>Total</b>	<b>3,616</b>	<b>8,971</b>	<b>5,440</b>	<b>5,440</b>	<b>10,880</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	859	1,717	1,405	1,405	2,810
Other Operating Expenses	137	113	48	48	96
Capital Outlay & Real Property	45	0	0	0	0
Local Assistance	2,575	7,141	3,887	3,887	7,774
Transfers	0	0	100	100	200
<b>Total</b>	<b>3,616</b>	<b>8,971</b>	<b>5,440</b>	<b>5,440</b>	<b>10,880</b>
<b><u>Expenditures by Activity</u></b>					
Resource Protection Rules/Laws	3,616	8,971	5,440	5,440	10,880
<b>Total</b>	<b>3,616</b>	<b>8,971</b>	<b>5,440</b>	<b>5,440</b>	<b>10,880</b>
<b>Full-Time Equivalent (FTE)</b>	<b>10.0</b>	<b>9.6</b>	<b>9.6</b>	<b>9.6</b>	

**Program at a Glance**

- A twenty member Board makes decisions on important funding, program and policy matters that direct the state's conservation and water quality protection and implementation programs.
- Executive Director's office oversees and directs all activity of the agency and executes the Board's policy and program initiatives.
- 46 employees are located in the St. Paul office. The remaining 36 employees are located in regional offices throughout the state. 99% of all employees are co-located in facilities owned or managed by other agencies.
- Finance and budget builds and manages an annual budget of about \$50 million.
- Online mapping is available for all BWSR implemented RIM conservation easements.

**Program Description**

This program provides board and administrative leadership, internal business systems, and operational support to the agency. These services include finance and accounting, legislative relations, information technology, communications, and human resources.

**Population Served**

Administration and operations directly serves all Board of Water and Soil Resources (BWSR) staff in order to provide efficient and effective implementation of agency programs. In addition to providing support to agency staff, this program provides direct support to the 20 member Board which makes decisions about targeting state resources for implementing the state's resource conservation protection programs. Finally, through our communications and information management systems all citizens, legislators, community groups and businesses have access to data regarding local unit of government performance, maps indicating resource protection activities in their neighborhood, as well as publications and reports regarding important environmental events and concerns.

**Services Provided**

- **Board and Board Committees:** provide policy development and direction regarding the goals of water planning conducted by local units of government and the targeting of grant funds to implement the state's conservation programs. The Board also provides oversight of regulatory decisions on projects and plans and hears appeals of local government decisions regarding wetland activities and water plan implementation disputes. The 20 member board is comprised of citizens and representatives from city, county, township, watershed district and soil and water conservation districts as well as commissioners or their appointees from Department of Agriculture (MDA), Department of Natural Resources (DNR), Pollution Control Agency (PCA), Department of Health (MDH) and the University of Minnesota Extension Service.
- **Executive Team:** provides leadership and direction for the agency, develops and implements Board policies, manages all regulatory and legislative affairs, and represents the agency in interactions with stakeholders and local, state and federal levels.
- **Administrative Services:** provides human resource, labor relations, budgeting, payroll, purchasing, motor pool service, and financial reporting services.
- **Information Technology:** provides technical expertise and technical support, develops and implements essential programming systems, coordinates geographic information systems, manages telecommunication and network infrastructure.
- **Communications:** provides for strategic agency communication, coordinates media relations, web design, and publication.

**Historical Perspective**

During the past decade of reduced General Fund revenue, the Board's priority has been to look to the Administrative and Operations support area to carry a greater share of needed reductions in order to minimize impacts to agency programs and grants to local governments. BWSR's biennial budget of approximately \$96 million is 45% higher than in the 2008-2009 biennium, mostly due to appropriations from Constitutional Amendment funds. However, during this same time, agency operations funded by the general fund has decreased by 15%. In order to address the increased program activities with reduced operation funds, the agency has reduced administrative support positions and offset some of the loss in staff with shared services agreements. Currently, BWSR has such agreements with MNDOT, PCA, DNR, the Minnesota National Guard and the University of Minnesota as well as with federal agencies such as the United States Department of Agriculture (USDA) and the Natural Resource Conservation Service (NRCS) and the U.S. Army Corp of

Engineers. BWSR also has staff fulfilling critical project roles funded through the federal 319 program, bonding, and LCCMR funds. Additionally, BWSR has reduced fixed costs for occupancy by co-locating office facilities with other state agencies for all but four of 82 employees as well as eliminating programs not closely aligned with the mission of the agency such as the State Envirothon and the Volunteer Rain Gauge Monitoring Program.

The agency has been able to focus more fully on its mission to “improve and protect Minnesota’s water and soil resources by working in partnership with local organizations and private landowners” through the Clean Water Legacy Act funding and more recently the Clean Water and Outdoor Heritage Constitutional Amendment funds. This agency is uniquely positioned to carry out the work needed to implement the on-the-ground water quality and conservation goals identified by local governments, legislative direction and commissions, and the executive branch because of its role in local water management planning and relationships to local units of government working on land management and water quality projects.

The agency was provided additional responsibilities in 2009 with the passing of the Rural Preserves Program (M.S. 273.114) and in 2010 with the inclusion of its role in managing the Drainage Work Group as outlined (M.S. 103B.101).

### **Key Program Goals and Measures**

- **Efficient and effective operations:** BWSR strives to accomplish the Minnesota Milestone of “Government in Minnesota will be cost-efficient, and services will be designed to meet the needs of the people who use them”. The Board increased from 17 to 20 members in 2010 in order to become more representative of those involved in implementing clean water initiatives, yet the expenses of the board and the cost for the board to operate have decreased due to better planning and scheduling of committee and board activities. The agency is responsive to the needs to its clientele because the overwhelming majority of agency staff came to BWSR after working professionally at a local unit of government or from the private sector which served local units of government.
- **Building partnerships:** the agency’s strategic plan includes the goal of creating more effective partnerships. During the past two years, the agency has made a significant investment to enhance and expand relationships among stakeholders, state agencies, and federal partners, fundamental to the success of attaining its mission. These efforts have continued to build and will become increasingly important as financial resources remain constrained and expectations increase for accountability and delivery of conservation services.
- **Communicating needs and results:** the agency’s strategic plan includes the goal of water and soil conservation accomplishments and needs to be well understood among those having significant influence and responsibility for accomplishing the BWSR mission. To address this goal BWSR has a redesigned website that features information such as a project of the month, a searchable database of local government performance, new reports on funding activities and outcomes, and an online calendar of training and organizational activities.

### **Program Funding**

In the current biennium, 84% of this budget activity is from the general fund and the remaining amount is from other funds, including Clean Water and Outdoor Heritage funds.

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# WATER & SOIL RESOURCES BOARD

Program: BOARD ADMIN & AGENCY OPS

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor Recomm.</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	3,961	3,723	3,723	3,723	7,446
<b>Technical Adjustments</b>					
Biennial Appropriations			71	71	142
Subtotal - Forecast Base	3,961	3,723	3,794	3,794	7,588
<b>Governor's Recommendations</b>					
ADMIN AND OPERATIONS REDUCTION		0	(190)	(190)	(380)
<b>Total</b>	<b>3,961</b>	<b>3,723</b>	<b>3,604</b>	<b>3,604</b>	<b>7,208</b>
<b>Clean Water</b>					
Current Appropriation	816	889	889	889	1,778
<b>Technical Adjustments</b>					
One-time Appropriations			(889)	(889)	(1,778)
Subtotal - Forecast Base	816	889	0	0	0
<b>Governor's Recommendations</b>					
RESTORATION EVALUATIONS PROJECT		0	84	84	168
ACCOUNTABILITY, OVERSIGHT & TRAINING		0	900	900	1,800
<b>Total</b>	<b>816</b>	<b>889</b>	<b>984</b>	<b>984</b>	<b>1,968</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	3,954	3,806	3,604	3,604	7,208
Clean Water	659	1,735	984	984	1,968
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	288	43	527	527	1,054
<b>Total</b>	<b>4,901</b>	<b>5,584</b>	<b>5,115</b>	<b>5,115</b>	<b>10,230</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	3,872	3,763	3,574	3,574	7,148
Other Operating Expenses	953	1,818	613	613	1,226
Capital Outlay & Real Property	0	3	1	1	2
Local Assistance	76	0	927	927	1,854
<b>Total</b>	<b>4,901</b>	<b>5,584</b>	<b>5,115</b>	<b>5,115</b>	<b>10,230</b>
<b><u>Expenditures by Activity</u></b>					
Board Admin & Agency Ops	4,901	5,584	5,115	5,115	10,230
<b>Total</b>	<b>4,901</b>	<b>5,584</b>	<b>5,115</b>	<b>5,115</b>	<b>10,230</b>
<b>Full-Time Equivalents (FTE)</b>	<b>47.1</b>	<b>43.9</b>	<b>39.2</b>	<b>39.2</b>	

**Narrative**

BWSR enters into contribution agreements with the U.S. Department of Agriculture, Natural Resources Conservation Service (NRCS) related to our joint responsibility of providing conservation technical assistance to landowners within Minnesota. Programs that result in easement purchases have a dual state and federal funding contribution and thus require dual state and federal effort. NRCS compensates BWSR for providing engineering assistance and monitoring assistance. In these agreements, it is standard for BWSR to provide 100% of the staff time and NRCS contributes to 50% of the cost. Each agreement is free standing and there is no long term requirement for the state once an individual agreement (usually 12 months in length) is completed. It is estimated that the current level of \$100,000 - \$200,000 in agreements per year will continue in the future.

The other major source of federal funds for the agency has been via the U.S. Army Compatible Use Buffer Program (ACUB) that has provided funds to purchase easements around Camp Ripley since 2007. The amounts vary year to year and there is no estimate of how much in future funds will be received. 93% of the funds received are used to purchase the easements. Of the remainder 3.75% goes to BWSR for administrative costs.

**Table**

Federal Award Name + Brief Purpose	New grant	Required state match/MOE? Yes/No		SFY 2010 Revenues	SFY 2011 Revenues	Estimated SFY 2012 Revenues	Estimated SFY 2013 Revenues
		Match	MOE				
<b>NRCS Contribution Agreements: Used to cover staff time to provide engineering and monitoring services to landowners. Revenue is ongoing at this time.</b>	No	50%	No	160	200	200	200
<b>ACUB Program. Used to purchase easements (93%) with administrative costs 7%. Revenue is ongoing at this time.</b>	No	No	No	2,326	2,000	1,000	1,000
<b>Total</b>				<b>2,486</b>	<b>2,200</b>	<b>1,200</b>	<b>1,200</b>

**WATER & SOIL RESOURCES BOARD**

Agency Revenue Summary

*Dollars in Thousands*

	<b>Actual FY2010</b>	<b>Budgeted FY2011</b>	<b>Governor's Recomm. FY2012   FY2013</b>		<b>Biennium 2012-13</b>
<b><i>Non Dedicated Revenue:</i></b>					
<b>Total Non-Dedicated Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Dedicated Receipts:</i></b>					
<b>Departmental Earnings:</b>					
Miscellaneous Special Revenue	284	255	200	200	400
<b>Grants:</b>					
Miscellaneous Special Revenue	4	28	28	28	56
Federal	2,486	584	584	584	1,168
<b>Other Revenues:</b>					
Miscellaneous Special Revenue	5,017	7,162	6,939	6,939	13,878
<b>Total Dedicated Receipts</b>	<b>7,791</b>	<b>8,029</b>	<b>7,751</b>	<b>7,751</b>	<b>15,502</b>
<b>Agency Total Revenue</b>	<b>7,791</b>	<b>8,029</b>	<b>7,751</b>	<b>7,751</b>	<b>15,502</b>