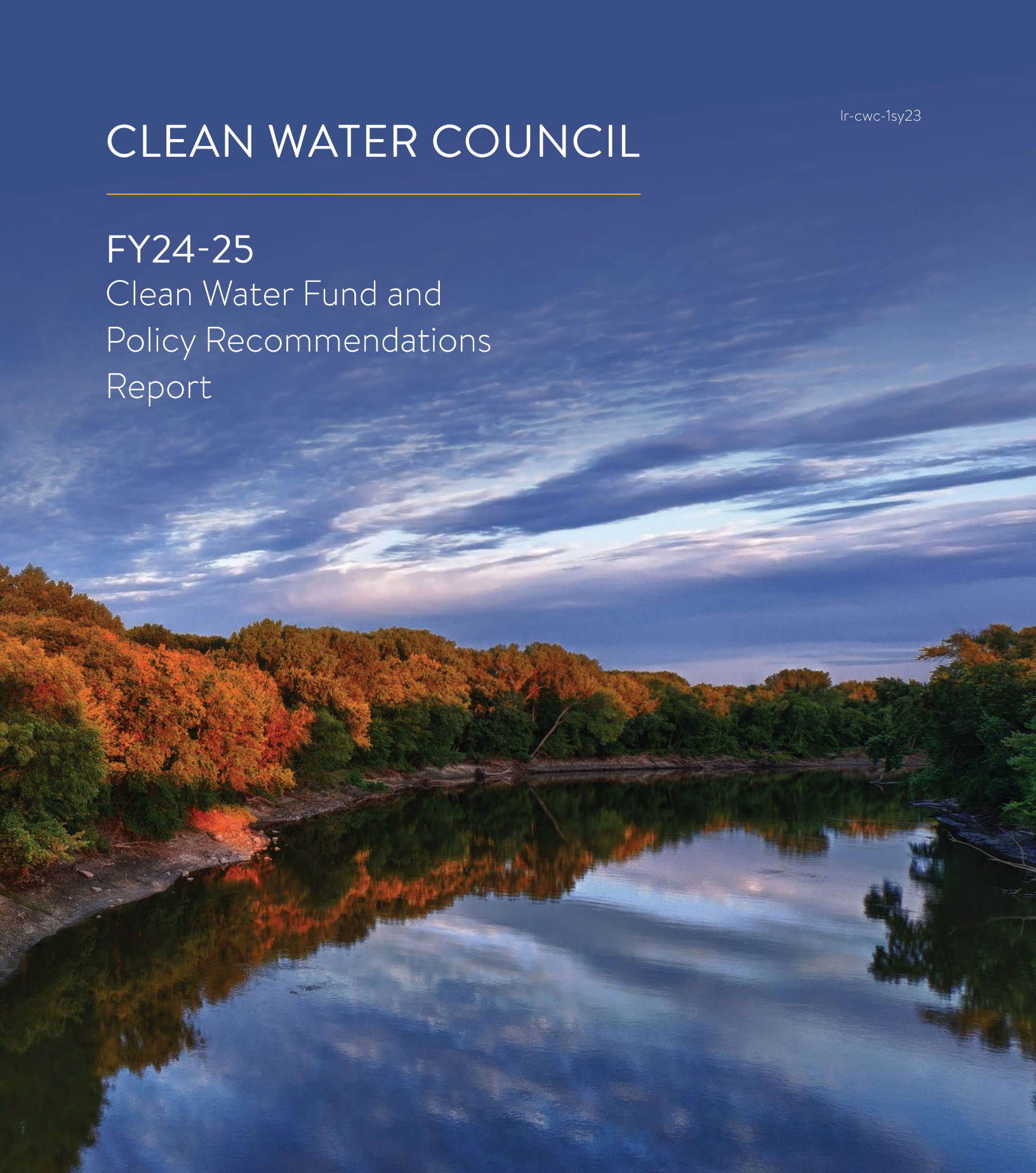


CLEAN WATER COUNCIL

FY24-25

Clean Water Fund and
Policy Recommendations
Report



Biennial Report to the Legislature
January 2023



EXECUTIVE SUMMARY

The Council's Clean Water Fund recommendations for FY24-25 total \$315,300,000. In addition to maintaining support for important programs, the Council recommends the following major changes from FY22-23:

Expand what works for bigger impact

Fund more "shovel-ready" water quality projects

Grants to watersheds that have completed a comprehensive plan (One Watershed One Plan) would increase by \$35 million (The BWSR Watershed-Based Implementation Funding).

Increase investment in perennial crops

The Minnesota Department of Agriculture (MDA) would increase spending by 50 percent its investment into alternative perennial and winter annual cash crops that support both farmers and water quality (Forever Green Initiative).

Increase grants for reducing chloride

The Minnesota Pollution Control Agency (MPCA) would increase grants to local governments to implement chloride reduction plans involving road de-icers and water softeners (MPCA Chloride Reduction Program).

Support more low-income households to replace non-compliant septic systems

More grants would be available for low-income residents to repair and replace septic systems to meet

unmet demand (MPCA Enhanced County Inspections/SSTS Corrective Actions).

Increase water storage

The Board of Water and Soil Resources (BWSR) would receive substantial increases to support Wetland Restoration Easements and Working Land and Floodplain Easements. The Minnesota Department of Natural Resources (DNR) would support numerous new water storage projects on DNR land in southern and western Minnesota.

Increase farm acreage using more soil health practices

The BWSR would assist more landowners to protect water quality with its Enhancing Landowner Adoption of Soil Health Practices for Drinking Water & Groundwater Protection Program. The MDA would make low or no interest loans available for a wide range of environmental practices including purchasing equipment required to improve soil health using a \$6.5 million investment in the Agricultural Best Management Practices (AgBMP) Loan Program. The MDA's new Conservation Equipment Assistance Program provides \$3.5 million in grants for purchasing equipment necessary to carry out conservation practices. Farmers and local partners such as Soil and Water Conservation Districts (SWCDs) can use the grants to overcome the obstacle of needing special equipment to implement soil health practices like cover crops and strip till.

Increase capacity to assess threats to groundwater, drinking water, and aquatic life

Begin a ten-year private well testing effort

Over the next ten years, the MDH would offer every private drinking water well owner in Minnesota the opportunity to test their water for five major contaminants for free, and counsel well owners on how to mitigate any issues (the MDH Private Well Initiative).

Fulfill monitoring and assessment plans from Minnesota's PFAS Blueprint

Several agencies would use the CWF to monitor and assess more PFAS (Per- and Polyfluoroalkyl Substances) compounds in more places, consistent with the PFAS Blueprint (Blueprint).

Continue to evaluate potential impacts on human health and aquatic life from additional PFAS compounds

(MDH's Contaminants of Emerging Concern Program; DNR Fish Contamination Assessment; MPCA's River and Lake Monitoring and Assessment Program)



EXECUTIVE SUMMARY

Accelerate groundwater analysis

The MDH would scale up Groundwater Restoration and Protection Strategies (GRAPS) to match local needs regarding data/information delivery, staff capacity, training/education, and strategy development, including eventual inclusion of data in comprehensive watershed management plans (aka One Watershed One Plan).

Support new approaches that will accelerate our progress to more drinkable, fishable, and swimmable water

Culvert replacement incentive program

The DNR would fund 20 projects that will improve continuous flow for water quality with the pilot. The agency would provide cost-share assistance to local governments that improve water quality, habitat, and climate resilience when replacing road culverts.

Mussel restoration pilot program

The DNR would increase native mussel production at its Lake City facility and field test restoration in three major watersheds to improve water quality.

Precision application of manure

The MDA would support an update of the recommendations for proper crediting of the nutrient content of different kinds of manure. This would lead to less wasted nitrate entering

groundwater and surface waters (the MDA Agricultural Research/Evaluation).

Recreational water quality online portal

The MDH would consolidate reporting on bacterial contamination of swimming lakes into one website, where Minnesotans can see beach closings online in one place.

Policy recommendations

CWF dollars alone will not meet all of Minnesota's water quality and drinking water goals. To address this need, the Council also makes the following policy recommendations:

Advanced drinking water protection

- Promote adoption of model county ordinances that require private well testing and a disclosure of the testing at the time a property is transferred
- Provide opportunities for all Minnesota private well owners to test their water for five major contaminants (nitrate, lead, arsenic, manganese, and bacteria)
- Develop cost-effective strategies for private well owners to help mitigate wells that do not meet Minnesota health-based guidance for those five contaminants, with a particular focus on low-income households.

Minnesota underground utilities mapping project

- To reduce the risk to drinkable, fishable, and swimmable water, Minnesota should develop an accurate map of all underground utilities installed in the state and

require Minnesota's public and private sectors to support sharing of necessary data in a secure and confidential manner.

Pharmaceutical product stewardship

- Fund research on the pathways of pharmaceuticals into surface water and groundwater, identify priority pharmaceuticals that pose the greatest risk to human health and aquatic life, identify and support practicable solutions to reduce their entry into Minnesota waters, and recoup reasonable costs through an industry-funded safe medication return program
- Require the words or symbols for "do not flush" be printed on all prescription pharmaceutical labels and remove any existing instructions to flush unused portions.



EXECUTIVE SUMMARY

PFAS

The Council recommends that the CWF be a partial source of funding to implement the Blueprint. Of the ten key issue areas prioritized in the Blueprint, there are three in which the CWF would both fulfill both the Clean Water Legacy Act and the Blueprint:

- Quantifying PFAS risk to human health
- Limiting PFAS exposure from drinking water
- Reducing PFAS exposure from fish and game consumption.

Chloride de-icer reduction

- Fund the Smart Salting applicator training and certification program, and the MPCA's chloride reduction budget to support the development and maintenance of tools, resources, policies, trainings and assistance programs to reduce chloride pollution

- Give the MPCA the authority to charge a fee for chloride training
- Provide liability protection for the Smart Salting program certified private winter de-icing applicators for reduced salt applications
- Provide research funds to develop new technology and alternatives to chloride-containing de-icing chemicals, and best management practices
- Encourage and support the adoption of the MPCA's Chloride Reduction Model Ordinance Language by local governmental entities
- Have the MPCA convene and lead a stakeholder process to develop recommendations for new labelling requirements on bags of de-icing chemicals sold in Minnesota.

Chloride reduction: water softening

- Provide financial support and technical assistance to municipalities to reduce chloride discharges and allow flexibility for how municipalities achieve these reductions
- Update the state plumbing code to effectively prohibit the installation of new water softeners in Minnesota that use timers rather than on-demand regeneration systems
- Fund a program for activities, training, and grants that reduce chloride pollution. Grants should support upgrading, optimizing, or replacing water softener units.



FUNDING RECOMMENDATIONS

Monitoring, Assessment, and Characterization

Agency	Activity	Summary of Program	Recommendations (000's)
DNR	Aquifer Monitoring for Water Supply Planning	Monitors 1,125 wells statewide and installs 50 new wells annually. Provides planning and technical assistance to water suppliers and LGUs	\$4,000
DNR	Fish Contamination Assessment	Tests fish for mercury and PCBs for 1385 lakes and 114 rivers	\$910
DNR	Lake IBI Assessment	Surveys fish and aquatic plants in 495 lakes for stressors. Results serve as proxy for “fishable” waters	\$2,900
DNR	Buffer Map Maintenance	Maintains mapping capability to determine compliance with buffer law	\$50
DNR	Stream Flow Monitoring	Continuously monitors 172 sites for volume, chemistry, and sediment	\$5,100
MDA	Monitoring for Pesticides in Surface Water and Groundwater	Analyzes an additional 650 pesticide samples annually at MDA lab for risk assessment, planning, and BMPs	\$700
MDA	Pesticide Testing of Private Wells	Provides free pesticide testing for vulnerable wells in agricultural regions around the state, and has completed free pesticide testing for 6,100 vulnerable wells in 344 priority townships.	\$1,000
MDH	Drinking Water Contaminants of Emerging Concern Program	Develops health-based drinking water guidance for about five contaminants annually, with PFAS efforts to increase with this new recommendation	\$10,100
MDH	Private Well Initiative	Will offer free private well testing for five contaminants to 10 percent of Minnesota’s private well owners annually for ten years	\$3,000
MPCA	River and Lake Monitoring and Assessment	Completes intensive monitoring in about eight watersheds per year, and annual pollutant monitoring at 197 sites annually. New recommendations will support regular PFAS monitoring	\$18,100
MPCA	Groundwater Assessment	Performs water quality sampling & data analysis from network of 270 ambient wells	\$2,000
Monitoring, Assessment, and Characterization Total – \$47,860			

FUNDING RECOMMENDATIONS

Watershed & Groundwater Restoration/Protection Strategies

Agency	Activity	Summary of Program	Recommendations (000's)
DNR	Watershed Restoration and Protection Strategies	Adds geomorphology, hydrology, and connectivity data to WRAPS process, and supports Watershed Health Assessment Framework (WHAF) tool	\$4,300
MDH	Groundwater Restoration and Protection Strategies	Completes GRAPS for six to eight major watersheds annually in alignment with comprehensive watershed management plans (One Watershed One Plan). Also provides training and makes groundwater data public	\$1,500
MDH	Source Water Protection	Assists public water systems in the management of over 500 source water protection plans statewide. Completes new or updated planning and data driven strategies for 60 systems during the biennium. Provides grants for implementation activities. Collaborates with other local planning efforts and develops and coordinates water quality surveillance activities	\$7,500
MPCA	Watershed Restoration and Protection Strategies (includes TMDL development)	Develops data-driven strategies to meet water quality goals in each of 80 watersheds at about eight to ten watersheds annually. Required by law to be complete in 2023. Also completes required TMDLs for impaired waters	\$12,700
Watershed & Groundwater Restoration/Protection Strategies Total – \$26,000			

Comprehensive Local Watershed Management

Agency	Activity	Summary of Program	Recommendations (000's)
BWSR	Water Management Transition (One Watershed, One Plan)	Completes about seven comprehensive watershed management plans annually on average. All plans covering all 80 major watersheds will be started by 2025	\$3,500
Comprehensive Local Watershed Management Total – \$3,500			

FUNDING RECOMMENDATIONS

Nonpoint Source Implementation

Agency	Activity	Summary of Program	Recommendations (000's)
BWSR	Implementation Funding for Watersheds with Approved Comprehensive Watershed Plans (Watershed-based Implementation Funding)	Makes non-competitive grants to fulfill projects in approved comprehensive watershed management plans (One Watershed One Plan)	\$79,000
BWSR	Accelerated Implementation	Builds technical skills through Technical Service Areas and technical trainings. This grant program builds the capacity of local governments to accelerate on-the-ground projects that improve or protect water quality and perform above and beyond existing standards	\$11,000
BWSR	Conservation Drainage Management and Assistance	Provides grants and technical assistance to SWCDs/drainage authorities for water quality BMPs	\$2,000
BWSR	Critical Shoreland Protection-Permanent Conservation Easements	Protects threatened shoreline with easements to protect good water quality	\$3,000
BWSR	Wetland restoration easements	Creates permanent easements for de-nitrification and rate and volume control	\$10,000
BWSR	Measures, Results and Accountability	Supports grants management, reporting, and oversight	\$2,500
BWSR	Buffer Law Implementation	Supports oversight and grants to SWCDs for implementation of the buffer law. Does not include enforcement	\$4,000
BWSR	Working Land and Floodplain Easements	Establishes and restores easements in floodplains and riparian areas	\$5,000
BWSR	Surface and Drinking Water Protection/Restoration Grants	Makes competitive grants for high priority conservation BMPs in local water plans. Up to twenty percent must support drinking water	\$17,000
BWSR	Watershed Partners Legacy (WPL) Grants	Makes small grants to tribal governments and nonprofit organizations	\$1,000
BWSR	Enhancing Landowner Adoption of Soil Health Practices for Drinking Water & Groundwater Protection	Supports Minnesota Office of Soil Health (MOSH). Makes grants to SWCDs for cover crop and conservation tillage demonstration projects. Supports Governor's climate initiative	\$12,077
DNR	Nonpoint Source Restoration and Protection Activities	Provides technical assistance for 85 projects annually that are prioritized in comprehensive watershed management plan	\$3,200
DNR	NEW Mussel Restoration Pilot Program	Will increase native mussel production at Lake City facility and field test restoration in three major watersheds for water quality	\$600

FUNDING RECOMMENDATIONS

Nonpoint Source Implementation Cont'd

Agency	Activity	Summary of Program	Recommendations (000's)
DNR	NEW Culvert Replacement Incentive Program	Will provide financial and technical assistance for 20 local government projects to replace culverts that support floodplain connectivity, biological connectivity, and channel stability	\$2,000
DNR	NEW Water Storage	Will support water storage on drained wetlands on selected DNR lands in southern and western Minnesota	\$1,000
MDA	AgBMP Loan Program	Loan program to provide low or no interest financing to farmers, agricultural businesses, rural landowners and others for the implementation of best management practices that prevent, reduce or eliminate environmental pollution. Recommended increase will meet increased demand	\$6,500
MDA	MN Agricultural Water Quality Certification Program	Provides technical and financial assistance for farmers to adopt water quality BMPs with verified results. Matched with federal Regional Conservation Partnership Program (RCPP) grant	\$7,000
MDA	Technical Assistance	Supports 25 edge-of-field water quality monitoring sites, 100 farm demonstration plots, and 30 field days and other events annually	\$3,000
MDA	NEW Conservation Equipment Assistance	Will assist SWCDs and farmers with new or retrofitted equipment for implementing soil health practices, such as conservation tillage and cover crops	\$3,500
MDA	NEW Expand Ag Weather Station Network	Will expand network to optimize timing of irrigation, fertilizer, pesticide, and manure applications	\$3,000
MC	Water Demand Reduction Grant Program	Makes grants to metro cities to replace inefficient residential fixtures/sprinklers to reduce groundwater demand	\$1,500
MPCA	Great Lakes Restoration Project	Manages cleanup of the St. Louis River/Duluth harbor. Attracts state and federal matching funds	\$1,500
Nonpoint Source Implementation Total – \$179,377			

FUNDING RECOMMENDATIONS

Point Source Implementation

Agency	Activity	Summary of Program	Recommendations (000's)
MPCA	Chloride Reduction Efforts	Provides technical assistance and grants to public entities to meet chloride TMDLs, mostly from road de-icers and water softening	\$1,300
MPCA	Wastewater/Stormwater TMDL Implementaton	Provides technical assistance to cities to help them comply with state stormwater permit. Integrates stormwater and wastewater data with WRAPS and includes TMDLs in permits. Supports pollutant trades. Maintains Minnesota Stormwater Manual	\$3,000
PFA	Point Source Implementation Grant (PSIG) Program	Upgrades municipal water treatment facilities to comply with TMDLs	\$16,500
PFA	Small Community Wastewater Treatment Program	Makes grants & loans to replace failing community SSTS	\$200
Point source implementation Total – \$21,000			

Groundwater/Drinking Water Implementation

Agency	Activity	Summary of Program	Recommendations (000's)
BWSR	Targeted Wellhead/Drinking Water Protection	Makes easements and grants to LGUs in priority wellhead protection areas	\$5,000
MDA	Irrigation Water Quality Protection	Funds irrigation UMN extension staff to educate on agricultural irrigation and nitrate BMPs	\$300
MDA	Nitrate in Groundwater	Supports implementation of the new Groundwater Protection Rule and Nitrate Fertilizer Management Plan to reduce nitrate from fertilizer to groundwater. Working with 38 local government units on nitrate monitoring and reduction activities	\$6,000
MDH	Future of Drinking Water	Will develop a statewide Drinking Water Plan that will include public health policies and will address threats to public and private drinking water supplies	\$500
MC	Metropolitan Area Water Supply Sustainability Support	Provides technical support to communities and businesses to use groundwater more efficiently	\$2,250
MPCA	Enhanced County Inspections/SSTS Corrective Actions	Provides county grants for more SSTS inspections and income-based assistance to maintain 80 percent compliance	\$7,100
MPCA (funds passed through)	National Park Water Quality Protection Program	Replaces failing septic systems polluting Voyageurs National Park. Matched by local, state, and federal sources	\$2,000
Groundwater/Drinking Water Implementation Total – \$23,150			

LOCAL IMPLEMENTATION TOTAL (NPS, PS, GW/DW) – \$223,527

FUNDING RECOMMENDATIONS

Research, Evaluation and Tools

Agency	Activity	Summary of Program	Recommendations (000's)
BWSR	Tillage and Erosion Survey	Estimates soil erosion and tracks use of tillage BMPs and cover crops	\$850
BWSR	Technical Evaluation	Conducts up to 10 technical evaluations of CWF projects annually. Required by law	\$200
DNR	Applied Research and Tools	Evaluates water flow ("digital dams") and forestry BMPs throughout the state, and develops fine-scale watershed models using LiDAR	\$1,300
DNR	County Geologic Atlases	Develops Part A county-level geologic atlases	\$200
MDA	Research Inventory Database	The MN Water Research Digital Library is a one stop to find water related research and reports in Minnesota	\$80
MDA / UMN	Forever Green Agricultural Initiative (UMN)	Supports competitive R&D grants for crops providing continuous living cover, and implementation of those crops	\$6,000
MDA	Agricultural Research/Evaluation	Will update recommendations for manure crediting and manure BMPs	\$1,500
MDH	Recreational Water Quality Online Portal	Will develop a statewide portal for beach monitoring results, closures, and public health notifications	\$600
UMN	Stormwater BMP Performance Evaluation & Technology Transfer	Makes competitive grants to research and evaluate stormwater BMPs	\$2,000
UMN	Geologic Atlas with Department of Natural Resources	Develops Part B county level groundwater atlases	\$1,000
Research, Evaluation and Tool Development Total – \$13,730			

Administration

Agency	Activity	Summary of Program	Recommendations (000's)
MPCA	Clean Water Council Budget	Funds two FTEs, communications, planning, and Council member expenses	\$675
LCC	Legislative Coordinating Commission	Supports upkeep of LCC site with CWF project information. Required by law	\$8
Administration Total – \$683			

TOTAL CLEAN WATER FUND RECOMMENDATIONS FY24-25 – \$315,300