SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 3572

(SENATE AUTHORS: COHEN)

DATE	D-PG	OFFICIAL STATUS
04/21/2016	5938	Introduction and first reading Referred to Finance
05/11/2016	7003	Comm report: To pass
	7003	Second reading
05/16/2016	7031	Special Order
	7031	Third reading Passed

A bill for an act

relating to natural resources; modifying prior clean water fund appropriations; appropriating money; amending Laws 2011, First Special Session chapter 6, article 2, sections 3; 5; 7, as amended; Laws 2013, chapter 137, article 2, sections 3; 5; 6, as amended; 7; 8; Laws 2015, First Special Session chapter 2, article 2, sections 3; 5; 7.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Laws 2011, First Special Session chapter 6, article 2, section 3, is amended to read:

				~~7,700,000~~
Sec. 3. **DEPARTMENT OF AGRICULTURE**	**$**	**7,700,000**	**$**	**7,360,000**

(a) $350,000 the first year and $350,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

(b) $850,000 the first year and $850,000 the second year are to increase monitoring and evaluate trends in the concentration of nitrates in groundwater in high-risk areas and regionally and to promote and evaluate regional and crop-specific nutrient best management practices. This appropriation is available until June 30, 2016.

(c) $4,500,000 the first year and $4,500,000 the second year are for the agriculture best management practices loan program. At least $3,500,000 the first year and at least $3,900,000 the second year are for transfer to the clean water agricultural best management practices loan account and are available for pass-through to local governments and lenders for low-interest loans under Minnesota Statutes, section 17.117. Any unencumbered balance that is not used for pass-through to local governments does not cancel at the end of the first year and is available for the second year.

(d) $775,000 the first year and $775,000 the second year are for research, pilot projects, and technical assistance on proper implementation of best management practices and more precise information on nonpoint contributions to impaired waters. This appropriation is available until June 30, 2016.

(e) $1,050,000 the first year and ~~$1,050,000~~ $710,000 the second year are for research to quantify agricultural contributions to impaired waters and for development and evaluation of best management practices to protect and restore water resources while maintaining productivity. This appropriation is available until June 30, 2016.

(f) $175,000 the first year and $175,000 the second year are for a research inventory database containing water-related research activities. This appropriation is available until June 30, 2016.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Laws 2011, First Special Session chapter 6, article 2, section 5, is amended to read:

					~~**23,558,000**~~
Sec. 5. **POLLUTION CONTROL AGENCY**	**$**	**24,212,000**	**$**	**23,400,000**

(a) $7,500,000 the first year and ~~$7,500,000~~ $7,485,000 the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, $100,000 the first year and $100,000 the second year are for grants to the Red River Watershed Management Board to enhance and expand the existing water quality and watershed monitoring river watch activities in the schools in the Red River of the North. The Red River Watershed Management Board shall provide a report to the commissioner of the Pollution Control Agency and the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund by February 15, 2013, on the expenditure of these funds.

(b) $9,400,000 the first year and ~~$9,400,000~~ $9,261,000 the second year are to develop total maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDL's each year over the biennium.

(c) $1,125,000 the first year and $1,125,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, and continuing to monitor for and assess contaminants of emerging concern.

(d) $750,000 the first year and $750,000 the second year are for water quality improvements in the lower St. Louis River and Duluth harbor. This appropriation must be matched at a rate of 65 percent nonstate money to 35 percent state money.

(e) $1,000,000 the first year and $1,000,000 the second year are for the clean water partnership program to provide grants to protect and improve the basins and watersheds of the state and provide financial and technical assistance to study waters with nonpoint source pollution problems. Priority shall be given to projects preventing impairments and degradation of lakes, rivers, streams, and groundwater in accordance with Minnesota Statutes, section 114D.20, subdivision 2, clause (4). Any balance remaining in the first year does not cancel and is available for the second year.

(f) $400,000 the first year and $400,000 the second year are for storm water research and guidance.

(g) $1,150,000 the first year and $1,150,000 the second year are for TMDL research and database development.

(h) $800,000 the first year and $800,000 the second year are for national pollutant

discharge elimination system wastewater and storm water TMDL implementation efforts.

(i) $225,000 the first year and $225,000 the second year are transferred to the commissioner of administration for the Environmental Quality Board in cooperation with the United States Geological Survey to characterize groundwater flow and aquifer properties in the I-94 corridor in cooperation with local units of government. This appropriation is available until June 30, 2016.

(j) $1,000,000 the first year and $500,000 the second year are for a wild rice standards study.

(k) $862,000 the first year and ~~$708,000~~ $704,000 the second year are for groundwater protection or prevention of groundwater degradation activities through enhancing the county-level delivery system for subsurface sewage treatment systems (SSTS). The commissioner shall consult with the SSTS Compliance Task Force in developing a distribution allocation for the county base grants.

(l) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2013, as grants or contracts in this section are available until June 30, 2016.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Laws 2011, First Special Session chapter 6, article 2, section 7, as amended by Laws 2012, chapter 264, article 2, section 3, is amended to read:

Sec. 7. **BOARD OF WATER AND SOIL RESOURCES**	**$**	**27,534,000**	**$** ~~**31,734,000**~~ **31,010,000**

(a) $13,750,000 the first year and ~~$15,350,000~~ $15,099,000 the second year are for pollution reduction and restoration grants to local government units and joint powers organizations of local government units to protect surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system (SSTS) projects and stream bank, stream channel, and shoreline restoration projects. The projects must be of long-lasting public benefit, include a match, and be consistent with TMDL implementation plans or local water management plans.

(b) $3,000,000 the first year and ~~$3,600,000~~ $3,475,000 the second year are for targeted local resource protection and enhancement grants. The board shall give priority consideration to projects and practices that complement, supplement, or exceed current state standards for protection, enhancement, and restoration of water quality in lakes, rivers, and streams or that protect groundwater from degradation. Of this amount, at least $1,500,000 each year is for county SSTS implementation.

(c) $900,000 the first year and ~~$1,200,000~~ $897,000 the second year are to provide state oversight and accountability, evaluate results, and develop an electronic system to measure and track the value of conservation program implementation by local governments, including submission to the legislature

by March 1 each year an annual report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients and projects funded under this section. The board shall require grantees to specify the outcomes that will be achieved by the grants prior to any grant awards.

(d) $1,000,000 the first year and $1,700,000 the second year are for technical assistance and grants for the conservation drainage program in consultation with the Drainage Work Group, created under Minnesota Statutes, section 103B.101, subdivision 13, to facilitate the installation of conservation practices on drainage systems that will result in water quality improvements and evaluate the outcomes of these installations. The board shall coordinate practice standards with the Natural Resources Conservation Service of the United States Department of Agriculture and seek to leverage federal funds as part of conservation drainage program implementation.

(e) $6,000,000 the first year and $6,000,000 the second year are to purchase and restore permanent conservation easements on riparian buffers adjacent to public waters, excluding wetlands, to keep water on the land in order to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. The riparian buffers must be at least 50 feet unless there is a natural impediment, a road, or

other impediment beyond the control of the landowner. This appropriation may be used for restoration of riparian buffers protected by easements purchased with this appropriation and for stream bank restorations when the riparian buffers have been restored.

(f) $1,300,000 the first year and $2,300,000 the second year are for permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d). Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health. The board shall coordinate with the United States Geological Survey, the commissioners of health and natural resources, and local communities contained in the Decorah and St. Lawrence Edge areas of Winona, Goodhue, Olmsted, and Wabasha Counties to obtain easements in identified areas as having the most vulnerability to groundwater contamination.

(g) $1,500,000 the first year and ~~$1,500,000~~ $1,455,000 the second year are for community partners grants to local units of government for: (1) structural or vegetative management practices that reduce storm water runoff from developed or disturbed lands to reduce the movement of sediment, nutrients, and pollutants for restoration, protection, or enhancement of water quality in lakes, rivers, and streams and to protect groundwater and drinking water; and (2) installation of proven and effective water

retention practices including, but not limited to, rain gardens and other vegetated infiltration basins and sediment control basins in order to keep water on the land. The projects must be of long-lasting public benefit, include a local match, and be consistent with TMDL implementation plans or local water management plans. Local government unit staff and administration costs may be used as a match.

(h) $84,000 the first year and $84,000 the second year are for a technical evaluation panel to conduct up to ten restoration evaluations under Minnesota Statutes, section 114D.50, subdivision 6.

(i) The board shall contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for $500,000 the first year and $500,000 the second year.

(j) The board may shift grant or cost-share funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address oversight responsibilities or high-priority needs identified in local water management plans.

(k) The appropriations in this section are available until June 30, 2016.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Laws 2013, chapter 137, article 2, section 3, is amended to read:

				~~**7,460,000**~~
Sec. 3. **DEPARTMENT OF AGRICULTURE**	**$**	**7,310,000**	**$**	**7,399,000**

(a) $350,000 the first year and $350,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

(b) $2,500,000 the first year and $2,500,000 the second year are to increase monitoring and evaluate trends in the concentration of nitrates in groundwater in areas vulnerable to groundwater degradation, including a substantial increase of monitoring of private wells in cooperation with the commissioner of health, monitoring for pesticides when nitrates are detected, and promoting and evaluating regional and crop-specific nutrient best management practices to protect groundwater from degradation. Of this amount, $75,000 may be used for accelerating the update for the commercial manure applicator manual. This amount is to be matched with general funds. This appropriation is available until June 30, 2016, when the commissioner shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over agriculture and environment and natural resources policy and finance on the expenditure of these funds, including the progress in preventing groundwater degradation and recommendations. By October 15, 2014, the commissioner shall submit an interim report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over agriculture

and environment and natural resources policy and finance on the expenditure of these funds, including recommendations.

(c) $200,000 the first year and $200,000 the second year are for the agriculture best management practices loan program. At least $170,000 each year is for transfer to an agricultural and environmental revolving account created under Minnesota Statutes, section 17.117, subdivision 5a, and is available for pass-through to local government and lenders for low-interest loans under Minnesota Statutes, section 17.117. Any unencumbered balance that is not used for pass-through to local governments does not cancel at the end of the first year and is available for the second year.

(d) $1,500,000 the first year and $1,500,000 the second year are for research, pilot projects, and technical assistance on proper implementation of best management practices and more precise information on nonpoint contributions to impaired waters. This appropriation is available until June 30, 2018.

(e) $1,000,000 the first year and $1,100,000 the second year are for research to quantify agricultural contributions to impaired waters and for development and evaluation of best management practices to protect and restore water resources while maintaining productivity. This appropriation is available until June 30, 2018.

(f) $100,000 the first year and ~~$150,000~~ $90,000 the second year are for a research

inventory database containing water-related research activities. Any information technology development or support or costs necessary for this research inventory database will be incorporated into the agency's service level agreement with and paid to the Office of Enterprise Technology. This appropriation is available until June 30, 2018.

(g) $1,500,000 the first year and $1,500,000 the second year are to implement a Minnesota agricultural water quality certification program. This appropriation is available until June 30, 2018.

(h) $110,000 the first year and $110,000 the second year are to provide funding for a regional irrigation water quality specialist through University of Minnesota Extension.

(i) $50,000 the first year and ~~$50,000~~ $49,000 the second year are to develop and implement a comprehensive, up-to-date instruction system for animal waste technicians who apply manure to the ground for hire.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. Laws 2013, chapter 137, article 2, section 5, is amended to read:

				~~**28,265,000**~~
Sec. 5. **POLLUTION CONTROL AGENCY**	**$**	**28,365,000**	**$**	**28,010,000**

(a) $7,600,000 the first year and ~~$7,600,000~~ $7,522,000 the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, $500,000 each year is to monitor and assess contaminants of emerging concern in groundwater and surface water, and $100,000

each year is for grants to the Red River Watershed Management Board to enhance and expand the existing water quality and watershed monitoring river watch activities in the schools in the Red River of the North Watershed. The Red River Watershed Management Board shall provide a report to the commissioner of the Pollution Control Agency and the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund by February 15, 2015, on the expenditure of these funds.

(b) $9,400,000 the first year and ~~$9,400,000~~ $9,323,000 the second year are to develop watershed restoration and protection strategies (WRAPS), which include total maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the Unites States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDL's each year over the biennium.

(c) $1,125,000 the first year and ~~$1,125,000~~ $1,108,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, and evaluating trends, including the reassessment of groundwater that was assessed ten to 15 years ago and found to be contaminated. By January 15, 2016, the commissioner shall submit a report with recommendations for reducing or preventing groundwater degradation from contaminants

to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over environment and natural resources policy and finance.

(d) $750,000 the first year and $750,000 the second year are for water quality improvements in the lower St. Louis River and Duluth harbor within the St. Louis River System Area of Concern. This appropriation must be matched at a rate of 65 percent nonstate money to 35 percent state money.

(e) $1,000,000 the first year and $2,000,000 the second year are for the clean water partnership program to provide grants to protect and improve the basins and watersheds of the state and provide financial and technical assistance to study waters with nonpoint source pollution problems. Priority shall be given to projects preventing impairments and degradation of lakes, rivers, streams, and groundwater in accordance with Minnesota Statutes, section 114D.20, subdivision 2, clause (4). Any balance remaining in the first year does not cancel and is available for the second year.

(f) $275,000 the first year and $275,000 the second year are for storm water research and guidance.

(g) $1,150,000 the first year and ~~$1,150,000~~ $1,131,000 the second year are for TMDL research and database development.

(h) $1,000,000 the first year and ~~$1,000,000~~ $936,000 the second year are to initiate development of a multiagency watershed

database reporting portal. Any information technology development or support or costs necessary for this research inventory database will be incorporated into the agency's service level agreement with and paid to the Office of Enterprise Technology.

(i) $900,000 the first year and $900,000 the second year are for national pollutant discharge elimination system wastewater and storm water TMDL implementation efforts.

(j) $3,250,000 the first year and $3,650,000 the second year are for enhancing the county-level delivery systems for subsurface sewage treatment systems (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protection of groundwater, including base grants for all counties with SSTS programs and competitive grants to counties with specific plans to significantly reduce water pollution by reducing the number of systems that are an imminent threat to public health or safety or are otherwise failing. Counties that receive base grants must report the number of sewage noncompliant properties upgraded through SSTS replacement, connection to a centralized sewer system, or other means including property abandonment or buy-out. Counties also must report the number of compliance inspections of existing SSTS's conducted in areas under county jurisdiction. These required reports are to be part of established annual reporting for SSTS programs. Counties that conduct SSTS inventories or those with an ordinance in place that requires an SSTS to be inspected

as a condition of transferring property or as a condition of obtaining a local permit shall be given priority for competitive grants under this paragraph. Of this amount, $750,000 each year is available to counties for grants to low-income landowners to address systems that pose an imminent threat to public health or safety or fail to protect groundwater. A grant awarded under this paragraph may not exceed $500,000 for the biennium. A county receiving a grant under this paragraph must submit a report to the agency listing the projects funded, including an account of the expenditures.

(k) $1,500,000 the first year is for a competitive grant program for sewer projects that helps protect or restore the water quality of waters in any national park located in the state. Grants may be awarded to local government units and must be matched with 25 percent non-clean-water-fund dollars.

(l) $375,000 the first year and $375,000 the second year are for developing wastewater treatment system designs and practices and providing technical assistance. Of this amount, $145,000 each year is for transfer to the Board of Regents of the University of Minnesota to provide ongoing support for design teams with scientific and technical expertise pertaining to wastewater management and treatment that will include representatives from the University of Minnesota, Pollution Control Agency, and municipal wastewater utilities and other wastewater engineering experts. The design teams shall promote the use of

new technology, designs, and practices to address existing and emerging wastewater treatment challenges, including the treatment of wastewater for reuse and the emergence of new and other unregulated contaminants. This appropriation is available until June 30, 2016.

(m) $40,000 the first year and $40,000 the second year are to support activities of the Clean Water Council according to Minnesota Statutes, section 114D.30, subdivision 1.

(n) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2015, as grants or contracts in this section are available until June 30, 2018.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 6. Laws 2013, chapter 137, article 2, section 6, as amended by Laws 2015, First Special Session chapter 2, article 2, section 17, is amended to read:

Sec. 6. **DEPARTMENT OF NATURAL**		~~**12,135,000**~~	
RESOURCES	**$**	**10,943,000**	**$** **8,950,000**

(a) $2,000,000 the first year and $2,000,000 the second year are for stream flow monitoring, including the installation of additional monitoring gauges, and monitoring necessary to determine the relationship between stream flow and groundwater.

(b) $1,300,000 the first year and $1,300,000 the second year are for lake Index of Biological Integrity (IBI) assessments.

(c) $135,000 the first year and $135,000 the second year are for assessing mercury and other contaminants of fish, including monitoring to track the status of waters

impaired by mercury and mercury reduction efforts over time.

(d) $1,850,000 the first year and $1,850,000 the second year are for developing targeted, science-based watershed restoration and protection strategies, including regional technical assistance for TMDL plans and development of a watershed assessment tool, in cooperation with the commissioner of the Pollution Control Agency. By January 15, 2016, the commissioner shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over environment and natural resources policy and finance providing the outcomes to lakes, rivers, streams, and groundwater achieved with this appropriation and recommendations.

(e) $1,375,000 the first year and $1,375,000 the second year are for water supply planning, aquifer protection, and monitoring activities.

(f) $1,000,000 the first year and $1,000,000 the second year are for technical assistance to support local implementation of nonpoint source restoration and protection activities, including water quality protection in forested watersheds.

(g) $675,000 the first year and $675,000 the second year are for applied research and tools, including watershed hydrologic modeling; maintaining and updating spatial data for watershed boundaries, streams, and water bodies and integrating high-resolution digital elevation data; assessing effectiveness

of forestry best management practices for water quality; and developing an ecological monitoring database.

(h) $615,000 the first year and $615,000 the second year are for developing county geologic atlases.

(i) $85,000 the first year is to develop design standards and best management practices for public water access sites to maintain and improve water quality by avoiding shoreline erosion and runoff.

(j) ~~$3,000,000~~ $1,808,000 the first year is for beginning to develop and designate groundwater management areas under Minnesota Statutes, section 103G.287, subdivision 4. The commissioner, in consultation with the commissioners of the Pollution Control Agency, health, and agriculture, shall establish a uniform statewide hydrogeologic mapping system that will include designated groundwater management areas. The mapping system must include wellhead protection areas, special well construction areas, groundwater provinces, groundwater recharge areas, and other designated or geographical areas related to groundwater. This mapping system shall be used to implement all groundwater-related laws and for reporting and evaluations. This appropriation is available until June 30, 2017.

(k) $100,000 the first year is for the commissioner of natural resources for rulemaking under Minnesota Statutes, section 116G.15, subdivision 7.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 7. Laws 2013, chapter 137, article 2, section 7, is amended to read:

Sec. 7. **BOARD OF WATER AND SOIL**			~~**34,740,000**~~
RESOURCES	**$**	**30,689,000**	**$** **34,647,000**

(a) $5,000,000 the first year and $7,000,000 the second year are for grants to local government units organized for the management of water in a watershed or subwatershed that have multiyear plans that will result in a significant reduction in water pollution in a selected subwatershed. The grants may be used for the following purposes: establishment of riparian buffers; practices to store water for natural treatment and infiltration, including rain gardens; capturing storm water for reuse; stream bank, shoreland, and ravine stabilization; enforcement activities; and implementation of best management practices for feedlots within riparian areas and other practices demonstrated to be most effective in protecting, enhancing, and restoring water quality in lakes, rivers, and streams and protecting groundwater from degradation. Grant recipients must identify a nonstate cash match of at least 25 percent of the total eligible project costs. Grant recipients may use other legacy funds to supplement projects funded under this paragraph. Grants awarded under this paragraph are available for four years and priority shall be given to the three to six best designed plans each year. By January 15, 2016, the board shall submit an interim report on the outcomes achieved with this appropriation, including recommendations, to the chairs and ranking minority members of the senate and house

of representatives committees and divisions with jurisdiction over environment and natural resources policy and finance. This appropriation is available until June 30, 2018.

(b) $9,705,000 the first year and ~~$10,756,000~~ $10,684,000 the second year are for grants to protect and restore surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system (SSTS) projects and stream bank, stream channel, shoreline restoration, and ravine stabilization projects. The projects must use practices demonstrated to be effective, be of long-lasting public benefit, include a match, and be consistent with total maximum daily load (TMDL) implementation plans or local water management plans or their equivalents.

(c) $3,500,000 the first year and $4,500,000 the second year are for targeted local resource protection and enhancement grants for projects and practices that supplement or exceed current state standards for protection, enhancement, and restoration of water quality in lakes, rivers, and streams or that protect groundwater from degradation, including compliance.

(d) $950,000 the first year and $950,000 the second year are to provide state oversight and accountability, evaluate results, and measure the value of conservation program implementation by local governments,

including submission to the legislature by March 1 each year an annual report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients, projects funded under this section, and the amount of pollution reduced.

(e) $1,700,000 the first year and $1,700,000 the second year are for grants to local units of government to ensure compliance with Minnesota Statutes, chapter 103E, and sections 103F.401 to 103F.455, including enforcement efforts. Of this amount, $235,000 the first year is to update the Minnesota Public Drainage Manual and the Minnesota Public Drainage Law Overview for Decision Makers and to provide outreach to users.

(f) $6,500,000 the first year and $6,500,000 the second year are to purchase and restore permanent conservation easements on riparian buffers adjacent to lakes, rivers, streams, and tributaries, to keep water on the land in order to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. This appropriation may be used for restoration of riparian buffers protected by easements purchased with this appropriation and for stream bank restorations when the riparian buffers have been restored.

(g) $1,300,000 the first year and $1,300,000 the second year are for permanent

conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d). Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health.

(h) $1,500,000 the first year and ~~$1,500,000~~ $1,479,000 the second year are for community partners grants to local units of government for: (1) structural or vegetative management practices that reduce storm water runoff from developed or disturbed lands to reduce the movement of sediment, nutrients, and pollutants for restoration, protection, or enhancement of water quality in lakes, rivers, and streams and to protect groundwater and drinking water; and (2) installation of proven and effective water retention practices including, but not limited to, rain gardens and other vegetated infiltration basins and sediment control basins in order to keep water on the land. The projects must be of long-lasting public benefit, include a local match, and be consistent with TMDL implementation plans or local water management plans or their equivalents. Local government unit costs may be used as a match.

(i) $84,000 the first year and $84,000 the second year are for a technical evaluation panel to conduct ten restoration evaluations under Minnesota Statutes, section 114D.50, subdivision 6.

(j) $450,000 the first year and $450,000 the second year are for assistance and grants to local governments to transition local water management plans to a watershed approach as provided for in Minnesota Statutes, chapters 103B, 103C, 103D, and 114D.

(k) The board shall contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for up to $500,000 the first year and up to $500,000 the second year.

(l) The board may shift grant or cost-share funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address oversight responsibilities or high-priority needs identified in local water management plans.

(m) The board shall require grantees to specify the outcomes that will be achieved by the grants prior to any grant awards.

(n) The appropriations in this section are available until June 30, 2018. Returned grant funds are available until expended and shall be regranted consistent with the purposes of this section.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 8. Laws 2013, chapter 137, article 2, section 8, is amended to read:

					~~**4,635,000**~~
Sec. 8. **DEPARTMENT OF HEALTH**	**$**	**4,635,000**	**$**	**4,535,000**

(a) $1,150,000 the first year and $1,150,000 the second year are for addressing public health concerns related to contaminants found in Minnesota drinking water for

which no health-based drinking water standards exist, including accelerating the development of health risk limits, including triclosan, and improving the capacity of the department's laboratory to analyze unregulated contaminants.

(b) $1,615,000 the first year and $1,615,000 the second year are for protection of drinking water sources.

(c) $250,000 the first year and $250,000 the second year are for cost-share assistance to public and private well owners for up to 50 percent of the cost of sealing unused wells.

(d) $390,000 the first year and ~~$390,000~~ $290,000 the second year are to update and expand the county well index, in cooperation with the commissioner of natural resources.

(e) $325,000 the first year and $325,000 the second year are for studying the occurrence and magnitude of contaminants in private wells and developing guidance to ensure that new well placement minimizes the potential for risks, in cooperation with the commissioner of agriculture.

(f) $105,000 the first year and $105,000 the second year are for monitoring recreational beaches on Lake Superior for pollutants that may pose a public health risk and mitigating sources of bacterial contamination that are identified.

(g) $800,000 the first year and $800,000 the second year are for the development and implementation of a groundwater virus monitoring plan, including an epidemiological study to determine the

association between groundwater virus concentration and community illness rates. This appropriation is available until June 30, 2017.

(h) Unless otherwise specified, the appropriations in this section are available until June 30, 2016.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 9. Laws 2015, First Special Session chapter 2, article 2, section 3, is amended to read:

				~~**5,082,000**~~
Sec. 3. **DEPARTMENT OF AGRICULTURE**	**$**	**8,584,000**	**$**	**7,582,000**

(a) $350,000 the first year and $350,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

(b) $2,586,000 the first year and $2,585,000 the second year are for monitoring and evaluating trends in the concentration of nitrate in groundwater in areas vulnerable to groundwater degradation; monitoring for pesticides when nitrate is detected; promoting, developing, and evaluating regional and crop-specific nutrient best management practices; assessing best management practice adoption; education and technical support from University of Minnesota Extension; and other actions to protect groundwater from degradation from nitrate. This appropriation is available until June 30, 2018.

(c) $75,000 the first year and $75,000 the second year are for administering clean water

funds managed through the agriculture best management practices loan program. Any unencumbered balance at the end of the second year shall be added to the corpus of the loan fund.

(d) $1,125,000 the first year and $1,125,000 the second year are for technical assistance, research, and demonstration projects on proper implementation of best management practices and more precise information on nonpoint contributions to impaired waters. This appropriation is available until June 30, 2020.

(e) $788,000 the first year and $787,000 the second year are for research to quantify and reduce agricultural contributions to impaired waters and for development and evaluation of best management practices to protect and restore water resources. This appropriation is available until June 30, 2020.

(f) $50,000 the first year and $50,000 the second year are for a research inventory database containing water-related research activities. Costs for information technology development or support for this research inventory database may be paid to the Office of MN.IT Services. This appropriation is available until June 30, 2018.

(g) $2,500,000 the first year and $2,500,000 the second year is to implement the Minnesota agricultural water quality certification program statewide. The commissioner of agriculture shall consult with the United States Department of Agriculture to determine whether other state spending

would qualify as a match for the agricultural water quality certification program funds available from the federal government. By January 1, 2016, the commissioner shall submit a report on funding recommendations to the Clean Water Council and the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture, the environment and natural resources, and the clean water fund. Funds appropriated in this paragraph are available until June 30, ~~2016, and the commissioner may request additional funding for this program for fiscal year 2017~~ 2019.

(h) $110,000 the first year and $110,000 the second year are to provide funding for a regional irrigation water quality specialist through University of Minnesota Extension.

(i) $1,000,000 the first year is for grants to the Board of Regents of the University of Minnesota to fund the Forever Green Agriculture Initiative and to protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices.

(j) A portion of the funds in this section may be used for programs to train state and local outreach staff in the intersection between agricultural economics and agricultural conservation.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 10. Laws 2015, First Special Session chapter 2, article 2, section 5, is amended to read:

			~~27,350,000~~		~~27,348,000~~
Sec. 5. **POLLUTION CONTROL AGENCY**		**$**	**27,205,000**	**$**	**28,348,000**

(a) $8,350,000 the first year and ~~$8,350,000~~ $8,550,000 the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, $100,000 each year is for grants to the Red River Watershed Management Board to enhance and expand the existing water quality and watershed monitoring river watch activities in the schools along the Red River of the North. The Red River Watershed Management Board shall provide a report to the commissioner of the Pollution Control Agency and the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund by February 15, 2017, on the expenditure of this appropriation. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

(b) $9,795,000 the first year and ~~$9,795,000~~ $10,595,000 the second year are to develop watershed restoration and protection strategies (WRAPS), which include total maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the Unites States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an

average of ten percent of the TMDLs each year over the biennium.

(c) $1,182,000 the first year and $1,181,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, and evaluating trends, including the reassessment of groundwater that was assessed ten to 15 years ago and found to be contaminated.

(d) $750,000 the first year and $750,000 the second year are for implementation of the St. Louis River System Area of Concern Remedial Action Plan. This appropriation must be matched at a rate of 65 percent nonstate money to 35 percent state money.

(e) $275,000 the first year and $275,000 the second year are for storm water research and guidance.

(f) ~~$1,150,000~~ $1,005,000 the first year and $1,150,000 the second year are for TMDL research and database development.

(g) $900,000 the first year and $900,000 the second year are for national pollutant discharge elimination system wastewater and storm water TMDL implementation efforts.

(h) $3,623,000 the first year and $3,622,000 the second year are for enhancing the county-level delivery systems for subsurface sewage treatment system (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protection of groundwater, including base grants for all counties with SSTS programs and competitive grants to counties with specific plans to significantly reduce water pollution

by reducing the number of systems that are an imminent threat to public health or safety or are otherwise failing. Counties that receive base grants must report the number of sewage noncompliant properties upgraded through SSTS replacement, connection to a centralized sewer system, or other means, including property abandonment or buy-out. Counties also must report the number of existing SSTS compliance inspections conducted in areas under county jurisdiction. These required reports are to be part of established annual reporting for SSTS programs. Counties that conduct SSTS inventories or those with an ordinance in place that requires an SSTS to be inspected as a condition of transferring property or as a condition of obtaining a local permit must be given priority for competitive grants under this paragraph. Of this amount, $750,000 each year is available to counties for grants to low-income landowners to address systems that pose an imminent threat to public health or safety or fail to protect groundwater. A grant awarded under this paragraph may not exceed $500,000 for the biennium. A county receiving a grant under this paragraph must submit a report to the agency listing the projects funded, including an account of the expenditures.

(i) $275,000 the first year and $275,000 the second year are for a storm water best management practice performance evaluation and technology transfer program to enhance data and information management of storm water best management practices;

evaluate best management performance and effectiveness to support meeting total maximum daily loads; develop standards and incorporate state of the art guidance using minimal impact design standards as the model; and implement a knowledge and technology transfer system across local government, industry, and regulatory sectors for pass-through to the University of Minnesota. This appropriation is available until June 30, 2018.

(j) $50,000 the first year and $50,000 the second year are to support activities of the Clean Water Council according to Minnesota Statutes, section 114D.30, subdivision 1.

(k) $1,000,000 the first year and $1,000,000 the second year are for a grant program for sanitary sewer projects that are included in the draft or any updated Voyageurs National Park Clean Water Project Comprehensive Plan to restore the water quality of waters within Voyageurs National Park. Grants must be awarded to local government units for projects approved by the Voyageurs National Park Clean Water Joint Powers Board and must be matched by at least 25 percent from sources other than the clean water fund.

(l) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations in this section encumbered on or before June 30, 2017, as grants or contracts are available until June 30, 2020.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 11. Laws 2015, First Special Session chapter 2, article 2, section 7, is amended to read:

Sec. 7. **BOARD OF WATER AND SOIL**		~~**56,841,000**~~		
RESOURCES	**$**	**56,341,000**	**$**	**56,322,000**

(a) $4,875,000 the first year and $4,875,000 the second year are for grants to local government units organized for the management of water in a watershed or subwatershed that have multiyear plans that will result in a significant reduction in water pollution in a selected subwatershed. The grants may be used for establishment of riparian buffers; practices to store water for natural treatment and infiltration, including rain gardens; capturing storm water for reuse; stream bank, shoreland, and ravine stabilization; enforcement activities; and implementation of best management practices for feedlots within riparian areas and other practices demonstrated to be most effective in protecting, enhancing, and restoring water quality in lakes, rivers, and streams and protecting groundwater from degradation. Grant recipients must identify a nonstate match and may use other legacy funds to supplement projects funded under this paragraph. Grants awarded under this paragraph are available for four years and priority must be given to the best designed plans each year.

(b) $10,187,000 the first year and $10,188,000 the second year are for grants to protect and restore surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect

groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system projects and stream bank, stream channel, shoreline restoration, and ravine stabilization projects. The projects must use practices demonstrated to be effective, be of long-lasting public benefit, include a match, and be consistent with total maximum daily load (TMDL) implementation plans, watershed restoration and protection strategies (WRAPS), or local water management plans or their equivalents. A portion of these funds may be used to seek administrative efficiencies through shared resources by multiple local governmental units.

(c) ~~$6,000,000~~ $5,500,000 the first year and $6,000,000 the second year are for targeted local resource protection and enhancement grants and statewide program enhancements for technical assistance, citizen and community outreach, and training and certification, as well as projects, practices, and programs that supplement or otherwise exceed current state standards for protection, enhancement, and restoration of water quality in lakes, rivers, and streams or that protect groundwater from degradation, including compliance.

(d) $950,000 the first year and $950,000 the second year are to provide state oversight and accountability, evaluate results, provide implementation tools, and measure the value of conservation program implementation by local governments, including submission to the legislature by

March 1 each even-numbered year a biennial report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients, the projects funded under this section, and the amount of pollution reduced.

(e) $2,500,000 the first year and $2,500,000 the second year are for grants to local units of government to enhance compliance with riparian buffer or alternate practice requirements.

(f) $4,875,000 the first year and $4,875,000 the second year are to restore or preserve permanent conservation on riparian buffers adjacent to lakes, rivers, streams, and tributaries, to keep water on the land in order to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. This appropriation may be used for restoration of riparian buffers permanently protected by easements purchased with this appropriation or contracts to achieve permanent protection for riparian buffers or stream bank restorations when the riparian buffers have been restored. Up to $344,000 is for deposit in a monitoring and enforcement account.

(g) $1,750,000 the first year and $1,750,000 the second year are for permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d), or for grants to local units of government

for fee title acquisition to permanently protect groundwater supply sources on wellhead protection areas or for otherwise assuring long-term protection of groundwater supply sources as described under alternative management tools in the Department of Agriculture's Nitrogen Fertilizer Management Plan, including low nitrogen cropping systems or implementing nitrogen fertilizer best management practices. Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health, where drinking water protection plans have identified specific activities that will achieve long-term protection, and on lands with expiring Conservation Reserve Program contracts. Up to $52,500 is for deposit in a monitoring and enforcement account.

(h) $750,000 the first year and $750,000 the second year are for community partner grants to local units of government for: (1) structural or vegetative management practices that reduce storm water runoff from developed or disturbed lands to reduce the movement of sediment, nutrients, and pollutants for restoration, protection, or enhancement of water quality in lakes, rivers, and streams and to protect groundwater and drinking water; and (2) installation of proven and effective water retention practices including, but not limited to, rain gardens and other vegetated infiltration basins and sediment control basins in order to keep water on the land. The projects must

be of long-lasting public benefit, include a local match, and be consistent with TMDL implementation plans, watershed restoration and protection strategies (WRAPS), or local water management plans or their equivalents. Local government unit costs may be used as a match.

(i) $84,000 the first year and $84,000 the second year are for a technical evaluation panel to conduct ten restoration evaluations under Minnesota Statutes, section 114D.50, subdivision 6.

(j) $2,100,000 the first year and $2,100,000 the second year are for assistance, oversight, and grants to local governments to transition local water management plans to a watershed approach as provided for in Minnesota Statutes, chapters 103B, 103C, 103D, and 114D.

(k) $750,000 the first year and $750,000 the second year are for technical assistance and grants for the conservation drainage program in consultation with the Drainage Work Group, coordinated under Minnesota Statutes, section 103B.101, subdivision 13, that includes projects to improve multipurpose water management under Minnesota Statutes, section 103E.015.

(l) $9,000,000 the first year and $9,000,000 the second year are to purchase and restore permanent conservation sites via easements or contracts to treat and store water on the land for water quality improvement purposes and related technical assistance. This work may be done in cooperation with the United

States Department of Agriculture with a first priority use to accomplish a conservation reserve enhancement program, or equivalent, in the state. Up to $1,285,000 is for deposit in a monitoring and enforcement account.

(m) $1,000,000 the first year and $1,000,000 the second year are to purchase permanent conservation easements to protect lands adjacent to public waters with good water quality but threatened with degradation. Up to $190,000 is for deposit in a monitoring and enforcement account.

(n) $500,000 the first year and $500,000 the second year are for a program to systematically collect data and produce county, watershed, and statewide estimates of soil erosion caused by water and wind along with tracking adoption of conservation measures to address erosion.

(o) $11,000,000 the first year and $11,000,000 the second year are for payments to soil and water conservation districts for the purposes of Minnesota Statutes, sections 103C.321 and 103C.331. From this appropriation, each soil and water conservation district shall receive an increase in its base funding of $100,000 per year. Money remaining after the base increase is available for matching grants to soil and water conservation districts based on county allocations to soil and water conservation districts. The board and other agencies may reduce the amount of grants to a county by an amount equal to any reduction in the county's allocation to a soil and water conservation

district from the county's previous-year allocation when the board determines that the reduction was disproportionate. The second-year appropriation cancels if new buffer requirements are not enacted in 2015.

(p) $520,000 the first year is for a grant to Washington County for a water quality improvement project that will improve water quality and restore an essential backwater aquatic area by reconnecting Grey Cloud Slough to the main channel of the Mississippi River Area. This appropriation is not available until at least an equal amount is committed from nonstate sources.

(q) The Board of Water and Soil Resources must consider the inclusion of environmentally suitable annuals the next time the board establishes or revises vegetation establishment and enhancement guidelines for the purposes of riparian buffers.

(r) The board shall contract for delivery of services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for up to $500,000 the first year and up to $500,000 the second year.

(s) The board may shift grant or cost-share funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address oversight responsibilities or high-priority needs identified in local water management plans.

(t) The board shall require grantees to specify the outcomes that will be achieved by the grants prior to any grant awards.

(u) The appropriations in this section are available until June 30, 2020. Returned grant funds are available until expended and shall be regranted consistent with the purposes of this section.

EFFECTIVE DATE. This section is effective the day following final enactment.