**REVISOR** 02/23/17 CKM/DI 17-3647 as introduced

## SENATE STATE OF MINNESOTA NINETIETH SESSION

A bill for an act

relating to clean water; appropriating money from the clean water fund.

S.F. No. 1734

(SENATE AUTHORS: RUUD, Rest, Senjem and Wiger)

**DATE** 03/02/2017 D-PG **OFFICIAL STATUS** 

Introduction and first reading
Referred to Environment and Natural Resources Policy and Legacy Finance

03/06/2017 1081 Author added Wiger

1.1

1.2

1.19

1.20

1.21

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA: 13 Section 1. CLEAN WATER FUND APPROPRIATIONS. 14 The sums shown in the columns marked "Appropriations" are appropriated to the agencies 1.5 and for the purposes specified in this act. The appropriations are from the clean water fund 1.6 and are available for the fiscal years indicated for allowable activities under the Minnesota 1.7 Constitution, article XI, section 15. The figures "2018" and "2019" used in this act mean 1.8 that the appropriations listed under them are available for the fiscal year ending June 30, 19 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" 1.10 is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019. The appropriations in 1.11 this act are onetime. 1.12 APPROPRIATIONS 1.13 1.14 Available for the Year 1.15 **Ending June 30** 2018 2019 1.16 Sec. 2. CLEAN WATER 1.17 107,083,000 \$ **Subdivision 1. Total Appropriation** \$ 113,431,000 1.18

Sec. 2. 1

The amounts that may be spent for each

Subd. 2. Availability of Appropriation

purpose are specified in the following sections.

2.1	Money appropriated in this article may not be			
2.2	spent on activities unless they are directly			
2.3	related to and necessary for a specific			
2.4	appropriation. Money appropriated in this			
2.5	article must be spent in accordance with			
2.6	Minnesota Management and Budget's			
2.7	Guidance to Agencies on Legacy Fund			
2.8	Expenditure. Notwithstanding Minnesota			
2.9	Statutes, section 16A.28, and unless otherwise			
2.10	specified in this article, fiscal year 2018			
2.11	appropriations are available until June 30,			
2.12	2019, and fiscal year 2019 appropriations are			
2.13	available until June 30, 2020. If a project			
2.14	receives federal funds, the period of the			
2.15	appropriation is extended to equal the			
2.16	availability of federal funding.			
2.17	Subd. 3. Disability Access			
2.18	Where appropriate, grant recipients of clean			
2.19	water funds, in consultation with the Council			
2.20	on Disability and other appropriate			
2.21	governor-appointed disability councils, boards,			
2.22	committees, and commissions, should make			
2.23	progress toward providing greater access to			
2.24	programs, print publications, and digital media			
2.25	for people with disabilities related to the			
2.26	programs the recipient funds using			
2.27	appropriations made in this article.			
2.28	Sec. 3. <b>DEPARTMENT OF AGRICULTURE</b>	<u>\$</u>	<u>9,208,000</u> <u>\$</u>	9,208,000
2.29	(a) \$350,000 the first year and \$350,000 the			
2.30	second year are to increase monitoring for			
2.31	pesticides and pesticide degradates in surface			
2.32	water and groundwater and to use data			
2.33	collected to assess pesticide use practices.			

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Sec. 3. 2

3.1	(b) \$2,085,000 the first year and \$2,086,000
3.2	the second year are for monitoring and
3.3	evaluating trends in the concentration of
3.4	nitrate in groundwater in areas vulnerable to
3.5	groundwater degradation; promoting,
3.6	developing, and evaluating regional and
3.7	crop-specific nutrient best management
3.8	practices; assessing best management practice
3.9	adoption; education and technical support from
3.10	University of Minnesota Extension; grants to
3.11	support agricultural demonstration and
3.12	implementation activities; and other actions
3.13	to protect groundwater from degradation from
3.14	nitrate. This appropriation is available until
3.15	June 30, 2022.
3.16	(c) \$75,000 the first year and \$75,000 the
3.17	second year are for administering clean water
3.18	funds managed through the agriculture best
3.19	management practices loan program. Any
3.20	unencumbered balance at the end of the second
3.21	year shall be added to the corpus of the loan
3.22	<u>fund.</u>
3.23	(d) \$1,125,000 the first year and \$1,125,000
3.24	the second year are for technical assistance,
3.25	research, and demonstration projects on proper
3.26	implementation of best management practices
3.27	and more precise information on nonpoint
3.28	contributions to impaired waters and for grants
3.29	to support on-farm demonstration of
3.30	agricultural practices. This appropriation is
3.31	available until June 30, 2022.
3.32	(e) \$788,000 the first year and \$787,000 the
3.33	second year are for research to quantify and
3.34	reduce agricultural contributions to impaired
3.35	waters and for development and evaluation of

Sec. 3. 3

as introduced

Sec. 3. 4

private wells where nitrate is detected, as part

4.34

of the Township Testing Program. This			
appropriation is available until June 30, 2022.			
(k) \$125,000 the first year and \$125,000 the			
second year are to evaluate market			
opportunities and develop markets for crops			
that can be profitable for farmers and			
beneficial for water quality and soil health.			
(l) 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.			
Sec. 4. PUBLIC FACILITIES AUTHORITY	<u>\$</u>	<u>8,125,000</u> <u>\$</u>	10,125,000
(a) \$8,000,000 the first year and \$10,000,000			
the second year are for the point source			
implementation grants program under			
Minnesota Statutes, section 446A.073. This			
appropriation is available until June 30, 2022.			
(b) \$125,000 the first year and \$125,000 the			
second year are for small community			
wastewater treatment grants and loans under			
Minnesota Statutes, section 446A.075. This			
appropriation is available until June 30, 2022.			
(c) If there are any uncommitted funds at the			
end of each fiscal year under paragraph (a) or			
(b), the Public Facilities Authority may			
transfer the remaining funds to eligible			
projects under any of the programs listed in			
this section based on their priority rank on the			
Pollution Control Agency's project priority			
<u>list.</u>			
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Sec. 5. POLLUTION CONTROL AGENCY	<u>\$</u>	<u>27,358,000</u> \$	27,357,000

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Sec. 5. 5

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Sec. 5. 6

second year are for national pollutant

6.34

7.1	discharge elimination system wastewater and
7.2	storm water TMDL implementation efforts.
7.3	(g) \$3,623,000 the first year and \$3,622,000
7.4	the second year are for enhancing the
7.5	county-level delivery systems for subsurface
7.6	sewage treatment system (SSTS) activities
7.7	necessary to implement Minnesota Statutes,
7.8	sections 115.55 and 115.56, for protection of
7.9	groundwater, including base grants for all
7.10	counties with SSTS programs and competitive
7.11	grants to counties with specific plans to
7.12	significantly reduce water pollution by
7.13	reducing the number of systems that are an
7.14	imminent threat to public health or safety or
7.15	are otherwise failing. Counties that receive
7.16	base grants must report the number of sewage
7.17	noncompliant properties upgraded through
7.18	SSTS replacement, connection to a centralized
7.19	sewer system, or other means, including
7.20	property abandonment or buy-out. Counties
7.21	also must report the number of existing SSTS
7.22	compliance inspections conducted in areas
7.23	under county jurisdiction. These required
7.24	reports are to be part of established annual
7.25	reporting for SSTS programs. Counties that
7.26	conduct SSTS inventories or those with an
7.27	ordinance in place that requires an SSTS to
7.28	ha inspected as a condition of transferring
7.29	be inspected as a condition of transferring
	property or as a condition of obtaining a local
7.30	
	property or as a condition of obtaining a local
7.30	property or as a condition of obtaining a local permit must be given priority for competitive
7.30 7.31	property or as a condition of obtaining a local permit must be given priority for competitive grants under this paragraph. Of this amount,
7.30 7.31 7.32	property or as a condition of obtaining a local permit must be given priority for competitive grants under this paragraph. Of this amount, \$1,000,000 each year is available to counties
7.30 7.31 7.32 7.33	property or as a condition of obtaining a local permit must be given priority for competitive grants under this paragraph. Of this amount, \$1,000,000 each year is available to counties for grants to low-income landowners to

Sec. 5. 7

8.1	paragraph may not exceed \$40,000 for the			
8.2	biennium. A county receiving a grant under			
8.3	this paragraph must submit a report to the			
8.4	agency listing the projects funded, including			
8.5	an account of the expenditures.			
8.6	(h) \$279,000 the first year and \$278,000 the			
8.7	second year are for accelerated implementation			
8.8	of MS4 permit requirements including			
8.9	additional technical assistance to			
8.10	municipalities experiencing difficulties			
8.11	understanding and implementing the basic			
8.12	requirements of the municipal storm water			
8.13	program.			
8.14	(i) \$1,000,000 the first year and \$1,000,000			
8.15	the second year are for a grant program for			
8.16	sanitary sewer projects that are included in the			
8.17	draft or any updated Voyageurs National Park			
8.18	Clean Water Project Comprehensive Plan to			
8.19	restore the water quality of waters in			
8.20	Voyageurs National Park. Grants must be			
8.21	awarded to local government units for projects			
8.22	approved by the Voyageurs National Park			
8.23	Clean Water Joint Powers Board and must be			
8.24	matched by at least 25 percent from sources			
8.25	other than the clean water fund.			
8.26	(j) \$50,000 the first year and \$50,000 the			
8.27	second year are to support activities of the			
8.28	Clean Water Council according to Minnesota			
8.29	Statutes, section 114D.30, subdivision 1.			
8.30	(k) Notwithstanding Minnesota Statutes,			
8.31	section 16A.28, the appropriations in this			
8.32	section are available until June 30, 2022.			
8.33 8.34	Sec. 6. <u>DEPARTMENT OF NATURAL</u> <u>RESOURCES</u>	<u>\$</u>	11,345,000 \$	11,345,000

Sec. 6. 8

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Sec. 6. 9

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11.1	and streams; protect groundwater from
11.2	degradation; and protect drinking water
11.3	sources. Projects must be identified in a
11.4	comprehensive watershed plan developed
11.5	under the One Watershed, One Plan or
11.6	metropolitan surface water management
11.7	frameworks or groundwater plans. Grant
11.8	recipients must identify a nonstate match and
11.9	may use other legacy funds to supplement
11.10	projects funded under this paragraph.
11.11	(b) \$14,750,000 the first year and \$14,750,000
11.12	the second year are for grants to protect and
11.13	restore surface water and drinking water; to
11.14	keep water on the land; to protect, enhance,
11.15	and restore water quality in lakes, rivers, and
11.16	streams; and to protect groundwater and
11.17	drinking water, including feedlot water quality
11.18	and subsurface sewage treatment system
11.19	projects and stream bank, stream channel,
11.20	shoreline restoration, and ravine stabilization
11.21	projects. The projects must use practices
11.22	demonstrated to be effective, be of long-lasting
11.23	public benefit, include a match, and be
11.24	consistent with total maximum daily load
11.25	(TMDL) implementation plans, watershed
11.26	restoration and protection strategies (WRAPS),
11.27	or local water management plans or their
11.28	equivalents. A portion of these funds may be
11.29	used to seek administrative efficiencies
11.30	through shared resources by multiple local
11.31	governmental units.
11.32	(c) \$6,000,000 the first year and \$6,000,000
11.33	the second year are for accelerated
11.34	implementation, including local resource
11.35	protection and enhancement grants and

of conservation program implementation by 12.9 local governments, including submission to 12.10 the legislature by March 1 each 12.11 even-numbered year a biennial report prepared 12.12 12.13 by the board, in consultation with the commissioners of natural resources, health, 12.14 agriculture, and the Pollution Control Agency, 12.15 detailing the recipients, the projects funded 12.16 under this section, and the amount of pollution 12.17 reduced. 12.18 (e) \$3,400,000 the first year and \$3,400,000 12.19 the second year are to provide assistance, 12.20 oversight, and grants for supporting local 12.21 governments in implementing and complying 12.22 with riparian protection and excessive soil loss 12.23 12.24 requirements. (f) \$6,000,000 the first year and \$6,000,000 12.25 the second year are to restore or preserve 12.26 12.27 permanent conservation on riparian buffers adjacent to lakes, rivers, streams, and 12.28 12.29 tributaries, to keep water on the land in order to decrease sediment, pollutant, and nutrient 12.30 12.31 transport; reduce hydrologic impacts to surface waters; and increase infiltration for 12.32 groundwater recharge. This appropriation may 12.33 12.34 be used for restoration of riparian buffers permanently protected by easements purchased 12.35

3.1	with this appropriation or contracts to achieve
13.2	permanent protection for riparian buffers or
13.3	stream bank restorations when the riparian
13.4	buffers have been restored. Up to \$1,920,000
13.5	is for deposit in a monitoring and enforcement
13.6	account.
13.7	(g) \$1,750,000 the first year and \$1,750,000
13.8	the second year are for permanent
13.9	conservation easements on wellhead protection
13.10	areas under Minnesota Statutes, section
13.11	103F.515, subdivision 2, paragraph (d), or for
13.12	grants to local units of government for fee title
13.13	acquisition to permanently protect
13.14	groundwater supply sources on wellhead
13.15	protection areas or for otherwise assuring
13.16	long-term protection of groundwater supply
13.17	sources as described under alternative
13.18	management tools in the Department of
13.19	Agriculture's Nitrogen Fertilizer Management
13.20	Plan, including low nitrogen cropping systems
13.21	or implementing nitrogen fertilizer best
13.22	management practices. Priority must be placed
13.23	on land that is located where the vulnerability
13.24	of the drinking water supply is designated as
13.25	high or very high by the commissioner of
13.26	health, where drinking water protection plans
13.27	have identified specific activities that will
13.28	achieve long-term protection, and on lands
13.29	with expiring Conservation Reserve Program
13.30	contracts. Up to \$105,000 is for deposit in a
13.31	monitoring and enforcement account.
13.32	(h) \$84,000 the first year and \$84,000 the
13.33	second year are for a technical evaluation
13.34	panel to conduct ten restoration evaluations

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Sec. 8. 16

17.1	(f) \$100,000 the first year and \$100,000 the			
17.2	second year are for evaluating and addressing			
17.3	the risks from viruses in water supplies.			
17.4	(g) \$150,000 the first year and \$150,000 the			
17.5	second year are to develop public health			
17.6	policies and an action plan to address threats			
17.7	to safe drinking water, and to conduct an			
17.8	analysis to determine the scope of the lead			
17.9	problem in Minnesota's water and the cost to			
17.10	eliminate lead exposure in drinking water.			
17.11	(h) Unless otherwise specified, the			
17.12	appropriations in this section are available			
17.13	until June 30, 2021.			
17.14	Sec. 9. METROPOLITAN COUNCIL	<u>\$</u>	1,250,000 \$	1,250,000
17.15	(a) \$1,000,000 the first year and \$1,000,000			
17.16	the second year are to implement projects that			
17.17	address emerging drinking-water supply			
17.18	threats, provide cost-effective regional			
17.19	solutions, leverage interjurisdictional			
17.20	coordination, support local implementation of			
17.21	water supply reliability projects, and prevent			
17.22	degradation of groundwater resources in the			
17.23	metropolitan area. These projects will provide			
17.24	to communities:			
17.25	(1) potential solutions to leverage regional			
17.26	water use through use of surface water, storm			
17.27	water, wastewater, and groundwater;			
17.28	(2) an analysis of infrastructure requirements			
17.29	for different alternatives;			
17.30	(3) development of planning level cost			
17.31	estimates, including capital cost and operation			
17.32	cost;			

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Sec. 9. 17

10.1	(4) : 1			
18.1	(4) identification of funding mechanisms and			
18.2	an equitable cost-sharing structure for			
18.3	regionally beneficial water supply			
18.4	development projects; and			
18.5	(5) development of subregional groundwater			
18.6	models.			
18.7	(b) \$250,000 the first year and \$250,000 the			
18.8	second year are for the water demand			
18.9	reduction grant program to encourage			
18.10	implementation of water demand reduction			
18.11	measures by municipalities in the metropolitan			
18.12	area to ensure the reliability and protection of			
18.13	drinking water supplies.			
18.14	Sec. 10. <u>UNIVERSITY OF MINNESOTA</u>	<u>\$</u>	<u>1,008,000</u> \$	1,007,000
18.15	(a) \$125,000 the first year and \$125,000 the			
18.16	second year are for developing county			
18.17	geologic atlases. This appropriation is			
18.18	available until June 30, 2022.			
18.19	(b) \$750,000 the first year and \$750,000 the			
18.20	second year are for a performance evaluation			
18.21	and technology transfer program for storm			
18.22	water best management practices to enhance			
18.23	data and information management of storm			
18.24	water best management practices; evaluate			
18.25	best management performance and			
18.26	effectiveness to support meeting total			
18.27	maximum daily loads; develop standards and			
18.28	incorporate state-of-the-art guidance using			
18.29	minimal impact design standards as the model;			
18.30	and implement a knowledge and technology			
18.31	transfer system across local government,			
18.32	industry, and regulatory sectors. This			
18.33	appropriation is available until June 30, 2020.			

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Sec. 10. 18

19.1	(c) \$133,000 the first year and \$132,000 the			
19.2	second year are to provide guidance			
19.3	documents and tools evaluating the clean			
19.4	water fund's return on investment to measure			
19.5	impacts on water quality and human			
19.6	well-being as well as assist in future funding			
19.7	decisions.			
19.8	Sec. 11. <u>LEGISLATURE</u>	<u>\$</u>	<u>15,000</u>	
19.9	\$15,000 the first year is for the Legislative			
19.10	Coordinating Commission for the Web site			
19.11	required in Minnesota Statutes, section 3.303,			
19.12	subdivision 10.			

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Sec. 11. 19