

1.1 moves to amend H.F. No. 303 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **CLEAN WATER FUND APPROPRIATIONS.**

1.4 The sums shown in the columns marked "Appropriations" are appropriated to the
 1.5 agencies and for the purposes specified in this act. The appropriations are from the clean
 1.6 water fund and are available for the fiscal years indicated for allowable activities under
 1.7 the Minnesota Constitution, article XI, section 15. The figures "2016" and "2017" used
 1.8 in this act mean that the appropriations listed under them are available for the fiscal year
 1.9 ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016.
 1.10 "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017.
 1.11 The appropriations in this act are onetime.

1.12		<u>APPROPRIATIONS</u>	
1.13		<u>Available for the Year</u>	
1.14		<u>Ending June 30</u>	
1.15		<u>2016</u>	<u>2017</u>

1.16 Sec. 2. **CLEAN WATER**

1.17	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>113,203,000</u>	<u>\$</u>	<u>112,999,000</u>
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1.18 The amounts that may be spent for each
 1.19 purpose are specified in the following
 1.20 sections.

1.21 **Subd. 2. Availability of Appropriation**

1.22 Money appropriated in this article may
 1.23 not be spent on activities unless they are
 1.24 directly related to and necessary for a
 1.25 specific appropriation. Money appropriated

2.1 in this article must be spent in accordance
 2.2 with Minnesota Management and Budget's
 2.3 Guidance to Agencies on Legacy Fund
 2.4 Expenditure. Notwithstanding Minnesota
 2.5 Statutes, section 16A.28, and unless
 2.6 otherwise specified in this article, fiscal year
 2.7 2016 appropriations are available until June
 2.8 30, 2017, and fiscal year 2017 appropriations
 2.9 are available until June 30, 2018. If a project
 2.10 receives federal funds, the time period of
 2.11 the appropriation is extended to equal the
 2.12 availability of federal funding.

2.13 **Sec. 3. DEPARTMENT OF AGRICULTURE \$ 5,834,000 \$ 5,832,000**

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

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

3.1 (c) \$75,000 the first year and \$75,000 the
3.2 second year are for administering clean water
3.3 funds managed through the agriculture best
3.4 management practices loan program. Any
3.5 unencumbered balance at the end of the
3.6 second year shall be added to the corpus of
3.7 the loan fund.

3.8 (d) \$1,125,000 the first year and \$1,125,000
3.9 the second year are for technical assistance,
3.10 research, and demonstration projects on
3.11 proper implementation of best management
3.12 practices and more precise information on
3.13 nonpoint contributions to impaired waters.
3.14 This appropriation is available until June 30,
3.15 2020.

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

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

3.31 (g) \$500,000 the first year and \$500,000 the
3.32 second year are to implement the Minnesota
3.33 agricultural water quality certification
3.34 program statewide. This appropriation is
3.35 available until June 30, 2020.

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

4.5 (i) \$250,000 the first year and \$250,000 the
 4.6 second year are for a perennial and cover crop
 4.7 research program to develop perennial and
 4.8 cover cropping systems specific to Minnesota
 4.9 that are necessary to protect and restore the
 4.10 state's surface and groundwater resources
 4.11 while increasing efficiency, profitability, and
 4.12 productivity of Minnesota farmers. This
 4.13 appropriation is available until June 30, 2018.

4.14 **Sec. 4. PUBLIC FACILITIES AUTHORITY \$ 9,250,000 \$ 9,250,000**

4.15 (a) \$9,000,000 the first year and \$9,000,000
 4.16 the second year are for the point source
 4.17 implementation grants program under
 4.18 Minnesota Statutes, section 446A.073. This
 4.19 appropriation is available until June 30, 2020.

4.20 (b) \$250,000 the first year and \$250,000
 4.21 the second year are for small community
 4.22 wastewater treatment grants and loans under
 4.23 Minnesota Statutes, section 446A.075. This
 4.24 appropriation is available until June 30, 2020.

4.25 (c) If there are any uncommitted funds at
 4.26 the end of each fiscal year under paragraph
 4.27 (a) or (b), the Public Facilities Authority
 4.28 may transfer the remaining funds to eligible
 4.29 projects under any of the programs listed
 4.30 in this section based on their priority rank
 4.31 on the Pollution Control Agency's project
 4.32 priority list.

4.33 **Sec. 5. POLLUTION CONTROL AGENCY \$ 26,250,000 \$ 26,248,000**

5.1 (a) \$8,250,000 the first year and \$8,250,000
5.2 the second year are for completion of 20
5.3 percent of the needed statewide assessments
5.4 of surface water quality and trends. If the
5.5 amount in the first year is insufficient, the
5.6 amount in the second year is available in the
5.7 first year.

5.8 (b) \$9,795,000 the first year and \$9,795,000
5.9 the second year are to develop watershed
5.10 restoration and protection strategies
5.11 (WRAPS), which include total maximum
5.12 daily load (TMDL) studies and TMDL
5.13 implementation plans for waters listed on
5.14 the Unites States Environmental Protection
5.15 Agency approved impaired waters list in
5.16 accordance with Minnesota Statutes, chapter
5.17 114D. The agency shall complete an average
5.18 of ten percent of the TMDLs each year over
5.19 the biennium.

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

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

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

6.4 (f) \$1,150,000 the first year and \$1,150,000
6.5 the second year are for TMDL research and
6.6 database development.

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

6.11 (h) \$3,623,000 the first year and \$3,622,000
6.12 the second year are for enhancing the
6.13 county-level delivery systems for subsurface
6.14 sewage treatment system (SSTS) activities
6.15 necessary to implement Minnesota Statutes,
6.16 sections 115.55 and 115.56, for protection
6.17 of groundwater, including base grants
6.18 for all counties with SSTS programs and
6.19 competitive grants to counties with specific
6.20 plans to significantly reduce water pollution
6.21 by reducing the number of systems that
6.22 are an imminent threat to public health or
6.23 safety or are otherwise failing. Counties that
6.24 receive base grants must report the number
6.25 of sewage noncompliant properties upgraded
6.26 through SSTS replacement, connection
6.27 to a centralized sewer system, or other
6.28 means, including property abandonment
6.29 or buy-out. Counties also must report
6.30 the number of existing SSTS compliance
6.31 inspections conducted in areas under county
6.32 jurisdiction. These required reports are to
6.33 be part of established annual reporting for
6.34 SSTS programs. Counties that conduct SSTS
6.35 inventories or those with an ordinance in

7.1 place that requires an SSTS to be inspected
7.2 as a condition of transferring property or as a
7.3 condition of obtaining a local permit must be
7.4 given priority for competitive grants under
7.5 this paragraph. Of this amount, \$750,000
7.6 each year is available to counties for grants to
7.7 low-income landowners to address systems
7.8 that pose an imminent threat to public health
7.9 or safety or fail to protect groundwater. A
7.10 grant awarded under this paragraph may not
7.11 exceed \$500,000 for the biennium. A county
7.12 receiving a grant under this paragraph must
7.13 submit a report to the agency listing the
7.14 projects funded, including an account of the
7.15 expenditures.

7.16 (i) \$275,000 the first year and \$275,000
7.17 the second year are for a storm water
7.18 best management practice performance
7.19 evaluation and technology transfer program
7.20 to enhance data and information management
7.21 of storm water best management practices;
7.22 evaluate best management performance
7.23 and effectiveness to support meeting total
7.24 maximum daily loads; develop standards
7.25 and incorporate state of the art guidance
7.26 using minimal impact design standards as
7.27 the model; and implement a knowledge
7.28 and technology transfer system across
7.29 local government, industry, and regulatory
7.30 sectors for pass-through to the University of
7.31 Minnesota. This appropriation is available
7.32 until June 30, 2018.

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

9.1 including watershed hydrologic modeling;
 9.2 maintaining and updating spatial data for
 9.3 watershed boundaries, streams, and water
 9.4 bodies and integrating high-resolution digital
 9.5 elevation data; assessing effectiveness of
 9.6 forestry best management practices for water
 9.7 quality; and developing a biomonitoring
 9.8 database.

9.9 (h) \$250,000 the first year and \$250,000
 9.10 the second year are for developing county
 9.11 geologic atlases.

9.12 (i) \$325,000 the first year and \$325,000 the
 9.13 second year are for color infrared imagery
 9.14 and analysis to determine the extent of
 9.15 permanent vegetation in riparian areas.

9.16 **Sec. 7. BOARD OF WATER AND SOIL**
 9.17 **RESOURCES**

\$ 58,131,000 \$ 58,132,000

9.18 (a) \$8,929,000 the first year and \$8,929,000
 9.19 the second year are for grants to local
 9.20 government units organized for the
 9.21 management of water in a watershed or
 9.22 subwatershed that have multiyear plans
 9.23 that will result in a significant reduction in
 9.24 water pollution in a selected subwatershed.

9.25 The grants may be used for establishment
 9.26 of riparian buffers; practices to store
 9.27 water for natural treatment and infiltration,
 9.28 including rain gardens; capturing storm
 9.29 water for reuse; stream bank, shoreland, and
 9.30 ravine stabilization; enforcement activities;
 9.31 and implementation of best management
 9.32 practices for feedlots within riparian areas
 9.33 and other practices demonstrated to be
 9.34 most effective in protecting, enhancing, and
 9.35 restoring water quality in lakes, rivers, and

10.1 streams and protecting groundwater from
10.2 degradation. Grant recipients must identify
10.3 a nonstate match and may use other legacy
10.4 funds to supplement projects funded under
10.5 this paragraph. Grants awarded under this
10.6 paragraph are available for four years and
10.7 priority must be given to the best designed
10.8 plans each year.

10.9 (b) \$14,775,000 the first year and
10.10 \$14,775,000 the second year are for grants
10.11 to protect and restore surface water and
10.12 drinking water; to keep water on the land; to
10.13 protect, enhance, and restore water quality
10.14 in lakes, rivers, and streams; and to protect
10.15 groundwater and drinking water, including
10.16 feedlot water quality and subsurface sewage
10.17 treatment system projects and stream bank,
10.18 stream channel, shoreline restoration,
10.19 and ravine stabilization projects. The
10.20 projects must use practices demonstrated
10.21 to be effective, be of long-lasting public
10.22 benefit, include a match, and be consistent
10.23 with total maximum daily load (TMDL)
10.24 implementation plans, watershed restoration
10.25 and protection strategies (WRAPS), or local
10.26 water management plans or their equivalents.

10.27 (c) \$6,000,000 the first year and \$6,000,000
10.28 the second year are for targeted local
10.29 resource protection and enhancement grants
10.30 and statewide program enhancements for
10.31 technical assistance, citizen and community
10.32 outreach, and training and certification, as
10.33 well as projects, practices, and programs that
10.34 supplement or otherwise exceed current state
10.35 standards for protection, enhancement, and
10.36 restoration of water quality in lakes, rivers,

- 11.1 and streams or that protect groundwater from
11.2 degradation, including compliance.
- 11.3 (d) \$950,000 the first year and \$950,000
11.4 the second year are to provide state
11.5 oversight and accountability, evaluate
11.6 results, provide implementation tools, and
11.7 measure the value of conservation program
11.8 implementation by local governments,
11.9 including submission to the legislature by
11.10 March 1 each even-numbered year a biennial
11.11 report prepared by the board, in consultation
11.12 with the commissioners of natural resources,
11.13 health, agriculture, and the Pollution Control
11.14 Agency, detailing the recipients, the projects
11.15 funded under this section, and the amount of
11.16 pollution reduced.
- 11.17 (e) \$1,000,000 the first year and \$1,000,000
11.18 the second year are for grants to local units
11.19 of government to enhance compliance
11.20 with riparian buffer or alternate practice
11.21 requirements.
- 11.22 (f) \$10,043,000 the first year and \$10,044,000
11.23 the second year are to restore or preserve
11.24 permanent conservation on riparian buffers
11.25 adjacent to lakes, rivers, streams, and
11.26 tributaries, to keep water on the land in order
11.27 to decrease sediment, pollutant, and nutrient
11.28 transport; reduce hydrologic impacts to
11.29 surface waters; and increase infiltration for
11.30 groundwater recharge. This appropriation
11.31 may be used for restoration of riparian
11.32 buffers permanently protected by easements
11.33 purchased with this appropriation or contracts
11.34 to achieve permanent protection for riparian
11.35 buffers or stream bank restorations when the

12.1 riparian buffers have been restored. Up to
12.2 \$344,000 is for deposit in a monitoring and
12.3 enforcement account.

12.4 (g) \$1,750,000 the first year and \$1,750,000
12.5 the second year are for permanent
12.6 conservation easements on wellhead
12.7 protection areas under Minnesota Statutes,
12.8 section 103F.515, subdivision 2, paragraph
12.9 (d), or for grants to local units of government
12.10 for fee title acquisition to permanently
12.11 protect groundwater supply sources on
12.12 wellhead protection areas or for otherwise
12.13 assuring long-term protection of groundwater
12.14 supply sources as described under alternative
12.15 management tools in the Department
12.16 of Agriculture's Nitrogen Fertilizer
12.17 Management Plan, including low nitrogen
12.18 cropping systems or implementing nitrogen
12.19 fertilizer best management practices. Priority
12.20 must be placed on land that is located where
12.21 the vulnerability of the drinking water supply
12.22 is designated as high or very high by the
12.23 commissioner of health and where drinking
12.24 water protection plans have identified
12.25 specific activities that will achieve long-term
12.26 protection. Up to \$52,500 is for deposit in a
12.27 monitoring and enforcement account.

12.28 (h) \$750,000 the first year and \$750,000
12.29 the second year are for community partner
12.30 grants to local units of government for:

12.31 (1) structural or vegetative management
12.32 practices that reduce storm water runoff
12.33 from developed or disturbed lands to reduce
12.34 the movement of sediment, nutrients, and
12.35 pollutants for restoration, protection, or
12.36 enhancement of water quality in lakes, rivers,

13.1 and streams and to protect groundwater
13.2 and drinking water; and (2) installation
13.3 of proven and effective water retention
13.4 practices including, but not limited to, rain
13.5 gardens and other vegetated infiltration
13.6 basins and sediment control basins in order
13.7 to keep water on the land. The projects must
13.8 be of long-lasting public benefit, include a
13.9 local match, and be consistent with TMDL
13.10 implementation plans, watershed restoration
13.11 and protection strategies (WRAPS), or local
13.12 water management plans or their equivalents.
13.13 Local government unit costs may be used as
13.14 a match.

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

13.20 (j) \$2,100,000 the first year and \$2,100,000
13.21 the second year are for assistance, oversight,
13.22 and grants to local governments to transition
13.23 local water management plans to a watershed
13.24 approach as provided for in Minnesota
13.25 Statutes, chapters 103B, 103C, 103D, and
13.26 114D.

13.27 (k) \$750,000 the first year and \$750,000
13.28 the second year are for technical assistance
13.29 and grants for the conservation drainage
13.30 program in consultation with the Drainage
13.31 Work Group, coordinated under Minnesota
13.32 Statutes, section 103B.101, subdivision
13.33 13, that includes projects to improve
13.34 multipurpose water management under
13.35 Minnesota Statutes, section 103E.015.

14.1 (l) \$9,000,000 the first year and \$9,000,000
14.2 the second year are to purchase and restore
14.3 permanent conservation sites via easements
14.4 or contracts to treat and store water on the
14.5 land for water quality improvement purposes
14.6 and related technical assistance. This work
14.7 may be done in cooperation with the United
14.8 States Department of Agriculture with a first
14.9 priority use to accomplish a conservation
14.10 reserve enhancement program, or equivalent,
14.11 in the state. Up to \$1,285,000 is for deposit
14.12 in a monitoring and enforcement account.

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

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

14.27 (o) \$500,000 the first year and \$500,000
14.28 the second year are to supplement, in equal
14.29 amounts, each soil and water conservation
14.30 district's general service grant.

14.31 (p) The board may contract for delivery of
14.32 services with Conservation Corps Minnesota
14.33 for restoration, maintenance, and other
14.34 activities under this section.

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

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

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

15.16 **Sec. 8. DEPARTMENT OF HEALTH \$ 4,013,000 \$ 3,812,000**

15.17 (a) \$1,100,000 the first year and \$1,100,000
 15.18 the second year are for addressing public
 15.19 health concerns related to contaminants
 15.20 found in Minnesota drinking water for which
 15.21 no health-based drinking water standards
 15.22 exist, including accelerating the development
 15.23 of health risk limits and improving the
 15.24 capacity of the department's laboratory to
 15.25 analyze unregulated contaminants. The
 15.26 commissioner shall contract with the Board
 15.27 of Regents of the University of Minnesota
 15.28 to provide an independent review of the
 15.29 department's drinking water contaminants
 15.30 of emerging concern program. The review
 15.31 must include an assessment and ranking of
 15.32 contaminants that are threats to drinking
 15.33 water supplies and include benchmarking
 15.34 that compares efforts at the department with

16.1 efforts by other states and the United States
16.2 Environmental Protection Agency. The
16.3 review must be submitted to the Clean Water
16.4 Council and the chairs and ranking minority
16.5 members of the house of representatives
16.6 and senate committees and divisions with
16.7 jurisdiction over environment and natural
16.8 resources by June 1, 2016.

16.9 (b) \$1,900,000 the first year and \$1,900,000
16.10 the second year are for protection of drinking
16.11 water sources.

16.12 (c) \$113,000 the first year and \$112,000 the
16.13 second year are for cost-share assistance to
16.14 public and private well owners for up to 50
16.15 percent of the cost of sealing unused wells.

16.16 (d) \$125,000 the first year and \$125,000
16.17 the second year are to develop and deliver
16.18 groundwater restoration and protection
16.19 strategies for use on a watershed scale for use
16.20 in local water planning efforts and to provide
16.21 resources to local governments for drinking
16.22 water source protection activities.

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

16.30 (f) \$275,000 the first year and \$75,000
16.31 the second year are for development
16.32 and implementation of a groundwater
16.33 virus monitoring plan, including an
16.34 epidemiological study to determine the

17.1 association between groundwater virus
 17.2 concentration and community illness rates.

17.3 (g) \$175,000 the first year and \$175,000 the
 17.4 second year are to prepare a comprehensive
 17.5 study of and recommendations for regulatory
 17.6 and nonregulatory approaches to water reuse
 17.7 for use in the development of state policy for
 17.8 water reuse in Minnesota.

17.9 (h) Unless otherwise specified, the
 17.10 appropriations in this section are available
 17.11 until June 30, 2019.

17.12 **Sec. 9. METROPOLITAN COUNCIL \$ 1,225,000 \$ 1,225,000**

17.13 (a) \$975,000 the first year and \$975,000
 17.14 the second year are to implement projects
 17.15 that address emerging drinking water supply
 17.16 threats, provide cost-effective regional
 17.17 solutions, leverage interjurisdictional
 17.18 coordination, support local implementation
 17.19 of water supply reliability projects, and
 17.20 prevent degradation of groundwater
 17.21 resources in the metropolitan area. These
 17.22 projects will provide to communities:

17.23 (1) potential solutions to leverage regional
 17.24 water use through utilization of surface water,
 17.25 storm water, wastewater, and groundwater;

17.26 (2) an analysis of infrastructure requirements
 17.27 for different alternatives;

17.28 (3) development of planning level cost
 17.29 estimates, including capital cost and
 17.30 operation cost;

17.31 (4) identification of funding mechanisms
 17.32 and an equitable cost-sharing structure

18.1 for regionally beneficial water supply
18.2 development projects; and
18.3 (5) development of subregional groundwater
18.4 models.
18.5 (b) \$250,000 the first year and \$250,000
18.6 the second year are for the water demand
18.7 reduction grant program to encourage
18.8 implementation of water demand reduction
18.9 measures by municipalities in the
18.10 metropolitan area to ensure the reliability and
18.11 protection of drinking water supplies.

18.12 Sec. 10. Minnesota Statutes 2014, section 103A.206, is amended to read:

18.13 **103A.206 SOIL AND WATER CONSERVATION POLICY.**

18.14 Maintaining and enhancing the quality of soil and water for the environmental and
18.15 economic benefits they produce, preventing degradation, and restoring degraded soil and
18.16 water resources of this state contribute greatly to the health, safety, economic well-being,
18.17 and general welfare of this state and its citizens. Land occupiers have the responsibility to
18.18 implement practices that conserve the soil and water resources of the state. Soil and water
18.19 conservation measures implemented on private lands in this state provide benefits to the
18.20 general public by reducing erosion, sedimentation, siltation, water pollution, and damages
18.21 caused by floods. The soil and water conservation policy of the state is to encourage land
18.22 occupiers to conserve soil, water, and the natural resources they support through the
18.23 implementation of practices that:

- 18.24 (1) control or prevent erosion, sedimentation, siltation, and related pollution in
18.25 order to preserve natural resources;
- 18.26 (2) ensure continued soil health, as defined under section 103C.101, subdivision
18.27 10a, and soil productivity;
- 18.28 (3) protect water quality;
- 18.29 (4) prevent impairment of dams and reservoirs;
- 18.30 (5) reduce damages caused by floods;
- 18.31 (6) preserve wildlife;
- 18.32 (7) protect the tax base; and
- 18.33 (8) protect public lands and waters.

19.1 Sec. 11. Minnesota Statutes 2014, section 103B.101, is amended by adding a
19.2 subdivision to read:

19.3 Subd. 16. **Water quality practices; standardized specifications.** The Board of
19.4 Water and Soil Resources shall work with state and federal agencies, academic institutions,
19.5 local governments, practitioners, and stakeholders to foster mutual understanding and
19.6 provide recommendations for standardized specifications for water quality and soil
19.7 conservation protection and improvement practices and projects. The board may convene
19.8 working groups or work teams to develop information, education, and recommendations.

19.9 Sec. 12. [103B.801] **COMPREHENSIVE WATERSHED MANAGEMENT**
19.10 **PLANNING PROGRAM.**

19.11 Subdivision 1. **Definitions.** The definitions under section 103B.3363, subdivisions 2
19.12 to 4, apply to this section.

19.13 Subd. 2. **Program purposes.** The purposes of the comprehensive watershed
19.14 management plan program under section 103B.101, subdivision 14, paragraph (a), are to:

19.15 (1) align local water planning purposes and procedures under chapters 103B, 103C,
19.16 and 103D on watershed boundaries to create a systematic, watershed-wide, science-based
19.17 approach to watershed management;

19.18 (2) acknowledge and build off existing local government structure, water plan
19.19 services, and local capacity;

19.20 (3) incorporate and make use of data and information, including watershed
19.21 restoration and protection strategies under section 114D.26;

19.22 (4) solicit input and engage experts from agencies, citizens, and stakeholder groups;

19.23 (5) focus on implementation of prioritized and targeted actions capable of achieving
19.24 measurable progress; and

19.25 (6) serve as a substitute for a comprehensive plan, local water management plan, or
19.26 watershed management plan developed or amended, approved, and adopted, according
19.27 to chapter 103B, 103C, or 103D.

19.28 Subd. 3. **Coordination.** The board shall develop policies for coordination and
19.29 development of comprehensive watershed management plans. To ensure effectiveness
19.30 and accountability in meeting the purposes of subdivision 2, these policies must address,
19.31 at a minimum:

19.32 (1) a boundary framework consistent with section 103B.101, subdivision 14,
19.33 paragraph (a), and procedures, requirements, and criteria for establishing or modifying
19.34 the framework consistent with the goals of section 103A.212. The metropolitan area, as
19.35 defined under section 473.121, subdivision 2, may be considered for inclusion in the

20.1 boundary framework. If included, the metropolitan area is not excluded from the water
20.2 management programs under sections 103B.201 to 103B.255;

20.3 (2) requirements for coordination, participation, and commitment between local
20.4 government units in the development, approval, adoption, and implementation of
20.5 comprehensive watershed management plans within planning boundaries identified
20.6 according to this subdivision;

20.7 (3) requirements for consistency with state agency-adopted water and natural
20.8 resources-related plans and documents required by chapters 103A, 103B, 103C, 103D,
20.9 103E, 103F, 103G, and 114D; and

20.10 (4) procedures for plan development, review, and approval consistent with the intent
20.11 of sections 103B.201, 103B.255, 103B.311, 103B.321, 103D.401, and 103D.405. If the
20.12 procedures in these sections are contradictory as applied to a specific proceeding, the
20.13 board must establish a forum where the public interest conflicts involved can be presented
20.14 and, by consideration of the whole body of water law, the controlling policy can be
20.15 determined and apparent inconsistencies resolved.

20.16 Subd. 4. **Plan content.** (a) The board shall develop policies for required
20.17 comprehensive watershed management plan content consistent with comprehensive local
20.18 water management planning. To ensure effectiveness and accountability in meeting the
20.19 purposes of subdivision 2, plan content must include, at a minimum:

20.20 (1) an analysis and prioritization of issues and resource concerns;

20.21 (2) measurable goals to address the issues and concerns, including but not limited to:

20.22 (i) restoration, protection, and preservation of natural surface water and groundwater
20.23 storage and retention systems;

20.24 (ii) minimization of public capital expenditures needed to correct flooding and
20.25 water quality problems;

20.26 (iii) restoration, protection, and improvement of surface water and groundwater
20.27 quality;

20.28 (iv) establishment of more uniform local policies and official controls for surface
20.29 water and groundwater management;

20.30 (v) identification of priority areas for wetland enhancement, restoration, and
20.31 establishment;

20.32 (vi) identification of priority areas for riparian zone management and buffers;

20.33 (vii) prevention of erosion and soil transport into surface water systems;

20.34 (viii) promotion of groundwater recharge;

20.35 (ix) protection and enhancement of fish and wildlife habitat and water recreational
20.36 facilities; and

21.1 (x) securing other benefits associated with the proper management of surface water
21.2 and groundwater;

21.3 (3) a targeted implementation schedule describing at a minimum the actions,
21.4 locations, timeline, estimated costs, method of measurement, and identification of roles
21.5 and responsible government units;

21.6 (4) a description of implementation programs, including how the implementation
21.7 schedule will be achieved and how the plan will be administered and coordinated between
21.8 local water management responsibilities; and

21.9 (5) a land and water resource inventory.

21.10 Subd. 5. **Timelines; administration.** (a) The board shall develop and adopt, by
21.11 June 30, 2016, a transition plan for development, approval, adoption, and coordination
21.12 of plans consistent with section 103A.212. The transition plan must include a goal of
21.13 completing statewide transition to comprehensive watershed management plans by 2025.
21.14 The metropolitan area may be considered for inclusion in the transition plan.

21.15 (b) The board may use the authority under section 103B.3369, subdivision 9, to
21.16 support development or implementation of a comprehensive watershed management
21.17 plan under this section.

21.18 Subd. 6. **Authority.** Notwithstanding any laws to the contrary, the authorities
21.19 granted to local government through chapters 103B, 103C, and 103D are retained when
21.20 a comprehensive watershed management plan is adopted as a substitute for a watershed
21.21 management plan required under section 103B.231, a county groundwater plan authorized
21.22 under section 103B.255, a county water plan authorized under section 103B.311, a
21.23 comprehensive plan authorized under section 103C.331, or a watershed management plan
21.24 required under section 103D.401 or 103D.405.

21.25 Sec. 13. Minnesota Statutes 2014, section 103C.101, is amended by adding a
21.26 subdivision to read:

21.27 Subd. 10a. **Soil health.** "Soil health" means the continued capacity of soil to
21.28 function as a vital living system that sustains plants, animals, and humans. Indicators
21.29 of soil health include water infiltration capacity; organic matter content; water holding
21.30 capacity; biological capacity to break down plant residue and other substances and
21.31 to maintain soil aggregation; nutrient sequestration and cycling capacity; carbon
21.32 sequestration; and soil resistance.

21.33 Sec. 14. Minnesota Statutes 2014, section 103C.401, subdivision 1, is amended to read:

- 22.1 Subdivision 1. **Powers and duties.** In addition to the powers and duties of the state
22.2 board provided by other law, the state board shall:
- 22.3 (1) offer to assist the district boards to implement their programs;
- 22.4 (2) keep the district boards of the state informed of the activities and experience of
22.5 other districts and facilitate cooperation and an interchange of advice and experience
22.6 among the districts;
- 22.7 (3) coordinate the programs and activities of the districts with appropriate agencies
22.8 by advice and consultation;
- 22.9 (4) approve or disapprove the plans or programs of districts relating to the use of
22.10 state funds administered by the state board;
- 22.11 (5) secure the cooperation and assistance of agencies in the work of the districts
22.12 and develop a program to advise and assist appropriate agencies in obtaining state and
22.13 federal funds for erosion, sedimentation, flooding, and agriculturally related pollution
22.14 control programs;
- 22.15 (6) develop and implement a public information program concerning the districts'
22.16 activities and programs, the problems and preventive practices relating to erosion control,
22.17 sedimentation, agriculturally related pollution, flood prevention, and the advantages of
22.18 formation of districts in areas where their organization is desirable;
- 22.19 (7) consolidate districts without a hearing or a referendum;
- 22.20 (8) assist the statewide program to inventory and classify the types of soils in the
22.21 state as determined by the Minnesota Cooperative Soil Survey;
- 22.22 (9) identify research needs and cooperate with other public agencies in research
22.23 concerning the nature and extent of erosion, sedimentation, flooding and agriculturally
22.24 related pollution, the amounts and sources of sediment and pollutants delivered to the
22.25 waters of the state, and long-term soil productivity;
- 22.26 (10) develop structural, land use management practice, and other programs to reduce
22.27 or prevent soil erosion, sedimentation, flooding, and agriculturally related pollution;
- 22.28 (11) develop a system of priorities to identify the erosion, flooding, sediment, and
22.29 agriculturally related pollution problem areas that most need control systems;
- 22.30 (12) ensure compliance with statewide programs and policies established by the state
22.31 board by advice, consultation, and approval of grant agreements with the districts; ~~and~~
- 22.32 (13) service requests from districts to consolidate districts across county boundaries
22.33 and facilitate other agreed-to reorganizations of districts with other districts or other
22.34 local units of government, including making grants, within the limits of available funds,
22.35 to offset the cost of consolidation or reorganization; and
- 22.36 (14) develop and implement a state-led technical training and certification program.

23.1 Sec. 15. Minnesota Statutes 2014, section 103C.501, subdivision 5, is amended to read:

23.2 Subd. 5. **Contracts by districts.** (a) A district board may contract on a cost-share
23.3 basis to furnish financial aid to a land occupier or to a state agency for permanent systems
23.4 for erosion or sedimentation control or water quality or water quantity improvements that
23.5 are consistent with the district's comprehensive and annual work plans.

23.6 (b) A district board, with approval from the state board and consistent with state
23.7 board rules and policies, may contract on a cost-share basis to furnish financial aid to a
23.8 land occupier for nonstructural land management practices that are part of a planned
23.9 erosion control or water quality improvement plan.

23.10 ~~(b)~~ (c) The duration of the contract must, at a minimum, be the time required to
23.11 complete the planned systems. A contract must specify that the land occupier is liable for
23.12 monetary damages and penalties in an amount up to 150 percent of the financial assistance
23.13 received from the district, for failure to complete the systems or practices in a timely
23.14 manner or maintain the systems or practices as specified in the contract.

23.15 ~~(e)~~ (d) A contract may provide for cooperation or funding with federal agencies.
23.16 A land occupier or state agency may provide the cost-sharing portion of the contract
23.17 through services in kind.

23.18 ~~(d)~~ (e) The state board or the district board may not furnish any financial aid for
23.19 practices designed only to increase land productivity.

23.20 ~~(e)~~ (f) When a district board determines that long-term maintenance of a system or
23.21 practice is desirable, the board may require that maintenance be made a covenant upon
23.22 the land for the effective life of the practice. A covenant under this subdivision shall be
23.23 construed in the same manner as a conservation restriction under section 84.65.

23.24 Sec. 16. Minnesota Statutes 2014, section 114D.30, subdivision 2, is amended to read:

23.25 Subd. 2. **Membership; appointment.** (a) The commissioners of natural resources,
23.26 agriculture, health, and the Pollution Control Agency, ~~and~~ the executive director of the
23.27 Board of Water and Soil Resources, the Board of Regents of the University of Minnesota,
23.28 and the Metropolitan Council shall each appoint one person from their respective ~~agency~~
23.29 entity to serve as a nonvoting member of the council. Two members of the house of
23.30 representatives, including one member from the majority party and one member from the
23.31 minority party, appointed by the speaker and two senators, including one member from
23.32 the majority party and one member from the minority party, appointed according to the
23.33 rules of the senate shall serve at the pleasure of the appointing authority as nonvoting
23.34 members of the council. ~~Agency and legislative~~ Members appointed under this paragraph
23.35 serve as nonvoting members of the council.

24.1 (b) ~~Nineteen~~ Seventeen voting members of the council shall be appointed by the
24.2 governor as follows:

24.3 (1) two members representing statewide farm organizations;

24.4 (2) two members representing business organizations;

24.5 (3) two members representing environmental organizations;

24.6 (4) one member representing soil and water conservation districts;

24.7 (5) one member representing watershed districts;

24.8 (6) one member representing nonprofit organizations focused on improvement of
24.9 Minnesota lakes or streams;

24.10 (7) two members representing organizations of county governments, one member
24.11 representing the interests of rural counties and one member representing the interests of
24.12 counties in the seven-county metropolitan area;

24.13 (8) two members representing organizations of city governments;

24.14 ~~(9) one member representing the Metropolitan Council established under section
24.15 473.123;~~

24.16 ~~(10)~~ (9) one member representing township officers;

24.17 ~~(11)~~ (10) one member representing the interests of tribal governments;

24.18 ~~(12)~~ (11) one member representing statewide hunting organizations; and

24.19 ~~(13) one member representing the University of Minnesota or a Minnesota state
24.20 university; and~~

24.21 ~~(14)~~ (12) one member representing statewide fishing organizations.

24.22 Members appointed under this paragraph must not be registered lobbyists or legislators.

24.23 In making appointments, the governor must attempt to provide for geographic balance.

24.24 The members of the council appointed by the governor are subject to the advice and
24.25 consent of the senate.

24.26 Sec. 17. Laws 2013, chapter 137, article 2, section 6, is amended to read:

24.27	Sec. 6. DEPARTMENT OF NATURAL		12,635,000		9,450,000
24.28	RESOURCES	\$	<u>12,135,000</u>	\$	<u>8,950,000</u>

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

- 25.1 (b) \$1,300,000 the first year and \$1,300,000
25.2 the second year are for lake Index of
25.3 Biological Integrity (IBI) assessments.
- 25.4 (c) \$135,000 the first year and \$135,000
25.5 the second year are for assessing mercury
25.6 contamination and other contaminants of
25.7 fish, including monitoring to track the status
25.8 of waters impaired by mercury and mercury
25.9 reduction efforts over time.
- 25.10 (d) \$1,850,000 the first year and \$1,850,000
25.11 the second year are for developing targeted,
25.12 science-based watershed restoration and
25.13 protection strategies, including regional
25.14 technical assistance for TMDL plans and
25.15 development of a watershed assessment tool,
25.16 in cooperation with the commissioner of the
25.17 Pollution Control Agency. By January 15,
25.18 2016, the commissioner shall submit a report
25.19 to the chairs and ranking minority members
25.20 of the senate and house of representatives
25.21 committees and divisions with jurisdiction
25.22 over environment and natural resources
25.23 policy and finance providing the outcomes
25.24 to lakes, rivers, streams, and groundwater
25.25 achieved with this appropriation and
25.26 recommendations.
- 25.27 (e) \$1,375,000 the first year and \$1,375,000
25.28 the second year are for water supply planning,
25.29 aquifer protection, and monitoring activities.
- 25.30 (f) \$1,000,000 the first year and \$1,000,000
25.31 the second year are for technical assistance
25.32 to support local implementation of nonpoint
25.33 source restoration and protection activities,
25.34 including water quality protection in forested
25.35 watersheds.

26.1 (g) \$675,000 the first year and \$675,000
26.2 the second year are for applied research
26.3 and tools, including watershed hydrologic
26.4 modeling; maintaining and updating spatial
26.5 data for watershed boundaries, streams, and
26.6 water bodies and integrating high-resolution
26.7 digital elevation data; assessing effectiveness
26.8 of forestry best management practices for
26.9 water quality; and developing an ecological
26.10 monitoring database.

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

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

26.19 (j) \$3,000,000 the first year is for beginning
26.20 to develop and designate groundwater
26.21 management areas under Minnesota Statutes,
26.22 section 103G.287, subdivision 4. The
26.23 commissioner, in consultation with the
26.24 commissioners of the Pollution Control
26.25 Agency, health, and agriculture, shall
26.26 establish a uniform statewide hydrogeologic
26.27 mapping system that will include designated
26.28 groundwater management areas. The
26.29 mapping system must include wellhead
26.30 protection areas, special well construction
26.31 areas, groundwater provinces, groundwater
26.32 recharge areas, and other designated or
26.33 geographical areas related to groundwater.
26.34 This mapping system shall be used to
26.35 implement all groundwater-related laws

27.1 and for reporting and evaluations. This
27.2 appropriation is available until June 30, 2017.

27.3 ~~(k) \$500,000 the first year and \$500,000 the~~
27.4 ~~second year are for grants to counties and~~
27.5 ~~other local units of government to adopt and~~
27.6 ~~implement advanced shoreland protection~~
27.7 ~~measures. The grants awarded under this~~
27.8 ~~paragraph shall be for up to \$100,000 and~~
27.9 ~~must be used to restore and enhance riparian~~
27.10 ~~areas to protect, enhance, and restore water~~
27.11 ~~quality in lakes, rivers, and streams. Grant~~
27.12 ~~recipients must submit a report to the~~
27.13 ~~commissioner on the outcomes achieved~~
27.14 ~~with the grant. To be eligible for a grant~~
27.15 ~~under this paragraph, a county or other local~~
27.16 ~~unit of government must be adopting or have~~
27.17 ~~adopted an ordinance for the subdivision,~~
27.18 ~~use, redevelopment, and development of~~
27.19 ~~shoreland that has been approved by the~~
27.20 ~~commissioner of natural resources as having~~
27.21 ~~advanced shoreland protection measures. An~~
27.22 ~~ordinance must meet or exceed the following~~
27.23 ~~standards:~~

27.24 ~~(1) requires new sewage treatment systems~~
27.25 ~~to be set back at least 100 feet from the~~
27.26 ~~ordinary high water level for recreational~~
27.27 ~~development shorelands and 75 feet for~~
27.28 ~~general development lake shorelands;~~

27.29 ~~(2) requires redevelopment and new~~
27.30 ~~development on shoreland to have at least~~
27.31 ~~a 50-foot vegetative buffer. An access path~~
27.32 ~~and recreational use area may be allowed;~~

27.33 ~~(3) requires mitigation when any variance to~~
27.34 ~~standards designed to protect lakes, rivers,~~
27.35 ~~and streams is granted;~~

28.1 ~~(4) requires best management practices to be~~
28.2 ~~used to control storm water and sediment as~~
28.3 ~~part of a land alteration;~~

28.4 ~~(5) includes other criteria developed by the~~
28.5 ~~commissioner; and~~

28.6 ~~(6) has been adopted by July 1, 2015.~~

28.7 ~~An ordinance that does not exceed all the~~
28.8 ~~standards in clauses (1) to (5) is considered~~
28.9 ~~to meet the requirement if the commissioner~~
28.10 ~~determines that the ordinance provides~~
28.11 ~~significantly greater protection for both~~
28.12 ~~waters and shoreland than those standards.~~

28.13 ~~The commissioner of natural resources~~
28.14 ~~may develop additional criteria for the~~
28.15 ~~grants awarded under this paragraph. In~~
28.16 ~~developing the criteria, the commissioner~~
28.17 ~~shall consider the proposed changes to~~
28.18 ~~the department's shoreland rules discussed~~
28.19 ~~during the rulemaking process authorized~~
28.20 ~~under Laws 2007, chapter 57, article 1,~~
28.21 ~~section 4, subdivision 3. This appropriation~~
28.22 ~~is available until spent.~~

28.23 ~~(h) (k) \$100,000 the first year is for the~~
28.24 ~~commissioner of natural resources for~~
28.25 ~~rulemaking under Minnesota Statutes,~~
28.26 ~~section 116G.15, subdivision 7.~~

28.27 **Sec. 18. CANCELLATION OF PRIOR APPROPRIATIONS.**

28.28 (a) The unspent balance of the appropriation to the Public Facilities Authority for the
28.29 clean water legacy phosphorus reduction grant program under Minnesota Statutes, section
28.30 446A.074, in Laws 2009, chapter 172, article 2, section 3, paragraph (b), is canceled.

28.31 (b) The unspent balance of the appropriation to the Public Facilities Authority for
28.32 the clean water legacy phosphorus reduction grant program under Minnesota Statutes,
28.33 section 446A.074, in Laws 2011, First Special Session chapter 6, article 2, section 4,
28.34 paragraph (b), is canceled.

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