

CLEAN WATER COUNCIL

FY26-27 Clean Water Fund and Policy Recommendations Report



Biennial Report to the Legislature
January 2025



EXECUTIVE SUMMARY

The Council's Clean Water Fund recommendations for FY26-27 total \$310,752,000. In addition to maintaining support for important programs, the Council would like to highlight the following funding and policy recommendations for FY26-27.

1. Increased support for private well

users: Beginning in southeastern Minnesota, the Minnesota Department of Health (MDH) will provide free well testing for all private well users over ten years, continue building a private well inventory, and educate residents on their options for mitigation if needed.

2. Recommendations for a more comprehensive approach to protecting public and private wells:

In addition to existing Clean Water Fund programs, the Council requests additional funding from the Legislature for more frequent feedlot inspections, more compatible land use that protects drinking water, technical and financial assistance, and additional funding for private well mitigation that cannot be paid for with the Clean Water Fund.

3. Recommendations for drainage:

The Council supports identifying more opportunities for multi-purpose drainage management that add water quality benefits to the existing drainage system management process. Modest technical and financial assistance can reduce peak flows compared to standard drainage improvement, which leads to higher water quality.

4. Continued progress in meeting land protection and restoration goals in key areas:

The Clean Water Fund supports easements that protect and restore shoreline in the Upper Mississippi River Headwaters Basin. These easements protect drinking water quality downstream and maintain healthy surface waters.

5. Completion of watershed plans and increased funding to science- and watershed-based projects: In FY26-27, all watersheds in Minnesota will have an approved watershed plan under the One Watershed One Plan and Metropolitan Surface

Water Management programs. These units will all receive implementation grants every two years through the Watershed-Based Implementation Funding (WBIF) program.

6. Boosting support for the Lake Superior basin:

The Council is making support for local partners in the Lake Superior Basin part of its base recommendations. These soil and water conservation districts (SWCDs) will have the capacity to apply for and manage additional federal funds that support the Great Lakes.

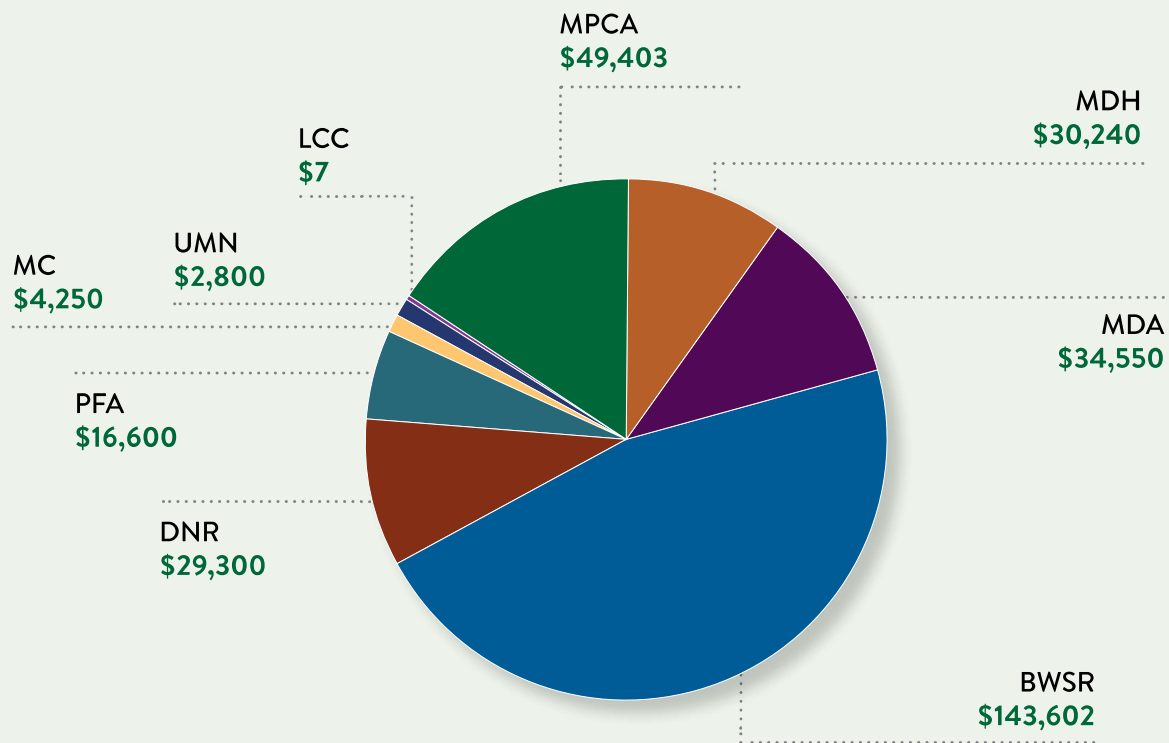
7. Increased funding for soil health and continuous living cover (CLC):

Assisting farmers with introduction of best practices like no-till, strip-till, and cover crops will help water quality in the years to come. The Council's support for the Forever Green Initiative will prepare Minnesota for a future with income-producing crops with multiple benefits like sustainable aviation fuel.



FUNDING RECOMMENDATIONS

Figure 4: Spending breakdown by agency (000's)



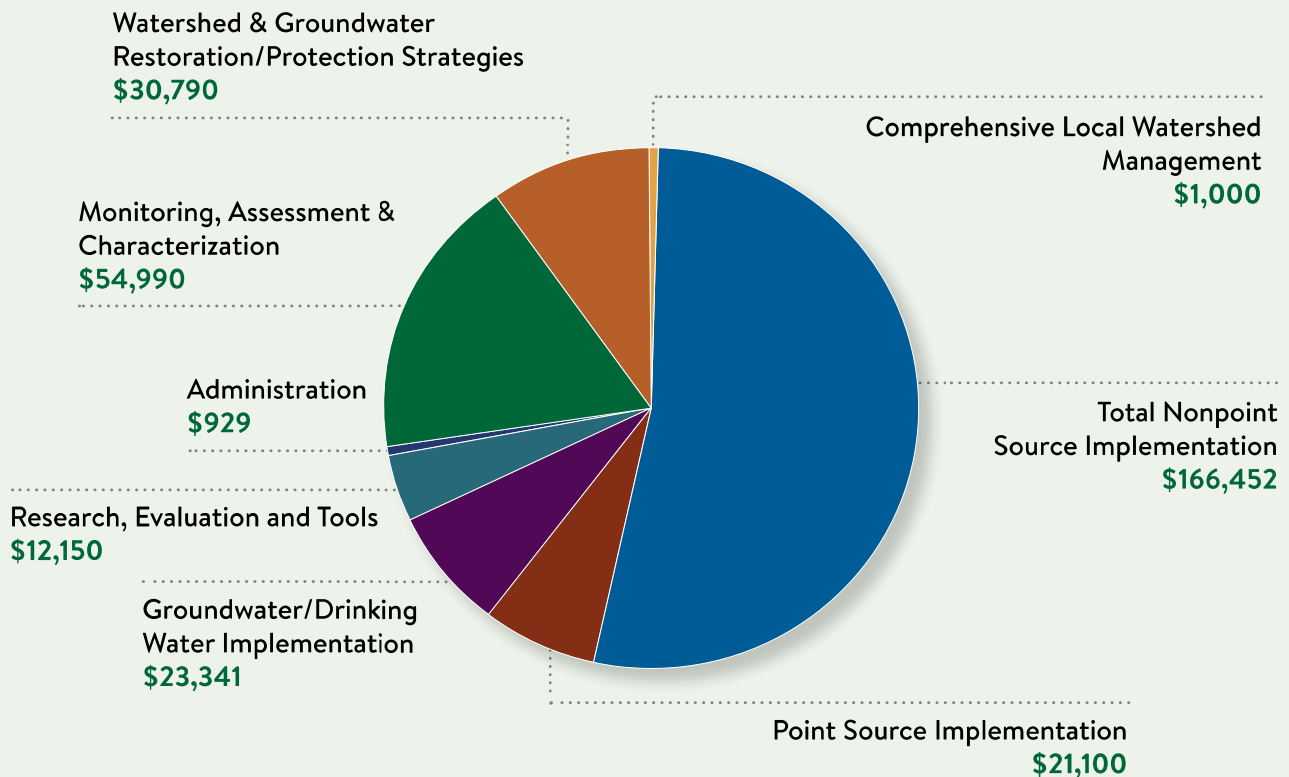
Agency Acronyms

BWSR – Board of Water & Soil Resources
DNR – Department of Natural Resources
LCC – Legislative Coordinating Committee
MC – Metropolitan Council

MDA – Minnesota Department of Agriculture
MDH – Minnesota Department of Health
MPCA – Minnesota Pollution Control Agency
PFA – Public Facilities Authority

FUNDING RECOMMENDATIONS

Figure 5: Spending breakdown by water management framework category (000's)



- **Nonpoint source implementation:** Programs and projects that address pollution from nonpoint sources — storm sewers, failing septic systems, and runoff from construction sites, agricultural runoff, paved surfaces, and lawns.
- **Point source implementation:** Programs and projects that address pollution from a single location such as a wastewater treatment plant.
- **Groundwater/drinking water implementation:** Projects that address water quality and quantity needs in groundwater and drinking water.
- **Monitoring, characterization, and assessment:** Programs that determine the condition of ground and surface waters, and analyze and synthesize data so that key interactions, stressors, and threats are understood.
- **Watershed and groundwater restoration and protection strategies:** Development of science and strategies that help identify priorities in each of the state's 80 major watersheds.
- **Comprehensive local watershed management:** Planning for prioritized, targeted, and measurable actions for each major watershed ("One Watershed One Plan").

FUNDING RECOMMENDATIONS

Monitoring, Assessment, and Characterization

Agency	Activity	Summary of Program	Recommendations (000's)
DNR	Stream Flow Monitoring Program	Continuously monitors 172 sites for volume, chemistry, and sediment.	\$5,650
DNR	Lake Index of Biological Integrity	Surveys fish and aquatic plants in 495 lakes for stressors. Results serve as proxy for “fishable” waters.	\$3,050
DNR	Fish Contamination Assessment	Tests fish for mercury, PCBs, and PFAS for 1385 lakes and 114 rivers.	\$1,100
DNR	Aquifer Monitoring for Water Supply Planning	Monitors 1,250 wells statewide and installs 25 new wells annually from the CWF. Provides planning and technical assistance to water suppliers and LGUs.	\$4,700
MDA	Monitoring for Pesticides in Surface Water and Groundwater	Added over 140 additional pesticide analytes and analyzes about 400 additional pesticide water quality samples annually at MDA lab for risk assessment, planning, and BMPs.	\$740
MDA	Pesticide Testing in Private Wells	Provides free pesticide testing for vulnerable wells in agricultural regions around the state, and has completed free pesticide testing for 6,100 vulnerable wells in 344 priority townships.	\$1,000
MDH	Contaminants of Emerging Concern	Develops health-based drinking water guidance for about five contaminants annually, with PFAS efforts to increase with this new recommendation.	\$11,850
MDH	Private Well Initiative	Will offer free private well testing for five contaminants to 10 percent of Minnesota's private well owners annually for ten years. Adds to private well inventory and supports education.	\$6,000
MPCA	River and Lake Monitoring and Assessment	Completes intensive monitoring in about eight watersheds per year, and annual pollutant monitoring at 197 sites annually. New recommendations will support regular PFAS monitoring.	\$18,900
MPCA	Groundwater Monitoring and Assessment	Performs water quality sampling & data analysis from network of 270 ambient wells.	\$2,000

Monitoring, Assessment, and Characterization Total – \$54,990



FUNDING RECOMMENDATIONS

Watershed & Groundwater Restoration/Protection Strategies

Agency	Activity	Summary of Program	Recommendations (000's)
DNR	Watershed Restoration and Protection Strategies–DNR Portion	Adds geomorphology, hydrology, and connectivity data to WRAPS process, and supports Watershed Health Assessment Framework (WHAF) tool.	\$5,000
MDH	Source Water Protection	Assists public water systems in the management of over 500 source water protection plans statewide. Completes new or updated planning and data driven strategies for 60 systems during the biennium. Provides grants for implementation activities. Collaborates with other local planning efforts and develops and coordinates water quality surveillance activities.	\$7,790
MDH	Groundwater Restoration and Protection Strategies	Completes GRAPS for six to eight major watersheds annually in alignment with comprehensive watershed management plans (One Watershed One Plan). Also provides training and makes groundwater data public.	\$3,500
MPCA	Watershed Restoration & Protection Strategies (includes TMDL development)	Develops and updates data-driven strategies to meet water quality goals in each of 80 watersheds. Also completes required TMDLs for impaired waters. Evaluates effectiveness of efforts over time.	\$14,500

Watershed & Groundwater Restoration/Protection Strategies Total – \$30,790

Comprehensive Local Watershed Management

Agency	Activity	Summary of Program	Recommendations (000's)
BWSR	Watershed Management Transition (One Watershed, One Plan)	Maintains completed comprehensive watershed management plans through plan assessments and amendments, and provides ongoing program support.	\$1,000

Comprehensive Local Watershed Management Total – \$1,000

FUNDING RECOMMENDATIONS

Nonpoint Source Implementation

Agency	Activity	Summary of Program	Recommendations (000's)
BWSR	Grants to Watersheds with Approved Comprehensive Watershed Plans (Watershed-based Implementation Funding)	Makes non-competitive grants to fulfill projects in approved comprehensive watershed management plans (One Watershed One Plan) and plans developed under the metro surface water and groundwater programs.	\$90,000
BWSR	Surface and Drinking Water Protection/Restoration Grants: (Projects and Practices)	Makes competitive grants for high priority conservation BMPs in local water plans. Up to twenty percent must support drinking water.	\$6,000
BWSR	Accelerated Implementation	Builds technical skills through Technical Service Areas and technical trainings. This grant program builds the capacity of local governments to accelerate on-the-ground projects that improve or protect water quality and perform above and beyond existing standards.	\$8,700
BWSR	Measures, Results and Accountability	Supports grants management, reporting, and oversight.	\$2,500
BWSR	Buffer Law Implementation	Supports oversight and grants to SWCDs for implementation of the buffer law. Does not include enforcement.	\$4,000
BWSR	Working Lands Floodplain Easements [formerly Riparian Buffer-Permanent Conservation Easements]	Establishes and restores easements in floodplains and riparian areas.	\$2,000
BWSR	Conservation Drainage Management and Assistance	Provides grants and technical assistance to SWCDs/drainage authorities for water quality BMPs.	\$2,000
BWSR	Critical Shoreland Protection-Permanent Conservation Easements	Protects threatened shoreline with easements to protect good water quality.	\$1,000
BWSR	Watershed Partners Legacy (WPL) Grants	Makes small grants to tribal governments and nonprofit organizations.	\$1,000
BWSR	Wetland Restoration Easements	Creates permanent easements for de-nitrification and rate and volume control.	\$5,000
BWSR	Enhancing Soil Health and Landowner Adoption of Cover Crops for Drinking Water & Groundwater Protection	Supports Minnesota Office of Soil Health (MOSH). Makes grants to SWCDs for cover crop and conservation tillage demonstration projects. Supports Governor's climate initiative.	\$11,852
BWSR	Great Lakes Restoration LAMP	Supports SWCD capacity in Lake Superior Basin in order to seek out and implement matching Great Lakes Restoration Initiative (GLRI) funds.	\$1,000
BWSR	MN & IA Conservation Corps	Supports Conservation Corps' work on water quality projects supported by the Clean Water Fund.	\$1,500
DNR	Non-point Source Restoration and Implementation	Provides technical assistance for 85 projects annually that are prioritized in comprehensive watershed management plans.	\$4,500

FUNDING RECOMMENDATIONS

Nonpoint Source Implementation Cont'd

Agency	Activity	Summary of Program	Recommendations (000's)
DNR	Freshwater Mussel Restoration	Will increase native mussel production at Lake City facility and field test restoration in three major watersheds for water quality.	\$700
DNR	Culvert Replacement Cost Share	Will provide financial and technical assistance for 20 local government projects to replace culverts that support floodplain connectivity, biological connectivity, and channel stability.	\$3,000
MC	Water Demand Reduction-Efficiency – Grant Program	Makes grants to metro cities to replace inefficient residential fixtures/sprinklers to reduce groundwater demand.	\$1,500
MDA	AgBMP Loan Program	Loan program to provide low or no interest financing to farmers, agricultural businesses, rural landowners and others for the implementation of best management practices that prevent, reduce or eliminate environmental pollution.	\$4,000
MDA	Technical Assistance	Supports work with farmers and the agricultural community including 25 edge-of-field water quality monitoring sites, 100 farm demonstration plots, and 30 field days and other events annually.	\$3,200
MDA	MN Agricultural Water Quality Certification Program	Provides technical and financial assistance for farmers to adopt water quality BMPs with verified results. Matched with federal Regional Conservation Partnership Program (RCPP) grant.	\$7,000
MDA	Conservation Equipment Assistance	Assists SWCDs and farmers with new or retrofitted equipment for implementing soil health practices, such as conservation tillage and cover crops.	\$3,500
MDA	Expand MN Ag Weather Station Network	Will expand network to optimize timing of irrigation, fertilizer, pesticide, and manure applications.	\$2,500

Nonpoint Source Implementation Total – \$166,452



FUNDING RECOMMENDATIONS

Point Source Implementation

Agency	Activity	Summary of Program	Recommendations (000's)
MPCA	NPDES wastewater/stormwater point-source implementation (combined from 2 previous programs)	Provides technical assistance to cities to help them comply with state stormwater permit. Integrates stormwater and wastewater data with WRAPS and includes TMDLs in permits. Supports pollutant trades. Maintains Minnesota Stormwater Manual.	\$3,200
MPCA	Chloride Reduction	Provides technical assistance and grants to public entities to meet chloride TMDLs, mostly from road de-icers and water softening.	\$1,300
PFA	Point Source Implementation Grant (5G) Program	Upgrades municipal water treatment facilities to comply with TMDLs.	\$16,500
PFA	Small Community Wastewater Treatment Program	Makes grants & loans to replace failing community SSTS.	\$100

Point Source Implementation Total – \$21,100

Groundwater/Drinking Water Implementation

Agency	Activity	Summary of Program	Recommendations (000's)
BWSR	Targeted Wellhead/Drinking Water Source Protection	Makes easements and grants to LGUs in priority wellhead protection areas.	\$5,000
MC	Metropolitan Area Water Sustainability Support Program	Provides technical support to communities and businesses to use groundwater more efficiently.	\$2,750
MDA	Nitrate in Groundwater	Supports implementation of the new Groundwater Protection Rule and Nitrogen Fertilizer Management Plan to reduce nitrate from fertilizer to groundwater. Working with 38 local government units on nitrate monitoring and reduction activities.	\$6,200
MDA	Irrigation Water Quality Protection	Funds irrigation UMN extension staff to educate on agricultural irrigation and nitrate BMPs.	\$310
MDH	Future of Drinking Water (formerly Drinking Water Protection)	Will develop a statewide Drinking Water Plan that will include public health policies and will address threats to public and private drinking water supplies.	\$500
MPCA	Enhanced County inspections/ SSTS corrective actions	Provides county grants for more SSTS inspections and income based assistance to maintain 80 percent compliance.	\$7,081
MPCA	National Park Water Quality Protection Program	Replaces failing septic systems polluting Voyageurs National Park. Matched by local, state, and federal sources.	\$1,500

Groundwater/Drinking Water Implementation Total – \$23,341

FUNDING RECOMMENDATIONS

Research, Evaluation, and Tools

Agency	Activity	Summary of Program	Recommendations (000's)
BWSR	Technical Evaluation [restoration evaluation]	Conducts up to 10 technical evaluations of CWF projects annually. Required by law.	\$200
BWSR	Tillage, Cover Crop and Erosion Evaluation	Estimates soil erosion and tracks use of tillage BMPs and cover crops.	\$850
DNR	Tool Development and Evaluation [Formerly Applied Research and Tools]	Evaluates water flow ("digital dams") and forestry BMPs throughout the state, and develops fine-scale watershed models using LiDAR.	\$1,400
DNR	County Geologic Atlas Part B	Develops Part B county level groundwater atlases.	\$200
MDA	MN Water Research Digital Library [aka Research Inventory Database]	The MN Water Research Digital Library is a one stop to find water related research and reports in Minnesota.	\$100
MDA	Forever Green Agricultural Initiative (UMN)	Supports competitive R&D grants for crops providing continuous living cover, and implementation of those crops.	\$6,000
MDH	Recreational Water Portal	Will develop a statewide portal for beach monitoring results, closures, and public health notifications.	\$600
UMN	County Geologic Atlas Part A	Develops Part A county-level geologic atlases.	\$800
UMN	Stormwater Research and Technology Transfer Program	Makes competitive grants to research and evaluate stormwater BMPs.	\$2,000

Research, Evaluation, and Tools Total – \$12,150

Administration

Agency	Activity	Summary of Program	Recommendations (000's)
LCC	Legislative Coordinating Commission Website	Supports upkeep of LCC site with CWF project information. Required by law.	\$7
MPCA	Clean Water Council	Funds two FTEs, communications, planning, and Council member expenses.	\$922

Administration Total – \$929

Total Clean Water Fund Recommendations FY26-27 – \$310,752

POLICY RECOMMENDATIONS

Policy Recommendations

The Council recognizes that CWF dollars alone will not meet the expectations of Minnesotans for clean water. The Council, through its Policy Committee, has revised its standing platform with several updates and new policies for FY26-27 on the following topics:

- **Advanced drinking water protection**
- **Multi-purpose drainage management**
- **Minnesota underground utilities mapping project**
- **Pharmaceutical product stewardship**
- **PFAS**
- **Chloride reduction (de-icer)**
- **Chloride reduction (water softening)**

Advanced drinking water protection

The state of Minnesota should ensure that private well users have safe, sufficient, and equitable access to drinking water. Priority contaminants are nitrate, bacteria, arsenic, manganese, lead, and pesticides. The Clean Water Fund combined with other funding sources (including fees), and appropriate policy should be used to support the following:

- Completion of a private well inventory, starting in southeastern Minnesota, as well as timely updates to the Minnesota Well Index
- Information to well users to reduce their risk, including well testing
- Local and state capacity to manage testing, mapping, and education
- Stable, reliable funding of cost-effective strategies for private well users to mitigate wells that do not meet Minnesota health-based guidance for five contaminants, with a particular focus on low-income households
- Publication of aggregate and anonymized well data
- Land use compatible with private well protection (e.g., forage, continuous living cover, working lands easements, etc.), including the prioritization of areas draining to vulnerable private wells

- Adequate technical and financial assistance for fertilizer and pesticide management, irrigation education, and manure storage and use
- Development and adoption of local government ordinances that require well testing and a disclosure of the testing at the time a property is transferred
- Financial support for regulation of feedlots and the land application of manure
- Evaluation of current programs for efficacy in meeting drinking water source protection goals
- Consider designating acreage that drains to the most vulnerable private wells for protective practices like Drinking Water Supply Management Areas (DWSMAs).

Multi-purpose drainage management

The state of Minnesota should:

1. Identify more opportunities for multi-purpose drainage management and water storage that improve water quality and complement Watershed Restoration and Protection Strategies (WRAPS) and One Watershed One Plan (1W1P)
2. Request data to quantify the effectiveness of Multi-Purpose Drainage Management relative to nutrient transport and hydrologic changes compared to traditional drainage systems, and an estimate of the hydrologic impact of drainage projects on downstream rivers and streams
3. Support opportunities for training of drainage engineers, drainage authorities, and other relevant professionals on the benefits of MDM and resources available, to encourage line-item estimates for conservation practices, and to encourage cost-benefit analysis of water storage and its resulting impact on drainage system and maintenance costs
4. Develop a drainage endorsement for the Minnesota Agricultural Water Quality Certification Program (MAWQCP) with the input of the Drainage Work Group and other stakeholders.

POLICY RECOMMENDATIONS

Minnesota underground utilities mapping project

To create an accurate inventory of Minnesota's underground utility infrastructure, the Council recommends that the state of Minnesota develop an accurate map of all underground utilities installed in the state and require Minnesota's public and private sectors to support sharing of necessary data in a secure and confidential manner.

The underground utility infrastructure mapping project supports the Council's efforts to reduce the risk to drinkable, fishable, and swimmable water.

Pharmaceutical product stewardship

The Council recommends that the state establish the following to reduce the discharge of pharmaceuticals into the waters of Minnesota:

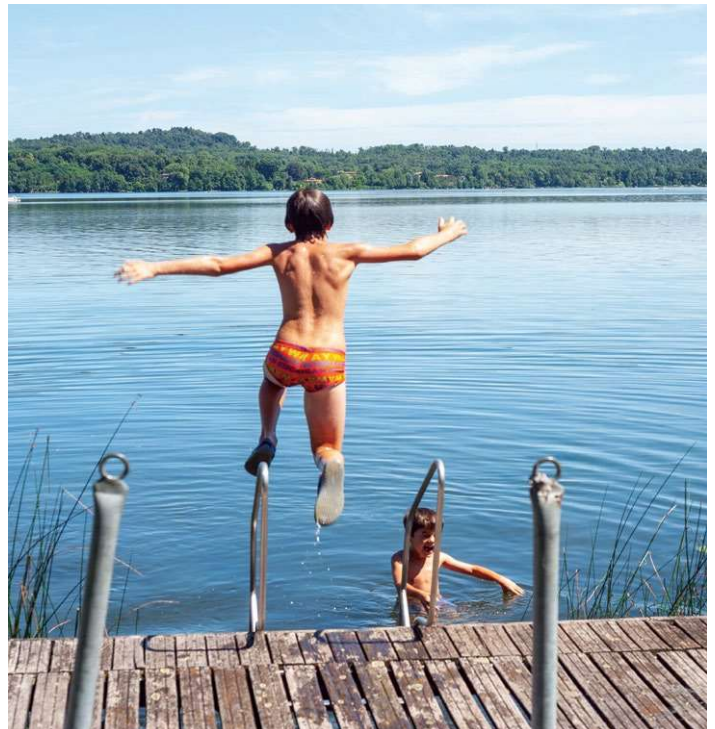
1. Fund research on the pathways of pharmaceuticals into surface water and groundwater, identify priority pharmaceuticals that pose the greatest risk to human health and aquatic life, identify and support practicable solutions to reduce their entry into Minnesota waters, and recoup reasonable costs through an industry-funded safe medication return program.
2. Adopt a "Safe Medication Return Program." This legislation should provide flexibility by:
 - Utilizing the current collection infrastructure
 - Requiring manufacturers to support public education and outreach activities; and to cover all administrative and support costs including, but not limited to: collection, compensation to authorized collectors, transportation, secure receptacles, and environmentally sound disposal of covered pharmaceuticals
3. Require the words or symbols for "do not flush" be printed on all prescription pharmaceutical labels and remove any existing instructions to flush unused portions.
 - Allowing residents to take unused medications to drop-off locations or use a mailing envelope, both for free
 - Providing drop-off locations that are "equitable and reasonably convenient."

The underground utility infrastructure mapping project supports the Council's efforts to reduce the risk to drinkable, fishable, and swimmable water.

PFAS

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

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



POLICY RECOMMENDATIONS

Chloride reduction (de-icer)

The Council recommends that the state of Minnesota implement the following actions to reduce chloride in Minnesota surface and groundwater:

- Fund the Smart Salting applicator training and certification program and the MPCA's chloride reduction budget to support the development and maintenance of tools, resources, policies, trainings, and assistance programs to reduce chloride pollution
- Provide liability protection for the Smart Salting program certified private winter de-icing applicators for reduced salt applications
- Provide research funds to develop new technology and alternatives to chloride-containing de-icing chemicals and best management practices
- Encourage and support the adoption of the MPCA's Chloride Reduction Model Ordinance Language by local governmental entities
- Have the MPCA convene and lead a stakeholder process to develop recommendations for new labelling requirements on bags of de-icing chemicals sold in Minnesota.

Chloride reduction (water softener)

The Council recommends that the state of Minnesota implement the following actions to reduce chloride in Minnesota surface and groundwater:

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

The Council recommends that the state of Minnesota provide research funds to develop new technology and alternatives to chloride-containing de-icing chemicals to reduce chloride in Minnesota surface and groundwater.

