

HOUSE RESEARCH

Bill Summary

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Article 1: Environment and Natural Resources Appropriations and Policy Changes

1 1 **Technical.** For supplemental appropriations.

2 **Natural resources.** Appropriates \$88,000 in FY 2006 to the commissioner of natural resources (DNR) for bovine tuberculosis surveillance, and \$1,493,000 for various purposes in FY 2007. The FY 2007 appropriations are:

- an additional \$132,000 for bovine tuberculosis surveillance;
- \$400,000 for all-terrain vehicle (ATV) grants in-aid;
- \$200,000 to rehab and develop ATV trails;
- \$250,000 to plan and develop part of North Shore Trail for ATV use;
- \$261,000 to prevent and control invasive species;
- \$50,000 for operation of Minnesota Shooting Sports Education Center; and

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- \$200,000 to operate Corps of Engineers campsites in north central Minnesota.

3 **Legislative Commission on Minnesota Resources (LCMR).** Appropriates \$300,000 from the Environment and Natural Resources Trust Fund to develop a comprehensive conservation and preservation plan to guide long-term decision making.

\$550,000 is appropriated in FY 2007 for LCMR, or its successor commission, administration.

4 **Authority.** Authorizes the commissioner of natural resources to reimburse appraisal costs to donors of land or interests in land.

5 **Acquisition of land for facilities.** Allows the commissioner to acquire land or interests in land (e. g., road easements) outside the boundaries of a state park when the interests are necessary for the operation of the park.

6 **Technical.** For deposit of stockpile material fees.

7 **Technical.** For state park permits.

8 **Towed vehicles.** Provides for temporary state park permits for vehicles towed by a vehicle used for camping while the camping permit is in effect.

9 **Soudan Underground Mine State Park.** Provides for free motor vehicle entry and parking at the visitor area of Soudan Underground Mine State Park.

10 **Sunday church.** Allows free motor vehicle entry on a Sunday to attend church service in a state park that permits them.

11 **Fees.** Drops the state park entry fee from \$7 to \$5; and the group entry permit from \$5 to \$3; and allows an annual permit for motorcycles of \$20.

12 **Employment of competent foresters; service to private owners.** Clarifies that the list of forest management services offered under statute to private landowners includes providing tree planting equipment and written forest management plans.

13 **Uses of state forest lands; fees.** Allows DNR fees to be charged for special recreational events that occur on state forest lands, and fee receipts appropriated back to the DNR for costs incurred.

14 - 18 **Timber sales.** Amends various provisions in Minnesota Statutes, chapter 90, to improve the effectiveness and efficiency of the state's timber sales program, and provide for third-party forest management certification.

19 19 **Exploratory boring.** Expands the minerals covered under the exploratory borings law, which requires the appropriate abandonment of exploration drill holes for groundwater protection.

20 **Noise standards.** Grandfathers in certain activities, including shooting clubs and motor vehicle race events that were in operation before July 1, 1996, from PCA noise standards compliance. Also exempts the race events from statutory noise claims.

21 **ISTS pilot program.** Gives an extra year for completion of the PCA program.

22 **LCMR wildlife corridor program.** Appropriates an additional \$1,000,000 in FY 2007 for this program.

23 **LCMR clean energy program.** Allows until June 30, 2009 to complete this program.

24 **Storm water rules.** Exempts counties from certain PCA rules until the rules are amended.

25 **Hybrid electric vehicles.** Provides Department of Administration notice in bid documents to purchase electric vehicles whenever practicable.

26 **Hybrid electric vehicle retrofit.** Encourages the U of M at Mankato to retrofit two flexible fuel vehicles to operate as plug-in hybrid electric vehicles.

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27 Land sale receipts. Requires DNR land sale receipts to be credited in FY 2006 and 2007 as stipulated in section 94.16, natural resources fund.

28 Lower Minnesota River dredging. Authorizes the Lower Minnesota River Watershed District to own and operate a dredge disposal site for materials dredged from the Minnesota for navigation purposes. Allows the acquisition of land by eminent domain.

Allows the Lower Minnesota watershed district board to impose charges on any private customers using the dredge disposal site in order to pay for it and its operation. Also allows surcharges to be imposed on private customers, if necessary to remove dredged material from the disposal site.

29 Terrestrial sequestration report. Requires four agency commissioners to review the phase 1 report and then report to legislative committees and the Environmental Quality Board (EQB) by June 30, 2007, on the potential for carbon trading systems in Minnesota.

30 Greenhouse gas report. Requires the PCA, along with the Clean Energy Environment Partnership, to report to the legislative committees and the EQB by June 30, 2007, on strategies for mitigating, reducing and sequestering state greenhouse gas emissions.

31 Carryforward. Allows a 2003 appropriation for local initiative grants to be available until June 30, 2007.

32 Repealer. Repeals Minnesota Statutes, section 89.011, subdivisions 1 to 3 and 6, which relate to old forest resource planning requirements of the DNR.

Article 2: Clean Water Legacy

1 1 Conservation contracts. Makes provisions to ensure that soil and water conservation district contracts with landowners complete the practices specified.

2 Citation. Cites a new chapter in Minnesota Statutes, chapter 114D, as the "Clean Water Legacy Act."

3 Legislative purpose. Explains the purpose being to protect, restore and preserve the state's surface water quality in complying with the federal Clean Water Act by providing direction and resources to do so.

4 Definitions. Contains definitions for the bill, including "citizen monitoring," "clean water council," "federal TMDL requirements," "impaired water," "public agencies," "restoration," "surface waters," "third-party TMDL," "total maximum daily load or TMDL," and "water quality standards." Generally, a "TMDL" means a calculation of the maximum amount of a pollutant that may be introduced into surface waters, while ensuring that water quality standards are achieved and maintained.

5 Implementation; coordination; goals; policies; and priorities.

Subd. 1. Coordination and cooperation. Requires public agencies involved to consider and take into account the provisions of local water and land use plans in implementing the clean water goals of this bill, including assisting with funding or technical assistance.

Subd. 2. Goals for implementation. States six goals: to identify impaired waters within ten years; to submit TMDLs to the U.S. EPA in a timely manner; to set reasonable times for restoring impaired waters; to provide assistance and incentives to keep waters clean; to seek delisting of waters from the impaired waters list; and to

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achieve compliance with federal law.

Subd. 3. Implementation policies. Establishes eight policies to guide implementation: to develop appropriate TMDLs; to maximize use of available resources; to maximize opportunities for restoring clean waters; to use existing regulatory authorities and effective nonregulatory measures; to use demonstrated restoration methods; to identify innovative approaches; to prevent waters from becoming impaired; and to monitor and enforce cost-sharing contracts.

Subd. 4. Priorities for identifying impaired waters. Requires the Pollution Control Agency (PCA) to set priorities for identifying impaired waters, considering those posing the greatest risk to human or aquatic health and those waters where data developed provides evidence that an impaired condition exists.

Subd. 5. Priorities for preparation of TMDLs. Requires the Clean Water Council (established in section 7 of this bill) to recommend priorities for scheduling and preparing TMDLs. Lists considerations.

Subd. 6. Priorities for restoration of impaired waters. Requires the Clean Water Council to give priority for water restoration funding to certain types of projects, including those that coordinate with others and leverage funding needs.

Subd. 7. Priorities for funding prevention actions. Requires the Clean Water Council to follow priorities for restoration when recommending funding prevention and improvement actions.

6 Administration; Pollution Control Agency. Describes the general duties and authorities for the PCA to implement this act, including entering into agreements with qualified public or private entities to develop third-party TMDLs, as long as there is not a conflict of interest to do so.

7 Clean Water Council.

Subd. 1. Creation; duties. Creates a Clean Water Council, with the PCA providing administrative support, to advise and foster coordination and cooperation on the provisions of this act. The whole council would elect a chair from the nonagency members.

Subd. 2. Membership; appointment. Provides for the governor to appoint 20 members to the council, including one person each from the PCA, DNR, Board of Water and Soil Resources, and the Department of Agriculture; and 16 nonagency members. Nonagency members are: two each from farm organizations, business, environment organizations, county government, and city government, and one each from soil and water conservation districts, watershed districts, lake or stream organizations, county government, township government, the Metropolitan Council, and tribal governments.

Subd. 3. Terms; compensation; removal. Provides for staggered 4-year terms, compensation of \$55 per day plus expenses and removal at the pleasure of the

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appointing authority.

Subd. 4. Implementation plan. Requires the council to prepare an implementation plan and biennial work plans for setting priorities to address impaired waters, with the first plan due December 1, 2006.

Subd. 5. Recommendations on appropriation of funds. Requires the council to recommend to the governor how money from the clean water legacy account should be appropriated each biennium.

Subd. 6. Biennial report to legislature. Requires biennial reports to the legislature on how the clean water money has been spent.

8 Public and stakeholder participation; scientific review; education. Requires the public agencies involved in the clean water effort under this act to encourage full participation and shared information by all citizens. The council must make use of all available scientific expertise, and provide education strategies to inform the public.

9 Technical.

10 Clean water legacy phosphorus reduction grants. Creates a clean water legacy capital improvement fund under the Public Facilities Authority to award grants to governmental units for the express purpose of reducing phosphorus discharge from a facility to one milligram per liter or less. Requirements for the grants are specified.

Subd. 3. Eligible capital costs. Include as-bid construction costs, engineering, planning and design costs, and the final costs for phosphorus reduction.

Subd. 4. Amounts and priorities. States that 75 percent of the eligible capital cost may be paid if the PCA approves a facility's plan before July 1, 2009; and 50 percent may be paid after that date. Certain projects that meet eligibility requirements and have started construction before July 1, 2005, may be reimbursed for up to 75 percent of their costs to reduce phosphorus, but priorities for overall phosphorus reduction grants are for projects starting after July 1, 2005.

11 Small community wastewater treatment loan program. Creates a small community wastewater treatment fund under the Public Facilities Authority for loans to governmental units to replace failing or inadequate individual septic systems. Describes the criteria required when making an application for these loans.

Subd. 5. Loan awards. Made based on ranking on the PCA's project priority list, and based on the estimated costs for the project portion completed within one year, up to an annual maximum of \$500,000. Multiyear loan commitments may be made by the authority up to three years maximum. Loan terms and conditions for repayment are described in subdivision 6.

Subd. 7. Deferred payments. Allows a governmental unit receiving a loan, and which levies special assessments for repayment, to defer payment of the assessment under certain conditions.

12 Appropriations. Appropriates money from the general fund and the environmental trust fund-a total of \$12.2 million-for the clean water legacy purposes, and ending June 30, 2007,

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as follows:

Pollution Control Agency - (1) \$1,860,000 in FY 2007 for assessment of surface water quality and trends, of which \$1,010,000 is available for citizen monitoring of surface waters; (2) \$3,170,000 in FY 2007 to develop TMDL's for waters on the EPA's impaired waters list.

Agriculture - (1) \$2,200,000 in FY 2007 for agricultural best management practice loans; (2) \$800,000 in FY 2007 for technical assistance on nutrient and pasture management to producers and conservation professionals; (3) \$1,100,000 in FY 2007 for research and evaluation of agricultural practices in restoring impaired waters.

Board of Water and Soil Resources - (1) \$2,500,000 in FY 2007 for targeted nonpoint restoration cost-share incentive payments; (2) \$4,000,000 in FY 2007 for targeted nonpoint restoration technical and engineering assistance; (3) \$200,000 in FY 2007 for reporting and evaluation of conservation practices; (4) \$730,000 in FY 2007 for county grants to implement individual sewage treatment system programs; (5) \$1,500,000 in FY 2007 for challenge grants to support nonpoint source protection activities in lakes and rivers.

Department of Natural Resources - (1) \$280,000 in FY 2007 for assessment of surface water quality and trends; (2) \$1,900,000 in FY 2007 for restoration and prevention of impaired waters; (3) \$2,248,000 from the environmental trust fund for fee title acquisition and easements on high priority riparian lands.

13 **Effective date.** Makes sections 1 to 12 effective the day following final enactment.