

A bill for an act

relating to state government; appropriating money from the clean water fund for clean water legacy and drinking water protection activities; providing for disposition of clean water fund; eliminating clean water legacy account; amending Minnesota Statutes 2008, sections 114D.20, subdivision 6; 114D.30, subdivision 6; 114D.50; repealing Minnesota Statutes 2008, section 114D.45.

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

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations from the clean water fund, by agency, made in this act.

	<u>2010</u>		<u>2011</u>		<u>Total</u>
<u>Pollution Control Agency</u>	\$        ,000	\$	,000	\$	,000
<u>Department of Natural Resources</u>	,000		,000		,000
<u>Board of Water and Soil Resources</u>	,000		,000		,000
<u>Department of Agriculture</u>	,000		,000		,000
<u>Department of Health</u>	,000		,000		,000
<u>Metropolitan Council</u>	,000		,000		,000
<u>Public Facilities Authority</u>	,000		,000		,000
<b><u>Total</u></b>	<b>\$        ,000</b>	<b>\$</b>	<b>      ,000</b>	<b>\$</b>	<b>      ,000</b>

Sec. 2. **CLEAN WATER FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the clean water fund, and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2010" and "2011" mean that

**S.F. No. 1651, as introduced - 86th Legislative Session (2009-2010) [09-3196]**

2.1 the appropriation listed under them are available for the fiscal year ending June 30, 2010,  
 2.2 or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is  
 2.3 fiscal year 2011. "The biennium" is fiscal years 2010 and 2011. The appropriations for  
 2.4 fiscal year 2010 are not available until November 1, 2009. The appropriations in this  
 2.5 act are onetime.

2.6		<b><u>APPROPRIATIONS</u></b>	
2.7		<b><u>Available for the Year</u></b>	
2.8		<b><u>Ending June 30</u></b>	
2.9		<b><u>2010</u></b>	<b><u>2011</u></b>

2.10 Sec. 3. **POLLUTION CONTROL AGENCY**    \$            **.....,000** \$            **.....,000**

2.11 (a) \$.....,000 the first year and \$.....,000 the  
 2.12 second year are for statewide assessment  
 2.13 and monitoring of surface water quality and  
 2.14 trends.

2.15 (b) \$.....,000 each year is for total maximum  
 2.16 daily load (TMDL) development and TMDL  
 2.17 implementation plans for waters listed on  
 2.18 the United States Environmental Protection  
 2.19 Agency approved Impaired Waters List in  
 2.20 accordance with Minnesota Statutes, chapter  
 2.21 114D. The agency shall complete an average  
 2.22 of ten percent of the TMDL's each year over  
 2.23 the biennium.

2.24 (c) \$....,000 each year is for civic engagement  
 2.25 in TMDL development.

2.26 (d) \$....,000 the first year and \$....,000 the  
 2.27 second year are from the sustainable drinking  
 2.28 water account for ground water assessment  
 2.29 and drinking water protection.

2.30 (e) \$....,000 the first year is for endocrine  
 2.31 disruptor monitoring and analysis. The  
 2.32 department shall monitor and analyze  
 2.33 endocrine disruptors in surface waters in at  
 2.34 least 20 additional sites. The data must be  
 2.35 placed on the agency's Web site.

3.1 Notwithstanding Minnesota Statutes, section  
3.2 16A.28, the appropriations encumbered on or  
3.3 before June 30, 2011, as grants or contracts in  
3.4 this section are available until June 30, 2013.

3.5 **Sec. 4. DEPARTMENT OF NATURAL**  
3.6 **RESOURCES** \$ .....,000 \$ .....,000

3.7 (a) \$...,000 the first year and \$...,000  
3.8 the second year are for work assisting in  
3.9 water quality assessments supporting the  
3.10 identification of impaired waters.

3.11 (b) \$...,000 each year is for TMDL  
3.12 development and TMDL implementation  
3.13 plans for waters listed on the United States  
3.14 Environmental Protection Agency approved  
3.15 Impaired Waters List in accordance with  
3.16 Minnesota Statutes, chapter 114D.

3.17 (c) \$...,000 the first year and \$...,000  
3.18 the second year are for nonpoint source  
3.19 restoration and protection activities.

3.20 (d) \$...,000 each year is from the sustainable  
3.21 drinking water account for ground water  
3.22 assessment and drinking water protection  
3.23 activities.

3.24 Notwithstanding Minnesota Statutes, section  
3.25 16A.28, the appropriations encumbered on or  
3.26 before June 30, 2011, as grants or contracts in  
3.27 this section are available until June 30, 2013.

3.28 **Sec. 5. BOARD OF WATER AND SOIL**  
3.29 **RESOURCES** \$ .....,000 \$ .....,000

3.30 (a) \$...,000 the first year and \$...,000  
3.31 the second year are for targeted nonpoint  
3.32 source pollution reduction projects to protect,  
3.33 enhance, and restore water quality in lakes,  
3.34 rivers, and streams.

- 4.1 (b) \$,.,.,.,000 the first year and \$,.,.,.,000  
4.2 the second year are for targeted nonpoint  
4.3 restoration technical assistance and  
4.4 engineering.
- 4.5 (c) \$,.,.,.,000 the first year and \$,.,.,.,000 the  
4.6 second year are for grants to implement  
4.7 county subsurface sewage treatment system  
4.8 programs.
- 4.9 (d) \$,.,.,000 the first year and \$,.,.,.,000  
4.10 the second year are for grants to address  
4.11 imminent threat and failing subsurface  
4.12 sewage treatment systems.
- 4.13 (e) \$,.,.,.,000 each year is for feedlot water  
4.14 quality grants for feedlots under 300 animal  
4.15 units where there are impaired waters.
- 4.16 (f) \$,.,.,.,000 the first year and \$,.,.,.,000 the  
4.17 second year are for grants to support local  
4.18 nonpoint source protection activities related  
4.19 to lake and river protection and management.
- 4.20 (g) \$,.,.,.,000 each year is for grants to protect  
4.21 stream bank, stream channel, lakeshore, and  
4.22 roadside protection and restoration projects.
- 4.23 (h) \$,.,.,000 each year is for grants for  
4.24 civic engagement and education in water  
4.25 restoration and protection activities for  
4.26 nonpoint sources.
- 4.27 (i) \$,.,.,000 the first year is for state oversight,  
4.28 support, and accountability reporting of local  
4.29 government implementation.
- 4.30 At least 93 percent of the money appropriated  
4.31 in paragraphs (a) to (h) must be made  
4.32 available for grants. All of the money  
4.33 appropriated in paragraphs (a) to (h) as grants  
4.34 to local governments shall be administered

5.1 through the Board of Water and Soil  
5.2 Resources' local water resources protection  
5.3 and management program under Minnesota  
5.4 Statutes, section 103B.3369.  
5.5 Notwithstanding Minnesota Statutes, section  
5.6 16A.28, the appropriations encumbered on or  
5.7 before June 30, 2011, as grants or contracts in  
5.8 this section are available until June 30, 2013.

5.9 Sec. 6. **DEPARTMENT OF AGRICULTURE** \$ .....,000 \$ .....,000

5.10 (a) \$....,000 the first year and \$.,...,000 the  
5.11 second year are for research, evaluation,  
5.12 and effectiveness monitoring of agricultural  
5.13 practices and load allocations, and assisting  
5.14 in TMDL development in restoring impaired  
5.15 waters.

5.16 (b) \$.,...,000 the first year is for the  
5.17 agricultural best management practices loan  
5.18 program. At least \$.,...,000 is available  
5.19 for pass-through to local governments and  
5.20 lenders for low-interest loans and is available  
5.21 until spent. Any unencumbered balance  
5.22 that is not used for pass-through to local  
5.23 governments does not cancel at the end of the  
5.24 first year and is available for the second year.

5.25 (c) \$....,000 the first year is for technical  
5.26 assistance in developing TMDL plans.

5.27 (d) \$....,000 each year is from the sustainable  
5.28 drinking water account for ground water  
5.29 assessment and drinking water protection  
5.30 activities.

5.31 (e) \$....,000 each year is from the sustainable  
5.32 drinking water account for pesticide  
5.33 monitoring and assessment.

6.1 Notwithstanding Minnesota Statutes, section  
6.2 16A.28, the appropriations encumbered on or  
6.3 before June 30, 2011, as grants or contracts in  
6.4 this section are available until June 30, 2013.

6.5 Sec. 7. **DEPARTMENT OF HEALTH**                    \$                    .....,000 \$                    .....,000

6.6 (a) \$...,000 each year is from the sustainable  
6.7 drinking water account for additional  
6.8 assessment of drinking water contaminants.

6.9 (b) \$,.....,000 each year is from the sustainable  
6.10 drinking water account for additional source  
6.11 water protection activities.

6.12 Notwithstanding Minnesota Statutes, section  
6.13 16A.28, the appropriations encumbered on or  
6.14 before June 30, 2011, as grants or contracts in  
6.15 this section are available until June 30, 2013.

6.16 Sec. 8. **METROPOLITAN COUNCIL**                    \$                    ....,000 \$                    ....,000

6.17 \$...,000 each year is from the sustainable  
6.18 drinking water account for implementation  
6.19 of the master water supply plan developed  
6.20 under Minnesota Statutes, section 473.1565.

6.21 Sec. 9. **PUBLIC FACILITIES AUTHORITY**                    \$                    .....,000 \$                    .....,000

6.22 \$,.....,000 the first year and \$,.....,000  
6.23 the second year are for wastewater and  
6.24 storm water infrastructure, TMDL grants,  
6.25 and phosphorus reduction grants and are  
6.26 available until spent.

6.27 Sec. 10. Minnesota Statutes 2008, section 114D.20, subdivision 6, is amended to read:

6.28        Subd. 6. **Priorities for restoration of impaired waters.** In implementing  
6.29 restoration of impaired waters, in addition to the priority considerations in subdivision 5,  
6.30 the Clean Water Council shall give priority in its recommendations for restoration funding  
6.31 from the clean water ~~legacy account~~ fund to restoration projects that:

**S.F. No. 1651, as introduced - 86th Legislative Session (2009-2010) [09-3196]**

7.1 (1) coordinate with and utilize existing local authorities and infrastructure for  
7.2 implementation;

7.3 (2) can be implemented in whole or in part by providing support for existing or  
7.4 ongoing restoration efforts;

7.5 (3) most effectively leverage other sources of restoration funding, including federal,  
7.6 state, local, and private sources of funds;

7.7 (4) show a high potential for early restoration and delisting based upon scientific  
7.8 data developed through public agency or citizen monitoring or other means; and

7.9 (5) show a high potential for long-term water quality and related conservation  
7.10 benefits.

7.11 Sec. 11. Minnesota Statutes 2008, section 114D.30, subdivision 6, is amended to read:

7.12 Subd. 6. **Recommendations on appropriation of funds.** The Clean Water Council  
7.13 shall recommend to the governor the manner in which money from the clean water  
7.14 ~~legacy account fund~~ fund should be appropriated for the purposes identified in section ~~114D.45,~~  
7.15 ~~subdivision 3~~ 114D.50. The council's recommendations must be consistent with the  
7.16 purposes, policies, goals, and priorities in sections 114D.05 to 114D.35, and shall allocate  
7.17 adequate support and resources to identify impaired waters, develop TMDL's, implement  
7.18 restoration of impaired waters, and provide assistance and incentives to prevent waters  
7.19 from becoming impaired and improve the quality of waters which are listed as impaired  
7.20 but have no approved TMDL. The council must recommend methods of ensuring that  
7.21 awards of grants, loans, or other funds from the clean water ~~legacy account fund~~ fund specify  
7.22 the outcomes to be achieved as a result of the funding and specify standards to hold the  
7.23 recipient accountable for achieving the desired outcomes. Expenditures from the ~~account~~  
7.24 fund must be appropriated by law.

7.25 Sec. 12. Minnesota Statutes 2008, section 114D.50, is amended to read:

7.26 **114D.50 CLEAN WATER FUND.**

7.27 Subdivision 1. Creation. The clean water fund is established in the Minnesota  
7.28 Constitution, article XI, section 15. All money earned by the fund must be credited to  
7.29 the fund.

7.30 Subd. 2. Purposes. Except as provided in subdivision 3, the clean water fund may  
7.31 be spent for the following purposes to further the goals of this chapter:

7.32 (1) to provide grants, loans, and technical assistance to public agencies and others  
7.33 who are participating in the process of identifying impaired waters, developing TMDL's,

8.1 implementing restoration plans for impaired waters, and monitoring the effectiveness  
8.2 of restoration;

8.3 (2) to support measures to prevent waters from becoming impaired and to improve  
8.4 the quality of waters that are listed as impaired but do not have an approved TMDL  
8.5 addressing the impairment;

8.6 (3) to provide grants and loans for wastewater and storm water treatment projects  
8.7 through the Public Facilities Authority;

8.8 (4) to support the efforts of public agencies associated with subsurface sewage  
8.9 treatment systems and provide financial assistance for upgrading and replacing the  
8.10 systems; and

8.11 (5) to provide funds to state agencies to carry out their responsibilities under this  
8.12 chapter.

8.13 Subd. 3. **Sustainable drinking water account.** The sustainable drinking water  
8.14 account is established in the clean water fund. Five percent of the revenue deposited into  
8.15 the clean water fund must be allocated to the sustainable drinking water account and must  
8.16 be spent only to protect drinking water sources.

8.17 Sec. 13. **REPEALER.**

8.18 Minnesota Statutes 2008, section 114D.45, is repealed.



**114D.45 CLEAN WATER LEGACY ACCOUNT.**

Subdivision 1. **Creation.** The clean water legacy account is created as an account in the environmental fund. Money in the account must be made available for the implementation of this chapter and sections 446A.073, 446A.074, and 446A.075, without supplanting or taking the place of any other funds which are currently available or may become available from any other source, whether federal, state, local, or private, for implementation of those sections.

Subd. 2. **Sources of revenue.** The following revenues must be deposited in the clean water legacy account:

- (1) money transferred to the account; and
- (2) interest accrued on the account.

Subd. 3. **Purposes.** Subject to appropriation by the legislature, the clean water legacy account may be spent for the following purposes:

- (1) to provide grants, loans, and technical assistance to public agencies and others who are participating in the process of identifying impaired waters, developing TMDL's, implementing restoration plans for impaired waters, and monitoring the effectiveness of restoration;
- (2) to support measures to prevent waters from becoming impaired and to improve the quality of waters that are listed as impaired but do not have an approved TMDL addressing the impairment;
- (3) to provide grants and loans for wastewater and storm water treatment projects through the Public Facilities Authority;
- (4) to support the efforts of public agencies associated with individual sewage treatment systems and financial assistance for upgrading and replacing the systems; and
- (5) to provide funds to state agencies to carry out their responsibilities under this chapter.