



MAWD Legislative Update

By Ray Bohn
March 10, 2017
(First Policy Committee Deadline)

MAWD Legislative Update

Activity at the capitol has really sped up during February. With the shortest committee deadlines in memory, it is becoming increasingly apparent that the strategy is to limit bill hearings and action. Some committees this week, our first policy deadline week, were not even hearing policy bills most of the week and are moving on to the budget. Even with a record number of bill introductions, there is little sense of urgency at this point of the session. First policy deadline was last Friday. Next and final committee policy deadline is this coming Friday, March 17. Finance committee deadline is March 31, by which all finance omnibus bills will need to be out of committee and sitting in the House Ways & Means committee or the Senate Finance Committee. There is no deadline for the Tax committees.

Capital Investment (Bonding) Bill

The Senate Capital Investment Committee has passed its bonding bill out of committee to the Transportation Finance committee and onto the Senate Finance Committee where it has stalled. Word at the capitol is that there will be a bonding bill once the tax bill is passed. So it looks like another year where the bonding bill will be used to maximum leverage.

HFXXXX; SF210, Sen. Senjem, Omnibus Capital Investment bill. \$1.64 billion -- \$976 million bonds, \$335 million net general fund, \$197 million trunk Hwy bonds/cash, misc \$118 million. Also includes \$11.55 million for Flood Hazard Mitigation, \$4.2 million ear- marked for Cedar River WD (\$1.7 M), Browns Valley (\$750 M), and Ortonville (\$1.8 M). The remainder is not ear-marked. \$10 M is included for RIM and \$5 M for local road replacement. This is priority legislation for MAWD.

Tax Bill

We are hearing that the 2017 tax bill will be moved out of committee to the floor for action fairly quickly after finance committee deadline. AMC & Red Board & MAWD have been working with BWSR and Revenue to make sure we have the correct language on distribution of the funds. We have been advocating during the month of February for funding beginning in 2017. At this point it appears we have agreement from the Governor, House and Senate authors to begin our payments for buffer enforcement in 2017, and additional funding in 2018. We are asking for \$10 million each year to meet the counties/watershed district needs for buffer enforcement. We have testified several times to that effect.

Our message is if we don't get funding, it will be very difficult or impossible for some WDs to participate due to budget constraints. The AMC is basically sending the same message. This is priority legislation for MAWD.

Other Bills of Interest

HF1994 Torkelson/SF1693 Weber; Buffer Bill Modifications: this recently introduced legislation removes APO authority for counties and watershed districts, changes definitions of

public waters for buffers to eliminate the 50 ft provision and replacing it with 16.5 ft for those non-shore land public waters. This provision is designed to minimize the impact on those non-shore land public waters that may show up on the public waters map (private ditches, etc). A final provision in this bill mandates that counties or watershed districts can't enforce the buffer provisions unless federal or state assistance is available to the landowner to pay 100% of the cost to establish buffers or other water resource protection measures approved by BWSR.

Several of these provisions (shore land definitions, landowner assistance) will not meet with the governor's approval so we can be sure there will need to be some compromise on this legislation.

The \$10 million per year tax provision has been removed from these bills and sent alone to the tax committees for their action. The House version of HF1994 will be heard. This is priority legislation for MAWD

HF1752 Torkelson/SF1542 Dzedzic; Relating to taxation; establishing the riparian buffer compensation program. This is the governor's proposed legislation that would provide landowners with \$40 per acre of tillable land enrolled in the buffer program. In addition, it provides for \$10 million in funding for the buffer enforcement program for the next biennium. This legislation will be heard next week and we believe it will be amended to show the governor's support for \$20 million biennium funding for local government enforcement. BWSR and the Dept. of Revenue have indicated that the governor does support the increase in enforcement funding. This funding is a high legislative priority for MAWD.

HF 1731 Torkelson/SF 1734 Webber: Clean Water Council funding; this legislation represents the recommendations from the Clean Water Council. The first hearing on either bill, HF1731 were held this past week. Stakeholders generally support the council's recommendations vs. the governor's recs. The governor's recs tend to follow the agency's recommendations rather than the Clean Water Council's. The major difference in the council's vs. governor's recs is the amount allotted for the new CREP program. In addition, that Feb. budget forecast projection a reduction of \$8 + million in sales tax for this fund, so the legislature will need to adjust the allocation of funding to take that into account. Passed to House Legacy Funding Finance in the House for action & consolidation with all Legacy Funding bills. This is priority legislation for MAWD

HF1863 Dettmer/SF1458 Chamberlain; Modifying wetland replacement requirements; allows replacement of wetlands within either the bank service area or the major watershed of the impact. Heard in both the House and Senate and held over for possible inclusion in the Omnibus Policy bill in both bodies. Watch for this non-controversial language in both omnibus policy bills. This is priority legislation for MAWD

HF2028 Fischer/SF1731 Rudd; exempting certain storm water-use permit requirements; Clarifies exempted constructed management facilities, which water appropriation is exempted, and cancels existing permits covered by this exemption. This legislation is strongly supported by Metro WDs.

HF1498 Loonan/SF1131 Hall; provides for goals and strategies for the MN River basin and its 13 major watersheds appropriates funds; Mandates comprehensive watershed plans under the 1Watershed/1Plan provisions and appropriates funding of \$2,250,000 in FY18 and FY19

from the Clean Water Fund. Heard in the Senate Environment Finance Committee and passed to the Senate ENR Policy & Legacy committee.

HF821 Loonan/ SF701 Hall; appropriating money for a grant to operate and maintain sites for the MN River dredge spoil. \$480,000 in each fiscal year 18-19 to BWSR for a grant to the Lower MN River WD to defray the cost of dredging the Lower MN River. Heard in the Senate ENR Finance committee, held over for possible inclusion in the Omnibus Senate Finance Bill. Appropriation from the general fund.

HFXXXX Baker; SF XXXX Lang; Relating to taxes; Update WD project tax levy to include all state grant or loan programs. Will be introduced by mid-week. This is MAWD and Middle Fork Crow River WD legislation and is priority legislation for MAWD.

HF2187 Draskowski; SF XXXX None; Post certification adjustment for lobbying expenses; Deducts lobbying expenses of local government from state aid. Sent to property tax and local government committee in the House. Rep. Draskowski is chair of this committee.

HF1291 Fabian; SF1087 Ingebrigtsen; Permitting requirements modified, expedited environmental-review billing options provided, reclamation appeal provisions modified, and Environmental Quality Board eliminated and duties reassigned. Both bills have made policy deadline and looks like they will be sent to the floor in each body. This legislation streamlines the MPCA permitting process but also eliminates the EQB and sends their functions to other agencies. Expect both of these bills to end up in both bodies Environment Finance Committee Omnibus bills. Don't expect the EQB provision to make it by the Governor's veto pen, so I think we can expect it to be traded for something in the environment finance conference committee.

HF1796 Johnson, C; SF1417 Ruud; providing for improving water quality. This is the governor's 20 % improvement in water quality by 2025 Program. This bill basically formalizes authority the agencies already have. Looks like this bill made committee deadline because it was referred to the Environment & Natural Resources Policy & Finance committee in the Senate. Not heard in the House.

Get the full detailsdon't forget to sign up for the MAWD Legislative Reception & Breakfast on March 29-30, 2017. Please go to our web site at www.mnwatershed.org to sign up today!!! Thanks.

MAWD News & Legislative Update

By Ray Bohn
January 31, 2017

The MAWD Board met on Saturday, Dec. 3rd after the Annual Meeting and elected Manager Ruth Schaefer, Middle Fork Crow River WD president, Manager Jerome Deal, Boise de Sioux WD vice-president, Manager Perry Forster, Riley Purgatory Bluff Creek WD secretary, and Craig Leiser, Brown's Creek WD treasurer. In addition, three new members were welcomed to the Board. They included Manager Peter Fjestad, Buffalo Red WD, Manager Ben Kleinwachter, Middle-Snake-Tamarac Rivers WD, Manager Duane Willenbring, Sauk River WD.

Thank you to those who have left the board for their invaluable service to watershed districts statewide: Lee Coe, manager Red Lake WD, Linda Vavra, manager, Boise de Sioux WD, and Larry Kuseske, manager, Sauk River WD who passed away.

The Board met again on January 13, 2017 in a workshop format to plan the calendar for the year, make committee appointments, finalize staff appointments, and determine our legislative program for the 2017 Session. Committee appointments are posted on our web site. If you are interested in serving on one of our committees in the future please let the MAWD office know and you will be put on the list for consideration.

The 2017 Legislative Program was adopted as outlined below:

MAWD 2017 Legislative Program

1. Support passage of a Capital Investment Bill.
 - Advocate for the inclusion of \$20 million for Flood Hazard Mitigation Program for statewide needs
 - Advocate for \$30 million in CREP funding
 - Advocate for \$10 million in Local Road Replace funding
 - Advocate for \$10 million in Rim Reserve funding
2. Watershed Omnibus Bill
 - Clarify Watershed Based WCA Implementation
 - Watershed District Funding: Statutory Correction to Impose a Project Tax
 - Amend MN Open Meeting law to allow WD manager meeting participation via electronic means, both inside and outside the territorial limits of the WD and state of MN
 - Increase per diem payments to managers to \$100 per day
3. Tax Issues
 - Modify Levy authority for non-Metro WD's/Increase levy authority by adopting 103B type authority
 - Support returning to past tax breaks for conservation easements.
 - Advocate for \$10 million in local government aids to counties and watershed districts to help defray the cost of the buffers enforcement program.

4. MAWD supports the recommendations of the Clean Water Council.
 - One Watershed One Plan Planning - \$4.2 million
 - One Watershed One Plan Implementation - \$12 million

Ray Bohn was contracted to administer MAWD and provided administrative and legislative lobbying services. This will be Ray's last contract administering MAWD. He plans on reducing his work load in the future and ease into retirement. Peg Bohn has retired from her past duties with MAWD, but don't be surprised if you see her helping out with events in the future or hear her voice when you call the office!

The Board also contracted with Madeleine (Maddy) Bohn to provide program management services for MAWD. She will be responsible for managing the various MAWD programs and events along with the various committees associated with the programs.

The Transition Committee has begun work on figuring out how to provide for the goals of the MAWD Strategic Plan as adopted at the Annual Meeting. Plans are to have a new administrator on board before the 2017 Annual Meeting.

The MAWD Budget committee will be working on developing a budget to meet the goals of the strategic plan as well. They hope to have recommendations ready for our March Board meeting. An announcement for a Special Meeting of MAWD membership to deal with the transition is being planned for the 2017 MAWD Summer Tour on June 21-23, 2017.

Watch for more details on the work of the Transition and Budget Committees as the Board deals with the staff transition and budget considerations.

By now all of you should have received your invite to the 2017 MAWD Legislative Reception & Breakfast on March 29-30, 2017. Please contact your legislators and ask them to join us for the Reception on March 29th or the Breakfast on the 30th. Our activities will take place at the Embassy Suites in downtown St. Paul (see info on our web page www.mnwatershed.org). Please put it on your calendar today!

MAWD Legislative Update – January 2017

Since the beginning of the 2017 Legislative Session we have been spending most of our time on the bonding bill & the buffer funding issues ... all left over from last year. The Governor laid out his bonding proposal which pretty much reflected his priorities from last year. The Senate picked up last year's bill (SF210) and has already passed that bill out of the Capital Investment Committee to the Senate Finance Committee for action. The Senate bill reflected basically last year's bill on steroids. See breakdown below.

With the Governor and Senate basically showing their cards on the bonding bill, everyone is wondering and working to find out what the House is planning to do on their bonding bill. There has been some talk that the House won't even pass a bonding bill this year, but most regard that as being very unlikely.

The Tax bill from last year appears to still be play. The Governor has laid out his Tax bill (SF45). He has included the \$10 million for county and watershed district enforcement buffer funding. The House has indicated that they will work with us on this appropriation. The Senate has talked about taking the same approach with the Tax bill as they did with the bonding bill dust off last year's bill and move forward. I believe overall we do have good support on the buffer enforcement funding of \$10 million ... mainly because most legislators want the counties and watershed districts to handle enforcement, not the State (BWSR). AMC & MAWD have been working with BWSR and Revenue to make sure we have the

correct language on distribution of the funds, and that language will be in the governor's tax bill when it is introduced. When the funding will begin (FY17 or 18) is still in flux and is being negotiated by us.

Several weeks ago I along with Scott Henderson, administrator of the Sauk River WD, testified to a joint committee hearing of the Environment Finance and Policy Committee and Ag Policy Committee on buffers and stressed that we needed the funding to do the job they want us to do. If we don't get funding, it will be very difficult or impossible for some WDs to participate due to budget constraints. The AMC sent the joint committee the same message.

We continue to work up our bills in accordance with our legislative program. We will have our bills put together in the next week to ten days for introduction. We will alert you when they are ready and ask for your help to contact your legislators in regards to our bills.

On January 17 Governor Dayton signed a new Minnesota Conservation Reserve Enhancement Program (CREP) agreement with the United States Department of Agriculture for \$350 million in Federal funding with the state having to come up with \$150 million funding match.

The 404 Assumption Study was delivered last week by BWSR and DNR. DNR & BWSR are saying not to assume the 404 authorities, but the legislators and stakeholders are not in agreement ... look for a larger, more comprehensive study being done over the next year or two coming out of the leg this year with further discussions with the COE and EPA. I anticipate no immediate impacts at this time for WDs. See the complete study here:

http://www.bwsr.state.mn.us/wetlands/cwa_404/Minn_Section_404_Assumption_Feasibility_Study_Report_Final.pdf

Committee deadlines released last week are unusually short this session. Typical the first committee deadline is the last week of March, but this year the first committee policy deadline is on Friday, March 10, second committee policy deadline is Friday, March 17, with final Finance committee deadline by Friday, March 31. It appears they don't want to pass much policy legislation this session.

Major Bills of Interest

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| HF (none) | SF210, Sen. Senjem, Omnibus Capital Investment bill. \$1.64 billion -- \$976 million Bonds, \$335 million net general fund, \$196 million trunk Hwy bonds/cash, Misc \$118 million. Also includes \$11.55 million for Flood Hazard Mitigation, \$4.2 million earmarked for Cedar River WD (\$1.7 M), Browns Valley (\$750 M), and Ortonville (\$1.8 M). The remainder is not ear-marked. \$10 M is included for RIM and \$5 M for local road replacement. |
| HF (none) | SF 45, Sen. Rest, Governor's Tax bill. Includes \$10 million recommendation to fund the buffer enforcement program. |