



LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES

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Susan Thornton, Director

MINUTES

Wednesday, June 7, 2017

9:00 a.m. – 4:45 p.m.

Room 5 State Office Building

St. Paul, MN 55155

Members Present: Jeff Broberg, Sen. Gary Dahms, Sen. Kari Dziedzic, Rep Rob Ecklund, William Faber , Nancy Gibson, Rep. Josh Heintzeman, Rep. Joe Hoppe, Nicole Kessler, Gary Lamppa , Norman Moody, Rep. Jim Newberger, Sen. David Tomassoni, Rep. Jean Wagenius, Sen. Torrey Westrom

Staff Present: S. Thornton, M. McDonough, M. Varien, D. Griffith

Members Excused: Sen. Bill Ingebrigtsen and Della Young

Chair: Co-Vice Chair, Sen. Tomassoni

Co-Chair Tomassoni convened the meeting at 9:10 a.m.

1. Approve the minutes for February 14, 2017

MOTION: Commissioner Gibson moved to approve the minutes for February 14, 2017 – motion prevailed.

2. Members report potential conflicts of interest regarding today's business

MS 116P.09 Subd 6 Conflict of interest. A commission member, technical advisory committee member, a peer review panelist, or an employee of the commission may not participate in or vote on a decision of the commission, technical advisory committee, or peer review panel relating to an organization in which the member, panelist, or employee has either a direct or indirect personal financial interest. While serving on the commission, technical advisory committee, or peer review panel, or being an employee of the commission, a person shall avoid any potential conflict of interest.

Commissioner Kessler stated a conflict of interest with Agenda Item 11. Ms. Kessler is employed by the Center of Energy and Environment which received the appropriation M.L. 2017, Chp. 96, Sec. 2, Subd. 07e titled "Geotargeted Distributed Clean Energy Initiative", \$800,000, Carl Nelson, Center for Energy and Environment. However, agenda item #11 will be for the entire set of work plans, not just M.L. 2017, Chp. 96, Sec. 2, Subd. 07e so she will participate in the vote.

3. LCCMR Business Items

• **Review Procedures of the Legislative-Citizen Commission on Minnesota Resources (LCCMR)**

Susan Thornton pointed out to members that a copy of the LCCMR Operating Procedures is in the meeting packet.

• **Update on LCCMR Grants Management System**

Susan Thornton explained the LCCMR Grants Management System contract was canceled due to the product received to date was not satisfactory. The remaining dollars in the appropriation for the contract are still available for a future data system if needed.

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- **Update on 2017 Final Reports for ENRTF ending June 30, 2017**

Susan Thornton reviewed the spreadsheet titled "Environment and Natural Resources Trust Fund (ENRTF) Appropriations Ending June 30, 2017" and reminded members they may request any final report to give a presentation before the commission. Final reports are due into the office by August 11, 2017.

- **Update 2018 Environment and Natural Resources Trust Fund (ENRTF) Proposals received**

Susan Thornton explained that staff reviewed approximately 185 draft proposals which resulted in receiving 218 proposals for approximately \$183 million by the May 15, 2017 deadline. Staff is in the process of reviewing proposals and applying the commission's evaluation criteria for ranking. Staff will provide 2018 ENRTF proposal books and accompanying material to commission members in August.

- **Review LCCMR 2017 calendar**

- **2017 Legislative Session Report**

- **S.F. 550 4th Engrossment the Environment and Natural Resources Trust Fund (ENRTF) Bill – M.L. 2017, Chp. 96**
- **Discussion of Legislative additions and reductions – a more detailed discussion will follow**
- **Review of other legislative action of interest**

Susan Thornton gave an overview of the Legislative Session Report. Staff handed out a spreadsheet titled "Status of M.L. 2017 Environment and Natural Resources Trust Fund (ENRTF) Recommendations (FY2017 and FY2018)"

MOTION: Commissioner Broberg moved to have the LCCMR write a letter to the project managers of the deleted or reduced 2017 ENRTF recommended proposal appropriations.

Susan Thornton reminded members that staff had already contacted the project managers of the deleted and reduced 2017 ENRTF recommended proposal appropriations to let them know they may resubmit by the July 15 deadline in Subd. 19. It was stated that some of them have already resubmitted 2018 proposals by the May 15 deadline. Ms. Thornton also said staff had contacted the project managers that had received a reduction in their M.L. 2017 work plan and that they could also resubmit by July 15, 2017. Members discussed.

Subd. 19. Fiscal Year 2019 Recommendations

- (a) For fiscal year 2019, the commission shall consider recommending loans from the corpus of the trust fund to statutory and home rule charter cities and towns with a population less than 5,000 as provided in the Minnesota Constitution, article XI, section 14. The commission shall work with the Public Facilities Authority in developing its recommendations. The commission shall include in its recommendations an analysis of using trust fund allocations for grants to the same cities and towns, including any necessary statutory changes.*
- (b) Any deadlines established by the Legislative-Citizen Commission on Minnesota Resources for submission of proposals for the commission's fiscal year 2019 funding recommendations are waived until July 15, 2017, for proposals authorized under this subdivision and proposals that the commission recommended for fiscal year 2018 but that did not receive funding.*

RENEWED MOTION: Commissioner Broberg renewed his motion to move to have the Co-Chairs write a letter to the project managers of the deleted or reduced 2017 ENRTF proposals / appropriations – motion withdrawn.

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4. **Begin overview of Conservation Reserve Enhancement Program (CREP) by Board of Water and Soil Resources (BWSR)**

John Jaschke (Director BWSR) and Angie Becker-Kudelka (Assistant Director) provided an overview of the Conservation Reserve Enhancement Program (CREP). Members discussed.

Members requested BWSR to provide a breakdown of the \$150 million dollar state match for administration, restoration, easement payments and other. Ms. Becker-Kudelka said they would provide a response.

Members asked BWSR to provide information on how the CREP easements will maintain and improve water quality. Mr. Jaschke said they will provide information using models and pollution reduction calculator to estimate benefits of past CREP easements.

5. **Begin overview on wastewater system needs by Public Facilities Authority (PFA) and Minnesota Pollution Control Agency (MPCA)**

Jeff Freeman (Executive Director PFA) and Greta Gauthier (MPCA) provided an overview of wastewater and drinking system funding. Members discussed.

Members asked 'What's the average of user charge for waste water treatment per household by community across the state?'. Mr. Freeman said he will provide a response.

Commissioner Westrom asked how LCCMR can help address environmental aspects of water treatment systems in small communities.

Ms. Gauthier and Mr. Freeman indicated that perhaps the LCCMR could consider:

- Help research, assess, train, and work with small operators to utilize existing systems more effectively and efficiently to achieve higher water quality standards and increase longevity of systems without the need for costly construction
- Help small communities with asset management regarding age and condition of infrastructure of water systems to help in planning and rehabilitation.

Ms. Gauthier said there is a current LCCMR project M.L. 2016, Chp. 186, Secc. 2, Subd. 04m "Analyzing Alternative for Muncipal Wastewater Treatment ", MPCA, Scott Kyser, \$180,000 and MPCA has submitted a proposal titled "Wastewater Treatment Plant Optimization Pilot Program", MPCA, Joel Peck, \$236,360.

Commissioner Westrom suggested LCCMR create a sub-committee to continue discussion of M.L. 2017, Chp. 96, Sec. 2, Subd. 19 to work with PFA water treatment systems and to continue to look at LCCMR's role in addressing environmental aspects of water treatment systems in small communities.

Members moved to agenda item 7.

6. **Overview of M.S. 84.95 Reinvest in Minnesota Resources Fund**

Susan Thornton explained this is before them due to the legislative change to M.S. 116P.08, Subdivision 1.

7. **M.L. 2015, Chp. 76, Sec. 2, Subd. 10 "Emerging Issues Account" (balance remaining is \$622,000) – Requests for funding:**

- **Emerging Issues Account needs a supermajority of 12 members to approve**
 - A. **"Palmer Amaranth Detection and Eradication", MN Dept. of Agriculture, Monika Chandler, \$222,100**

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Monika Chandler (MN Dept. of Agriculture) and Geir Friisoe (MN Dept. of Agriculture) provided an overview of Palmer Amaranth Detection and Eradication. Members discussed. Ms. Chandler said they would present at the LCCMR meeting on June 21.

B. "Deer Movement Related to Potential CWD Prion Transmission", MN DNR, Chris Janelle, \$350,000

Members determined that they needed additional information and will consider it at the LCCMR meeting on June 21.

8. Minnesota Invasive Terrestrial Plants and Pests Center (MITPPC) – U of MN, Dr. Robert Venette, Director M.L. 2014, Chp. 312, Art. 12, Sec. 8 and M.L. 2015, Chp. 76, Sec. 8, Subd. 06a

- Present recent allocation process and research initiatives - 11 projects totaling \$4,649,420
- LCCMR staff are authorized to approve sub-project work plans of M.L. 2015, Chp. 76, Art. 2, Sec. 6a "Minnesota Invasive Terrestrial Plants and Pests Center", per conditions of the LCCMR's approval of the overall work plan for M.L. 2015, Chp. 76, Art. 2, Sec. 6a on 6/25/2015

Rob Venette (Director MITPPC) and Heather Koop (Assistant Director MITPPC) provided an overview of the Minnesota Invasive Terrestrial Plants and Pests Center (MITPPC). Members discussed.

9. Consider request from Minnesota Invasive Terrestrial Plants and Pests Center (MITPPC) to fund capital equipment (\$35,000) for M.L. 2015, Chp. 76, Sec. 2, Subd. 06a "MITPPC #9: Dispersal Characteristics of Gypsy Moth Larvae to Improve the Effectiveness of Quarantine", U of MN, Brian Aukema – Dr. Rob Venette, U of MN, MITPPC

Rob Venette discussed the capital equipment request for \$35,000 for M.L. 2015, Chp. 76, Sec. 2, Subd. 06a "MITPPC #9: Dispersal Characteristics of Gypsy Moth Larvae to Improve the Effectiveness of Quarantine", U of MN, Brian Aukema. Members discussed.

MOTION: Commissioner Moody moved to approve the capital equipment request for \$35,000 (\$33,500 servosphere and data acquisition and \$1,500 rental for the quarantine facility) for M.L. 2015, Chp. 76, Sec. 2, Subd. 06a "MITPPC #9: Dispersal Characteristics of Gypsy Moth Larvae to Improve the Effectiveness of Quarantine", U of MN, Brian Aukema – motion prevailed.

10. Minnesota's Aquatic and Invasive Species Research Center (MAISRC) – U of MN, Dr. Nick Phelps, Director M.L. 2013, Chp. 52, Sec. 2, Subd. 06a

- Present recent allocation process and research initiatives - 6 projects totaling \$1,225,000
- LCCMR staff are authorized to approve sub-project work plans of M.L. 2013, Chp. 52, Sec. 2, Subd. 06a – "Aquatic Invasive Species Research Center", per conditions of the LCCMR's approval of the overall work plan for M.L. 2013, Chp. 52, Sec. 2, Subd. 06a on 6/25/2013

Nicholas Phelps (Director MAISRC) provided an overview of the Minnesota's Aquatic and Invasive Species Research Center (MAISRC). Members discussed.

Members asked how soon some of this aquatic invasive species (AIS) research can be used to inform policy and to implement in the field. Mr. Phelps informed members that currently it is being used in field and they are presently working on four white papers.

11. M.L. 2017, Chp. 96, ENRTF work plan approval

M.L. 2017 ENRTF work plan approval and action. Proposed work plans, as available, can be viewed at <http://www.lccmr.leg.mn>

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- A. Appropriations with no changes from LCCMR recommendation – Staff recommend consent approval. Approval M.L.2017 ENRTF work plans – Consent agenda spreadsheet with consent recommendations and specific project requirements needing LCCMR action with approval. 59 Appropriations - Spreadsheet Lines 1 to 61**

Criteria for Consent Agenda: No legislative changes, identified staff issues or proposed changes from the proposal.

- **Any member may designate any work program for hearing, thus removing it from Consent Agenda. Approval will then be scheduled for a later date.**

MOTION: Commissioner Moody moved to approve lines 1 to 61 on the spreadsheet titled “M.L. 2017, Chp. 96, Sec. 2 – Environment and Natural Resources Trust Fund Work Plan Approval” including “Specific work plan approval, notes and contingencies” on the spreadsheet – motion prevailed. (See Attachment #1)

- B. Appropriation needing LCCMR review prior to approval due to various factors – for consideration on 6/7/17. (See spreadsheet notes)
1 Appropriation - Spreadsheet Lines 62 to 64**

MOTION: Commissioner Gibson moved to approve lines 62 to 64 on the spreadsheet titled “M.L. 2017, Chp. 96, Sec. 2 – Environment and Natural Resources Trust Fund Work Plan Approval” including “Specific work plan approval, notes and contingencies” on the spreadsheet – motion prevailed.

- C. Appropriations needing LCCMR review due to Legislative changes from LCCMR recommendation – Appropriations Reduced by Legislature - Consent criteria not met. Staff recommended LCCMR work plan review (not on consent agenda).
3 Appropriations - Spreadsheet Lines 66, 68 and 69 – ready for approval
1 Appropriation - Spreadsheet Line 67 – no work plan received at reduced amount – see DNR letter (pending)**

Discussion, work plan presentations, and approval of appropriations reduced in the legislative session

- **M.L. 2017, Chp. 96, Sec. 2, Subd. 03a “County Geologic Atlases – Continuation”, Minnesota Geological Survey”, \$2,000,000**

Dale Setterholm (Minnesota Geological Survey) provided an overview of M.L. 2017, Chp. 96, Sec. 2, Subd. 03a “County Geologic Atlases – Continuation”. Members discussed.

Mr. Setterholm explained the impact of the legislative funding reduction from \$4,729,000 to \$2,000,000 and stated he has submitted a new proposal for FY19 funding to continue the work.

MOTION: Commissioner Broberg moved to approve line 66 on the spreadsheet titled “M.L. 2017, Chp. 96, Sec. 2 – Environment and Natural Resources Trust Fund Work Plan Approval” including “Specific work plan approval, notes and contingencies” on the spreadsheet – motion prevailed.

- **M.L. 2017, Chp. 96, Sec. 2, Subd. 05b “Increasing Diversity in Environmental Careers”, MN DNR, \$487,000**

Denise Legato (DNR) provided a letter from the MN DNR and asked commission members for more time to evaluate whether or not they would have a work plan with the reduction from \$1,487,000 to \$487,000 in funding in M.L. 2017, Chp. 96, Sec. 2, Subd. 05b “Increasing Diversity in Environmental Careers”, MN DNR, \$487,000. Members discussed. Ms. Legato stated that they are reviewing the option to resubmit the proposal by the July 15, 2017 deadline.

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- **M.L. 2017, Chp. 96, Sec. 2, Subd. 09b “Scientific and Natural Areas Acquisition and Restoration, Citizen Science, and Engagement”, MN DNR, \$2,500,000**

Peggy Booth (DNR) provided an overview of M.L. 2017, Chp. 96, Sec. 2, Subd. 09b “Scientific and Natural Areas Acquisition and Restoration, Citizen Science, and Engagement” and the impact of the legislative funding reduction from \$4,500,000 to \$2,500,000. Ms. Booth indicated that a new proposal for FY19 funding has been submitted to continue the work. Members discussed.

MOTION: Commissioner Moody moved to approve line 68 on the spreadsheet titled “M.L. 2017, Chp. 96, Sec. 2 – Environment and Natural Resources Trust Fund Work Plan Approval” including “Specific work plan approval, notes and contingencies” on the spreadsheet – motion prevailed.

- **M.L. 2017, Chp. 96, Sec. 2, Subd. 09e “Native Prairie Stewardship and Prairie Bank Easement Acquisition”, MN DNR, \$2,675,000**

Judy Schulte (DNR) provided an overview of M.L. 2017, Chp. 96, Sec. 2, Subd. 09e “Native Prairie Stewardship and Prairie Bank Easement Acquisition” and the impact of the legislative funding reduction from \$3,500,000 to \$2,675,000. A new native prairie bank proposal has been submitted for FY19 funding. Members discussed.

MOTION: Commissioner Ecklund moved to approve line 69 on the spreadsheet titled “M.L. 2017, Chp. 96, Sec. 2 – Environment and Natural Resources Trust Fund Work Plan Approval” including “Specific work plan approval, notes and contingencies” on the spreadsheet – motion prevailed.

- D. Appropriations needing LCCMR review prior to approval due to being added by Legislature – to be called in for presentations at later date to be determined.**

2 Appropriations - Spreadsheet Lines 71 to 73

- **M.L. 2017, Chp. 96, Sec. 2, Subd. 03n “Pollinator Research and Outreach”, U of MN , \$500,000 (FY18 - \$411,000 and FY19 - \$89,000)**
- **M.L. 2017, Chp. 96, Sec. 2, Subd. 08l “Conservation Reserve Enhancement Program (CREP)”, BWSR, \$13,500,000 (FY17 – \$2,729,000; FY18 - \$5,771,000; and FY19 - \$5,000,000)**

Susan Thornton explained staff will work with the U of MN and BWSR on work plans for consideration by the LCCMR in the future.

Members returned to Agenda Item 6.

12. Other business

- **Next scheduled LCCMR meeting date or Site Visit – June 21-22, 2017**
- **Update on the Site Visits**

Members agreed to cancel the June 22 meeting and replace it with a business meeting on June 21 and with an afternoon metro area site visit.

13. Adjourn

Meeting adjourned at 4:15.


