

2020 Legislative Update: March 3, 2020

MAWD: Protecting Minnesota's Water

PRIORITY A - TOP 2020 LEGISLATIVE PRIORITIES

New details highlighted below.

The following top priorities have been set by the MAWD Board of Directors for lobbying efforts in 2020.

1. **Increase the \$250,000 general fund levy limit.**
2. **Secure a strong bonding allocation for flood hazard mitigation projects.**
3. **Permit temporary storage of water on DNR land during major flood events.**

PRIORITY B – LEGISLATION WE SUPPORT

The following issues are supported by MAWD, but legislative efforts are being or will need to be led by others.

- [HF 1502](#) / [SF 1667](#) Provide limited liability protection to certified **commercial salt applicators**.
 - 2/24/20 – 1 p.m. Hearing: Senate Env't & Natural Resources Policy and Legacy Finance Committee
 - 2/24/20 – SF 1667 passed environment committee and referred to the Senate Judiciary Committee
- Clarify the responsibility of counties to **finance public drainage system projects** upon request of a watershed district and/or provide authorization to watershed districts to do their own general obligation bonding.
- Obtain stable and reliable funding for an ongoing flood damage reduction program.
- [HF 3595](#) / No Senate File – Increase water storage in the Minnesota River Basin.
 - 2/20/20 – Bill was introduced and referred to the House [Water Division](#).
 - Title: "Minnesota River basin water quality and storage program established, and money appropriated."
 - Authors: Torkelson, Fischer, Heintzeman, Poston, Brand, Lippert, Boe
 - 3/02/20 – 12:45 p.m. hearing was held in the [Water Division](#).
 - Rob Sip, Executive Director of the Red River Watershed Management Board, testified. He described how large-scale water storage projects get implemented in the Red River Basin. He also mentioned the need for more funding, including bonding dollars and a better option for stable and reliable funding for flood damage reduction programs.
 - LeAnn Buck, Executive Director of the MN Association of Soil and Water Conservation Districts, testified. She described existing efforts to implement field-scale projects that hold back water through local cost share programs.
 - Angie Becker-Kudelka, Assistant Director of the MN Board of Water and Soil Resources, testified. She discussed several options for types and locations of projects that could be implemented to provide more temporary storage in the urban and rural sectors.
 - Carrie Jennings, Freshwater Research Director, testified to the uniqueness of the MN River Basin and the need for good agricultural drainage within the watershed.
 - Three others testified in support of the bill: Rich Biske, Nature Conservancy; Scott Sparlin, MN River Congress; and Lance Ness, representative of several organizations.
 - The bill was laid over for further discussion at another time. There are details to be worked out and amendments may be presented at a future meeting.
 - To listen: <http://ww2.house.leg.state.mn.us/audio/mp3ls91/water030220.mp3>

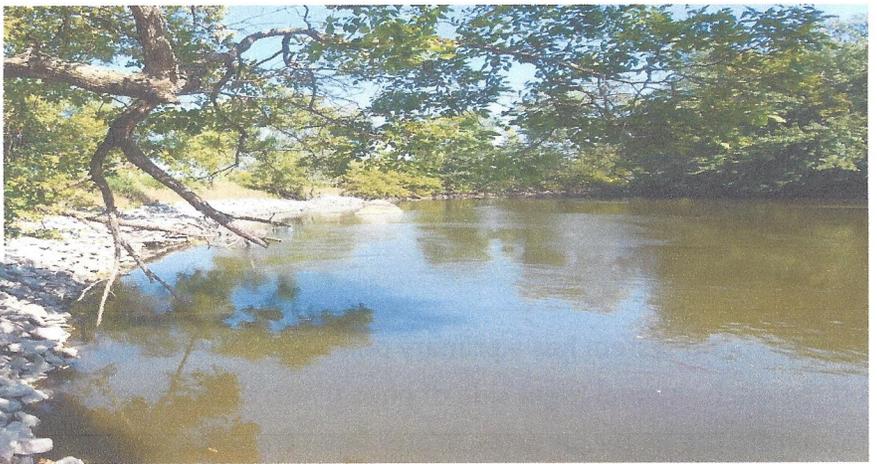
LEGISLATION WE OPPOSE

MAWD will oppose legislation that negatively impacts the ability of watershed organizations to protect and preserve Minnesota's water resources. Currently, this includes the following bills that have been introduced.

- [HF 1887](#) / [SF 1766](#) / [HF 3549](#) / [SF 3542](#) – Watershed district provisions modified (“Developer’s Bill of Rights”)
- [HF 2314](#) / [SF 2372](#) – Rice Creek watershed district spending and reporting requirements
- [HF 2995](#) / [SF 2931](#) – WD manager appointment modifications (Require only county commissioners to serve on watershed district boards.)
- [HF 3502](#) / SF None – Sauk River WD levy authority modification
 - 2/18/20 – Bill was introduced and referred to the [Property and Local Tax Division](#) in the House
 - Authors: Paul Anderson, Mary Franson, Josh Heintzeman, John Poston, Steve Green
 - Description: This bill would put a cap on the general levy for Sauk River WD. Through special legislation passed in 2005, they can levy up to 0.01% of the taxable market value without a dollar cap. This would reduce their general levy capacity by over \$300k starting next year.
 - 3/02/20 – 12:45 p.m. hearing scheduled in the [Property and Local Tax Division](#)
 - Representative Paul Anderson introduced the bill and described the concerns that citizens in the watershed have expressed to him over the past few months.
 - Two citizens testified in support of the bill.
 - Scott Henderson, Sauk River WD Administrator and Emily Javens, MAWD Executive Director testified in opposition of the bill.
 - The bill was laid over for possible inclusion in an omnibus tax bill. MAWD will continue to meet with Representatives to discuss this bill and monitor closely to make sure it does not make it to the Governor’s desk.
 - To view (forward to 54 minutes, 30 seconds): <https://youtu.be/OqbX9nHcbec>



Thank you to Scott Henderson, SRWD Administrator, and Tyler Carlson, SRWD President, for coming to St. Paul and discussing the role watershed districts play in protecting Minnesota's water and clearing up some misconceptions about how watershed districts are funded. It was a great opportunity to discuss how a \$250,000 general levy can be so limiting on a district that is over 1,000 square miles in area. See attached for the handouts provided to the committee.



**Board of Manager Meetings are 3rd
Tuesday of each month,
starting at 6:00 p.m., at the
District Office,
524 4th Street South
Sauk Centre, MN 56378**

Board of Managers

Tyler Carlson - President
Todd County
Dennis Ritter - Vice President
Stearns County
Emily Wolf - Treasurer
Douglas County
Gary Barber - Secretary
Todd County
Larry Ladwig - Manager
Stearns County
Bill Becker - Manager
Stearns County
Lee Bautch - Manager
Stearns County
Scott Klatt - Manager
Meeker County
Donavon McKigney - Manager
Pope County

Staff

Scott Henderson
Administrator
Sarah Jo Boser
Water Resources Manager
Adam Hjelm
Educ. & Outreach Coordinator
Jon Roeschlein
Ditch & Permit Manager
Melissa Roelike
Office and Finance Manager
Kady Krivanek
Environmental Technician

SAUK RIVER WATERSHED DISTRICT

The Sauk River Watershed District was established on July 22, 1986, with the mission to “apply our unique abilities and authorities in ways that protect and enhance our watershed’s waters and natural resources for today and tomorrow”. The watershed encompasses 1,041 square miles in Central Minnesota and includes land in Douglas, Meeker, Pope, Stearns and Todd Counties. The watershed is unique in that it has a robust mix of land uses, ranging from agricultural land in the northwestern area of the watershed to a highly urbanized area in the southeastern portion, including the cities of St. Joseph, Waite Park, and St. Cloud. The Sauk River begins at the outlet to Osakis Lake and meanders 120 miles until it empties into the Mississippi River in St. Cloud.

Watershed districts are local, special-purpose units of government that work to solve and prevent water-related problems. The boundaries of each district follow those of a natural watershed and consist of land in which all water flows to one outlet.

Minnesota's 42 watershed districts are each governed by a Board of Managers appointed by the Boards of Commissioners of the counties that have land in the district. Watershed Districts were authorized by the Legislature in 1955 when it passed the Watershed Act, MSA103D – this legislation sets out the roles and responsibilities for watershed districts in Minnesota. All meetings held by a Watershed District Board are open to the public.

More information can be found at www.srwdmn.org and www.mnwatershed.org.

The mission of the Sauk River Watershed District is to apply our unique abilities and authorities in ways that protect and enhance our watershed’s waters and natural resources for today and tomorrow.”



The JD2 Sedimentation Pond Project

The Judicial Ditch 2 (JD2) Sedimentation Pond Project is a two pond system that was installed off the JD2 main channel in 2003 and repaired in 2005. The main purpose of the JD2 sedimentation ponds is to reduce the amount of sediment and pollutants entering Osakis Lake.

The two pond system has a primary pond and a secondary pond as shown in the above picture. Water is diverted off the ditch channel (right side of photo) into the primary pond. The primary pond is narrow and deep (.75 acres) to capture the larger particles. Water flows from the primary pond to the secondary pond, which is significantly wider and shallower (10 acres). Here the finer, smaller particles are captured. Water is then returned to the ditch through a culvert.

To maintain the performance of the ponds, periodical maintenance is needed. To date, the primary pond has been cleaned out three times, in 2009, 2012 and 2019. The secondary pond was cleaned out once in 2019.

In 15 years, the project has removed approximately 18,000 yds³ of sediment, equal to a 1,800 dump truck loads, and over 15,000 lbs. of phosphorus from entering the lake. The total project, construction and maintenance, has cost \$1,400,000 (with \$177,000 coming from grants/donations) through 2019. A cost/benefit of \$93.33 per lbs. of phosphorus is excellent when compared to other best management practice costs. Based on the project establishment order and MN Statute 103D.631, continued maintenance costs are paid by benefitting landowners. In this case, those individuals are owners of property within 1000 feet of the lake and all property within the City of Osakis. The current assessment of \$650,000 over 10 years has an average cost \$38 per year per landowner.

New District Office

In June 2017, the Board of Managers appointed three managers to take part in a building committee to investigate a new office building for the District. The District has been at its current location in Sauk Centre, MN since 1994. After looking for sites to remodel in Sauk Centre and Melrose, MN, the Board of Managers decided to construct a new building that could bring efficiencies in operations, increase public meeting space and add workstations for future growth. In September 2018, the Board moved with building a new office and set in motion hiring an architect and construction manager and finalizing the design. At the August 2019 public hearing on the 2020 budget, the Board passed a levy that included \$150,000 for the initial repayment of the bond for the new space. Below is an estimation of costs to tax payers on an annual basis for 17 years.

Category	Taxable Market Value	Estimated Annual Building Payment
Residential Homestead	\$150,000.00	\$2.40
Residential Homestead	\$250,000.00	\$3.99
Residential Homestead	\$350,000.00	\$5.59
Residential Homestead	\$650,000.00	\$10.48
Seasonal Residential	\$600,000.00	\$4.79
Ag Homestead	\$500,000.00	\$3.99
Ag Non-Homestead	\$500,000.00	\$7.98
Industrial	\$500,000.00	\$15.97
Commercial	\$1,000,000.00	\$31.93



Sauk River Watershed District; General Fund Revenue and District Expenses

Below are charts that help illustrate that the Sauk River Watershed District is not fiscally irresponsible and that we have used our levying authority to good use in bringing services to the citizens and leveraging local dollars for State

dollars. Here are some numbers to consider. Our levying authority was changed by session law in 2005, that instead of following the statute (0.048% of TMV or \$250,000, whichever is less), we could levy 0.01% of the TMV with no hard cap. Starting in 2010, the District has been over the suggested \$500,000 levy cap that is suggested by the House file. Below is the TMV vs. the levy and shows the percentage that the District has utilized based on the cap that we could have levied.

Year	General Fund Max. (TMV x 0.0001)	General Levy Actual or Budget Revenue	% of Maximum Fund Utilized
2010	\$ 696,138.16	\$ 524,043.00	75.3%
2011	\$ 726,208.30	\$ 549,186.00	75.6%
2012	\$ 708,699.43	\$ 579,619.00	81.8%
2013	\$ 655,306.57	\$ 600,237.00	91.6%
2014	\$ 645,288.38	\$ 614,638.00	95.3%
2015	\$ 667,633.98	\$ 621,343.00	93.1%
2016	\$ 706,801.61	\$ 621,070.00	87.9%
2017	\$ 737,829.30	\$ 645,175.00	87.4%
2018	\$ 742,941.95	\$ 690,838.00	93.0%
2019	\$ 768,258.04	\$ 699,558.00	91.1%
2020	\$ 869,363.37	\$ 846,789.00	97.4%
11-year Avg.	\$ 720,406.28	\$ 635,681.45	88.12%

This table shows that the District has been fiscally responsible and has never levied to the max cap, ever. Some years are higher than others, but the District is cognizant of the TMV and how we spend our taxpayer's dollars.

Regarding our expenses, here is a breakdown of the amount of money that goes towards personnel vs other costs associated with the general operating budget from 2016-2019 (excludes drainage department because it is not funded through general levy).

	Budget	Actual
Personnel	\$431,225.03	\$414,791.06
Operating	\$287,483.35	\$276,527.37
Total	\$718,708.38	\$691,318.43

This table shows that 60% is personnel (salary, insurances, and taxes) for managers and staff and 40% is operation (supplies, monitoring costs, utilities, trainings, etc.). It is also important to note **since 1994, SRWD has brought in**

\$2.22 in loans and grants for every \$1.00 that the District has levied. Decreasing the levy **MAY** affect the District's ability to go after grants and loans, outside what the One Watershed, One Plan will give to the watershed area.

Decreasing SRWD's levy authority WILL affect the programs that the District currently has and promotes. Here is a breakdown of the amount of money (personnel and operational) by department from 2016-2019.

	Budgeted	Actual
Managers	\$25,645.00	\$22,111.08
Administration	\$306,351.43	\$289,475.88
Education	\$86,804.13	\$83,146.69
Monitoring	\$79,376.72	\$59,769.88
BMP	\$139,673.80	\$147,744.11
Permit	\$53,107.30	\$75,195.80
Outlay	\$27,750.00	\$13,875.00
Total	\$718,708.38	\$691,318.44

Scott Henderson

District Administrator 524 4th Street
 South Sauk Centre, MN 56378
 Phone: 320.352.2231 | Fax: 320.352.6455



SAUK RIVER WATERSHED DISTRICT MAP



February 28, 2020

House Property and Local Tax Division
557 State Office Building
St. Paul, MN 55155

Dear Chair Carlson and Representatives:

I am writing on behalf of The Nature Conservancy in opposition to H.F. 3502, which seeks to limit the Sauk River Watershed District's levy authority.

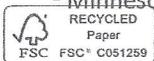
Under state statute, the purpose of a watershed district is "to conserve the natural resources of the state by land use planning, flood control, and other conservation projects by using sound scientific principles for the protection of the public health and welfare and the provident use of natural resources".¹ In order to achieve this purpose, watershed districts need the necessary financial resources and this bill would severely limit the Sauk River Watershed District's ability to do its work.

The Sauk River is an important drinking water resource, a state-designated canoe route and an important fishery for many Minnesotans. The watershed is within one of the most rapidly growing regions of our state, increasing its importance to a growing population, while also potentially threatening its quality. The Sauk River enters the Mississippi River just upstream of the drinking water intake for St. Cloud making it a critical resource for maintaining healthy drinking water for many Minnesotans. It has experienced intense conversion from perennial cover to cropland and urban development in the past decade. The watershed is still relatively healthy, but the river continues to be plagued by high levels of nutrients and bacteria. In the Sauk River watershed, smaller communities depend on groundwater yet face continued threats to their drinking water due to nitrate contamination and limited supply.

The Sauk River Watershed District is critical to ensuring the Sauk River does not reach a level of impairment from which it is unlikely to recover. The District has been a great partner and has enabled the protection, restoration, and enhancement of critical lands for the benefit of water quality and quantity. They have important programs that support residents and other local government agencies to install and maintain conservation practices. The District maintains an essential monitoring program that allows us all to track the health of the river and the lakes and streams that flow into it. This information helps the watershed district and many other partners to determine the locations of greatest conservation need. The district serves an essential role coordinating many stakeholders and leading watershed-wide planning.

The Sauk River Watershed District has a proven track record of using science to identify and prioritize the best locations for practices that will improve water quality and have well-vetted programs and strategies that are showing results. They currently have a general operating levy of 0.01% of the taxable market value in the watershed. In the past 10 years, they have never levied to the maximum cap but do consistently levy over \$500,000 to accomplish their conservation goals. This funding is used to protect

¹ Minnesota Statutes 2019, section 103D.201, subdivision 1



The Nature Conservancy

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South Dakota Chapter
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and improve water quality, which benefits us all, and they seek to do this in the least burdensome way possible to residents within the watershed. Additionally, Sauk River Watershed District works to leverage the funds received from the funds that they levy. Since 1994, they have brought in \$2.22 in loans and grants for every \$1.00 that they have levied.

For these reasons, I urge you to oppose H.F. 3502. If this bill becomes law, it would unnecessarily impede the work of the Sauk River Watershed District at a time when more must be done to protect and restore this important resource.

Thank you for all your work on behalf of Minnesota.

Sincerely,



Richard Biske
Freshwater Program Director
The Nature Conservancy in Minnesota