

LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES

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John Velin, Director

January 15, 2007

Governor Tim Pawlenty
Secretary of the Senate, Patrick E. Flahaven
Chief Clerk of the House, Albin A Mathiowetz
Chair, Senate Finance Committee, Senator Richard Cohen
Chair, Senate Environment and Natural Resources, Senator Satveer Chaudhary
Chair, Senate Environment, Energy and Natural Resources Budget Division, Senator Ellen Anderson
Chair, House Ways and Means, Representative Loren Solberg
Chair, House Finance, Representative Lyndon Carlson
Chair, House Environment and Natural Resources, Representative Kent Eken
Chair, House Environment and Natural Resources Finance Division, Representative Jean Wagenius
Legislative Reference Library (6 copies)

Dear Governor and Legislature:

Transmitted herewith is the biennial report as required in M.S. 116P.09, Subd. 7 of the Legislative Commission on Minnesota Resources (LCMR) reorganized as the Legislative-Citizen Commission on Minnesota Resources (LCCMR) in M.L. 2006, Chp. 243.

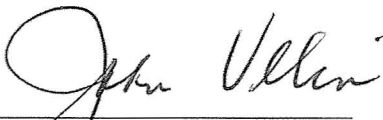
This report covers LCMR actions Jan. 15, 2005 (the last biennial report) to August 15, 2006, and LCCMR actions August 30, 2006 to January 15, 2007.

There is \$22,866,000 available for expenditure in each year of the FY08-09 biennium from the Trust Fund. The LCCMR makes annual funding recommendations to the Legislature from the Trust Fund.

- In addition \$500,000 is recommended from Federal Land and Water Conservation Funds (LAWCON) M.S. 116P.14
- The LCCMR adopted the funding recommendations for FY08 on January 5, 2007.
- The LCCMR will be making a funding recommendation to the Legislature for FY09 in January 2008.
- As of January 15, 2007 the appropriation language in V. Recommendation is in draft form. Upon review by the Revisor's Office it will be introduced in bill form.

We look forward to presenting this information and certainly encourage questions and discussion. Thank you for the opportunity to serve the Legislature in this capacity.

Sincerely,



John Velin, Director
On behalf of the LCCMR

*Sen. Ellen Anderson, Alfred Berner, Jeff Broberg, Rep. Lyndon Carlson, Sen. Satveer Chaudhary, Sen. Dennis Frederickson,
Nancy Gibson, David Hartwell, John Herman, John Hunt, Mary Mueller, Sen. Pat Pariseau, Rep. Kathy Tingelstad,
Sen. Jim Vickerman, Rep. Jean Wagenius*

LCCMR 2007 ENVIRONMENT AND NATURAL RESOURCES TRUST FUND RECOMMENDATIONS

- The Legislative–Citizen Commission on Minnesota Resources (LCCMR) produced its first set of Trust Fund appropriation recommendations amounting to just over \$23 million on January 5, 2007.
- The LCCMR, newly formed in August 2006, produced an interim strategic plan for the Trust Fund, nominated a number of past projects for future funding and also solicited and reviewed new proposals related to water resource quality and quantity protection.
- The Commission recommends 29 projects to the Legislature for the annual Trust Fund appropriations. A complete itemized list of the recommended proposals is on the LCCMR website at www.lccmr.leg.mn.

TWO MAJOR THEMES OF THE 2007 RECOMMENDATIONS

1. LAND PROTECTION through acquisition or research that will provide improved protection into the future (nearly 22,000 acres), and
2. WATER QUALITY/QUANTITY AND AIR PROTECTION through
 - Data collection related to soils, biological and geologic information;
 - Research on water quality concerns, pharmaceuticals and other chemicals; and
 - Demonstrations of the potential for biofuels to reduce water and air pollution while providing significant fuel resources.

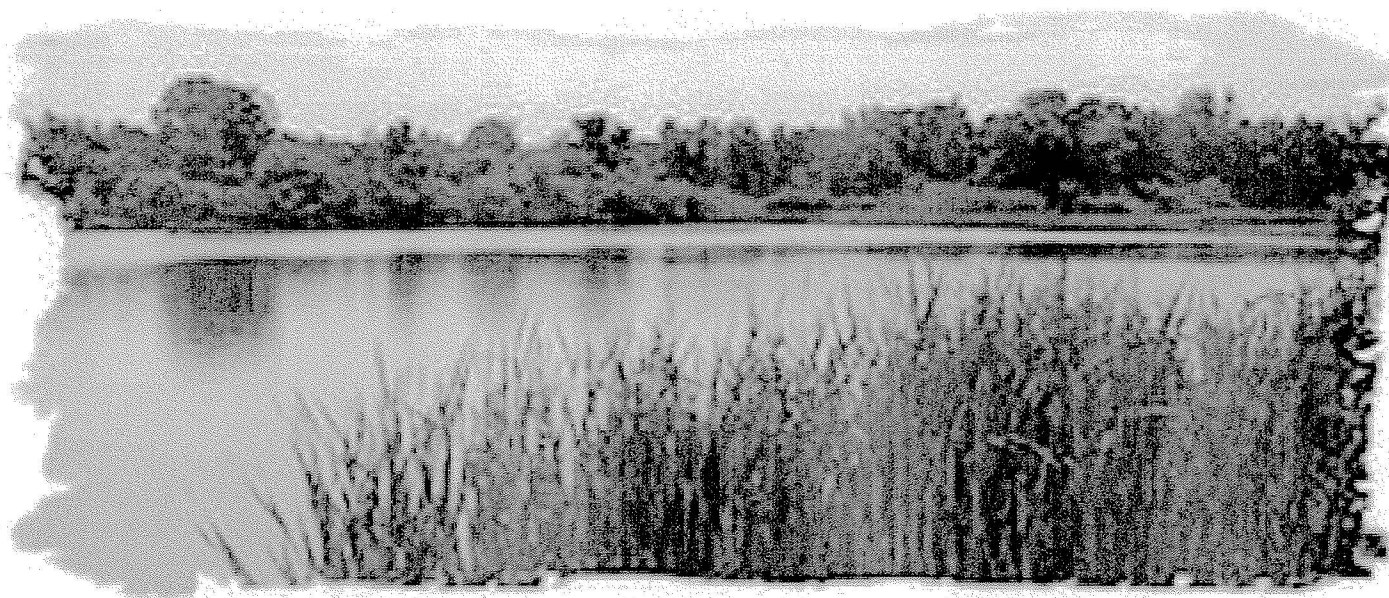
SUMMARY OF THE EXPECTED OUTCOMES OF THE \$23 MILLION

- **Land Acquisition** - Approximately \$12,300,000 in land *acquisition* to protect forests prairies, wetlands and other habitat for both human and animal benefit. The estimated acreage to be acquired in a combination of fee and easements is 17,000.
- **Land Restoration** - Approximately \$2,500,000 in land *restoration*. This includes physical vegetation restoration and advanced research into biological control of exotic and invasive species. Restoration acres are approximately 4,000.
- **Natural Resource Inventory and Analysis** - Approximately \$4,100,000 in projects that provide *inventory and analysis* of natural resources and will provide critically important pieces of information over time. This includes continuation of the MN County Biological Survey, acceleration of the County Geologic Atlas base information program, experimental lake zoning, trout stream “spring sheds” examinations, evaluating conservation grasslands for their pollution prevention.
- **Natural Resource Research** - Approximately \$2,900,000 in *research* projects that will advance our knowledge of air and water resource problems and provide some solutions.
- Just over \$1 million for administration and a special inquiry into natural resources data needs organization and technology issues.

2008 Recommendations - The LCCMR will recommend a second set of funding recommendations to the 2008 Legislature based on the next strategic planning cycle.

Legislative-Citizen Commission on Minnesota Resources

Biennial Report
January 15, 2007



Pursuant to: M.S. 116P.09, Subd. 7

Please return this document to the LCCMR office: Room 65 State Office Building

Commission Members

LCCMR membership August 25, 2006 – January 1, 2007

REPRESENTATIVES

Rep. Lyndon Carlson

Rep. Pete Nelson

Rep. Dennis Ozment

Rep. Kathy Tingelstad*

Rep. Jean Wagenius*

SENATORS

Sen. Ellen Anderson

Sen. Satveer Chaudhary

Sen. Dennis Frederickson*

Sen. Pat Pariseau

Sen. Jim Vickerman*

CITIZENS

Alfred Berner, Gov. appt.
(term ends – 1/5/2009)

Jeff Broberg, House appt.
(term ends – 1/4/2010)

Nancy Gibson*, Gov. appt.
(term ends – 1/7/2008)

David Hartwell*, Gov. appt.
(term ends – 1/4/2010)

John Herman, Senate appt.
(term ends – 1/4/2010)

John Hunt, Gov. appt.
(term ends – 1/5/2009)

Mary Mueller, Gov. appt.
(term ends – 1/4/2010)

LCCR membership January 15, 2005 – August 15, 2006

REPRESENTATIVES

Rep. Lyndon Carlson*, Rep. Dan Dorman, Rep. Tom Hackbarth, Rep. Larry Howes*,
Rep. Thomas Huntley, Rep. Jim Knoblach**, Rep. Denny McNamara, Rep. Peter Nelson,
Rep. Dan Severson**, Rep. Kathy Tingelstad*, Rep. Jean Wagenius

SENATORS

Sen. Ellen Anderson, Sen. D. Scott Dibble, Sen. Dennis Frederickson*, Sen. Linda Higgins, Sen. Pat Pariseau, Sen. Carrie Ruud, Sen. Dallas Sams*, Sen. David J. Tomassoni, Sen. Jim Vickerman*,
Sen. Charles Wiger

* Denotes Executive Committee Members

** Rep. Jim Knoblach was replaced in 2005 by Rep. Dan Severson

LCCR Staff

John Velin, Director

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Legislative-Citizen Commission on Minnesota Resources
Biennial Report to the Legislature, M.S. 116P.09, Subd. 7
January 15, 2007

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- I. Strategic Plan**
"a copy of the current strategic plan;"
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 - B. RFP for Water Resource Conservation and Protection
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"a description of each project receiving money from the trust fund during the preceding biennium;"
Project Abstracts for Laws 2005 and 2006
- III. Completed Research Projects**
"a summary of any research project completed in the preceding biennium;"
Project Abstracts of all projects completed since Jan. 15, 2005, including research.
- IV. Agency Implementation**
"recommendations to implement successful projects and programs into a state agency's standard operations;"
- V. Recommendations – FY08**
"to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund during the next biennium;"
- VI. Revenues and Distributions**
"the source and amount of all revenues collected and distributed by the commission, including all administrative and other expenses;"
- VII. Assets and Liabilities**
"a description of the assets and liabilities of the trust fund;"
- VIII. Findings to Legislature**
"any findings or recommendations that are deemed proper to assist the legislature in formulating legislation;"
- IX. Gifts and Donations**
"a list of all gifts and donations with a value over \$1,000;"
- X. Environmental Spending Comparisons**
"a comparison of the amounts spent by the state for environment and natural resources activities through the most recent fiscal year; and"
- XI. Compliance Audit**
"a copy of the most recent compliance audit."

APPENDIX A

- Environment and Natural Resources Trust Fund Constitutional Language amended 11/3/98
- M.S. 116P, The Minnesota Environment and Natural Resources Trust Fund (Trust Fund)
- M.S. 116P.14, Federal Land and Water Conservation Funds (LAWCON)
- M.S. 116Q.02, Great Lakes Protection Account
- Section 4.071, Subdivision 2 Oil Overcharge

APPENDIX B

- Trust Fund Advisory Task Force Report and Appendices – February 15, 2006

I. Strategic Plan / RFP

*“a copy of the current strategic
plan...”*

- A. Fall 2006 Operations Plan –
Adopted October 12, 2006.
- B. Request for Proposal (RFP) for
Water Conservation and Protection –
Adopted October 12, 2006.

LEGISLATIVE-CITIZEN COMMISSION

ON

MINNESOTA RESOURCES (LCCMR)

Fall 2006 Operations Plan for Funding Recommendations

And

Proposed Future Direction

Adopted

October 12, 2006

Sen. Ellen Anderson, Al Berner, Jeff Broberg, Rep. Lyndon Carlson, Sen. Satveer Chaudhary,
Sen. Dennis Frederickson, Nancy Gibson, David Hartwell, John Herman, John Hunt, Mary
Mueller, Rep. Pete Nelson, Rep. Dennis Ozment, Rep. Kathy Tingelstad, Sen. Pat Pariseau,
*Sen. Jim Vickerman, Rep. Jean Wagenius

*Designated by Sen. Dallas Sams, Chair of Environment, Agriculture, and Economic
Development Budget Division

Legislative-Citizen Commission on Minnesota Resources
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LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES (LCCMR)

Fall 2006 Operations Plan for Funding Recommendations and Proposed Future Direction

- I. Fall 2006 Operations Plan - Process for Funding Recommendations to the 2007 Legislature
- II. Six-Year Strategic Plan for the Trust Fund - Proposed process for the development of the required Six-Year Strategic Plan for expenditures from the Environment and Natural Resources Trust Fund
- III. Statewide Conservation and Preservation Plan - Proposed process for the development of a Statewide Conservation and Preservation Plan to inform future expenditures and updates to the Six-Year Strategic Plan for the Trust Fund

Background

Establishment and Responsibility of LCCMR

Established in legislation in 2006, the Legislative–Citizen Commission on Minnesota Resources (LCCMR) convened in late August 2006 with a unique governance structure consisting of seven appointed citizens and ten legislators charged with providing recommendations for expenditure from the Environment and Natural Resources Trust Fund to the Minnesota Legislature. The LCCMR is guided by the constitutional amendment for the Environment and Natural Resources Trust Fund (Trust Fund) and M.S. 116P, the implementing statute (Appendix A). Recommendations to the legislature for Trust Fund expenditures are to be made annually.

Statutory Charge

M.S. 116P directs the LCCMR to:

- (1) develop a six-year strategic plan to guide their recommendations for the use of the proceeds of the Environment and Natural Resources Trust Fund; and
- (2) recommend annual appropriations from the Trust Fund to the Legislature in January of each year.

The 2005 Advisory Task Force that recommended the new governance structure also recommended that the funding recommendations be provided in the form of a free standing legislative bill, intended for passage early in each annual legislative session.

Environment and Natural Resources Trust Fund and Other Funds

The amounts available from the Trust Fund for FY08 (beginning July 1, 2007) and FY09 (beginning July 1, 2008) is \$22,688,000 for each year based on 5.5% of the corpus value of the Trust Fund as of June 30, 2006. The total corpus value on June 30, 2006 was \$415,755,141. In addition to the Trust Fund, the LCCMR has the responsibility to recommend funding from the State Land and Water Conservation Account (LAWCON), Oil Overcharge Money and the Great Lakes Protection Account. The dollars available for recommendation from these funds will be estimated at the time of the November 2006 forecast.

Proposed Fall 2006 Activities and Decisions (Short-term Operations Plan)

Because the LCCMR was not fully appointed until late August 2006, there is a very short time-frame available to develop the funding recommendations for the 2007 Legislature. Due to this short time-frame, the LCCMR concluded that an abbreviated process for 2007 recommendations is appropriate.

The LCCMR recommendations for Trust Fund expenditures in this initial annual cycle for consideration by the 2007 legislature will focus on a discrete number of specific programs targeted at Land Protection and Water Resources. The land protection and conservation activities being recommended are targeted to ensure the continuity in baseline surveys and research and opportunities for land acquisition and conservation easements that, if lost, will not be available in the future. The water resource focus recommendations will be for water resource conservation and protection.

This document outlines the process the LCCMR will use to develop Trust Fund expenditure recommendations to the 2007 legislature and to meet its future statutory responsibilities for strategic planning as follows:

- I. **Fall 2006 Operations Plan - Process for Funding Recommendations to the 2007 Legislature**
- II. **Six-Year Strategic Plan for the Trust Fund - Proposed process for the development of the required Six-Year Strategic Plan for expenditures from the Environment and Natural Resources Trust Fund**
- III. **Statewide Conservation and Preservation Plan - Proposed process for the development of a Statewide Conservation and Preservation Plan to inform future expenditures and updates to the Six-Year Strategic Plan for the Trust Fund**

To guide the process and recommendations of the LCCMR for the Trust Fund, the LCCMR affirmed and adopted the Trust Fund Vision and Mission Statement from the 1989 Strategic Plan for the Trust Fund (Appendix B). These statements of Vision and Mission will continue to be reviewed over time by the LCCMR.

I. Fall 2006 Operation Plan - Process for Funding Recommendations to the 2007 Legislature

The recommendations for 2007 will be targeted on two focus areas of **Land Protection and Water Resource Conservation and Protection** and will include three approaches to funding.

All projects recommended for funding are expected to have a sound scientific basis that can be evaluated and verified.

The available funding will be recommended to both Land Protection and Water Resource Conservation and Protection focus areas. It is the intent of the LCCMR to recommend a large portion of the funding to Land Protection.

A. Land Protection

The Commission will strategically select certain outstanding ongoing Trust Fund projects that focus on land protection and conservation, including baseline survey work.

B. Water Resource Conservation and Protection

The Commission will issue a Request for Proposal (RFP) for innovative approaches to water resource conservation and protection and solicit strategically selected Trust Fund projects.

C. Regional Grants - Land Protection and Water Resources

The Commission will consider recommending an allocation for four separate regional grant programs.

1. The DNR Local Initiative Matching Grants Program for acquisition of outstate regional parks and natural and scenic areas;
2. The Metropolitan Council, Metropolitan Regional Park and Open Space Program (40% match provided by the Council) for acquisitions identified in adopted Metropolitan Regional Park Plans;
3. The DNR Local Initiative Matching Grants program for small grants for natural resource management through conservation and environment partnerships; and
4. The Board of Water and Soil Resources (BWSR) Local Water Management Matching Challenge Grant program for implementation of priority activities identified in approved local water management plans.

The process to be used for these funding recommendations is outlined below.

A. Land Protection

Strategically select certain outstanding past or currently funded projects that focus on land protection and provide additional funding to continue the selected projects.

Criteria

Selected projects are based on the criteria below:

- Projects that are consistent with the Trust Fund (...for the public purpose of protection, conservation, preservation and enhancement... MN Const. Sec 14). (Appendix A)
- Projects that are consistent with M.S. 116P.08
http://www.revisor.leg.state.mn.us/bin/getpub.php?pubtype=STAT_CHAP&year=current&chapter=116P (Appendix A)
- Projects that have an existing operational structure with strong evidence of demonstrated high quality, high value results and measurable outcomes.
- Projects that have a verifiably sound scientific basis.
- Projects that seek biological control of exotic or invasive species which threaten natural diversity.
- Projects that provide information upon which to base sound environmental decisions about the use and management of the land.
- Projects that protect land by fee or permanent easements. For fee acquisition the land must be restored to meet at least minimum public use standards.

The use and protection of native species is required for all projects.

For acquisition and conservation easements, priority is to be given to acquiring lands with high quality natural resources and conservation lands that provide natural buffers to water resources. Conservation easements must be perpetual.

Selection Process

The project selection process for the land protection focus will consist of evaluating current or formerly funded projects to determine the projects that best meet the criteria. Further evaluation will determine the amount of money allocated and a time frame. The process will also identify the parts of the previous projects that had the most success and direct the new funding to similar efforts.

The projects identified for consideration of 2007 funding will be requested to submit a proposal for review and evaluation.

Specific project funding recommendations will occur during the period of September through December 2006, in preparation for January 2007 funding recommendations to the legislature.

The projects being evaluated for consideration for 2007 funding in the focus area of Land Protection include:

- Forest Conservation Easements, including Forest Legacy
- Metropolitan Conservation Corridors (Metropolitan Wildlife Corridors)
- Habitat Corridors Partnership (HCP) Outstate
- Private and Public Forest Stewardship
- Private and Public Prairie Stewardship
- State Parks and Trails Acquisition
- Biological Control of Invasive Species
- MN County Biological Survey
- Soil Survey

B. Water Resource Conservation and Protection

Request for Proposal

A RFP will be issued seeking proposals that demonstrate innovative approaches to solving water resource issues. The RFP for the conservation and preservation of Minnesota's water resources is attached as Appendix C.

Selection Process

The project funding selection process for the water focus will consist of:

- A published request for proposals (RFP), issued by Oct. 16, 2006 with proposals due Nov. 16, 2006.
- Evaluation of proposed projects to determine the best possible proposals for 2007 recommendations. The Commission may use a combination of staff and technical advice, proposal presentations, and peer review.
- Criteria to be used in the proposal evaluation are published in the RFP.
- Project selection for funding recommendation will occur during the period of mid-November 2006 to early January 2007, in preparation for mid-January 2007 funding recommendations.
- Proposals that are eligible for the Local Water Management Matching Challenge Grant Program will not be accepted in response to the water RFP.

Select Projects

In addition to the RFP for Water Conservation and Protection, the LCCMR has selectively identified two projects for consideration of 2007 funding.

Select projects being evaluated for consideration for 2007 funding in the focus area of Water Resources include:

- County Geologic Atlas
- Impacts on Minnesota's Aquatic Resources from Global Climate Change (2006 appropriation)

The projects identified for consideration of 2007 funding will be requested to submit a proposal for review and evaluation.

Specific project funding recommendations will occur during the period of September through December 2006, in preparation for January 2007 funding recommendations to the legislature.

C. Regional Grants for Land Protection and Water Resources

M.S. 116P allows and encourages some form of block grants to the various regions of the state, to be administered by an existing organization for re-granting to projects that meet local needs but that are also consistent with the Strategic Plan.

For the 2007 funding, LCCMR will consider recommending an allocation for four state and regional matching grant programs targeted to local units of government and nonprofits. These programs operate a competitive process with careful evaluation and very thorough management and evaluation.

The programs identified for consideration of 2007 funding will be requested to submit a proposal for review and evaluation.

Priority is to be given to acquiring lands with high quality natural resources and conservation lands that provide natural buffers to water resources. Conservation easements must be perpetual.

Proposals that are eligible for the following grant programs will not be accepted by the LCCMR.

• DNR Local Initiative Matching Grants Program

Regional Park Matching Grant Program (for cities, counties, townships located outside the seven-county metropolitan area) for acquisition costs of regional parks.

Natural and Scenic Area Matching Grant Program (for cities, counties, townships and school districts) for acquisition of natural and scenic areas.

- **Metropolitan Regional Park and Open Space Program**

Metropolitan Regional Parks and Trail Acquisition for the metropolitan seven-counties through the Metropolitan Council (40% match provided by the Council) for acquisitions identified in the adopted Metropolitan Regional Park Plan.

- **DNR Local Initiative Matching Grants Program – Conservation and Environmental Partners**

Conservation Partners Matching Grant Program (for private/nonprofit organizations and local governments, including cooperative projects involving local governments) Small grants for projects that enhance fish, wildlife and native plant habitat or for research or survey projects related to habitat enhancement.

Environmental Partnerships Matching Grant Program (for private/nonprofit organizations) Small grants to help carry out a variety of projects to help protect and enhance our natural environment.

- **Local Water Management Matching Challenge Grants**

The Board of Water and Soil Resources (BWSR) program for Local Water Management Matching Challenge Grants for implementation of priority activities identified in approved local water management plans.

Eligible applicants are counties, watershed management organizations, watershed districts and soil and water conservation districts that have been delegated under the M.S. 103B.301 local water management program.

Potentially fundable implementation categories and some example activities include:

Land and Water Treatment includes activities applied to the land or a water resource such as erosion control structures, shoreline protection measures, in-lake restoration projects.

Planning and Environmental Controls includes the development of lake and watershed management plans, official controls relating to water, linking comprehensive plans to land use plans.

Monitoring and Modeling includes activities such as citizen monitoring networks, modeling ground water flow or surface water runoff.

Inventory and Mapping includes conducting detailed inventories of drainage systems, wetlands or feedlots.

Education and Information includes workshops and seminars.

II. Six-year Strategic Plan for the Environment and Natural Resources Trust Fund

Proposed Process for Development of the Six-Year Strategic Plan

The Six-Year Strategic Plan, once adopted, will guide the work and process used by the LCCMR in making future recommendations for Trust Fund expenditures. Specifically, the Six-Year Strategic Plan, as required by statute, will provide short and long-term goals and strategies for the Trust Fund expenditures, measurable outcomes for the expenditures, and areas of emphasis for funding.

The LCCMR will begin development of the Six-Year Strategic Plan in January 2007. The LCCMR will use the information gathered during the Fall of 2006 and continue to request information from technical experts, citizens, agencies, local units of government, private and nonprofits to assist in identifying the most pressing natural resources issues facing Minnesota and the opportunities to address them.

It is the goal of the LCCMR to continue the review of natural resources issues and adopt a preliminary Six-Year Strategic Plan by August 2007 to guide funding recommendations to the 2008 legislature.

Statewide Conservation and Preservation Plan

In addition to beginning the work of the Six-Year Strategic Plan to address future LCCMR recommendations, the LCCMR issued a RFP for a Statewide Conservation and Preservation Plan. It is discussed in part III of this document. The preliminary results of these efforts will also be used to guide the initial six-year strategic plan.

Emerging Issues Account

M.S. 116P allows and encourages some form of a funding account to be appropriated and available to deal with emerging issues during the interim between annual legislative sessions. As part of the Six-Year Strategic Plan, the LCCMR will develop criteria for projects eligible for this account. No recommendation is being made for this account in the 2007 recommendations.

After an appropriation for an account is made, the process for these expenditures as stated in statute, will be for the LCCMR to forward a recommendation directly to the Governor. The funds would generally be added to an existing Trust Fund funded project. In extenuating circumstances, it may be recommended for a new effort that has an urgent need.

III. Statewide Conservation and Preservation Plan

Process for Development of the Statewide Conservation and Preservation Plan

Legislation in 2006 directed the LCCMR to issue an RFP for the development of a statewide conservation and preservation plan (the Plan) that will inform and guide future recommendations for the use of the proceeds of the Trust Fund. It is expected that the Plan will also influence the efforts of many public and private expenditures, over an extended period of time, in conserving and preserving Minnesota's environment and natural resources. The Plan is to have a long-term vision in the range of 50 years. The Plan will be structured to serve as a guide for the whole range of environmental issues facing the state in both the short and long term.

- The RFP for the Plan was issued on October 9, 2006 with proposals due on November 17, 2006. The LCCMR will evaluate all of the proposals submitted for the preparation of the Plan, select the best proposal, contract with the selected vendor and closely monitor progress through June 2008. A preliminary Plan is to be provided by June 2007 and a final Plan completed by June 2008.
- The preliminary results will inform the Six-Year Strategic Plan that the LCCMR will use as the strategic plan to guide 2008 Trust Fund funding recommendations. The work on the Plan will continue through June 2008 when a final Plan is to be completed.
- Once the final Plan is completed in 2008, the Plan will be used to guide subsequent LCCMR six-year strategic updates and plans.
- Long Term

In the future, the LCCMR will choose strategic areas identified in the long-term Statewide Conservation and Preservation Plan and recommend investments of Trust Fund money to help implement the Plan.

Appendix A

MN Constitution Art. XI, Sec. 14

Environment and Natural Resources Fund

A permanent environment and natural resources trust fund is established in the state treasury. Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund until the year 2025. [Adopted, November 8, 1988; Amended, November 6, 1990; November 3, 1998]

Minnesota Statutes 2005, Chapter 116P.08

116P.08 Trust fund expenditures; exceptions; plans.

Subdivision 1. **Expenditures.** Money in the trust fund may be spent only for:

- (1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;
- (2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;
- (3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;
- (4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;
- (5) capital projects for the preservation and protection of unique natural resources;
- (6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;
- (7) administrative and investment expenses incurred by the State Board of Investment in investing deposits to the trust fund; and
- (8) administrative expenses subject to the limits in section 116P.09.

Subd. 2. **Exceptions.** Money from the trust fund may not be spent for:

- (1) purposes of environmental compensation and liability under chapter 115B and response actions under chapter 115C;
- (2) purposes of municipal water pollution control under the authority of chapters 115 and 116;
- (3) costs associated with the decommissioning of nuclear power plants;
- (4) hazardous waste disposal facilities;
- (5) solid waste disposal facilities; or
- (6) projects or purposes inconsistent with the strategic plan.

Appendix B

Trust Fund Vision Statement

All Minnesotans have an obligation to use and manage our natural resources in a manner that promotes wise stewardship and enhancement of the state's resources for ourselves and for future generations. The Trust Fund is a perpetual fund that provides a legacy from one generation of Minnesotans to the many generations to follow. It shall be used to preserve, protect, restore and enhance both the bountiful and the threatened natural resources that are the collective heritage of every Minnesotan. It shall also be used to nurture a sense of responsibility by all, and to further our understanding of Minnesota's resource base and the consequences of human interaction with the environment.

Trust Fund Mission Statement

The mission of the Trust Fund is to ensure a long-term secure source of funding for environmental and natural resource activities whose benefits are realized only over an extended period of time.

Appendix C

Request For Proposal (RFP) Water Resource Conservation and Protection

Located at:

www.lcmr.leg.mn

Statewide Conservation and Preservation Plan

The LCCMR issued a request for proposal (RFP) for the statewide conservation and preservation plan in October 2006 as a precursor to the plan required in M.L. 2006, Chp. 243, Sec. 20, Subd. 10.

Proposals were due November 17, 2006. The three teams responded to the RFP. On December 20, 2006 the LCCMR, as recommended by a selection committee, unanimously recommended hiring a public/private partnership consulting team, lead by the new University of Minnesota Institute on the Environment along with the private consultants DSU/Boonestro Natural Resources and CR planning. The contract to prepare the plan was signed on January 10, 2007.

The plan is to address the issues identified in the constitutional language of the Environment and Natural Resources Trust Fund, air land, water, fish, wildlife and other natural resources (outdoor recreation). It will inventory and assess the current state of Minnesota's environment and natural resources, based on a variety of existing plans that currently guide the conservation of Minnesota's environment and natural resources.

As detailed in the request for proposal, the plan will:

- Review and analyze the existing plans and build upon them to prepare the new plan.
- Identify current, emerging and future issues and trends affecting Minnesota's resources.
- Prioritize issues and that should be addressed.
- Provide implementation strategies to address the issues.
- Provide general cost and benefit analysis of proposed strategies.
- Identify bench marks to measure and evaluate progress.

The plan is intended to provide both short-term and long-term guidance on the conservation and preservation of Minnesota's environment and natural resources. It will enable a wide variety of public and private decision makers to work together to achieve common overall environment and natural resource goals and ensure their sustainability. It will also enable the LCCMR to be effective in strategically recommending funds to future applicants to help implement the shared vision of the plan to conserve, preserve, restore, and enhance Minnesota's environment and natural resources.

A preliminary plan is to be prepared by June, 2007 with a final plan by June, 2008.

J:\SHARE\WORKFILE\Statewide Conservation Plan\Statewide Conservation and Preservation Plan - Biennial report.doc

Legislative-Citizen Commission on Minnesota Resources (LCCMR)

OCTOBER 2006

REQUEST FOR PROPOSALS for Water Resource Conservation and Protection

FUNDING BEGINNING: JULY 1, 2007

DEADLINE TO SUBMIT: NOVEMBER 16, 2006

POSTMARKED BY OR RECEIVED AT THE LCCMR OFFICE BY 4:30 P.M.

NEW....ELECTRONIC SUBMISSION OF PROPOSALS

The LCCMR will fund two focus areas for 2007:
Land Protection and Water Resource Conservation and Protection

This Request for Proposal (RFP) is only for the Water Resource Conservation and Protection focus. There will NOT be a RFP for the Land Protection focus.

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MS 116P.08 Trust Fund Expenditures.....	Pg. 11

\$ FUNDING SOURCES:

The State Board of Investment (SBI) has estimated that \$22.6 million will be available each year from the MN Environment & Natural Resources Trust Fund (Trust Fund) for the 2007 and 2008 funding cycles. The LCCMR will be making funding recommendations on an annual basis.

For 2007, available funding will be provided to the focus areas of "Water Resource Conservation and Protection" and "Land Protection". It is the intent of the LCCMR to provide a large portion of the available funding to the Land Protection focus.

The LCCMR "Fall 2006 Operations Plan for Funding Recommendations and Proposed Future Direction" adopted on October 12, 2006, is located at www.lcmr.leg.mn

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BACKGROUND INFORMATION

LCCMR MEMBERS

Sen. Ellen Anderson
Al Berner
Jeff Broberg
Rep. Lyndon Carlson
Sen. Satveer Chaudhary
Sen. Dennis Frederickson
Nancy Gibson
David Hartwell
John Herman
John Hunt
Mary Mueller
Rep. Pete Nelson
Rep. Dennis Ozment
Rep. Kathy Tingelstad
Sen. Pat Pariseau
*Sen. Jim Vickerman
Rep. Jean Wagenius

Co-Chairs

David Hartwell
Rep. Kathy Tingelstad
*Sen. Jim Vickerman

*Designated by Senator Dallas Sams, Chair of Environment, Agriculture, and Economic Development Budget Division

DEADLINE FOR SUBMISSION:

Thursday, November 16, 2006 at 4:30 p.m.

This is a firm deadline. Electronic submissions are due by 4:30 p.m. Hard copies must be postmarked by or received at the LCCMR office by 4:30 p.m.

ELECTRONIC SUBMISSION REQUESTED

SUBMIT PROPOSAL TO:

Final proposals must be submitted to the following address:

trustfundrfp@lcmr.leg.mn

This address is only for submission of final proposals and required attachments.

For other email communications to the LCCMR use:

lcmr@lcmr.leg.mn

If you are unable to email, send one hard copy to:

Legislative-Citizen Commission
on MN Resources
Room 65, State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

ELIGIBILITY - OPEN TO EVERYONE:

Application for the Water Resource Conservation and Protection (RFP) is open to everyone, as long as there is a demonstrated public benefit. The LCCMR is an ADA/equal opportunity employer.

The spirit and intent of the LCCMR is to provide access to EVERYONE who has innovative ideas for environmental and natural resource projects with a distinct public benefit which reflect the Commission's adopted water focus. No grant-making or lobbying assistance is necessary for success.

The LCCMR staff will assist in proposal development.

ELIGIBLE EXPENSES:

For a complete list of eligible and non-eligible costs see page 10.

PROJECT IMPLEMENTATION:

Funding for projects will begin July 1, 2007. Project duration may exceed one year.

PROPOSAL ASSISTANCE:

LCCMR staff are available to assist proposers and answer questions or review draft proposals. If you would like proposal development assistance, staff can assist you by phone, e-mail, fax or by appointment.

Phone: (651) 296-2406

Fax: (651) 296-1321

e-mail: lcmr@lcmr.leg.mn

PROCESS TIMELINE:

October 2006

- Request for Proposal is issued.

November 2006

- Request for Proposal due by Thursday, November 16, 2007.
- LCCMR reviews proposals

December 2006

- LCCMR reviews proposals

January 2007

- LCCMR recommendations presented to the Legislature

July 1, 2007

- Funding begins

2007 WATER RESOURCE FUNDING PRIORITIES

Proposals should respond to the following priorities for water resource conservation and protection.

1. **Restoration of wetlands and sensitive waters** (including trout streams, springs and fens):
 - a. Demonstrate innovative and efficient ways to restore drained and impaired wetlands and/or sensitive waters (wetland restorations must result in a net gain of wetlands).
 - b. Evaluate the impacts of wetland and/or sensitive waters restorations including developing standards for measuring success.
2. **Water quality** - demonstrate and evaluate new ways to improve water quality in ground water and surface waters:
 - a. Reduce/eliminate harmful pharmaceuticals, mercury and other chemicals from entering and contaminating ground water and surface waters.
 - b. Eliminate endocrine disruptors that affect aquatic animal life from entering surface waters.
 - c. Develop and implement innovative practices that prevent solids from moving from land to water.
3. **Aquatic habitat** – demonstrate and evaluate innovative ways to protect, improve and prevent degradation of native aquatic habitat (including preventing the spread of invasive species through biological control).
4. **Water/energy nexus** – demonstrate and evaluate innovative ways to reduce water use and to improve water quality in the processing of bio-fuels.

Projects being done to meet regulatory requirements will not be considered for funding.

Projects are required to be consistent with the purposes of the Trust Fund Constitution (“to protect conserve preservefor the public purpose of protection, conservation, preservation and enhancement... MN Const. Sec. 14”) online link: at

<http://www.lcmr.leg.mn/trustfund/constitutionsec14.htm> and with M.S. 116P.08 - online link:

http://www.revisor.leg.state.mn.us/bin/getpub.php?pubtype=STAT_CHAP&year=current&chapter=116P

Projects eligible for the Minnesota Board of Soil and Water Resources (BWSR) Local Water Management Matching Challenge Grant Program **will not be accepted** by the LCCMR for this request for proposals. www.bwsr.state.mn.us

EVALUATION CRITERIA

- Trust Fund expenditures must strictly adhere to the constitutional requirements (pg. 11).
- Trust Fund expenditures must conform to the Trust Fund law M.S. 116P.08 (pg. 11)
- Projects must be able to start by July 1, 2007 and completed within 36 months.
- All projects are subject to additional proposal requirements: accessibility, data availability, land acquisition, and recyclable material requirements. Information located at www.lcmr.leg.mn

Project managers and partners must be accountable and able to complete project objectives.

All water resources proposals **must**:

- **demonstrate innovative approaches** to solving water resource issues
- have approaches that are **measurable and reflect current scientific standards** so that they can be evaluated to determine the most effective approaches
- have approaches that are **replicable** on future projects to more effectively and efficiently solve specific water issues
- have **broad applicability** on a regional and/or statewide basis
- **add to the knowledge base** of addressing water resource issues
- State **clear objectives** for what the proposal will accomplish

For acquisition and conservation easements, priority is to be given to acquiring lands with high quality natural resources and conservation lands that provide natural buffers to water resources. Conservation easements must be perpetual.

The use and protection of native species is required for all projects.

Criteria

The criteria will be applied as one part of the proposal evaluation and recommendation process. All points will be awarded on a sliding scale up to 50 points total.

- Innovation (up to 10 pts)
- Measurable/Demonstrated Outcomes (up to 10 pts)
- Broad Applicability with Long-term Impact having Statewide/Regional Significance (up to 10 pts)
- Add to the Knowledge Base and Disseminate Information (up to 10 pts)
- Partnerships/Leverage (up to 10 pts)

ELECTRONIC SUBMISSION REQUIREMENTS

Please submit your proposal electronically by sending an email with the 5 following items attached.
Email: trustfundrfp@lcmr.leg.mn

1. Cover Sheet (Form)
2. Main Proposal (2 page limit single-sided)
3. Map - showing project site(s) - 1 page limit
4. Project Manager Qualifications and Organization Description - 1 page limit
5. Letter or Resolution - For non-profits and local units of government (state/federal agencies and universities are excluded) submit a letter or resolution authorizing proposal submission

Details on submitting the 5 items

1. Cover Sheet (Form)

The cover sheet form is on the LCCMR web page at: www.lcmr.leg.mn - Click on "Cover Sheet" form. There is also a link to the cover sheet on page 8 of this RFP.

- Include the completed Cover Sheet form as an attachment in your email submission.

2. Main Proposal (2 page limit)

A template of the main proposal is on the LCCMR web page at: www.lcmr.leg.mn - Click on "Main Proposal" template. There is also a link to the main proposal on page 9 of this RFP.

- Include the completed Main Proposal as an attachment in your email submission.

The proposal format is designed to provide concise information. It begins with a brief project summary of intended results, followed by a description of specific project results and budgets associated with completion of the activities of the project.

- Main Proposal (maximum of two 8 1/2 x 11 sheets - single sided).
- The proposal must be in the format explained on page 9 and is limited to two single-sided pages.
- Leave a blank one inch margin at the bottom.

- Minimum font-type size is 12.
- Project title should be clearly marked on the top of each page.
- If submitting as a hard copy, do not use plastic covers, plastic bindings, or staples.

3. Map (if applicable)

- Map (maximum of one 8 1/2" x 11" sheet, single-sided). Should be easy to read when photo copied. Include a north arrow and scale for the map.
- Be site specific to the project. Maps should be clearly legible, with enough orientation to bring a reader to a quick understanding of the location of the project within the city, county, region and/or state.
- Include as an attachment in your email submission.

4. Project Manager Qualifications & Organization Description

- Project Manager Qualifications and Organization Description (maximum of one 8 1/2" x 11" sheet, single-sided).
- Include the project manager description of qualifications and responsibilities pertaining to this specific project proposal. It does not need to be a complete resume.
- The organization description should be a simple, brief explanation of the organization and its mission. One to two sentences. e.g. Local Government Unit, 501 (c)(3) etc.
- Include as an attachment in your email submission.

5. Letter or Resolution (if applicable)

- For non-profits and local units of government send a letter or resolution authorizing proposal submission from their governing board. This is not required for state agencies, federal agencies and colleges/universities.
- Include as an attachment in your email submission.

ELECTRONIC SUBMISSION CHECKLIST

Send an email to: trustfundrfp@lcmr.leg.mn (set up specifically to accept final proposal submission)

Do NOT submit as a pdf.

In the subject line of your email enter the **name of your proposal**.

Attach the following items that apply to your proposal to the email:

Item #1	"Cover Sheet" A completed the cover sheet form on from the LCCMR web page, www.lcmr.leg.mn .
Item #2	"Main Proposal" A completed main proposal of up to two pages (single-sided) using the template on the LCCMR web page, www.lcmr.leg.mn .
Item #3	"Map" If applicable, a simple one-page map of the proposal area.
Item #4	"Project Manager Qualifications and Organization Description" Up to one-page.
Item #5	"Letter or Resolution" If applicable, a one page letter or resolution.

Email the proposal with attachments to: trustfundrfp@lcmr.leg.mn

by 4:30 p.m. on Nov. 16, 2006.

To keep a copy of your submission, copy yourself on the email.

Electronic submissions are strongly encouraged to maintain accuracy, to save time and enable efficient review of the proposals. Thanks for your cooperation!

If you are unable to submit your proposal electronically through email please send one hard copy to the LCCMR office. Hard copies must be:

**Postmarked by or received at the LCCMR office by 4:30 p.m. on
Nov. 16, 2006.**

A. COVER SHEET (FORM)

The Cover Sheet Form is on the LCCMR web page at: www.lcmr.leg.mn - Click on "[Cover Sheet Form](#)".

This is a form. Please fill out the gray boxes on the form. The tab key or arrow keys on your keyboard take you from gray box to gray box.

Send Final Cover Sheet (Form) along with other attachments to email address: **trustfundrfp@lcmr.leg.mn**

LCCMR Proposal 2007 (repeat this phrase in the upper left hand corner of each page)

Project Title: (limit 8 words within the allowable space) - repeat on the top of each page submitted, including submissions of map and of project manager qualifications and organization description

Total Project Budget: (amount requested from LCCMR) \$

Proposed Project Length: (give dates from July 2007 to ??)

Other Funds: (explain in IV. B. "Other Funds being Spent during the Project Period") \$

Project Manager: First Name: _____ Last Name: _____ (one name only. Note: list team members under IV. A. "Project Partners")

Sponsoring Organization:

Mailing Address: Street Address: _____

City: _____ State: _____ Zip: _____

Telephone Number: (Area Code) _____ - _____ (provide a reliable phone number in case of questions including area code)

E-Mail: (if available)

Fax: (Area Code) _____ - _____ (if available)

Web Address: (if available)

Location: (What area will the project impact? Be as specific as possible e.g. county, city, township, stream or lake name, and map coordinates.)

County: _____ City/Township: _____ Other: _____

I. PROJECT SUMMARY AND RESULTS

The summary is LIMITED TO 30 WORDS within the allowable space and must be a free standing summation of the project. Be specific. Provide a clear, concise summary of the proposed project and its results. It is important that the summary be able to stand on its own as a description of the proposal because it will be used with the project title as the project description during the proposal review.

B. MAIN PROPOSAL INSTRUCTIONS AND TEMPLATE (2 PAGE LIMIT)

A template of the Main Proposal is on the LCCMR web page at: www.lcmr.leg.mn - Click on "[Main Proposal Instructions and Template](#)".

Send Final Main Proposal template along with other attachments to email address: trustfundrfp@lcmr.leg.mn

Project Title:

II. DESCRIPTION OF PROJECT RESULTS

BEGIN this section with a brief explanation as to WHY this project needs to be done and the proposed specific outcomes of the project.

Break the project into specific results. Indicate the budget for each result. FOR EXAMPLE:

Result 1 " Title of Activity " Budget: \$ Assign a single budget amount requested to each discrete result.

Provide measurable outcomes. Give a detailed description of the activity you are proposing to do and the outcomes. Be specific.

Result 2 " Title of Activity " Budget: \$ Assign a single budget amount requested to each discrete result.

Provide measurable outcomes. Give a detailed description of the activity you are proposing to do and the outcomes. Be specific.

ADD ADDITIONAL RESULTS AS NEEDED USING THE SAME FORMAT AS ABOVE

III. TOTAL PROJECT REQUEST BUDGET

In this section describe the details of your budget.

Staff or Contract Services: \$ (who is getting paid to do what, their % of full-time employment for the project period)

Equipment: \$ (what equipment, to be rented or purchased – a general description and cost)

Development: \$ (improvement to land or building)

Restoration: \$ (how many acres)

Acquisition, including easements: \$ (how many acres, also who will hold the title to the land)

TOTAL BUDGET: \$ (requested from LCCMR)

IV. OTHER FUNDS & PARTNERS

A. Project Partners

If the project has partners (project team), list names and agency/entity. Specify the dollar amount each partner is proposed to receive from the total dollars requested in this proposal.

B. Other Funds being Spent during the Project Period

What additional money will be spent on the project during the funding period, cash and/or inkind? State the source of the other funds.

C. Past Spending

List the money spent or to be spent on this specific project, cash and/or inkind for the 2-year time frame prior to July 1, 2007.

D. Time

Explain the time and funding requirements for this project.

V. CRITERIA (Optional)

You may provide additional information on how your proposal meets the criteria if you think you have not adequately addressed it above. Please be concise.

ELIGIBLE & NON-ELIGIBLE COSTS

ELIGIBLE COSTS

Eligible costs are those costs directly incurred through Project activities that are solely related to and necessary for producing the work products described in the approved Work Program during the appropriation period. All dollars are awarded on a reimbursement basis, unless specifically authorized.

Eligible costs may include the following and are eligible only if specified in the approved Attachment A of the Work Program. Eligible costs must be documented as specified in the Reimbursement Manual available from the authorized contract person for the State:

- a. Expenditures incurred only after the effective date in the approved Work Program. No expenditures will be allowed after June 30, 2009 unless approved by specific law;
- b. Capital expenditures for facilities, equipment & other capital assets as expressly approved in the Work Program. For expenditures greater than \$3,500, the Recipient must include in the Work Program an explanation as to how all the equipment purchased with the appropriation will continue to be used for the same program through its useful life, or, if the use changes, a commitment to pay back to the Environment & Natural Resources Trust Fund an amount equal to either the cash value received or a residual value approved by the director of the LCCMR if it is not sold;
- c. Computers, if unique to the project and specifically approved in the work program;
- d. Materials and supplies specific to the project and incoming freight charges for them;
- e. Publication & printing costs (including the process of composition, plate-making, press work, & binding & the end products produced) necessary for contract administration; work products production; & biennial reports relating to work program accomplishments;
- f. Transportation & travel expenses such as lodging, meals, & mileage of personnel involved in the Project in the same manner and in no greater amount than provided for in the current "Commissioner's Plan" promulgated by the Commissioner of Employee Relations and as provided by LCCMR or, for University of Minnesota (U of M) projects, the University of Minnesota plan found at <http://www.fpd.finop.umn.edu/groups/ppd/documents/policy/travel.cfm>. Allowable meal & lodging expenses are for employees only. Purchasing meals for others is not an allowable expense. All out of state travel must be explicitly approved in the Work Program;
- g. Wages & expenses of salaried Recipient employees if specified and documented in the Work Program. For State Agencies: use of unclassified staff only OR request approval for the use of classified staff accompanied by an

explanation of how the agency will backfill that part of the classified staff salary proposed to be paid for with this appropriation. This is subject to specific discussion and approval by LCCMR;

- h. Fringe benefit costs limited to salary, FICA/Medicare, retirement, and health insurance of Recipient's employees if specified in the Work Program;
- i. Professional services specified in the approved Work Program that are rendered by individuals or organizations not a part of the Recipient;
- j. Eligible expenditures incurred after the effective date of the approved Work Program and before the effective date of their Agreement.

NON-ELIGIBLE COSTS

Non-eligible costs for reimbursement mean all costs not defined as eligible costs, including but not limited to the following:

- a. Any costs incurred before the project is authorized, July 1, 2007 or Work Program approval; whichever is later;
- b. Fund raising;
- c. Taxes, except sales tax on goods and services;
- d. Insurance, except title insurance;
- e. Attorney fees, except for acquisition and clearing title to land;
- f. Loans, grants, or subsidies to persons or entities for development;
- g. Bad debts, late payment fees, finance charges or contingency funds; Interest, Investment management fees;
- h. Lobbyists, Political contributions;
- i. Memberships (including subscriptions and dues);
- j. Indirect costs, such as office maintenance, office utility costs, refreshments for staff, decorations, office material & supplies;
- k. Directors or officers salary;
- l. Office rental fees (including storage space rental);
- m. Publications & periodicals;
- n. Merit awards and bonuses;
- o. Employee worksite parking;
- p. Entertainment; Gifts and prizes; Food and refreshments;
- q. Audio visual equipment;
- r. Advertising costs;
- s. Communication costs incurred for telephone calls, postage, and similar services. Purchase of communication devices such as pagers, cell phones, personal data assistants (PDAs);
- t. Computers (unless unique to the project & specifically approved in the work program).

LCCMR Staff:

John Velin, Director

Susan Thornton

Michael McDonough

Diana Griffith

Information from this document may be copied and distributed to others. This publication can be made available in alternate formats, such as large print or cassette tape, upon request.

Any suggestions or questions can be sent to the address below.

Ph: 651-296-2406

TTY: 651-296-9896 OR
1-800-657-3550

Fax: 651-296-1321

Email:
lcmr@lcmr.leg.mn

Web: www.lcmr.leg.mn

Legislative-Citizen
Commission on
MN Resources
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Luther King Jr. Blvd.
St. Paul, MN 55155

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MN Constitution Art. XI, Sec.14

Environment and Natural Resources . . .

A permanent environment and natural resources trust fund is established in the state treasury. Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund until the year 2025. [Adopted, November 8, 1988; Amended, November 6, 1990; November 3, 1998]

MS 116P.08 Trust Fund

Expenditures, Exceptions . . .

Subdivision 1. **Expenditures.** Money in the trust fund may be spent ONLY for:

- (1) the reinvest in Minnesota program as provided in section 84.95, subd. 2;
- (2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;
- (3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;
- (4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;
- (5) capital projects for the preservation and protection of unique natural resources;
- (6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;

- (7) administrative and investment expenses incurred by the state board of investment in investing deposits to the trust fund; and

- (8) administrative expenses subject to the limits in section 116P.09.

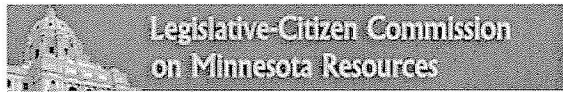
Subdivision 2. **Exceptions.** Money from the trust fund may not be spent for:

- (1) purposes of environmental compensation and liability under chapter 115B and response action under chapter 115C;
- (2) purposes of municipal water pollution control under the authority of chapters 115 and 116;
- (3) costs associated with the decommissioning of nuclear power plants;
- (4) hazardous waste disposal facilities;
- (5) solid waste disposal facilities; or
- (6) projects or purposes inconsistent with the strategic plan.

II. Projects Funded Preceding Biennium

*“a description of each project
receiving money from the trust
fund during the preceding
biennium;”*

- The following documents are short abstracts for projects funded during the 2006-2007 biennium.
- The abstracts describe the general accomplishments of each project for completed projects.
See <http://www.commissions.leg.state.mn.us/lcmr/projectabs.html>
- Research projects have been marked as such in the description.
- Full work programs are available at the LCCMR, Room 65 - State Office Building. The abstracts are current as of 12/30/06.
- Legal Citations
 - M.L.2005, 1st Special Session, Chp. 1, Art. 2, Sec. 11
 - M.L.2006, Chp. 243, Section 19 & Section 20



LCMR 2005 PROJECT ABSTRACTS

MN Laws 2005, First Special Session, Chapter 1, Article 2, Section 11 (July 1, 2005 through June 30, 2007)

The following documents are short abstracts for projects funded during the 2006-2007 biennium. The final date of completion for these projects is listed at the end of the abstract. When available, we have provided links to a projects web site. The sites linked to on this page are not created, maintained, or endorsed by the LCMR office or the Minnesota Legislature. If you would like further information about specific projects, please contact the appropriate program manager at the address or phone number listed.

Subd. 03 - [Administration](#)

Subd. 04 - [Advisory Committee](#)

Subd. 05 - [Fish & Wildlife Habitat](#)

Subd. 06 - [Recreation](#)

Subd. 07 - [Water Resources](#)

Subd. 08 - [Land Use and Natural Resource Information](#)

Subd. 09 - [Agriculture & Natural Resource Industries](#)

Subd. 10 - [Energy](#)

Subd. 11 - [Environmental Education](#)

Subd. 12 - [Children's Environmental Education](#)

Subd. 03 - [Administration](#)

[03a](#) Legislative Commission on Minnesota Resources - PARTIAL VETO

[See 2006 Project Abstracts](#)

[03b](#) Contract Administration

Subd. 04 - [Advisory Committee](#)

[04](#) Citizen Advisory Committee

Subd. 05 - [Fish & Wildlife Habitat](#)

[05a](#) Restoring Minnesota's Fish and Wildlife Habitat Corridors - Phase III

[05b](#) Metropolitan Area Wildlife Corridors - Phase II

[05c](#) Development of Scientific and Natural Areas

[05d](#) Prairie Stewardship of Private Lands

[05e](#) Local Initiative Grants - Conservation Partners and Environmental Partnerships

[05f](#) Minnesota Releaf Community Forest Development & Protection

[05g](#) Integrated and Pheromonal Control of Common Carp - *Research*

[05h](#) Biological Control of European Buckthorn and Garlic Mustard - *Research*

[05i](#) Land-Exchange Revolving Fund for Aitkin, Cass, and Crow-Wing Counties-- GOVERNOR VETO

[See 2006 Project Abstracts](#)

Subd. 06 - [Recreation](#)

[06a](#) State Park and Recreation Area Land Acquisition

[06b](#) LAWCON Federal Reimbursements

[06c](#) State Park and Recreation Area Revenue-Enhancing Development - GOVERNOR VETO

[06d](#) Best Management Practices for Parks and Outdoor Recreation

[06e](#) Metropolitan Regional Parks Acquisition, Rehabilitation, and Development

[06f](#) Gitchi-Gami State Trail

[06g](#) Casey Jones State Trail

[06h](#) Paul Bunyan State Trail Connection

[06i](#) Minnesota River Trail Planning

[06j](#) Local Initiative Grants-Parks and Natural Areas

[06k](#) Regional Park Planning for Nonmetropolitan Urban Areas

[06l](#) Local and Regional Trail Grant Initiative Program

- 06m Mesabi Trail
- 06n Cannon Valley Trail Belle Creek Bridge Replacement
- 06o Arrowhead Regional Bike Trail Connections Plan
- 06p Land Acquisition, Minnesota Landscape Arboretum
- 06q Development and Rehabilitation of Minnesota Shooting Ranges
- 06r Birding Maps

Subd. 07 - Water Resources

- 07a Local Water Management Matching Challenge Grants
- 07b Accelerating and Enhancing Surface Water Monitoring for Lakes and Streams
- 07c Effects of Land Retirements on the Minnesota River - *Research*
- 07d Recycling Treated Municipal Wastewater for Industrial Water Use
- 07e Unwanted Hormone Therapy: Protecting Water and Public Health - *Research*
- 07f Climate Change Impacts on Minnesota's Aquatic Resources - *Research* -
GOVERNOR VETO See 2006 Project Abstracts
- 07g Green Roof Cost Share and Monitoring - GOVERNOR VETO
- 07h Woodchip Biofilter Treatment of Feedlot Runoff - *Research*
- 07i Improving Water Quality on the Central Sands - *Research*
- 07j Improving Impaired Watersheds: Conservation Drainage Research - *Research*
- 07k Hydrology, Habitat, and Energy Potential of Mine Lakes
- 07l Hennepin County Beach Water Quality Monitoring Project
- 07m Southwest Minnesota Floodwater Retention Projects
- 07n Upgrades to Blue Heron Research Vessel - GOVERNOR VETO
See 2006 Project Abstracts
- 07o Bassett Creek Valley Channel Restoration
- 07p Restoration of Indian Lake

Subd. 08 - Land Use and Natural Resource Information

- 08a Minnesota Biological Survey
- 08b Soil Survey
- 08c Land Cover Mapping for Natural Resource Protection - GOVERNOR VETO
See 2006 Project Abstracts
- 08d Open Space Planning and Protection

Subd. 09 - Agriculture & Natural Resource Industries

- 09a Completing Third-Party Certification of DNR Forest Lands
- 09b Third-Party Certification of Private Woodlands
- 09c Sustainable Management of Private Forest Lands
- 09d Evaluating Riparian Timber Harvesting Guidelines: Phase 2 - *Research*
- 09e Third Crops for Water Quality - Phase 2 - *Research*
- 09f Bioconversion of Potato Waste into Marketable Biopolymers - *Research*

Subd. 10 - Energy

- 10a Clean Energy Resource Teams and Community Wind Energy Rebate Program
- 10b Planning for Economic Development via Energy Independence - GOVERNOR
VETO
- 10c Manure Methane Digester Compatible Wastes and Electrical Generation
- 10d Dairy Farm Digesters
- 10e Wind to Hydrogen Demonstration
- 10f Natural Gas Production from Agriculture Biomass - *Research*
- 10g Biomass-Derived Oils for Generating Electricity and Reducing Emissions
- 10h Phillips Biomass Community Energy Systems - GOVERNOR VETO
See 2006 Project Abstracts
- 10i Laurentian Energy Authority Biomass Project - GOVERNOR VETO
See 2006 Project Abstracts

Subd. 11 - Environmental Education

- 11a Enhancing Civic Understanding of Groundwater - GOVERNOR VETO
See 2006 Project Abstracts

11b Cedar Creek Natural History Area Interpretive Center and Restoration

11c Environmental Problem-Solving Model for Twin Cities Schools - GOVERNOR VETO

11d Tamarack Nature Center Exhibits

Subd. 12 - Children's Environmental Education

12a Children's Environmental Health

Funding Sources: (**note: all projects are TF, unless otherwise noted)

Environment and Natural Resources Trust Fund (TF)

Oil Overcharge (OOC)

Great Lakes Protection Account (GLP)

SUBD. 03 - ADMINISTRATION

Legislative Commission on Minnesota Resources - PARTIAL GOVERNOR VETO

03(a) \$-899,000 \$449,000 (second year appropriation of \$450,000 was vetoed)

John Velin, Director

LCMR

100 Rev. Dr. Martin Luther King Blvd.

65 - State Office Building

St. Paul, MN 55155

Phone: (651)296-2406

Fax: (651)296-1321

E-mail: lcmr@commissions.leg.state.mn.us

Web: <http://www.commissions.leg.state.mn.us/lcmr/lcmr.htm>

For administration as provided in Minnesota Statutes, section 116P.09, subdivision 5.

This project due to be completed: 6/30/2007

Contract Administration

03(b) \$150,000

Bill Becker

DNR, Office of Management and Budget Services

500 Lafayette Road

St. Paul, MN 55155

Phone: (651) 296-3093

Fax: (651)296-6047

E-mail: bill.becker@dnr.state.mn.us

Contract administration activities assigned to the commissioner for agreements with non-state agencies to receive project funding on a reimbursement basis.

This project due to be completed: 6/30/2008

SUBD. 04 - ADVISORY COMMITTEE

Citizen Advisory Committee for the Trust Fund

04 \$20,000

100 Rev. Dr. Martin Luther King Blvd.

65 - State Office Building

St. Paul, MN 55155

Phone: (651)296-2406

Fax: (651)296-1321

E-mail: lcmr@commissions.leg.state.mn.us

Web: <http://www.commissions.leg.state.mn.us/lcmr/lcmr.htm>

For expenses of the citizen advisory committee as provided in Minnesota Statutes, section 116P.06. Notwithstanding Minnesota Statutes, section 16A.281, the availability of \$15,000 of the appropriation from Laws 2003, Chapter 128, article 1, section 9, subdivision 4, advisory committee, is extended to June 30, 2007.

Project due to be completed: Funding changed to the newly created LCCMR M.L. 2006, Chp. 243, Section 19

SUBD. 05 - FISH AND WILDLIFE HABITAT

Restoring Minnesota's Fish and Wildlife Habitat Corridors - Phase III

05(a) \$4,062,000

Matt Holland
Pheasants Forever
679 W. River
New London, MN 56273

Phone: 320-354-4377

Fax: 320-354-4377

E-mail: ringneck@lds.net

DNR, Board of Water and Soil Resources, and for agreements with Pheasants Forever, Minnesota Deer Hunters Association, Ducks Unlimited, Inc., National Wild Turkey Federation, the Nature Conservancy, Minnesota Land Trust, the Trust for Public Land, Minnesota Valley National Wildlife Refuge Trust, Inc., U.S. Fish and Wildlife Service, Red Lake Band of Chippewa, Leech Lake Band of Chippewa, Fond du Lac Band of Chippewa, USDA-Natural Resources Conservation Service.

To plan, restore, and acquire fragmented landscape corridors that connect areas of quality habitat to sustain fish, wildlife, and plants. Expenditures are limited to the 11 project areas as defined in the work program. Land acquired with this appropriation must be sufficiently improved to meet at least minimum habitat and facility management standards as determined by the commissioner of natural resources.

Project due to be completed: 6/30/2008

Metropolitan Area Wildlife Corridors - Phase II

05(b) \$3,530,000

Peggy Booth
DNR
1200 Warner Rd
St. Paul, MN 55106

Phone: (651) 772-7562

Fax: (651) 772-7977

E-mail: peggy.booth@dnr.state.mn.us

DNR, and for agreements with Trust for Public Land, Ducks Unlimited, Inc., Friends of the Mississippi River, Great River Greening, Minnesota Land Trust, Minnesota Valley National Wildlife Refuge Trust, Inc., Pheasants Forever, Inc. and Friends of the Minnesota Valley

For the purposes of planning, improving, and protecting important natural areas in the metropolitan region, as defined by Minnesota Statutes, section 473.121, subdivision 2 and portions of the surrounding counties, through grants, contracted services, conservation easements, and fee acquisition. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards as determined by the commissioner of natural resources.

Project due to be completed: 6/30/2008

Development of Scientific and Natural Areas

05(c) \$134,000

Bob Djupstrom
DNR
500 Lafayette Rd.
St. Paul, MN 55155

Phone: (651) 297-2357
Fax: (651) 296-1811
E-mail: bob.djupstrom@dnr.state.mn.us

To develop and enhance lands designated as scientific and natural areas.

Project due to be completed: 6/30/2008

Prairie Stewardship of Private Lands

05(d) \$100,000

Peter Buesseler
DNR
1509 - 1st Ave. N.
Fergus Falls, MN 56537

Phone: (218) 739-7576, x-240
Fax: (218) 739-7601
E-mail: peter.buesseler@dnr.state.mn.us

To develop stewardship plans and implement prairie management on private prairie lands on a cost share basis with private or federal funds.

Project due to be completed: 6/30/2008

Local Initiative Grants (Conservation Partners and Environmental Partnerships)

05(e) \$500,000

Wayne Sames
DNR
500 Lafayette Rd.
St. Paul, MN 55155

Phone: (651) 296-1567
Fax: (651) 296-6047
E-mail: wayne.sames@dnr.state.mn.us

To provide matching grants of up to \$20,000 to local government and private organizations for enhancement, restoration, research, and education associated with natural habitat and environmental service projects.

Project due to be completed: 6/30/2008

Minnesota ReLeaf Community Forest Development and Protection

05(f) \$500,000

Ken Holman
DNR
500 Lafayette Rd.
St. Paul, MN 55155

Phone: (651) 296-9110
Fax: (651) 296-5954
E-mail: ken.holman@dnr.state.mn.us

DNR and for agreements with Tree Trust

To protect forest resources, develop inventory-based management plans, and provide matching grants to communities to plant native trees. At least \$390,000 of this appropriation must be used for grants to communities.

Project due to be completed: 6/30/2008

Integrated and Pheromonal Control of Common Carp

05(g) \$550,000

Peter Sorensen
U of M
1980 Folwell Ave.
St. Paul, MN 55108

Phone: (612) 624-4997
Fax: (612) 625-5299
E-mail: soren003@umn.edu

RESEARCH

To research new options for controlling common carp.

Project due to be completed: 6/30/2009

Biological Control of European Buckthorn and Garlic Mustard

05(h) \$200,000

Luke Skinner
DNR
500 Lafayette Rd.
St. Paul, MN 55155

Phone: (651) 259-5140
Fax: (651) 296-1811
E-mail: luke.skinner@dnr.state.mn.us

RESEARCH

To research potential insects for biological control of invasive European buckthorn species for the second biennium and to introduce and evaluate insects for biological control of garlic mustard.

Project due to be completed: 6/30/2008

Land Exchange Revolving Fund for Aitkin, Cass, and Crow Wing Counties-- GOVERNOR VETO

05(i) —\$500,000

Roger Howard
Aitkin County
209—2nd Street NW
Aitkin, MN 56431
Phone 218-927-7364
Fax 218-927-7249
E-mail aeld@co.aitkin.mn.us

For a six-year revolving loan fund to improve public and private land ownership patterns, increase management efficiency, and protect critical habitat in Aitkin, Cass, and Crow Wing counties. By June 30, 2011, Aitkin County shall repay the \$500,000 to the Commissioner of Finance for deposit in the Environment and Natural Resources Trust Fund.

Project due to be completed: 6/30/2011

SUBD. 06 - RECREATION

State Park and Recreation Area Land Acquisition

06(a) \$2,000,000

Larry Peterson
DNR
500 Lafayette Rd.
St. Paul, MN 55155

Phone: (651) 296-0603
Fax: (651) 296-6532
E-mail: larry.peterson@dnr.state.mn.us

To acquire in-holdings for state park and recreation areas. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards as determined by the commissioner of natural resources.

Project due to be completed: 6/30/2008

LAWCON Federal Reimbursements

06(b) \$1,600,000

Wayne Sames
DNR
500 Lafayette Rd.
St. Paul, MN 55155

Phone: (651) 296-1567
Fax: (651) 296-5047
E-mail: wayne.sames@dnr.state.mn.us

For priorities established by the Commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 116P.14, and the federal Land and Water Conservation Fund Act.

Project due to be completed: 6/30/2008

State Park and Recreation Area Revenue-Enhancing Development - GOVERNOR VETO

06(c) — \$200,000

Larry Peterson
DNR

500 Lafayette Rd.
St. Paul, MN

Phone: 651-296-0603

Fax: 651-296-6532

E-mail: larry.peterson@dnr.state.mn.us

To enhance revenue generation in the state's park and recreation system.

Project due to be completed: 6/30/2007

Best Management Practices for Parks and Outdoor Recreation

06(d) \$200,000

Michelle Snider
MN Recreation & Park Association
200 Charles Street NE
Fridley, MN 55432

Phone: (763) 571-1305, x-100

Fax: (763) 571-5204

E-mail: snider@mnrecpark.org

To develop and evaluate opportunities to more efficiently manage Minnesota's parks and outdoor recreation areas.

Project due to be completed: 6/30/2007

Metropolitan Regional Parks Acquisition, Rehabilitation and Development

06(e) \$2,000,000

Arne Stefferud
Metropolitan Council
230 E. 5th Street
St. Paul, MN 55101

Phone: (651) 602-1360

Fax: (651) 602-1674

E-mail: arne.stefferud@metc.state.mn.us

For subgrants for the acquisition, development, and rehabilitation in the metropolitan regional park system, consistent with the metropolitan council regional recreation open space capital improvement plan.

Project due to be completed: 6/30/2008

Gitchi-Gami State Trail

06(f) \$500,000

Keven Johnson
DNR
1568 Hwy #2

Two Harbors, MN 55616

Phone: (218) 834-6240

Fax: (218) 834-6639

E-mail: kevin.johnson@dnr.state.mn.us

To design and construct approximately two miles of Gitchi-Gami state trail segments.

Project due to be completed: 6/30/2008

The Casey Jones State Trail

06(g) \$1,200,000

Michael Salmon
DNR - Trails & Waterways
1756 County Road 26
Windom, MN 56101

Phone: (507) 831-2900, x-225

Fax: (507) 831-2921

E-mail: michael.salmon@dnr.state.mn.us

For land acquisition and development of the Casey Jones State Trail in southwest Minnesota.

Project due to be completed: 6/30/2008

Paul Bunyan State Trail Connection

06(h) \$400,000

Dick Kimball
DNR - Bemidji
6603 Bemidji Ave. North
Bemidji, MN 56601

Phone: (218) 755-3972

Fax: (218) 755-4063

E-mail: dick.kimball@state.mn.us

To acquire land to connect the Paul Bunyan State Trail within the City of Bemidji.

Project due to be completed: 6/30/2007

Minnesota River Trail Planning

06(i) \$200,000

Mary Vogel
U of M - Ctr for Chng Landscapes
151 Rapson Hall, 89 Church St. SE
Minneapolis, MN 55455

Phone: (612) 626-7417

Fax: (612) 626-7424

E-mail: vogel001@umn.edu

To provide trail planning assistance to three communities along the Minnesota River state trail.

Project due to be completed: 6/30/2007

Local Initiative Grants (Parks and Natural Areas)

06(j) \$1,200,000

Wayne Sames
DNR
500 Lafayette Rd.
St. Paul, MN 55155

Phone: (651) 296-1567

Fax: (651) 296-6047
E-mail: wayne.sames@dnr.state.mn.us

To provide matching grants to local governments for acquisition and development of natural and scenic areas and local parks as provided in Minnesota Statutes, section 85.019, subdivisions 2 and 4a, and regional parks outside of the metropolitan area. Grants may provide up to 50 percent of the nonfederal share of the project cost, except nonmetropolitan regional park grants may provide up to 60 percent of the nonfederal share of the project cost. \$500,000 of this appropriation is for land acquisition for a proposed county regional park on Kraemer Lake in Stearns County.

Project due to be completed: 6/30/2008

Regional Park Planning for Nonmetropolitan Urban Areas
06(k) \$86,000

George Orning
U of M - Dept of Forestry
115 Green Hall, 1530 Cleveland Ave.
St. Paul, MN 55108

Phone: (612) 625-1703
Fax: (612) 625-5212
E-mail: ornin002@umn.edu

To develop a plan for a system of regional recreation areas for major outstate urban complexes in Minnesota.

Project due to be completed: 6/30/2007

Local and Regional Trail Grant Initiative Program
06(l) \$700,000

Tim Mitchell
DNR
500 Lafayette Rd.
St. Paul, MN 55155

Phone: (651) 297-1718
Fax: (651) 297-5475
E-mail: tim.mitchell@dnr.state.mn.us

To provide matching grants to local units of government for the cost of acquisition, development, engineering services, and enhancement of existing and new trail facilities.

Project due to be completed: 6/30/2008

Mesabi Trail
06m \$1,000,000

Bob Manzoline
St. Louis/Lake Counties Reg. Railroad Authority
801 SE Hwy 169, suite #4
Chisholm, MN 55719

Phone: (218) 254-2575
Fax: (218) 254-7972
E-mail: bob.manzoline@ironworld.com

To acquire and develop segments of the Mesabi Trail.

Project due to be completed: 6/30/2008

Cannon Valley Trail Belle Creek Bridge Replacement
06(n) \$300,000

Scott Roepke
Cannon Valley Trail Joint Powers Board
306 West Mill Street
Cannon Falls, MN 55009

Phone: (507) 263-0508
Fax: (507) 263-5843
E-mail: trailmanager@cannonvalleytrail.com

For bridge replacement of the Belle Creek bridge on the Cannon Valley Trail. This appropriation must be matched by at least \$44,000 of nonstate money.

Project due to be completed: 6/30/2007

Arrowhead Regional Bike Trail Connections Plan
06(o) \$83,000

Andy Hubley
Arrowhead Reg. Development Comm.
221 West 1st Street
Duluth, MN 55802

Phone: (218) 529-7512
Fax: (218) 529-7592
E-mail: ahubley@ardc.org

To analyze the Arrowhead's major bike trails and plan new trail connections

Project due to be completed: 6/30/2007

Land Acquisition, Minnesota Landscape Arboretum
06(p) \$650,000

Peter Olin
U of M - MN Landscape Arboretum
3675 Arboretum Drive
Chaska, MN 55318

Phone: (952) 443-1412
Fax: (952) 443-2946
E-mail: peter@arboretum.umn.edu

To acquire land for the arboretum. This appropriation must be matched by an equal amount of nonstate money.

Project due to be completed: 6/30/2008

Development and Rehabilitation of Minnesota Shooting Ranges
06(q) \$300,000

Chuck Niska
DNR
500 Lafayette Rd.
St. Paul, MN 55155

Phone: (651) 297-2449
Fax: (651) 297-3727
E-mail: chuck.niska@dnr.state.mn.us

To provide technical assistance and matching grants to local communities and recreational shooting and archery clubs for the purpose of developing or rehabilitating shooting and archery facilities for public use. Recipient facilities must be open to the general public at reasonable times and for a reasonable fee on a walk-in basis.

Project due to be completed: 6/30/2008

Birding Maps
06(r) \$100,000

Mark Martell
Audubon Minnesota
2357 Ventura Drive, suite 106
St. Paul, MN 55125

Phone: (651) 739-9332
Fax: (651) 731-1330
E-mail: mmartell@audubon.org

To create a new birding trail guide for the North Shore/Arrowhead region and reprint and distribute guides for three existing birding trails.

Project due to be completed: 6/30/2007

SUBD. 07 - WATER RESOURCES

Local Water Management Matching Challenge Grants

07(a) \$1,000,000

Dave Wierens
BWSR
One W. Water St., #200
St. Paul, MN 55155

Phone: (651) 297-3432
Fax: (651) 297-5615
E-mail: david.weirens@bwsr.state.mn.us

To accelerate the local water management challenge grant program under Minnesota Statutes, sections 103B.3361 to 103B.3369, through matching grants to implement high-priority activities in state approved comprehensive water management plans. For the purposes of this paragraph, the match must be a nonstate contribution, but may be either cash or qualifying in-kind.

Project due to be completed: 6/30/2008

Accelerating and Enhancing Surface Water Monitoring for Lakes and Streams

07(b)1 \$350,000

Daniel Helwig
PCA
520 Lafayette Road
St. Paul, MN 55155

Phone: (651) 296-7215
Fax: (651) 297-8324
E-mail: daniel.helwig@pca.state.mn.us

Pollution Control Agency for agreements with the Minnesota Lakes Association, Rivers Council of Minnesota, and the University of Minnesota

To accelerate monitoring efforts through assessments, citizen training, and implementation grants.

Project due to be completed: 6/30/2008

Accelerating and Enhancing Surface Water Monitoring for Lakes and Streams (Result 3)

07(b)2 \$250,000

Angela Becker Kudelka
Minnesota Water
1269 - 2nd Street North, #200
Sauk Rapids, MN 56379
Phone: (320) 259-6800
Fax: (320) 259-6678
E-mail: abeckerkudelka@riversmn.org

Minnesota Lakes Association and Rivers Council of Minnesota merged to Minnesota Water in 2006.

Result 3: Continued enhancement of the ability of volunteer citizen groups to collect water quality data that will be useful for local water management and/or state water quality assessment.

Project due to be completed: 6/30/2008

Effects of Land Retirements on the Minnesota River

07(c) \$300,000

Eric Mohring
BWSR
One W. Water St., #200
St. Paul, MN 55155

Phone: (651) 297-7360
Fax: (651) 297-5615
E-mail: eric.mohring@bwsr.state.mn.us

RESEARCH

Board of Water and Soil Resources for an agreement with the U.S. Geological Survey

To evaluate effects of retired or set aside agricultural lands on the water quality and aquatic habitat of streams in the Minnesota River basin in order to enhance prioritization of future land retirements.

Project due to be completed: 6/30/2008

Recycling Treated Municipal Wastewater for Industrial Water Use 07(d) \$300,000

Bryce Pickart
Metropolitan Council - Environmental Services
230 E. 5th Street
St. Paul, MN 55155

Phone: (651) 602-1091
Fax: (651) 602-1138
E-mail: bryce.pickart@metc.state.mn.us

To determine the feasibility of recycling treated municipal wastewater for industrial use, characterize industrial water demand and quality, and determine the costs to treat municipal wastewater to meet specific industrial needs.

Project due to be completed: 6/30/2007

Unwanted Hormone Therapy: Protecting Water and Public Health 07(e) \$300,000

Paige Novak
U of M - Civil Engineering
500 Pillsbury Dr. SE, Rm 122
Minneapolis, MN 55455

Phone: (612) 626-9846
Fax: (612) 626-7750
E-mail: novak010@tc.umn.edu

RESEARCH

To determine where behavior-altering estrogenic compounds come from and how they are distributed in wastewater treatment plants.

Project due to be completed: 6/30/2008

Climate Change Impacts on Minnesota's Aquatic Resources - GOVERNOR VETO 07(f) \$250,000

Lucinda Johnson
U of M - NRRI
5013 Miller Trunk Hwy.
Duluth, MN 55811

Phone: 218-720-4254
Fax: 218-720-4328
E-mail: ljohnson@nrri.umn.edu

RESEARCH

To quantify climate, hydrologic, and ecological variability and trends; and identify indicators of future climate change effects on aquatic systems.

Project due to be completed: 6/30/2008

Green Roof Cost Share and Monitoring - GOVERNOR VETO

07(g)—\$350,000

David Bauer

Ramsey Conservation District

1425 Paul Kirkwood Drive

Arden Hills, MN 55112

Phone: 651-266-7274**Fax:** 651-266-7276**E-mail:** david.bauer@co-ramsey.mn.us

To install green, vegetated roofs on four commercial or industrial buildings in Roseville and Falcon Heights and to monitor their effectiveness for stormwater management, flood reduction, water quality, and energy efficiency. The cost of the installations must be matched by at least 50 percent nonstate money.

Project due to be completed: 6/30/2007

Woodchip Biofilter Treatment of Feedlot Runoff

07(h) \$270,000

Dennis Fuchs

Stearns County SWCD

110-2nd Street So. #128

Waite Park, MN 56387

Phone: (320) 251-7800, x-3**Fax:** (320) 251-9171**E-mail:** dennis.fuchs@mn.usda.gov**RESEARCH***Stearns County Soil & Water Conservation District and the University of Minnesota*

To treat feedlot runoff with woodchip biofilters to remove pollutants and assess improvements to surface water quality.

Project due to be completed: 6/30/2008

Improving Water Quality on the Central Sands

07(i) \$587,000

Norman Krause

Central Lakes College Agricultural Center

1830 Airport Road

Staples, MN 56479

Phone: (218) 894-5160**Fax:****E-mail:** nkrause@clcmn.edu**RESEARCH***University of Minnesota and the Central Lakes College Agricultural Center*

To reduce nitrate and phosphorus losses to groundwater and surface waters of sandy ecoregions through the development, promotion, and adoption of new farming and land management practices and techniques.

Project due to be completed: 6/30/2008

Improving Impaired Watersheds: Conservation Drainage Research

07(j) \$300,000

Paul Burns

Dept of Agriculture

90 W. Plato Blvd., Rm 211

St. Paul, MN 55155

Phone: (651) 296-1488**Fax:** (651) 297-7678**E-mail:** paul.burns@state.mn.us

RESEARCH

To analyze conservation drainage systems at University of Minnesota research and outreach centers and for opportunities to retrofit drainage infrastructure with water quality improvement technologies.

Project due to be completed: 6/30/2008

Hydrology, Habitat and Energy Potential of Mine Lakes (There are 5 parts to this project - overall manager)

07(k) \$500,000

Douglas Hildenbrand
Central Iron Range Initiative
704 East Howard Street
Hibbing, MN 55746

Phone: (218) 263-6868
Fax: (218) 722-6803
E-mail: archres@arimn.com

DNR and for agreements with Architectural Resources, Inc. Northeast Technical Services, Inc., Minnesota Geological Survey and University of Minnesota

For a coordinated effort of the Central Iron Range Initiative to establish ultimate mine water elevations, outflows, and quality; design optimum future mineland configurations for fish habitat and lakeshore development; and evaluate wind pumped hydropower potential and to assess the geology and mine pit morphometry.

Project due to be completed: 6/30/2007

Mark Jirsa - Result 1
MN Geological Survey
2642 University Avenue
St. Paul, MN 55114
Phone: (612) 627-4780
Fax: (612) 627-4778
E-mail: jirsa001@umn.edu

John Adams - Result 2
MN DNR - Waters
1201 E. Highway 2
Grand Rapids, MN 55744
Phone: 218-327-4110
Fax: 218-327-4263
E-mail: john.adams@dnr.state.mn.us

Christopher Kavanaugh - Result 3
DNR - Waters
1201 E. Highway 2
Grand Rapids, MN 55744
Phone: 218-999-7821
Fax: 218-327-4263
E-mail: chris.kavanaugh@dnr.state.mn.us

John Lee - Result 4
Barr Engineering Co.
4700 West 77th Street
Minneapolis, MN 55435
Phone: 952-832-2346
Fax: 952-832-2601
E-mail: jlee@barr.com

Hennepin County Beach Water Quality Monitoring Project

07(l) \$100,000

Susan Palchick
Hennepin County
1011 - 1st Street South, suite 215
Hopkins, MN 55343

Phone: (952) 351-5200
Fax: (952) 351-5222
E-mail: epi-envhlth@co.hennepin.mn.us

To develop a predictive model for on-site determination of beach water quality to prevent outbreaks of waterborne illnesses and provide related water-safety outreach to the public.

Project due to be completed: 6/30/2007

SW Minnesota Floodwater Retention Projects

07(m) \$500,000

Kerry Netzke
Area II MN River Basin Projects, Inc.
PO Box 267
Marshall, MN 56258

Phone: (507) 537-6369
Fax: (507) 537-6368
E-mail: area2@starpoint.net

To acquire easements and construct four floodwater retention projects in the Minnesota River Basin to improve water quality and waterfowl habitat.

Project due to be completed: 6/30/2007

Upgrades to Blue Heron Research Vessel - GOVERNOR VETO

~~07(n) \$295,000 / TF & GLPA (\$28,000)~~

~~Thomas Johnson
U of M - Large Lakes Observatory
10 University Drive
Duluth, MN 55812~~

~~**Phone** 218-726-8128
Fax 218-726-6979
E-mail tcj@d.umn.edu~~

~~To upgrade and overhaul the Blue Heron Research Vessel.~~

~~**Project due to be completed:** 6/30/2007~~

Bassett Creek Valley Channel Restoration

07(o) \$175,000

Darrell Washington
Mpls. - Dept. of Community
105 - 5th Avenue S.
Minneapolis, MN 55401

Phone: (612) 673-5174
Fax: (612) 673-5212
E-mail: darrell.washington@ci.minneapolis.mn.us

For design and engineering activities for habitat restoration and water quality and channel improvements for Bassett Creek Valley.

Project due to be completed: 6/30/2007

Restoration of Indian Lake

07(p) \$200,000

Mark Hayes
Indian Lake Improvement District
7292 Baker Avenue NW
Buffalo, MN 55313

Phone: (320) 980-6218
Fax: (320) 963-7292
E-mail: mark@callmes.com

MN Environmental Services and Bemidji State University

To demonstrate the removal of excess nutrients from Indian Lake in Wright County.

Project due to be completed: 6/30/2008

SUBD. 08 - LAND USE AND NATURAL RESOURCE INFO

MN County Biological Survey

08(a) \$1,000,000

Carmen Converse
DNR
500 Lafayette Rd.
St. Paul, MN 55155

Phone: (651) 296-9782

Fax: (651) 296-1811

E-mail: carmen.converse@dnr.state.mn.us

To accelerate the survey that identifies significant natural areas and systematically collects and interprets data on the distribution and ecology of native plant communities, rare plants, and rare animals.

Project due to be completed: 6/30/2007

Soil Survey

08(b) \$500,000

Greg Larson
BWSR
One W. Water St., #200
St. Paul, MN 55155

Phone: (612) 624-3427

Fax: (651) 625-1244

E-mail: greg.larson@bwsr.state.mn.us

To accelerate digitizing of completed soil surveys for web based user application and for agreements with Pine and Crow Wing counties to begin soil surveys.

Project due to be completed: 6/30/2008

Land Cover Mapping for Natural Resource Protection - GOVERNOR VETO

08(c) \$250,000

Roel Ronken
Hennepin County—Environmental Services
417 North 5th Street, #200
Minneapolis, MN 55404

Phone: 612-596-1172

Fax: 612-348-8532

E-mail: roel.ronken@co.hennepin.mn.us

To develop GIS tools for prioritizing natural areas for protection and restoration and to update and complete land cover classification mapping.

Project due to be completed: 6/30/2007

Open Space Planning and Protection

08(d) \$250,000

Chris Lord
Anoka Conservation District
16015 Central Ave NE # 103
Ham Lake, MN 55304

Phone: (763) 434-2030, x-13

Fax: (763) 434-2094

E-mail: chris.lord@anokaswcd.org

To protect open space by identifying high-priority natural resource corridors through planning, conservation easements and land dedication as part of development processes.

Project due to be completed: 6/30/2007

SUBD. 09 - AGRICULTURE AND NATURAL RESOURCE INDUSTRIES

Completing Third-Party Certification of DNR Forest Lands

09(a) \$250,000

Andrew Arends
DNR-Forestry
500 Lafayette Rd
St. Paul, MN 55155

Phone: (651) 259-5261**Fax:****E-mail:** andrew.arends@dnr.state.mn.us

For third party assessment and certification of 4.47 million acres of DNR administered lands under forest sustainability standards established by two internationally recognized forest certification systems, the Forest Stewardship Council system and the Sustainable Forestry Initiative system.

Project due to be completed: 6/30/2007

Third Party Certification of Private Woodlands

09(b) \$376,000

Robert Stine
U of M - Cloquet Forestry Center
175 University Road
Cloquet, MN 55720

Phone: (218) 726-6403**Fax:** (218) 879-0855**E-mail:** rstine@umn.edu

To pilot a third party certification assessment framework for nonindustrial private forest owners.

Project due to be completed: 6/30/2007

Sustainable Management of Private Forest Lands

09(c) \$874,000

Doug Anderson
DNR
500 Lafayette Rd.
St. Paul, MN 55155

Phone: (651) 297-4467**Fax:** (651) 296-5954**E-mail:** doug.anderson@dnr.state.mn.us

To develop stewardship plans for private forested lands, implement stewardship plans on a cost-share basis and for conservation easements matching federal funds.

Project due to be completed: 6/30/2008

Evaluating Riparian Timber Harvesting Guidelines: Phase 2

09(d) \$333,000

Charles Blinn
U of M - Dept of Forest Resources
1530 Cleveland Ave. N
St. Paul, MN 55108

Phone: (612) 624-3788**Fax:** (612) 625-5212**E-mail:** cblinn@umn.edu**RESEARCH**

To assess the timber harvesting riparian management guidelines for post-harvest impacts on terrestrial, aquatic, and wildlife habitat.

Project due to be completed: 6/30/2008

3rd Crops for Water Quality - Phase 2

09(e) \$500,000

Linda Meschke
Rural Advantage/BERBI
426 Winnebago Avenue, Suite 100
Fairmont, MN 56031

Phone: (507) 238-5449
Fax: (507) 238-4002
E-mail: meschkel@berbi.org

RESEARCH

Rural Advantage and the University of Minnesota

To accelerate adoption of 3rd crops to enhance water quality, diversify cropping systems, supply bioenergy, and provide wildlife habitat through demonstration, research and education.

Project due to be completed: 6/30/2008

Bio-conversion of Potato Waste into Marketable Biopolymers

09(f) \$350,000

Dragoljub Bilanovic
Bemidji State Univ. (CEESS)
Sattgast Hall 107, 1500 Birchmont Dr. NE
Bemidji, MN 56601
Phone: (218) 755-2801
Fax: (218) 755-2801
E-mail: dbilanovic@bemidjistate.edu

RESEARCH

To evaluate the bioconversion of potato waste into marketable biopolymers, plant based plastics.

Project due to be completed: 6/30/2008

SUBD. 10 - ENERGY

Clean Energy Resource Teams and Community Wind Energy Rebate and Financial Assistance Programs

10(a) \$700,000

Mike Taylor
Dept of Commerce - State Energy Office
85 - 7th Place E, Suite 500
St. Paul, MN 55101

Phone: (651) 296-6830
Fax: (651) 297-7891
E-mail: mike.taylor@state.mn.us

To provide technical assistance to implement cost effective conservation, energy efficiency and renewable energy projects. \$400,000 of this appropriation is to assist Minnesota communities in developing locally owned wind energy projects by offering financial assistance.

Project due to be completed: 6/30/2009

Planning for Economic Development via Energy Independence - GOVERNOR VETO

10(b) \$240,000

Michael Mageau
U of M - Duluth
1049 University Drive
Duluth, MN 55812
Phone: 218-726-6133
Fax: 218-726-6386

E-mail: mmageau@d.umn.edu

To evaluate the socioeconomic benefits of statewide and community renewable energy production and distribution by analyzing system installation, technical capabilities, cost competitiveness, economic impacts, and policy incentives.

Project due to be completed: 6/30/2007

Manure Methane Digester Compatible Wastes and Electrical Generation

10(c) \$100,000

Paul Burns
Dept of Agriculture
90 W. Plato Blvd., Rm. 211
St. Paul, MN 55155

Phone: (651) 296-1488
Fax: (651) 297-7678
E-mail: paul.burns@state.mn.us

To research the potential for a centrally located, multi-farm manure digester and the potential use of compatible waste streams with manure digesters.

Project due to be completed: 6/30/2007

Dairy Farm Digesters

10(d) \$336,000

Amanda Bilek
The Minnesota Project
1885 University Ave, #315
St. Paul, MN 55104

Phone: (651) 645-6159, x-5
Fax: (651) 645-1262
E-mail: abilek@mnproject.org

For a pilot project to evaluate anaerobic digester technology on average size dairy farms of 50-300 cows.

Project due to be completed: 6/30/2007

Wind to Hydrogen Demonstration

10(e) \$800,000

Mike Reese
U of M - W. Central Research & Outreach Ctr.
46352 State Hwy 329
Morris, MN 56267

Phone: (320) 589-1711
Fax: (320) 589-4870
E-mail: reesem@morris.umn.edu

To develop a model, community-scale wind to hydrogen facility.

Project due to be completed: 6/30/2007

Natural Gas Production from Agricultural Biomass

10(f) \$100,000

Cecil Massie
Sebesta Blomberg & Assoc.
2381 Rosegate
Roseville, MN 55113

Phone: (651) 634-7242
Fax: (651) 634-7400
E-mail: cmassie@sebesta.com

RESEARCH

To demonstrate potential natural gas yield using anaerobic digestion of blends of chopped grasses or crop residue with hog manure and determine optimum operating conditions for conversion to natural gas.

Project due to be completed: 6/30/2007

Biomass-Derived Oils for Generating Electricity and Reducing Emissions

10(g) \$150,000

Kenneth Bickel
U of M - 1100 Mechanical Eng.
112 Church Street SE
Minneapolis, MN 55455

Phone: (612) 625-3864
Fax: (612) 624-1578
E-mail: bicke006@umn.edu

To evaluate the environmental and performance benefits of using renewable biomass-derived oils, such as soybean oil, for generating electricity.

Project due to be completed: 6/30/2007

Phillips Biomass Community Energy System - GOVERNOR VETO

10(h) \$900,000

Jeff Cook-Coyle
Phillips Community Energy Cooperative (PCEC)
2801—21st Ave. South, #110
Minneapolis, MN 55407
Phone: 612-278-7117
Fax: 612-278-7101
E-mail: cnelson@greeninstitute.org

To assist in the distribution system equipment and construction costs for a biomass district energy system. This appropriation is contingent on all appropriate permits being obtained and a signed commitment of financing for the biomass electrical generating facility being in place.

Project due to be completed: 6/30/2007

Laurentian Energy Authority Biomass Project - GOVERNOR VETO

10(i) \$466,000

Terry Leoni
Virginia Public Utility
PO Box 1048
Virginia, MN 55792
Phone: 218-748-7540
Fax: 218-748-7544
E-mail: leonit@VPUC.com

To lease land and plant approximately 1000 acres of trees to support a proposed conversion to a biomass power plant.

Project due to be completed: 6/30/2007

SUBD. 11 - ENVIRONMENTAL EDUCATION

Enhancing Civic Understanding of Groundwater - GOVERNOR VETO

11(a) \$150,000

Patrick Hamilton
Science Museum of Minnesota
120 W. Kellogg Blvd.
St. Paul, MN 55102
Phone: 651-221-4761
Fax: 651-221-4514
E-mail: hamilton@smm.org

To create ground water exhibits and a statewide traveling groundwater classroom program.

Project due to be completed: 6/30/2008

Cedar Creek Natural History Area Interpretive Center and Restoration

11(b) \$400,000

David Tilman
U of M - Cedar Creek History Area
1987 Upper Buford Cir., 100 Ecology Bldg.
St. Paul, MN 55108

Phone: (612) 625-5743
Fax: (612) 624-6777
E-mail: tilman@umn.edu

To restore 400 acres of savanna and prairie; construct a Science Interpretive Center to publicly demonstrate technologies for energy efficiency; and create interpretive trails.

Project due to be completed: 6/30/2008

Environmental Problem-Solving Model for Twin-Cities Schools-- GOVERNOR VETO

11(e) —\$75,000

Kathy Kinzig
Eco-Education
240 E. 40th Street, #375
St. Paul, MN 55104

Phone: 651-222-7694
Fax: 651-222-3425

E-mail: kkinzig@ecoeducation.org

To train high-school students and teachers on environmental problem-solving.

Project due to be completed: 6/30/2007

Tamarack Nature Center Exhibits

11(d) \$95,000

Marcie Oltman
Ramsey County Parks & Rec. - Tamarack Nature Ctr.
5287 Otter Lake Road
White Bear Township, MN 55110

Phone: (651) 407-5350
Fax: (651) 407-5354
E-mail: marcie.oltman@co.ramsey.mn.us

To develop interactive ecological exhibits at Tamarack Nature Center.

Project due to be completed: 6/30/2007

SUBD. 12 - CHILDREN'S ENVIRONMENTAL HEALTH

Minnesota Children's Pesticide Exposure Reduction Initiative

12(a) \$200,000

Collie Graddick
Dept of Agriculture
90 W. Plato Blvd.
St. Paul, MN 55155

Phone: (651) 296-1234
Fax: (651) 296-7386
E-mail: collie.graddick@state.mn.us

To reduce children's pesticide exposure through parent education on alternative pest control methods and safe pesticide use.

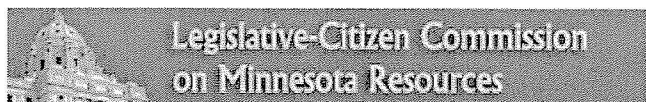
Project due to be completed: 6/30/2007

LCMR Governor Veto List (.pdf list)

LCMR 2005 Proposal Process Information Page

Last Updated: 1/8/07 (dg)

send comments regarding this site to:
lccmr@lccmr.leg.mn



2006 PROJECT ABSTRACTS

MN Laws 2006, Chapter 243, Section 19 & Section 20 (beginning June 2006)

The following documents are short abstracts for projects funded during the 2006 Legislative Session. The final date of completion for these projects is listed at the end of the abstract. When available, we have provided links to a projects web site. The sites linked to this page are not created, maintained, or endorsed by the LCMR/LCCMR office or the Minnesota Legislature.

Section 19

Administration

Section 20

Fish & Wildlife Habitat

Water Resources

Land Use and Natural Resource Information

Energy

Environmental Education

Section 19

Administration

Sec. 19 Legislative-Citizen Commission on Minnesota Resources

Section 20

Fish & Wildlife Habitat

Subd. 8 Land Exchange Revolving Fund for Aitkin, Cass, and Crow Wing Counties

Subd. 9 Riparian Land Acquisition

Subd. 11 Forest Legacy

Water Resources

Subd. 6 Lake Superior Research - *Research*

Subd. 7 Impacts on Minnesota's Aquatic Resources from Climate Change - *Research*

Land Use and Natural Resource Information

Subd. 5 Land Cover Mapping for Natural Resource Protection

Subd. 10 Statewide Conservation and Preservation Plan

Energy

Subd. 3 Phillips Biomass Community Energy System

Subd. 4 Laurentian Energy Authority Biomass Project

Environmental Education

Subd. 2 Enhancing Civic Understanding of Groundwater

Funding Sources: (**note: all projects are TF, unless otherwise noted)

Environment and Natural Resources Trust Fund (TF)
Great Lakes Protection Account (GLP)

ADMINISTRATION

Legislative-Citizen Commission on Minnesota Resources

Section 19 \$550,000

John Velin, Director
LCCMR
100 Rev. Dr. Martin Luther King Blvd.
65 - State Office Building
St. Paul, MN 55155

Phone: (651)296-2406

Fax: (651)296-1321

E-mail: lcmr@commissions.leg.state.mn.us

Web: <http://www.commissions.leg.state.mn.us/lcmr/lcmr.htm>

For administration as provided in Minnesota Statutes, section 116P.09, subdivision 5.

FISH AND WILDLIFE HABITAT

Land Exchange Revolving Fund for Aitkin, Cass, and Crow Wing Counties

Section 20, Subd. 8 \$290,000

Mark Jacobs
Aitkin County
209 - 2nd Street NW
Aitkin, MN 56431

Phone: 218-927-7364

Fax: 218-927-7249

E-mail: mjacobs@co.aitkin.mn.us

Web: www.co.aitkin.mn.us

To establish a six-year revolving loan fund for Aitkin, Cass, and Crow Wing Counties to improve public and private land ownership patterns, increase management efficiency, and protect critical habitat.

Project due to be completed: 6/30/2011

Riparian Land Acquisition

Section 20, Subd. 9 \$640,000

Mike Halverson
DNR
500 Lafayette Rd
St. Paul, MN 55155

Phone: (651) 259-5209

Fax: (651) 297-4916

E-mail: mike.halverson@dnr.state.mn.us

For fee title acquisition and easements on high-priority, sensitive riparian lands that provide high value for watershed protection.

Project due to be completed: 6/30/2008

Forest Legacy

Section 20, Subd. 11 \$500,000

Incorporated into M.L. 2005, First Special Session, Chp. 1, Art. 2, Sec. 11, Subd. 9c work program.

Doug Anderson
DNR - Division of Forestry
500 Lafayette Rd
St. Paul, MN 55155

Phone: 651-259-5251

Fax: 651-296-5954

E-mail: doug.anderson@dnr.state.mn.us/forestry

Web: www.dnr.state.mn.us/forestry

To acquire easements as described under Minnesota Statutes, chapter 84C (Conservation Easements), on private lands. The conservation easements must guarantee public access, including hunting and fishing.

Project due to be completed: 6/30/2008

WATER RESOURCES

Lake Superior Research

Section 20, Subd. 6 \$295,000

(\$267,000 TF + \$28,000 GLP)

Steven M. Colman
Large Lakes Observatory, UMD
2205 E. 5th Street
Duluth, MN 55812

Phone: 218-726-8128

Fax: 218-726-6979

E-mail: scolman@d.umn.edu

Web: www.d.umn.edu/llo

RESEARCH

For research on Lake Superior waters.

Project due to be completed: 6/30/2009

Impacts on Minnesota's Aquatic Resources from Climate Change

Section 20, Subd. 7 \$250,000

Lucinda Johnson

UMD - Natural Resources Research Institute

5013 Miller Trunk Hwy.

Duluth, MN 55811

Phone: 218-720-4251

Fax: 218-720-4328

E-mail: ljohnson@nrri.umn.edu

Web: www.nrri.umn.edu/cwe/staff/ljohnsonintro.htm

RESEARCH

To quantify climate, hydrologic, and ecological variability and trends and identify indicators of future climate.

Project due to be completed: 6/30/2009

LAND USE AND NATURAL RESOURCE INFORMATION

Land Cover Mapping for Natural Resource Protection

Section 20, Subd. 5 \$250,000

Roel Ronken

Hennepin County - Environmental Services

417 North 5th Street, #200
Minneapolis, MN 55401

Phone: 612-596-1172

Fax: 612-348-8532

E-mail: roel.ronken@co.hennepin.mn.us

Web: www.hennepin.us

To develop geographic information system tools for prioritizing natural areas for protection and restoration and to update and complete land cover classification mapping for Carver, Dakota, Hennepin, Scott, and Washington Counties.

Project due to be completed: 6/30/2008

Statewide Conservation and Preservation Plan

Section 20, Subd. 10 \$300,000

LCCMR

100 Rev. Dr. Martin Luther King Blvd.

65 - State Office Building

St. Paul, MN 55155

Phone: (651)296-2406

Fax: (651)296-1321

E-mail: lccmr@lccmr.leg.mn

Web: www.lccmr.leg.mn

A Request for Proposal (RFP) was issued September 28, 2006 and due November 17, 2006. Three proposals were received in response. On December 20, 2006 - The LCCMR unanimously recommended the proposal from the team of the University of Minnesota Institute on the Environment/Bonestroo/DSU and CR Planning. A preliminary plan is due June 2007 and a final plan June 2008.

This project due to be completed: 6/30/2008

ENERGY

Phillips Biomass Community Energy System

Section 20, Subd. 3 \$500,000

Jeff Cook-Coyle

Phillips Community Energy Cooperative (PCEC)

2801 - 21st Ave. South, #110

Minneapolis, MN 55407

Phone: 612-278-7120

Fax: 612-278-7101

E-mail: cnelson@greeninstitute.org

Web: www.kandiyo.com/energy.php

To assist in the distribution system equipment and construction costs for a biomass district energy system. This appropriation is contingent on all appropriate permits being obtained and a signed commitment of financing for the biomass electrical generating facility being in place.

Project due to be completed: 6/30/2008

Laurentian Energy Authority Biomass Project

Section 20, Subd. 4 \$400,000

Terry Leoni

Virginia Public Utility

PO Box 1048

Virginia, MN 55792

Phone: 218-748-7540
Fax: 218-748-7544
E-mail: leonit@VPUC.com
Web: www.virginiamn.com

To lease land and plant approximately 1,000 acres of trees to support a proposed conversion to a biomass power plant.

Project due to be completed: 6/30/2008

ENVIRONMENTAL EDUCATION

Enhancing Civic Understanding of Groundwater

Section 20, Subd. 2 \$150,000
Patrick Hamilton
Science Museum of Minnesota
120 W. Kellogg Blvd.
St. Paul, MN 55102

Phone: 651-221-4761
Fax: 651-221-4514
E-mail: hamilton@smm.org
Web: www.smm.org

To create groundwater exhibits and a statewide traveling groundwater classroom program.

Project due to be completed: 6/30/2009

LCMR [2006 Appropriations](#) (.pdf list), ML 2006, Chp. 243, Sec. 19 & Sec. 20 - Beginning July 1, 2006

Last Updated: 1/8/07Tuesday, 09-Jan-07 14:21:22 (dg)

send comments regarding this site to:
lccmr@lccmr.leg.mn

III. Competed Research Projects

“a summary of any research project completed in the preceding biennium;”

- The following documents are short abstracts for projects completed since the previous biennial report of January 15, 2005.
- The abstracts describe the general accomplishments of each project for completed projects.
See <http://www.commissions.leg.state.mn.us/lcmr/projectabs.html>
- Research projects have been marked as such in the description.
- Full work programs are available at the LCCMR, Room 65 - State Office Building. The abstracts are current as of 12/30/06.
- Legal Citations
 - M.L.2001, 1st Special Session, Chp. 2, Sec. 14
 - M.L.2003, Chp. 128, Art. 1, Sec. 9

2001 Project Abstract

For the Period Ending June 30, 2006

TITLE: Restoring Minnesota's Fish and Wildlife Habitat Corridors Phase I

PROJECT MANAGER: Matt Holland - Coordinator

ORGANIZATION: Pheasants Forever and 19 organizations

ADDRESS: 679 West River Drive, New London, MN 56273

WEB SITE ADDRESS: <http://www.mnhabitatcorridors.org>

FUND: Minnesota Environment and Natural Resources Trust Fund

LEGAL CITATION: ML 2001, 1st Special Session, Chp. 2, Sec. 14, Subd. 04e

APPROPRIATION AMOUNT: \$11,745,000

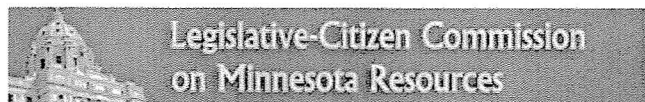
Overall Project Outcome and Results

The Habitat Corridors Partnership was formed to work together to restore, enhance, and conserve habitat corridors for the purpose of sustaining fish, wildlife, and native plant communities. The Partnership provides for statewide coordination of existing federal, state and private land and water conservation programs and focuses resources on identified habitat corridors.

Using land acquisition, conservation easements, and restoration, the 18 participating corridors partners used existing programs in eleven designated project areas to connect fragmented habitats, strengthen migration routes, and enhance species ability to reproduce and survive. The partnership expended \$11,739,273 of ETF funds directly impacting 31,343 acres (23,841 acres restored or managed, 3,710 easement acres acquired, 3,792 fee-title acres acquired) and brought \$39,480,571 in other funds to Minnesota through this partnership (\$3.36 for every Environmental Trust Fund dollar) directly impacting 32,763 acres (3,093 acres restored or managed, 25,727 easement acres acquired, 3,943 fee-title acres acquired).

Lands acquired in fee-title by the partnership are open to the public for uses consistent with land management system in which they are enrolled (e.g. Wildlife Management Area System). The Partnership would like to acknowledge the numerous agency, NGO, and private partners who assisted with project accomplishments.

Partners include: Ducks Unlimited; MN Deer Hunters Association; MN Department of Natural Resources Divisions of Ecological Services, Fisheries, Forestry and Wildlife; Minnesota Land Trust; U.S. Natural Resources Conservation Service; National Wild Turkey Federation; The Nature Conservancy; Pheasants Forever; The Trust for Public Land; U.S. Bureau of Indian Affairs; Red Lake Band of Chippewa; Leech Lake Band of Chippewa; Fond du Lac Band of Chippewa; U.S. Fish and Wildlife Service; Minnesota Valley National Wildlife Refuge Trust, Inc.; MN Board of Water and Soil Resources; The Minnesota Environment and Natural Resources Trust Fund. The Habitat Corridors Partnership website is at <http://www.mnhabitatcorridors.org>.



[House](#) [Senate](#) [Joint Departments and Commissions](#) Today is Thursday, January 11, 2007
[Statutes, Laws, and Rules](#) [Bill Search and Status](#) [Project Abstracts](#) [Publications & Reports](#)

LCMR 2003 PROJECT ABSTRACTS

M.L. 2003, Chapter 128, Article 1, Section 9 (July 1, 2003 through June 30, 2005 or 2006)

The following documents are short abstracts for projects funded during the 2004-2005 biennium. The final date of completion for these projects is listed at the end of the abstract. When available, we have provided links to a projects web site. The sites linked to on this page are not created, maintained, or endorsed by the LCMR office or the Minnesota Legislature. If you would like further information about specific projects, please contact the appropriate program manager at the address or phone number listed.

Subd. 3 - Administration

03(a) **Legislative Commission on Minnesota Resources**

03(b) **LCMR Study Commission on the Park System**

03(c) **Contract Administration**

Subd. 4 - Advisory Committee

Subd. 5 - Fish & Wildlife Habitat

05(a) **Restoring Minnesota's Fish and Wildlife Habitat Corridors - Phase II**

05(b) **Metropolitan Area Wildlife Corridors**

05(c) **Restoring RIM Match**

05(d) **Acquisition & Development of Scientific and Natural Areas**

05(e) **Forest and Prairie Stewardship of Public & Private Lands**

05(f) **Local Initiative Grants (Conservation Partners & Env. Partnerships)**

05(g) **Minnesota ReLeaf Community Forest Development and Protection**

05(h) **Developing Pheromones for Use in Carp Control - Research**

05(i) 1 **Biological Control of European Buckthorn and Spotted Knapweed - Research**

05(i) 2 **Biological Control of European Buckthorn and Spotted Knapweed - Research**

05(j) **Resources for Redevelopment of Brownfields to Greenspace**

Subd. 6 - Recreation

06(a) **State Park and Recreation Area Land Acquisition**

06(b) **LAWCON Federal Reimbursements**

06(c) **Local Initiative Grants (Parks and Natural Areas)**

06(d) **Metropolitan Regional Parks Acquisition, Rehabilitation and**

06(e) **Local and Regional Trail Grant Initiative Program**

06(f) **Gitchi-Gami State Trail**

06(g) **Water Recreation: Boat Access, Fishing Piers & Shorefishing**

06(h) **Mesabi Trail**

06(i) **Linking Communities Design, Technology & DNR Trail Resources**

06(j) **Ft. Ridgely Historic Site Interpretive Trail**

06(k) **Development and Rehabilitation of Minnesota Shooting Ranges**

06(l) **Land Acquisition, Minnesota Landscape Arboretum - continuation**

Subd. 7 - Water Resources

07(a) **Local Water Planning (LWP) Matching Challenge Grants**

07(b) **Accelerating & Enhancing Surface Water Monitoring for Lakes & Streams**

07(c) **Intercommunity Groundwater Protection**

07(d) **TAPwaters: Technical Assistance Program for Watersheds**

07(e)1 **Wastewater Phosphorus Control and Reduction Initiative - Research**

07(e)2 **Wastewater Phosphorus Control and Reduction Initiative - Research**

07(f) **Maintaining Zooplankton (Daphnia) for Water Quality: Square Lake - Research**Subd. 8 - Land Use and Natural Resource Information08(a) **Minnesota County Biological Survey**08(b) **Updating Outmoded Soil Survey**08(c)1 **Mesabi Iron Range Geologic & Hydrologic Maps & Data Bases**08(c)2 **Mesabi Iron Range Geologic & Hydrologic Maps & Data Bases**Subd. 9 - Agriculture & Natural Resource Industries09 **Native Plants and Alternative Crops for Water Quality - Research**Subd. 10 - Energy10(a) **Community Energy Development Program**10(b) **Advancing Utilization of Manure Methane Digester Electrical**Subd. 11 - Environmental Education11(a) **Dodge Nature Center - Restoration Plan**11(b) **Bucks and Buckthorn: Engaging Young Hunters in Restoration**11(c) **Putting Green Environmental Adventure Park: Sustainability**Subd. 12 - Children's Environmental Education12(a) **Healthy Schools: Indoor Air Quality and Asthma Management**12(b) **Economic-based Analysis of Children's Environmental Health Risks**12(c) **Continuous Indoor Air Quality Monitoring in MN Schools**

Funding Sources: (**note: all projects are TF, unless otherwise noted)

Environment and Natural Resources Trust Fund (TF)

Oil Overcharge (OOC)

Great Lakes Protection Account (GLP)

ADMINISTRATION

Legislative Commission on Minnesota Resources

03(a) \$ 672,000

John Velin, Director

LCMR

100 Rev. Dr. Martin Luther King Blvd.

65 - State Office Building

St. Paul, MN 55155

Phone: (651)296-2406

Fax: (651)296-1321

E-mail: lcmr@commissions.leg.state.mn.us

Web: <http://www.commissions.leg.state.mn.us/lcmr/lcmr.htm>

For the Administrative Budget for expenses of the LCMR. In addition, carryforward from 02-03 of \$196,000 for administrative expenses.

This project completed: 6/30/2005

LCMR Study Commission on the Park System

03(b) \$26,000

John Velin, Director

LCMR

100 Rev. Dr. Martin Luther King Blvd.

65 - State Office Building

St. Paul, MN 55155

Phone: (651) 296-2406

Fax: (651) 296-1321

E-mail: lcmr@commissions.leg.state.mn.us

Web: <http://www.commissions.leg.state.mn.us/lcmr/lcmr.htm>

Evaluate the use of fees to assist the financial stability and the potential of fees to provide for self-sufficiency in Minnesota's park systems, including state parks, metropolitan regional parks, and rural regional parks in greater Minnesota. The study commission will report to the chairs of the senate and house environment finance committees by February 16, 2004. Copy of the report on the LCCMR website:

<http://www.commissions.leg.state.mn.us/lcmr/Parks%20Study%20Comm/study%20page.htm> and available in the LCCMR office.

This project completed: 2/16/2004

Contract Administration

03(c) \$120,000

Bill Becker

DNR, Office of Management and Budget Services

500 Lafayette Road

St. Paul, MN 55155

Phone: (651) 296-2406

Fax: (651) 296-1321

E-mail: bill.becker@dnr.state.mn.us

Overall Project Outcome and Results

Recipients, on the whole, provided requested information for reimbursement. There have been few if any problems with the written instructions. Recipients also seem to grasp the force of the work program and are improving their understanding of the work program and related fiscal controls. There still seem to be some issues in transferring the information from work program Attachment A to the Reimbursement Request Spreadsheet. It may be that reformatting is in order for future years. For example, we could convert the Reimbursement Request Spreadsheet from a horizontal alignment to a vertical alignment to differentiate it from Attachment A.

The agreement form was revised for 2005 appropriations. It appears to be fairly stable now, not needing significant revision unless the revised Legislative Citizen Commission on Minnesota resources sees a need for changes. New recipients were briefed on the agreement and the process for requesting reimbursements, however we recommend a refresher course for long time recipients.

Reimbursements were provided quickly to minimize cash flow problems. As we transfer to 2005, open projects include appropriations from M.L. of 1999 and 2005.

Appropriations from 2003 closed in June 30th of 2006. The project now has 55 agreements under management

Project Results Use and Dissemination

The financial administration of these projects is subject to audit by the Office of the Legislative Auditor and the DNR auditor (at DNR expense). The Office of the Legislative Auditor selected a sample of these projects to audit as part of a performance audit of the executive branch administration of grants to non-governmental organizations. That audit is due out in January, 2007.

This project completed: 6/30/2006

ADVISORY COMMITTEE

Citizen Advisory Committee for the Trust Fund

04 \$45,000

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For expenses of the citizen advisory committee for the Environment & Natural Resources Trust Fund as provided in Minnesota Statutes, section 116P.06. The committee is appointed by the Governor and consists of 11 members, at least 1 from each of the 8 MN Congressional Districts.

In M.L. 2005, 1st Special Session, Chp. 7, Sec. 37 the appropriation was transferred to the advisory task force in Chp. 1, Art. 2, Sec. 156.

FISH AND WILDLIFE HABITAT

Restoring Minnesota's Fish and Wildlife Habitat Corridors - Phase II

05(a) \$4,850,000

Matt Holland

Pheasants Forever and 14 Organizations

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The mission of the Habitat Corridors Partnership is to restore, enhance and conserve habitat corridors for the purpose of sustaining fish, wildlife and native plant communities for all generations. This report and additional information can be uploaded on the web at <http://www.mnhabitatcorridors.org>.

The Habitat Corridors Partnership includes: Ducks Unlimited, Fond du Lac Reservation, Leech Lake Band of Ojibwe, Minnesota Board of Water and Soil Resources, MN Deer Hunters Association, MN Department of Natural Resources, MN Land Trust, MN Valley National Wildlife Refuge Trust, Inc., National Wild Turkey Federation, Pheasants Forever, Red Lake Band of Chippewa, The Nature Conservancy, Trust for Public Land, U.S. Fish and Wildlife Services, and U.S. Natural Resources Conservation Service. The intent of the partnership was to use existing programs and partners to build upon existing investments in habitat to enhance fish, wildlife and plant populations, strengthen migration pathways, improve genetic stocks, and restore the integrity of natural communities. Eleven project areas were identified where Habitat Corridors Partners work was completed. The partnership used three primary methods to achieve partnership goals within the project areas: habitat restoration, habitat easements, and fee-title acquisition. All projects were completed on public lands or with the cooperation of willing private landowner partners.

OVERALL PHASE II ACCOMPLISHMENTS

Partners completed a total of 368 (13) projects impacting 28,304 acres (10,825 TF, 17,479 Other Funds). Partners expended a total of \$24,527,846 (\$4,681,430 TF, \$19,846,415 Other Funds).

RESTORATION

Partners completed a total of 243 (13) projects enhancing or restoring a total of 17,182.7 acres (9,066 TF, 8,116 Other Funds). Partners expended a total of \$3,679,971 (\$1,293,902 TF, \$2,386,068 Other Funds).

EASEMENT

Partners acquired a total of 80 easements for a total of 7,160 acres (982 Grant, 6,178 Other Funds). Partners expended a total of \$15,427,065 (\$1,281,999 TF, \$14,145,066 Other Funds).

ACQUISITIONS

Partners acquired 38 parcels for a total of 3,961 acres (776 Grant, 3,184 Other Funds). Partners expended a total of \$4,994,715 (\$1,975,339 TF, \$3,019,375 Other Funds).

PROJECT COORDINATING & MAPPING

Pheasants Forever, Inc. provided project coordination for the Phase II Habitat Corridors Partnership. Community GIS Services of Duluth was contracted to do mapping and data management. One significant accomplishment included the development of an online reporting system. This system provides for a synthesis of fiscal, accomplishment, and mapping accomplishment reporting via an easy to use online reporting framework. A total of \$130,188 (TF) was expended on project coordination and mapping.

This project completed: 6/30/2006

Metropolitan Area Wildlife Corridors

05(b) \$4,850,000

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Through the Metropolitan Area Wildlife Corridors (MWC) partnership, 13 organizations (Ducks Unlimited, Friends of the Mississippi River, Great River Greening, Minnesota Valley National Wildlife Trust, Inc., Minnesota Land Trust, The Trust for Public Land, DNR – Regional Operations (Metro Greenways), DNR – Division of Ecological Services, DNR – Division of Fisheries, DNR – Division of Forestry, DNR – Division of Wildlife, Rice Creek Watershed District, and City of Ramsey) restored 2,297 acres of habitat including 2 miles of shoreline, and protected through conservation easements and/or fee title acquisition 2,219 acres of regionally significant habitat including 6 miles of shoreline; all in targeted locations within a regional framework of science-based, interconnected focus areas. The \$4.5 million of Environment & Natural Resources Trust Fund dollars spent leveraged an additional \$19.3 million in private, local and federal funds, plus \$2.4 million in other state funds to achieve these results.

By coordinating land protection and restoration efforts within a regional framework of focus areas, resource management agencies, nonprofits, local government units and other stakeholders developed beneficial synergies and built upon each other's efforts.

Partners collaborated through regular partner meetings and communications. A database and GIS tools were used to identify target project areas and document the work of the partners. Local involvement was facilitated through outreach to stakeholders in the focus areas, who were provided with natural resource information and technical assistance to help them develop and participate in conservation projects. The "Conservation Corridors" poster/brochure was completed and widely distributed as an outreach and educational tool.

This project completed: 6/30/2006

Restoring RIM Match

05(c) \$400,000

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Overall Project Outcome and Results

The Reinvest in Minnesota (RIM) Program provides an opportunity for private individuals, groups, and businesses to help fund the acquisition or improvement of critical fish, wildlife, and native plant habitats. Private contributions of land, easements, or cash to this program are matched dollar-for-dollar by state funds. The state matching dollars are used to acquire or develop other critical natural resource habitat.

This project generated \$400,000 in private donations to the State that included \$17,400 in cash and \$355,600 in land donations as well as \$27,000 in contributions from the Nongame Checkoff Program. Donations involved 359 acres of land that were designated as 7 state wildlife management (WMA) and 2 state aquatic management areas. Trust fund dollars used to match these donations funded 7 land purchases totaling 239 acres in 7 WMAs and one forest hardwood seeding project. All of these lands will permanently protect critical habitat and provide additional opportunities for public hunting, fishing, and other compatible outdoor recreational activities.

The Nongame Program matched \$27,000 of trust fund dollars to help fund a survey and assessment of prairie birds, especially rare species, inhabiting 18 Scientific and Natural Areas on prairie tracts in NW MN, and an additional 7 sites on lands with Prairie Bank easements. The trust fund dollars for this prairie bird survey generated \$27,000 in federal matching funds under the "State Wildlife Grants" program for "species in greatest conservation need." A research report will be published and available from the DNR Nongame Research Program and on the DNR website.

Project Results Use and Dissemination

Information and location of the lands acquired under this project are included on the Wildlife Lands Map available at the DNR and on the DNR website at www.dnr.state.mn.us/maps/compass.

The results of the survey and assessment of prairie birds in northwestern Minnesota will be posted on the DNR Nongame Research Project site at www.dnr.state.mn.us/ecological_services/nongame/projects/research_reports.

This project completed: 6/30/2005

Acquisition & Development of Scientific and Natural Areas

05(d) \$480,000

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Overall Project Outcome and Results

Funding to acquire scientific and natural areas (SNA) was used to purchase a state significant tract of land with oak forest and tamarack bog plant communities. The site also provides habitat for red-shouldered hawks, a rare species. A total of twenty-nine (29) landowners were contacted concerning protection. Eight (8) agreed to have an appraisal conducted. Three landowners were willing to sell. Only one site was acquired, however, due to funding limitations. LCMR funds were used to acquire 50 acres of land, known as the Avon Hills Forest SNA in Stearns County. An additional 210 acres of land from the same landowner was acquired with RIM, critical habitat license plate and bond funds.

Two parcels appraised during this project maybe acquired in the future contingent on the availability of new funds. One of these parcels is available for sale at the appraised offer. An offer on the second parcel will be made pending funding availability. In addition, a third site in Redwood County, appraised with LCMR funds, was acquired with other funds. Landowner contacts as a result of this LCMR project are resulting in follow-up calls from landowners in the vicinity of projects.

Funding also permitted the development of SNAs using crews, Sentence to Service personnel, & volunteers. A total of over seventy-five development activities were carried out. These included burning 220 acres of prairie at 6 sites, constructing 2 miles of fence, treating woody encroachment on 50 acres at nine sites, putting in 5.5 miles of fire breaks, carrying out prairie improvements at 21 sites including collecting and planting seeds and treating exotic species, sealing one well, restoring woodlands at 3 sites and at 25 sites installing visitor use, wood routed, or boundary signs, gates or carrying out site clean-up.

In summary, funds provided through the LCMR have been successfully used to protect a state significant tract of land as a State Scientific and Natural Areas for native plant communities and rare animals and to improve numerous SNAs by carrying out over seventy-five management projects. In addition, contacts made with landowners are resulting in new requests for appraisals that in turn will result in the future protection of additional lands with state significant examples of plant communities, rare species habitat or unique natural features.

This project completed: 6/30/2005

Forest and Prairie Stewardship of Public & Private Lands

05(e) \$392,000

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Overall Project Outcome and Results

This project targeted two key natural resources: private forestland and native prairie. Private (non industrial) landowners own 40% (5,000,000+ acres) of the forestland in Minnesota . These acres have been identified as critical to the overall sustainability of our forest resources. Less than one percent of the state's native prairie remains. Seventy-five percent of these remnant acres are on private land.

The purpose of this project was to 1) provide stewardship advice to private landowners to improve the sustainability of native prairie and forest habitat on their property; 2) cost-share stewardship practices on private forest land; and 3) accelerate prairie management on priority public and private native prairie sites.

Result #1: Landowner Motivation Through Stewardship Plans: Qualified private sector professionals were used to develop sustainable, ecosystem-based land stewardship plans. Each plan requires a field inventory of the resources and adds to the landscape information base. Plans offer alternatives to meet both landowner and landscape objectives. Accomplishments: Woodland Stewardship Plans: 127 plans were written on 11835 acres statewide; Prairie Stewardship Plans: 20 plans were written on 1950 acres

Result #2: Cost Sharing To Convert Forest Stewardship Plans To Action: Private land improvements were cost-shared 50% by the landowner, and 50% by state and/or federal funds. Practices ranged from planting seedlings, invasive species control, and timber stand improvement. Accomplishments: 132 landowners implemented forest stewardship practices on 385 acres

Result #3: Accelerate And Enhance Management On Public And Private Prairie Lands : Accelerated prairie management crews and private contractors were used to begin tackling a long-standing "back-log" of prairie stewardship projects on public and private land in priority prairie areas. Projects included tree and brush removal, prescribed burning, restorations and prescribed grazing. Accomplishments: Accelerated management was carried out on 128 sites improving the condition of 11,171 acres of native prairie

Project Results Use and Dissemination

The stewardship planning and accelerated management initiated in this project is being continued through several 2005 LCMR projects: (5a) - Restoring Minnesota's Fish and Wildlife Habitat Corridors/Phase III - Prairie Management, (5d) Prairie Stewardship of Private Lands, and (9c) - Sustainable Management of Private Forest Lands. In addition, the prairie projects (5a & 5d) are being complemented by a new federal program; the Landowner Incentive Program (LIP). LIP provides states funding to work with private landowners to benefit "at-risk species".

This project completed: 6/30/2006

Local Initiative Grants (Conservation Partners and Environmental Partnerships)

05(f) \$512,000

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Overall Project Outcome and Results

The objective of this program is to foster public/private and intergovernmental partnerships by providing state matching grants to private organizations and local governments for "on the ground" fish, wildlife and native plant habitat improvement projects and related research and for a variety of environmental service and conservation projects.

A total of 39 grants totaling \$406,513 were provided to private and non-profit organizations, educational institutions, local governments and soil and water conservation districts. Of that total, 24 Conservation Partners grants were made for "on the ground" fish, wildlife and native plant habitat improvement projects and research or surveys of fish and wildlife directly related to specific habitat improvement. The remaining 15 Environmental Partnerships grants were made for a variety of community environmental service, education, information, and conservation projects.

A number of habitat restorations were completed, including lakeshore, river shore land, wetland, prairie and oak savannah restorations. A number of tree and native grass planting projects were also funded, including a customized tree planting machine. Among the Environmental Partnerships projects funded were rainwater gardens, stream sampling, interpretive exhibits and signs, a Bluebird Trail, a bog walk project, a field study program for grade school students, a Lake Superior Coastal Reforestation Booklet, a natural resource inventory and management plan, and a land stewardship conference.

Since these projects are located throughout the state, many Minnesotans will benefit directly by having access to the project

areas. Minnesotans in general will also benefit from information or research that may be applicable in many locations, such as the sago pondweed research or the coastal forest reforestation booklet, or from the habitat improvements that benefit fish and wildlife populations and help protect water quality. Environmental education, interpretation and information projects also help foster an appreciation for the need to conserve our natural resources, particularly for younger generations.

For more detailed information on any of the projects contact the DNR Local Grants Unit. A list of funded projects is included in the work program final report.

This project completed: 6/30/2006

Minnesota ReLeaf Community Forest Development and Protection

05(g) \$514,000

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To protect forest resources, develop inventory-based management plans, and provide matching grants to communities to plant native trees. At least \$350,000 of this appropriation must be used for grants to communities. For the purposes of this paragraph, the match must be a nonstate contribution, but may be either cash or qualifying in-kind.

This project completed: 6/30/2006 - A final report is pending

Developing Pheromones for Use in Carp Control

05(h) \$100,000

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RESEARCH**Overall Project Outcome and Results**

The common carp (*Cyprinus carpio*) was introduced to Minnesota waters from eastern Europe just over a century ago and has been a problem ever since. This species of fish reproduces in great numbers, is robust, and has the habit of rooting in the bottom for food, thereby degrading water quality in shallow lakes and wetlands. The only technique presently available to control carp is a non-specific poison and barriers, both of which are expensive and ecologically damaging. This project sought to determine whether carp employ specific-specific odors (pheromones) to locate each other and if so, whether these cues might be comprised of bile acids, a class of compounds implicated in pheromonal attraction. Our ultimate goal is develop pheromonal attractants that can be used to catch and remove carp. Both carp and goldfish were used in this laboratory study with the later being used for initial work because it is closely related to carp and more easily tested. We found that immature goldfish are highly attracted to odors released by their own species but not to odors released by six other species of fish we tested. Studies with juvenile carp showed them to also exhibit very strong, specific-specific attraction to conspecific washings. Biochemical studies next found goldfish and carp to both release cyprinol sulfate (CS), taurocholic acid (TCA), taurochenodeoxycholic acid (TCDC), suggesting that while these stimuli may be active they cannot account for the specificity of the cue. Finally, two behavioral studies found that while neither CS nor TCDC is behaviorally active, TCA is weakly attractive to mature fish (especially female goldfish) and stimulates weak food-sampling behavior. We conclude that carp and goldfish release a potent pheromone which has great potential for use in control which contains non-bile acid components. A new LCMR project is now attempting to identify these component(s).

This project completed: 6/30/2006

Biological Control of European Buckthorn and Spotted Knapweed

05(i) 1 \$109,000

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Phone: (651) 259-5140**Fax:** (651) 296-1811**E-mail:** luke.skinner@dnr.state.mn.us**RESEARCH****Overall Project Outcome and Results - European Buckthorn**

The purpose of this project was to continue the development of biological control for European buckthorn. The main objectives of this research were to carry out surveys in Europe for potential control agents, test the host specificity of selected control agents and to carry out a survey for insects associated with buckthorn in Minnesota.

Researchers surveyed over 80 buckthorn sites in Europe (Austria, Germany, Italy, Czech Republic, Switzerland and Serbia), collecting and identifying more than 900 arthropod samples (Gassmann et al. 2006). The community of specialized arthropods associated with European buckthorn, *Rhamnus cathartica*, and glossy buckthorn, *Frangula alnus*, is largely dominated by: Lepidoptera (22 species), Hemiptera (6 species), Diptera (4 species), Coleoptera (1 species) and mites (2 species). The complex of specialized arthropods is much higher on European than glossy buckthorn.

Nine insect species were subjected to host specificity testing. This included two stem borers, five leaf feeders, one sap feeder, and one flower/fruit feeder. Initial results eliminated three of these species (one stem borer and two leaf-feeders) for attacking a variety of buckthorn species, thus lacking the specificity needed for safety. Four of the nine species tested are considered high priority for continued testing as potential control agents. These include one stem borer, one leaf feeder, one sap feeder, and one flower/fruit feeder.

A total of eight buckthorn infestations were sampled for insect fauna in southeastern Minnesota. A total of 267 species representing 82 families and 13 orders were identified. Most herbivores collected were generalists and will feed on a variety of plants. There was no substantial damage to foliage found at any of the sampled sites. We surmise that insect herbivores will not interfere with the establishment of an introduced biological control agent. However, a large diversity of generalist parasitoids and predators were collected which potentially affect the establishment of a biological control agent for common buckthorn.

Project Results Use and Dissemination

Results of this project will be published in peer-reviewed scientific journals and also in special publications and newsletters. Results also will be presented at national, regional and state scientific meetings to peers in the field, as well as to resource managers and planners who will use the results of this project. Current research will guide future efforts to develop biological controls for buckthorn.

This project completed: 6/30/2006

Biological Control of European Buckthorn and Spotted Knapweed

05(i) 2 \$89,000

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Phone: (651) 201-6608**E-mail:** anthony.cortilet@state.mn.us**Web:** <http://www.mda.state.mn.us/weedcontrol>**RESEARCH****Overall Project Outcome and Results - Spotted Knapweed**

An appropriation of \$198,000 was provided to the commissioners of the Minnesota Department's of Agriculture (MDA) and Natural Resources (MN DNR) from the environmental trust fund to conduct research on two highly invasive plants, European buckthorn (*Rhamnus cathartica* L.) and spotted knapweed (*Centaurea biebersteinii* DC), in Minnesota. The research outlined in this summary pertains to the spotted knapweed portion of the grant conducted by the MDA, which received \$89,000 of the

total appropriation. The work on European buckthorn is summarized in a separate report by the MN DNR.

Spotted knapweed is an exotic-invasive terrestrial plant that threatens the state's roadside, rangeland, agricultural, and grassland/prairie ecosystems. Minnesota land owners/managers are searching for less expensive and more environmentally compatible alternatives to herbicide use for management and control of this invasive weed. The United States Department of Agriculture (USDA) released eleven biocontrol agent species in the state from 1989 through 2000 to manage this weed. Eventually biological control releases became the responsibility of the Minnesota Department of Agriculture (MDA) in 2000. Prior to the MDA inheriting the program from the USDA, few attempts had been made to assess the establishment and success of agents throughout the state to determine if biological control was a viable pest management strategy for spotted knapweed. This research grant was developed in an attempt to increase our knowledge of spotted knapweed biological control in Minnesota and to evaluate the impacts that bioagents have on this highly invasive weed.

Through this research, it was determined that six of the eleven bioagents released in Minnesota, *Urophora affinis*, *Urophora quadrifasciata*, *Larinus minutus*, *Larinus obtusus*, *Cyphocleonus achates*, and *Agapeta zoegana*, are established, have impacted the growth and spread of spotted knapweed on several sites, and are collectable for redistribution to new infestations in the state. Rigorous sampling of selected biological control sites has also provided the MDA with important information pertaining to the extent of spotted knapweed infestations, composition of other vegetation on infested sites, and various landscape, soil, and geographical parameters related to sites in Minnesota.

This research has showed us that biological control can be an important tool for spotted knapweed management in Minnesota. It's not the only tool, but it has the potential to have long-term and sustaining impacts on large infestations where herbicides and other IPM tactics are not practical, expensive, or ecologically unsound. Through this LCMR grant, the MDA has dramatically increased its knowledge of spotted knapweed in the state and the possibilities for extensive biological control management in the future.

Project Result Use and Dissemination

The MDA plans to continue monitoring these biological control sites and delineating spotted knapweed infestations for new biocontrol sites. Sites will be added to their recently created geodatabase that will be used to track spotted knapweed infestations and biological control releases throughout Minnesota. This data will be used as a qualitative assessment for biological control agent impacts in the future.

This project completed: 6/30/2006

Resources for Redevelopment of Brownfields to Greenspaces

05(j) \$150,000

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Overall Outcome and Results

The Resources for Redevelopment of Brownfields to Greenspace project aimed to identify environmentally impaired properties to be redeveloped as greenspace, conduct environmental assessments and create/implement natural resources designs. The project exceeded all goals as over 16 sites were identified, environmental assessments were conducted at nine, and four sites received natural resource plans. Projects included wetland and prairie restorations, removal of invasive species, stormwater management through rain gardens and reestablished native communities. When completed, nearly 250 acres of idle land will be restored as greenspace.

The project advanced the redevelopment of nine properties that would have remained idle. These sites demonstrate the environmental, social and economic benefits of brownfields reuse as greenspace through onsite soil correction, cleaner air, improved water quality and enhanced natural resources.

Several communities benefited in both the metro area, and greater Minnesota. Converted from impaired land, these sites are now public parks, rain gardens and preserved farmland. All benefit water quality, enhance access to public space and provide years of educational and recreational space.

Through the project, roughly 375 acres were assessed, with nearly 250 acres restored as greenspace. Ten acres of farmland is preserved, over 85 miles of trails connected and water quality of the Mississippi and Chippewa Rivers and Minnehaha Creek is enhanced. Also, millions of public and private dollars were leveraged for acquisition, cleanup and implementation. MEI also secured nearly \$15,000 of in-kind donations from project partners.

Project Results Use and Dissemination

Information was shared through the Brownfields to Greenspace and Regional Greenways Collaboratives, MEI newsletters and web site, and project partners. Some sites have also had local media coverage.

Presentations include: EPA's Region 5 Nuts and Bolts of Brownfields Redevelopment, DEED Brownfield Workshops, Planners Network Conference tour - Ecological Restoration. Further presentations planned for the fall of 2005.

This project completed: 6/30/2005

RECREATION

State Park and Recreation Area Land Acquisition

06(a) \$1,500,000

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Overall Project Outcome and Results

The purpose of this project was to acquire inholdings from willing sellers within state park and recreation area boundaries. Approximately 730 acres in the following locations were completed using the 2003 LCMR appropriation:

Crow Wing State Park - 470 acres (4 parcels acquired)

George Crosby Manitou State Park - 220 acres

Judge C.R. Magney State Park - 40 acres

This appropriation was significant in that it continued the progress toward acquiring critical private in-holdings within statutory state park boundaries. The Crow Wing State park acquisitions protect an additional 3 miles along the Mississippi River wildlife corridor in an area that is experiencing rapid residential development. These parcels will also preserve the natural views from the park facilities and helped facilitate the connection of the Paul Bunyan State Trail. The George Crosby Manitou and Judge C.R. Magney State Park parcels were acquired to protect lands within the Lake Superior watershed and offer recreational opportunities such as hiking (one mile of hiking trail included), backpacking and birdwatching.

Project Results Use and Dissemination

Parcels acquired have been shown on updated state park boundary maps, and have been described in the Minnesota State Park Traveler newspaper and other publications.

This project completed: 6/30/2006

LAWCON Federal Reimbursements

06(b) \$2,000,000

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Overall Project Outcome and Results

The objective was to use 50% of the money made available to the state from funds received from the federal Land and Water Conservation Fund (LAWCON) for state land acquisition and development for the state outdoor recreation system and the

administrative expenses necessary to maintain eligibility.

State Land Acquisition and Development (see work program for more details):

- \$419,531 for projects in two state parks and one state wayside, including a historic building and water tower and two non-motorized trails and an overlook for improved accessibility and safety.
- \$615,169 for acquisition of 510 acres in two state scientific and natural areas.
- \$340,000 for resurfacing of 10 miles of the Luce Line State Trail.
- \$150,000 for replacement of deteriorated finger piers at the Knife River Harbor and Marina .
- \$ 38,457 for redevelopment of a horseback and hiking trail in St. Croix State Forest .

Administration and Planning:

- Completed the 2003-2008 State Comprehensive Outdoor Recreation Plan (SCORP), which is required to maintain LAWCON eligibility.
- Completed the 2004 Outdoor Recreation Participation Survey of Minnesotans, the first comprehensive statewide outdoor recreation participation survey since 1985.
- Completed the 2004 Outdoor Recreation Facility Survey and Management Concerns of Minnesota Cities, Counties, and School Districts , the first time such a survey of local governments has been completed in Minnesota .
- Completed 786 post-completion site inspections of previously funded outdoor recreation sites as required by LAWCON agreements.
- Completed 26 conversion actions and 81 conveyance reviews (licenses, easements, leases, etc.) as required by LAWCON agreements.
- Worked on 49 active federal projects representing grants totaling \$5,312,496 and monitored 1,257 projects funded since 1966.

Project Results Use and Dissemination

The SCORP was distributed to government officials; educational institutions; non-profit organizations; and individuals involved in outdoor recreation. The SCORP and related survey information is also available on the DNR web site. Presentations were made to park and recreation professionals and others through Minnesota Recreation and Park Association workshops and conferences, LCMR hearings, internal DNR planner forums, etc.

This project completed: 6/30/2006

Local Initiative Grants (Parks and Natural Areas)

06(c) \$2,579,000

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For matching grants to local governments for acquisition and development of natural and scenic areas and local parks as provided in Minnesota Statutes, section 85.019, subdivisions 2 and 4a, and regional parks outside of the metropolitan area.

This project due to be completed: 6/30/2007

Metropolitan Regional Parks Acquisition, Rehabilitation and

06(d) \$3,339,000

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Web: www.metrocouncil.org/parks/parks.htm

Overall Project Outcome and Results

Continue acquisition, redevelopment and development projects in the 2002-03 Metropolitan Regional Parks Capital Improvement Program that were not funded in the 2002 Capital Investment appropriation. Results are: (1) Acquired 63 acres at Big Marine Park Reserve. (2) Installed sewer/water service for 3 picnic areas at Keller Regional Park. (3) Continued shoreline and trail rehabilitation at Lake of the Isles Regional Park begun in 1999. (4) Rehabilitated 3 miles of park roads, 4 parking lots, replaced a restroom building, constructed 2 play structures for a picnic area and the campground, constructed 1 mile of connecting trails and walkways, and installed security lighting at Bunker Hills Regional Park. (5) Rehabilitated 3.2 miles of hiking trails and 3 miles of bicycle trails at Phalen Regional Park. (6) Reconfigured the parking lot and constructed 2 play structures at Theodore Wirth Regional Park. (7) Completed 4 miles of trail rehabilitation at Cleary Lake Regional Park begun in 2000. (8) Completed pavement overlay of 4.8 miles of bicycle/pedestrian trail in Mississippi Gorge Regional Park. (9) Constructed a 0.5 mile bike/pedestrian trail along 49th Avenue in North Mississippi Regional Park. (10) Reimbursed Three Rivers Park District for barn restoration and house modifications for agricultural environmental learning center plus entrance road, 2 parking lots, 3 miles of trails, 2 fishing piers and dock at Whaletail Lake in Gale Woods Special Recreation Feature. (11) Partially financed construction of 0.6 mile of North Urban Regional Trail to address unforeseen soil problems (12) Constructed 1.5 miles of North Urban Regional Trail from Emerson Drive to the Mississippi River Regional Trail. (13) Constructed walking paths and installed interpretive signs at the Mill Ruins Park portion of Central Mississippi Riverfront Regional Park. (14) Prepared construction documents for 1.2 miles of North Urban Regional Trail from Dodd Rd. to Charlton Rd. (15) Completed a 0.8 mile bicycle/pedestrian trail and restored 16 acres of prairie at Hyland-Bush-Anderson Lakes Park Reserve. (16) Constructed 3 miles of new bike/pedestrian trails and rehabilitated 5 miles of the North Hennepin Regional Trail.

Project Results Use and Dissemination

Public information on the outdoor recreation facilities financed with this appropriation as well as past State appropriations is disseminated in two ways: (1) Through park agency maps, brochures, news releases and park agency websites. (2) Through the Metropolitan Council's "Regional Parks" map/brochure and on its website www.metrocouncil.org/parks/parks.htm

This project completed: 6/30/2006

Local and Regional Trail Grant Initiative Program

06(e) \$320,000

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To provide matching grants to local units of government for the cost of acquisition, development, engineering services, and enhancement of existing and new trail facilities.

This project due to be completed equal to the period of any federal grant money received.

Gitchi-Gami State Trail

06(f) 1,300,000

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To design and construct approximately five miles of Gitchi-Gami state trail segments. This appropriation must be matched by at least \$400,000 of nonstate money. The availability of the financing from this paragraph is extended to equal the period of any federal money received.

This project due to be completed equal to the period of any federal grant money received.

Water Recreation: Boat Access, Fishing Piers & Shorefishing

06(g) \$1,150,000

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Overall Project Outcome and Results

This project's objective is to provide the public with improved access to lakes and rivers statewide. Access includes boat access, fishing piers and shore fishing improvements. Access opportunities are provided to people with or without a boat, to people of all ages, and to people with a diverse range of physical abilities.

Project results for boat access development included the construction of two new public boat access sites, one on Ross Lake in Crow Wing County and the other on Cedar Lake in Morrison County. It also provided for the redevelopment of four existing sites on the following lakes: Leech Lake, Cass County; Sand Lake, Pine County; Long Lake, Cass County; and Green Lake, Kandiyohi County.

Project results for boat access land acquisition included the purchase of property for a new public access site on Star Lake, Otter Tail County. It also provided the funds to purchase additional property adjacent to an existing access site on Star Lake, Otter Tail County to allow the site to be expanded and improved.

Project results for fishing piers and shore fishing were numerous. Fishing piers were installed on 15 lakes statewide with six in the Twin Cities metropolitan area and the remainder in greater Minnesota. Shore fishing stations were built at seven locations throughout greater Minnesota.

Minnesotans greatly appreciate and have come to expect adequate access to the state's lakes and rivers as evidenced by the large number of boats registered and fishing licenses sold. Minnesota is known nationally for its boating and fishing opportunities provided by its wide array of lakes and rivers. The utilization of these significant natural resources has become an important aspect of our state's social culture and economic climate. Studies have shown that water access sites are for more than just boaters; they are used by birdwatchers, people who want to view the lake's scenery, or as a place to rest and relax. Fishing piers are popular places for children to recreate and to pick up a life long interest in fishing and the outdoors. Boaters benefit by having additional access to water through high quality boat launch facilities that are convenient and safe. Local units of government gain benefit via grants and technical assistance for providing new or improved access.

Project Results Use and Dissemination

The public water access sites, fishing piers and shore fishing areas will be identified on the DNR's system of water access maps and the DNR website. Signs will be posted on each access site, fishing pier and shore fishing project giving attribution to the environment and natural resources trust fund.

This project completed: 6/30/2006

Mesabi Trail
06(h) \$380,000
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For the sixth biennium to acquire and develop segments of the Mesabi trail.
This project due to be completed equal to the period of any federal grant money received.

Linking Communities Design, Technology & DNR Trail Resources

06(i) \$184,000
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Overall Project Outcome and Results

Recreation, natural and cultural resource protection, tourism, and community livability are promoted by designs for The Gitchi Gami and Minnesota River State Trails produced by a University-Department of Natural Resources-community partnership using design, computer technology, and community participation. It augmented the DNR's state trail work to create a whole systems approach to integrating state trails into community landscapes.

Goal: The study widened the effectiveness of the Gitchi Gami and Minnesota River State Trails as regional amenities by creating designs and graphic information that address recreation, tourism, preservation and development in trail corridors. The designs preserve, enhance, and interpret natural and cultural features in the trail's larger landscape.

Objectives:

- Document existing trail landscapes,
- Project future land use patterns,
- Identify issues and opportunities,
- Create environmentally-sensitive designs and frameworks,
- Make community decision-making/implementation tools.

Products:

- Two reports,
- Enhanced Minnesota River Trail master planning,
- Increased knowledge of the larger trail environment,
- Generated enthusiasm for the trails by the 24 meetings.

Project Results Use and Dissemination

The work is on the web. It has heightened interest in the trails, increased awareness of the trails' environments, and created a vision for each trail environment. County road and state highway projects in Beaver Bay, private development patterns in Taconite Harbor, and private development and public works plans in Lutsen have been impacted by the designs. Work has been presented to Highway 61 and Gitchi Gami Trail MNDOT staffers.

The DNR is using the Minnesota River work in its master planning. Flood protection, downtown revitalization, and public works projects in Granite Falls has been informed by the work as has planning by the Upper Sioux Community and Upper Sioux State Park. It has helped to create a confederation of interest groups in the Upper Minnesota River Valley.

This project completed: 6/30/2005

Ft. Ridgely Historic Site Interpretive Trail

06(j) \$150,000

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Overall Project Outcome and Results

This is phase one of a two-phase project to expand the interpretation and recreational opportunities at the site. The completion of phase one included the design, engineering and archaeological survey for 1.25 miles of new trails at the site. The topographic survey of the 20-acre site was completed as were all trail construction drawings and bid estimate documents. The archaeological survey for the entire 1.25 miles trail corridor was completed and yielded significant new information about the original fort parade ground. It also revealed the original fort parade ground walkways, which the new trail will replicate. Additional research that will expand the knowledge of the fort was conducted. This new information was added to existing knowledge of the site and both were used to complete text for 26 new interpretive markers. These new interpretive markers replace the 15 old ones and will expand and improve the interpretive story for the approximate 15,000-20,000 people who visit the site annually.

Project Results Use and Dissemination

The primary form of dissemination for new material is through the interpretive markers. As site education and marketing brochures are reprinted, the new material will also be used in them. Discussions are underway to see if the results of this project can be incorporated with the results of other archaeological research being done in the park for a published document.

This project completed: 6/30/2006

Development and Rehabilitation of Minnesota Shooting Ranges

06(k) \$240,000

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Overall Project Outcome and Results

Twelve firearms ranges received grants, which were provided to make a variety of safety, sound abatement and access improvements, all on existing ranges. These previously established facilities were located across the state. All available funding for this time period was allocated, with 89.2 percent of funds actually used. Additional interest and need to participate in the grant program were shown by a variety of organizations that are currently receiving 2005-8 grant funds. Passage of the Shooting Range Protection Act did not yet impact participation in the program.

Archery projects were funded for the first time in this project period. Twenty organizations received grants, with a total of eleven new archery facilities being built. Seven were outdoor ranges, four indoor ranges. Four grants were provided for ranges on public lands. The third year of the project period allowed for both the project and grant program proved to be beneficial for archery participants, helping them to first see or otherwise realize the benefits of the program in year one, raise matching funding in year two, and make installations prior to the end of the project period. For the archery funding, 85.8 of the funding were used. A total of 28 organizations were provided matching grants. Overall, 88.5 percent of the grant funds were spent.

Project Results Use and Dissemination

Information of the project results and accomplishments will be reported to the media using the Division of Enforcement information officer, and his contacts. Dissemination of information has been done through a variety of means, including phone and newspaper interviews, articles and press releases.

This project completed: 6/30/2006

Land Acquisition, Minnesota Landscape Arboretum - continuation

06(l) \$350,000

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For the fifth biennium to acquire land for the arboretum. This appropriation must be matched by an equal amount of nonstate money.

This project due to be completed: 6/30/2008

WATER RESOURCES

Local Water Planning (LWP) Matching Challenge Grants

07(a) \$500,000 TF/GLPA

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Overall Project Outcome and Results

Grants were awarded to 14 counties, 2 watershed districts and 5 soil and water conservation districts to implement high priority actions identified in state approved and locally adopted comprehensive water management plans. The funds were used to complete the following projects:

- Blue Earth County - A natural resource inventory and management plan
- Carlton County - Provide educational materials on wetland regulations, best management practices and on the social and environmental benefits of wetlands
- Carnelian Marine Watershed District - Protect, restore, and develop a watershed-based implementation plan for Silver Creek
- Cass and Jackson Counties, Prior Lake Spring Lake Watershed District, and Stearns and Todd SWCD's - Develop and implement 12 lake management plans
- Chippewa County - Develop a history of the county drainage system and an education program on the importance of drainage and water quality
- Faribault SWCD - Develop a comprehensive drainage watershed management plan
- Itasca SWCD and St. Louis County - Conduct water quality monitoring on lake carrying capacities for different lake types
- Kandiyohi, Le Sueur, Meeker and Swift Counties - Develop an inventory of public drainage systems
- Stearns County - Establish a coalition of lake associations
- Wadena County - To provide cross-county collaboration on land and river management planning and implementation with Hubbard County
- Washington County - Integrate groundwater into surface water management strategies and policies
- Winona County - Revise the county zoning ordinance to control erosion and manage stormwater
- Yellow Medicine County - Digitize drainage system information and inventory existing buffer strips

Project Results Use and Dissemination

Results of the specific projects are available upon request from the Board of Water and Soil Resources.

This project due to be completed: 6/30/2006

Accelerating and Enhancing Surface Water Monitoring for Lakes & Streams

07(b) \$740,000

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Overall Project Outcome and Results

This project was designed to enhance and accelerate surface water monitoring using a variety of methods. The condition assessment of 172 stream reaches was completed over two monitoring seasons. Monitoring was conducted in the Lower Mississippi, Cedar, Des Moines, Missouri, Red, and Rainy River Basins. This acceleration will lead to the earlier completion of the calibration of indices of biotic integrity (IBI) for all the basins in Minnesota. All data is available online. Over 10,000 lakes were analyzed using Landsat imagery for transparency over a 20 year span (at 5 year intervals). This provides a tool to extend the census of water quality data across the state and over time. Data from this project are available to the public online. MODIS imagery was used to monitor 100 large lakes for both chlorophyll and transparency. Hyperspectral and in situ data was collected at 37 sites on four river segments to develop a remote sensing tool for rivers. The Lakes and Rivers Monitoring Congress was attended by 325 participants. Fifty citizens, representing 14 groups, completed Monitoring Plan Training. Thirteen plans were developed and monitoring occurred at 153 sites on 66 streams and 80 sites on 56 lakes. With over 95 applications for the 14 openings, this pilot project showed a need for this type of training. The training materials are now

available online for interested parties. Ten skills trainings, covering topics from data management to sample collection were attended by 71 groups and 300 individuals. Two editions of the Minnesota Water Watchers newsletter were developed and distributed to 3800 citizens. Healthy Lakes and Rivers Program trained 62 lake or river associations (423 individuals), with 39 Lake Management Plans developed. Volunteers in additional counties are undergoing training as a result of this successful expansion of the program.

Project Results Use and Dissemination

Data from the biological monitoring can be found online at: <http://www.pca.state.mn.us/data/edaWater/index.cfm>. Data from remote sensing can be found at: <http://water.umn.edu/lakebrows.html>. Training materials are available from Monitoring Plan Trainings at: http://www.riversmn.org/resources_citmon.html. Monitoring Plans (13) and Lake Management Plans (39) have been used to initiate implementation activities.

Presentations on Satellite Remote Sensing were given at the National Conference on Enhancing the States' Lake Management Programs (2004), the Minnesota GIS/LIS Annual Conference (2005), the LCMR Southeastern MN Tour (2005), the North American Lake Management Society Symposium (2005), the Minnesota Water 2005 and Annual Water Resources Joint Conference (2005), and the MPCA Lakes, Streams, Wetlands, & Groundwater Team Meeting (Feb 2006). Presentations on the Monitoring Plan Trainings were given at the National Water Quality Monitoring Conference in May of 2006.

This project completed: 6/30/2006

Intercommunity Groundwater Protection

07(c) \$125,000

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RESEARCH

Overall Project Outcome and Results

The primary purpose of the project was to develop a hydrologic model that can be used to evaluate the "sustainability" of groundwater withdrawals in the Woodbury-Afton area of Washington County.

The overall product of this project is a calibrated computer groundwater flow model of the major aquifers in southern Washington County. This groundwater model is a tool to predict the effects of proposed groundwater withdrawals (pumping) on: groundwater levels and pressures; water levels in existing wells; and base flows into Valley Creek (a designated trout stream). The primary impetus for this groundwater model is to predict the effects of proposed water-supply wells that are planned for the western portion of the City of Woodbury.

Additional products of this project include: GIS files of model parameters and results; a web site with interim products; model input and output files; and a final report (Barr Engineering and Washington County, 2005. Intercommunity Groundwater Protection, Sustaining Growth and Natural Resources, in the Woodbury/Afton Area).

Project Results Use and Dissemination

The groundwater flow model was used to predict the future effects of pumping of City of Woodbury wells 15, 16, and 17 on groundwater levels and base flows into Valley Creek. The modeling results suggest that for most pumping conditions, the reduction in the base flow of Valley Creek will likely be too small to accurately measure (within the range of measurement error). This small reduction in base flow due to pumping will most likely be limited to the south branch of Valley Creek, rather than the north branch or the main reach that flows into the St. Croix River. In general, the maximum reduction in base flows will occur in the summer months and will be about 0.5 cubic feet per second, which is about 5 to 15 percent of typical summer base flow or about 10 cubic feet per second. Flow from surface runoff would likely further mask this effect.

During extremely dry conditions base flows will be lower in Valley Creek (particularly the south branch) because of climatic conditions and regional pumping. The reduced base flow to the south branch of Valley Creek will likely be about 0.5 cubic feet per second. While this may not initially seem significant, this reduction might cause the upper portions of the south branch to have low or no base flow for a short period until pumping is reduced and water levels rebound. The model was developed to allow interested groundwater scientists and engineers can to the model to evaluate new information.

This project completed: 6/30/2005

TAPwaters: Technical Assistance Program for Watersheds

07(d) \$160,000

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Overall Project Outcome and Results

The St. Croix River is highly valued resource with nearly a million visitors each year, mostly from Minnesota . It is impacted by agricultural and urban nonpoint-source pollution; consequently Minnesota and Wisconsin have agreed to reduce nutrient pollution to the St. Croix River by 20%. To achieve this goal most economically, resource managers need computer models of watersheds to test effectiveness of proposed remedial actions. The main objective was to model a sub-basin of the St. Croix to identify the most effective ways to reduce nutrient-rich runoff from agricultural land. This project established the Science Museum 's TAPwaters office, which is applying the Soil and Water Assessment Tool (SWAT) to the Willow River , a tributary that contributes nutrient pollution disproportionately to the St. Croix . The SWAT model is well accepted and used world-wide; however, we discovered critical errors in the model code. Correcting these errors greatly improved model accuracy. The significance to Minnesota is large, because SWAT will be used widely in coming decades to develop pollution reduction strategies. Whether changes in land management can achieve the targeted 20% reduction in phosphorus loads from the Willow is unclear from preliminary model runs. Completion of the Willow River model is scheduled for mid-November 2006. With funding from the National Park Service, work on a whole-basin model of the St. Croix will continue, thereby providing a nutrient-reduction tool for 3,500 square miles of Minnesota .

Project Results Use and Dissemination

St. Croix Basin Water Resources Planning Team of federal, state, and local officials is counting on SWAT modeling by the TAPwaters office to be an integral tool in reducing pollution to the St. Croix . Current results are critical to resource managers in the Willow River watershed for implementing remedial actions based on model runs. Results have been presented to over 500 attendees of annual conferences on pollution to the St. Croix and will be published on the web at www.smm.org/scwrs/.

This project completed: 6/30/2006

Wastewater Phosphorus Control and Reduction Initiative

07(e)1 \$296,000

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RESEARCH

The technical approach to evaluate phosphorus removal retrofit options for the seventeen (17) selected MESERB wastewater treatment plants was based on the following objectives: 1) select cost effective treatment systems; 2) meet an effluent phosphorus target concentration of 1 mg/L (the most stringent effluent concentration specified in current MPCA regulations); and 3) have wide application to treatment plants in Minnesota. To achieve these objectives, the engineering analysis involved the following major tasks:

- Characterize, group and select seventeen wastewater treatment plants from MESERB's 22 participating plants;
- Identify and discuss a range of applicable phosphorus reduction and removal technologies;
- Develop a protocol to systematically evaluate the effectiveness of phosphorus removal alternatives for the seventeen wastewater treatment plants; and
- Identify the most appropriate cost effective phosphorus reduction strategies for the different types of biological treatment

processes to meet a monthly average phosphorus discharge target of 1 mg/L.

Key conclusions drawn from this study included the following: 1) chemical treatment is the recommended phosphorus removal alternative for plants using trickling filters, rotating biological contactors or lagoons for secondary treatment, and for a given type of activated sludge system; and 2) the EBPR retrofit design and the choice of EBPR, EBPR with chemical treatment, or chemical treatment can vary depending on many site-specific factors.

The findings from this study were presented in a MESERB report entitled "Wastewater Phosphorus Control and Reduction Initiative" which can be found on the MESERB website at www.meserb.org and at the Legislative Reference Library. Two technology transfer seminars were presented at New Ulm and Brainerd discussing the results of the evaluation of phosphorus removal alternatives.

This project completed: 6/30/2005

Wastewater Phosphorus Control and Reduction Initiative

07(e)2 \$244,000

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RESEARCH

Overall Project Outcome and Results

The Minnesota Pollution Control Agency project had two efforts, 1) determination of the sources and relative contributions of non-ingested phosphorus which enters municipal wastewater treatment plants and 2) determination of the amount of all phosphorus contributed to waters of the state by point and nonpoint sources of pollution.

Phosphorous enters lakes and streams from both point sources (largely wastewater treatment facilities) and non-point sources (runoff from land areas). Statewide, under average flow conditions, point sources contribute about 31 percent of the total phosphorous load in Minnesota's surface waters. Sources are (from highest to lowest amounts):

- Commercial/industrial process water (12 percent)
- Human waste products (10.9 percent)
- Food wastes (from dishwashing and garbage disposal, 4.2 percent)
- Residential automatic dishwasher detergent (1.9 percent)
- Commercial automatic dishwasher detergent (0.9 percent)
- Raw/finished water supply (drinking-water additives, 0.8 percent)
- Dentifrices (toothpaste, oral products, 0.3 percent)
- Non-contact cooling water (which industrial sources discharge directly to surface waters, 0.2 percent)
- Groundwater inflow and infiltration to sewer systems, <0.1 percent).

Statewide, under average flow conditions, nonpoint sources contribute about 69 percent of the total phosphorous load to the state's surface waters. Sources include (from highest to lowest):

- Cropland and pasture runoff (26 percent)
- Atmospheric deposition (13 percent)
- Streambank erosion (11 percent)
- Lesser amounts from non-agriculture rural runoff, urban runoff, individual sewage treatment systems and unsewered communities, agricultural tile drainage, roadway and sidewalk deicing chemicals, and feedlots make up the rest of the contributions.

Phosphorous from non-ingested sources (those not passing through the human digestive tract) make up about 58 percent of the total amount of phosphorus entering municipal wastewater treatment systems each year. Making up this 58% are:

- commercial/industrial process water (27 percent)
- food wastes (16 percent)
- residential and commercial automatic dishwasher detergent (11 percent)
- the remaining sources, including dentifrices, non-contact cooling water, drinking-water treatment agents, and groundwater inflow/infiltration, make up approximately four percent.

Project Results Use and Dissemination

- The report is available on the Minnesota Pollution Control Agency Web Site.
- 25 Full copies of final report have been distributed
- 300 CD copies of the report have been distributed
- 350 copies of the Executive Summary have been distributed

The report will form the basic source for future Legislative Policy decisions regarding phosphorus control in Minnesota.

This project completed 7/8/04.

Maintaining Zooplankton (*Daphnia*) for Water Quality: Square Lake

07(f) \$32,000

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RESEARCH

Overall Project Outcome and Results

High frequency sonar and conventional sampling methods were used to assess whether rainbow trout, stocked by the Minnesota DNR, adversely affected the water clarity of Square Lake via an ecological domino effect whereby trout consume *Daphnia*, algae are released from grazing pressure by *Daphnia*, and high algal concentrations result in low water clarity. Square Lake is one of many lakes in Minnesota stocked with rainbow trout. These lakes are valued both for their clear water, and for the recreational opportunity provided by the trout fishery. Understanding the impact of trout stocking on water quality is therefore relevant for the proper management of these popular recreational lakes. The fisheries management of the lake was altered between the first (2004) and second year (2005) of this study to assess whether a respite from trout predation over winter would allow a larger "seed" population of *Daphnia pulicaria* to survive into spring. The "seed" population was expected to grow and create clearer water in the spring and summer of 2005 than in 2004. *Major findings:* 1) Stomach content analyses showed that trout preferentially preyed on *Daphnia pulicaria* over the winter of 2004 and during the ice-free season, but to a lesser extent. When not subject to predation by autumn-stocked trout, *Daphnia* present at ice-out in April 2005 were much more abundant than those in April 2004. 2) The large over-wintering *Daphnia* population coincided with low algal abundance and very clear water (> 7 m) in April of 2005, but the *Daphnia* population decreased in size by late May and the clear-water state did not persist. 3) Average water clarity and algal concentrations did not differ significantly between the ice-free seasons of 2004 and 2005, and a demographic analysis based on sonar estimates of *Daphnia* and trout population sizes implies that trout predation had very little impact on the population dynamics of *D. pulicaria*.

Project Results Use and Dissemination

Project results were presented to the members of the Square Lake Clean Water Partnership, the Minnesota Department of Natural Resources, and the local community at a meeting sponsored by the Marine-on-St. Croix Water Management Organization and Square Lake Association on June 29, 2006. A second presentation is scheduled for September 17, 2006 for the members of the Square Lake Association.

In addition, project results are being distributed to local and state decision-makers and citizens interested in the protection and sound management of Square Lake. Study results will also be available on the Web through L. Hembre's Hamline University faculty web page.

Aspects of this research have also been presented at two national meetings and are the subject an undergraduate honors thesis by Rachel McAlpine, a 2006 graduate of Hamline University (see citations below). The research presented at these scientific meetings is also the basis for a manuscript (co-authored by Maria Spital, Miki Hondzo, and Robert Megard of the University of Minnesota and Rachel McAlpine of Hamline University) that is in preparation for submission to a peer reviewed journal.

"Spatial ecology of predator and prey in a Minnesota lake." **Hembre, L.K.**, McAlpine, R.J., Spital, M.S., Megard, R.O., and Hondzo, M. Poster presentation given at the Ecological Society of America meeting in August 2005, Montreal, Canada.

"Diel patterns of patchiness in lake zooplankton." Spital, M.S., **Hembre, L.K.**, McAlpine, R.J., Megard, R.O., and Hondzo, M. Oral presentation to be given at the American Society of Limnology & Oceanography meeting in February 2005, Salt Lake City, Utah.

McAlpine, Rachel. 2006. Day in the life of *Daphnia*: An intensive acoustic study assessing the patchiness of zooplankton in Square Lake . Undergraduate honors thesis, Department of Biology, Hamline University .

In addition, this project was featured in two newspaper articles in 2004.

This project completed: 6/30/2006

LAND USE AND NATURAL RESOURCE INFO

Minnesota County Biological Survey

08(a) \$900,000

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Overall Project Outcome and Results

MCBS has completed surveys in 60 of Minnesota's 87 counties since 1987. In this biennium, field surveys were completed in Douglas, Todd and Otter Tail counties and in the North Shore Highlands subsection.

New records of 597 locations of rare species were added to the DNR Rare Features Database. Since MCBS began, 14,702 new records of rare features have been added. Since July 2003, 300 vegetation samples (relevés) were added to the statewide Relevé Database, for a total MCBS contribution of 3,519 samples of the 8,375 database records. Polygons of 1,649 MCBS sites of Biodiversity Significance and 10,161 polygons of native plant communities or complexes were added to the dataset that resides on DNR's "Data Deli". Statewide, MCBS has added a total of 6,142 site and 26,554 native plant community polygons. Canada rice grass (*Oryzopsis canadensis*) was documented for the first time in the state. Since 1987, MCBS has recorded seventeen species of native plants and two species and one hybrid of amphibians not previously documented in Minnesota.

Project Results Use and Dissemination

Eleven MCBS county maps were added to the DNR website.

The first of a three volume series of field guides was published: *Field guide to the native plant communities of Minnesota: The Laurentian Mixed Forest Province*.

AniMap, an interactive web mapping tool, displays animals survey data collected by MCBS.

http://www.dnr.state.mn.us/ecological_services/mcbs/index.html

Information delivered: Brainerd Lakes Area Conservation Collaborative, Morrison County Land Use planning, Lake County Land Department, St Louis County, Todd County Open House, county boards in Becker, Douglas, and Otter Tail counties. Participation in planning teams for DNR Forestry and Off Highway Vehicles.

Selected conservation actions: Participation in the Sand Lake/Seven Beavers and the Manitou Collaboratives. Natural areas recommended included Lake Christina, Mountain Mint Prairie and Spruce Hill. Part of a MCBS site in Crow Wing County received a DNR conservation easement; a prairie site in Kandiyohi County was enrolled in the Prairie Bank Easement program.

This project completed: 6/30/2005

Updating Outmoded Soil Survey

08(b) \$236,000

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Overall Project Outcome and Results

Outmoded soil surveys dating from the 1960's for Dodge, Fillmore, Goodhue and Wabasha Counties were updated and digitized to a modern GIS-compatible format. Further, the digital soil survey for Dodge County has been posted on the USDA Web site as a "Web Soil Survey". Fillmore, Goodhue and Wabasha Counties will also be posted to the Web. During the conduct of this multi-year project 1.65 million acres were addressed. Many innovative techniques were utilized during this project including the use of private contractors to collect field data and digital transfer of existing soil maps to newer aerial photography. This latter technique was developed at the University of Minnesota Department of Soil, Water and Climate with funding by the Environment and Natural Resources Trust Fund. Updating outmoded soil surveys were part of a comprehensive effort by the USDA Natural Resources Conservation Service to update and digitize soil surveys in Minnesota. Environment and Natural Resources Trust Fund funding directly contributed to the completion of the aforementioned counties and supported efforts in seven other counties.

Project Results Use and Dissemination

A survey of GIS users by the University of Minnesota concerning the most requested data layer suggests that soils data remains much sought. This project, and ongoing efforts elsewhere in the state, to increase the availability and utility of soils data will provide data essential to a host of natural resource management and land use planning decisions. The shift from static reports and data files of the past to Web delivery will increase the availability and utility of these data.

This project completed: 6/30/2006

Mesabi Iron Range Geologic & Hydrologic Maps & Data Bases

08(c)1 \$115,000

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Overall Project Outcome and Results

The project was successful and resulted in an ArcView database that houses a multitude of hydrogeologic data for the Mesabi Iron Range. The database contains 64 themes as shapefiles or tif images organized within 12 views based on data type: Base Layers, Climate, Elevation, FSA Photos, Geology and Aquifers, Mine Features, Report Maps, Streamflow and Watersheds, USGS DRGs, Water Bodies and Dams, Water Use, and Wells. Also in the database are 12 published reports in pdf format relating to the hydrogeology of the Mesabi Iron Range. Report maps were scanned and georectified and included in the database as tif images. To aid the database user, two index views exist: the Data Index, which includes 40 index themes, and the Report Index, which includes 12 index themes. These indices contain themes describing data and reports contained in the database. Another view in the database is titled "Theme and Data Table Links", and contains a schematic diagram showing links that exist between shapefile attribute tables and data tables.

Having hydrogeologic data and related information available in a single database in electronic format will be less time consuming and labor intensive, and more efficient for those needing data for water management-decision making. Now, it is no longer necessary to gather information and data from multiple sources each time it is needed.

Project Results Use and Dissemination

The database is readily available on a DVD to mining companies, local units of governments, state regulatory agencies, and the general public. Database training sessions where DVDs will be distributed are being planned for DNR personnel, mining companies and other interested parties. Presentation of the database project will be made at every appropriate opportunity. It is hoped that in the future, information regarding the database and obtaining a DVD will be available on a DNR website

This project completed: 6/30/2005

Mesabi Iron Range Geologic & Hydrologic Maps & Data Bases

08(c)2 \$131,000

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Overall Project Outcome and Results

The Minnesota Geological Survey (MGS) produced geologic and hydrogeologic maps of the Mesabi Iron Range—an area in which the land surface and hydrology has been profoundly affected by 113 years of mining. The maps are needed by government and industry to address issues such as community and industrial expansion, water use, and watershed restoration. Specifically, these maps and databases cover the eastern half of the mining district, and they complement maps of the western half of the range, produced in FY 2000-2001 with funding from LCMR. The map themes include bedrock geology, database, bedrock topography, depth to bedrock, and maps comparing land-surface topography, surface hydrology, and infrastructure between the years 1899 and 1999. The features that have been mapped profoundly influence the rate and direction of surface and ground water flow and documenting them is essential to managing water resources. Mapping is based on interpretation of water well records, mining borehole records, bedrock outcrops, and land surface topographic data. The records of approximately 800 water wells and 9,000 mining boreholes were added to the state-wide database.

Project Results Use and Dissemination

The results of this project are digital files of drill hole and outcrop data, various map themes in a Geographic Information System (GIS), a Final Report document, and a set of map images published on paper (Jirsa and others, 2005, Lively and others, 2005); all available from MGS. Preliminary findings were incorporated into presentations for many organizations and mining companies. Future presentations and publications are certain, as this project is part of on-going efforts of the MGS to provide important geologic information about the Mesabi Iron Range to government, industry, and individuals. The historic maps showing surface drainage patterns circa 1899 have been particularly useful for watershed restoration and mine planning.

References

Jirsa, M.A., Setterholm, D.R., Bloomgren, B.A., Bauer, E.J., and Lively, R.S., 2005, Bedrock geology, database, bedrock topography, and depth to bedrock maps of the eastern half of the Mesabi Iron Range, northern Minnesota: Minnesota Geological Survey Miscellaneous Map M-158, scale 1:100,000.

Lively, R.S., Bauer, E.J., and Jirsa, M.A., 2005, Land surface topography of the eastern half of the Mesabi Iron Range, northern Minnesota, 1899-1999: Minnesota Geological Survey Miscellaneous Map M-157, scale 1:100,000.

This project completed: 6/30/2005

AGRICULTURE AND NATURAL RESOURCE INDUSTRIES

Native Plants and Alternative Crops for Water Quality

09 \$622,000

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RESEARCH

Overall Project Outcome and Results

Incorporation of crops that do not require annual tillage [3rd Crops] on riparian areas and strategically targeted uplands has the potential to improve water quality in the Minnesota River while providing economic opportunities for farmers and rural communities. However, information and incentives are lacking to accelerate the widespread use of these plants/crops in agricultural systems. This project examines farm production differences and the hydrologic and water quality differences among selected 3rd cropping systems and a traditional corn/soybean rotation in the Blue Earth River Basin. Key objectives are to 1. establish, demonstrate and evaluate plantings of native plants and 3rd crops for agronomic, water quality, and economic benefit; 2. determine economic and water quality impacts; and 3. accelerate implementation of native plant and 3rd crop production systems with demonstration, market identification, coordination and promotion.

Results include conversion of 271.9 acres of land, at 33 sites, in a corn/soybean rotation to a variety of 3rd crops; establish four 3rd crop demonstration sites in the Blue Earth, Chippewa, Roseau and Lower MN watersheds; establish and monitor research

sites for agronomic assessment of landscape position on soybean, alfalfa and willow yield; establish and monitor water quality improvements from a 3rd crop system versus conventional system in the Elm Creek watershed [Blue Earth Basin]; hydrologic modeling indicating reduced peak stream flows in watersheds with 3rd crop systems; identified economic significance to adoption of perennial cropping systems for landowners and society; provided over 110 outreach events that reached at least 10,000 people; developed a book of stories about each 3rd crop easement farmer titled "Native Plants and 3rd Crops for Water Quality"; and established a significant outreach, demonstration, collaboration, and marketing programs that has significantly elevated the awareness, adoption and mindset for alternative cropping systems and their significance to agriculture, environment and community.

Project Results Use and Dissemination

Throughout the project all project partners have worked tirelessly to disseminate information about native plants and 3rd crop benefits to the traditional agricultural system, improvement to water quality, reduction in peak stream flows, and the potential economic advantage for producers and rural communities. Over 110 presentations have been made by various team members across the state. There are many additional partners, who are not official project partners, who have contributed to the growth and advancement of an alternative crop mindset, beyond our original expectations, such as Green Lands, Blue Waters, Productive Conservation, Agroforestry Coalition, MISA, Institute for Agriculture and Trade Policy, MN Project, Land Stewardship Project, MN Department of Agriculture - Sustainable Ag and Diversification Divisions, MN Dept. of Natural Resources, and NRCS ad the State Technical Committee.

This project due to be completed: 6/30/2006

ENERGY

Community Energy Development Program

10(a) \$519,000 OOC

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Carlton Wind Turbine Web link: http://webapps.acs.carleton.edu/campus/facilities/Sustainability/wind_turbine/

Construction Photos: <http://webapps.acs.carleton.edu/news/?content=content&module=&id=63797>

Overall Project Outcome and Results

There were two projects under the Community Energy Development Program – Clean Energy Resource Teams (\$219,000) and Community Wind Energy Rebates (\$300,000).

A. Clean Energy Resource Teams

The five LCMR funded Clean Energy Resource Teams each organized stakeholders in their regions (Central, Northeast, Northwest, Southeast, West Central) for 45 meetings/workshops over the project period (each region held 8-10 meetings). The meetings included the planning and the completion of regional energy resource assessments and renewable and efficient energy project prioritization. CERTs participants included citizens, businesses, utilities, NGOs, and government stakeholders. A statewide conference was held on February 28, 2005 where the preliminary results from the regional plans were presented (200 attendees, 36 speakers, 12 additional funding sponsors). The CERTs website includes 54 case studies, 12 technology FAQ sheets, 5 newsletters, and all of the final reports and documentation, which have also been published on CD-rom.

CERTs region project priorities:

Northwest: wood waste biogasification; geothermal heating/cooling; biogas at food processing plants.

Northeast: Energy efficiency and renewable energy in schools in each county.

Central: Energy smart buildings, solar, local biomass.

West Central: Community energy efficiency and renewable energy (biomass, biogas, wind) projects.

Southeast: Wind energy development, transmission system infrastructure, energy efficiency, education, converting existing facilities to biomass.

B. Community Wind Energy Rebates

Carleton College (Northfield) and the University of Minnesota-Morris (Morris) each completed a 1.65 megawatt (MW) wind turbine in September 2004 and April 2005 respectively and are estimated to produce about 5,000,000 kilowatt-hours (kWh) each annually. Each institution received a grant of \$150,000 toward their wind turbine projects that was approximately 7-8% of total costs.

Project Results Use and Dissemination

A. Clean Energy Resource Teams

As mentioned above, the materials developed were published on the website, CD-rom, and in limited paper quantities. They will be utilized in CERTs Phase 2 within the regions for energy project development and dissemination among the regional communities.

B. Community Wind Energy Rebates

Carleton College held a public dedication ceremony for their wind turbine on September 25, 2004. The University of Minnesota-Morris held a public dedication ceremony on April 22, 2005. Both wind turbine projects will report electricity production and financial information annually for 20 years.

This project completed: 6/30/2005

Advancing Utilization of Manure Methane Digester Electrical

10(b) \$221,000

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A commercial 5kW proton exchange membrane (PEM) fuel cell was successfully operated in February 2005 on anaerobic digester biogas produced on a Minnesota dairy.

An engineering team from the Department of Biosystems and Agricultural Engineering, University of Minnesota and a cooperating farmer purchased and commissioned a production model PEM fuel cell on the 800-cow Haubenschild dairy farm in Princeton MN.

A water-scrubbing tower removed soluble carbon dioxide and hydrogen sulfide while retaining insoluble methane in biogas stream. A final iron sponge scrub removed residual hydrogen sulfide. This simple pressure and flow control system was satisfactory to clean up the biogas. Optimization will reduce the energy used for gas cleanup.

Caterpillar engine generator emissions were compared to Plug Power™ (PEM) fuel cell using biogas in both technologies. The greenhouse emissions from the fuel cell are minimal compared with the internal combustion engine. Emissions of nitrogen oxides (NOx), carbon monoxide (CO), sulfur dioxide (SO₂) were less than detection limits. Total hydrocarbons (THC) were 1,790 ppmv or 14.5 g/kWh_e. Average genset emissions at 103 kW were NOx = 2,963 ppmv or 25.5 g/kWh_e, CO = 799 ppmv or 4.18 g/kWh_e, THC = 20460 ppmv or 53 g/kWh_e, SO₂ = 277 ppmv or 3.34g/kWh_e.

With assistance from the Minnesota Project and Minnesota Department of Agriculture, outreach efforts for the project consisted of 2 field days, 35 small tours, 10 formal presentations, and 2 papers presented at international conferences.

The primary recommendation to farm operators considering a fuel cell is to wait until the cost of fuel cells (currently greater than \$10,000/ kW) is economically viable. The current pricing structure for electrical energy purchase by energy companies and co-ops does not provide enough income to farmers to make most operations economically viable. The value of renewable energy and incentives for making renewable must increase.

This project completed: 6/30/2005

ENVIRONMENTAL EDUCATION

Dodge Nature Center - Restoration Plan

11(a) \$83,000

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This project funded the development of an ecological management plan for Dodge Nature Center's Main Headquarters and Marie properties at 365 Marie Ave West, Dakota County. In addition funding was applied to continue restoration and land management efforts for the Nature Center's Lilly Property. The following projects took place on this property with these funds:

- Staff worked to stop the spread of oak wilt through injections, trenching and tree removal
- Prescribed burns were conducted on over 50 acres of prairie and savanna to control the spread of non-native and invasive species
- Restored 8 acres of farm field and degraded prairie to native Minnesota prairie, planting 110 lbs of seed and 1800 seedlings
- Replenished the woodlands, savanna, and floodplain forest with 30 lbs of seed and 2000 seedlings, to increase plant and animal diversity in these sites
- Planted 100 trees and shrubs throughout the oak savanna, woodland and other necessary sites (floodplain, trailhead, etc.)
- Cleared and chipped buckthorn and honeysuckle from 20+ acres of oak woodland and oak savanna (also managed the spread of many invasive forbs throughout these sites)
- Shrubs and trees were removed, on a continual basis, from over 25 acres of prairie
- Reared beetles to control the spread of purple loosestrife throughout the Nature Center
- Restored 75 feet of hiking trail and rebuilt foot bridge

Visitors of the Lilly Property will encounter four new interpretive signs highlighting land management projects that have taken place with the help of these funds. Curriculum has been rewritten to emphasize the restoration efforts at the Nature Center. A meeting was held for all neighbors of the Nature Center to inform them of the work that was going on and ways that they could get involved in the future. Finally, the above projects were highlighted in the Dodge Nature Center newsletter.

This project completed: 6/30/2005

Bucks and Buckthorn: Engaging Young Hunters in Restoration

11(b) \$255,000

Wiley Buck

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Phone: (651) 665-9500**Fax:** (651) 665-9409**E-mail:** wbuck@greatrivergreening.org**Web:** www.greatrivergreening.org**Overall Project Outcome and Results**

The St. Croix Watershed Research Station and Great River Greening in partnership with Kiwanis Scout Camp and Minnesota Deer Hunter's Association successfully completed a pilot program testing archery hunting as a "hook" to get youth involved in the outdoors and engaged in habitat restoration projects, which together fostered a stronger connection to land. Over three years, 110 youth attended "Forkhorn Camp" and received Hunter Safety Certification. Over 30 youth with 40 mentors hunted on lands in the St. Croix Greenway Corridor each year; a total of 20 were first-time hunters. Hunters logged nearly 6000 hours in tree stands, and harvested 75 antler-less deer, 44 by youth. Youth and mentors participated in 13 required habitat restoration events. Three large events combined hunters with other conservation volunteers. Individuals volunteered over 480 times and put in nearly 1500 hours directly impacting 68 acres, including 25 acres of buckthorn removal; eight acres of prairie restoration; five prescribed burns; and planting of 400 oak seedlings and 3000 prairie plugs. Youth and mentors also returned to the land for 14 eco-events including songbird banding, falconry, antler-shed searching, skull identification, small mammal tracking and radio telemetry. Science Museum of Minnesota staff used Museum specimens to enhance the ecological lessons of each event.

Over half of the participants returned in multiple years and expressed a sincere bond to the lands in the St. Croix Greenway Corridor. The Bucks and Buckthorn program exceeded participation, harvest, and restoration goals, and demonstrates an effective way to get youth and adults actively connected to the land.

Project Results Use and Dissemination

Results were disseminated through: interpretive signage; informational flyers for large landowners and general audience; a feature Pioneer Press article; presentations to four civic groups and three scientific conferences; creation of a website (<http://bucksandbuckthorn.com>); and formation of a local MDHA chapter.

This project completed: 6/30/2006, as amended in ML 2004, Ch. 255, Sec. 47

Putting Green Environmental Adventure Park: Sustainability

11(c) \$132,000

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Nine learning station and 30 bilingual interpretive signs with the message of resource sustainability were developed on a 9-acre site along the Minnesota River in New Ulm. The park is a "Living Lab" encouraging people to experience the natural river environment and southern Minnesota ecosystems through nine miniature golf learning stations, interpretive river trail and "outdoor rooms" featuring native plants. Community wide involvement in planning, design and building (youth, schools, business, local government, dedicated individuals and numerous citizen organizations) together with over \$400,000 in donations and in-kind matching made this learning space a reality which opened on October 7, 2004. Putting Green Environmental Adventure park is a showcase of sustainable design and construction principles and practices, demonstrating the use of recycled and reused materials, renewable energy sources and sustainable landscaping practices. All elements of the park are designed as educational exhibits inspiring people to consider environmentally healthy choices in their own homes and workplaces.

This project completed 12/31/2004.

CHILDREN'S ENVIRONMENTAL HEALTH

Healthy Schools: Indoor Air Quality and Asthma Management

12(a) \$168,000

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Overall Project Outcome and Results

The Minnesota Department of Health (MDH) completed a project to determine whether a school indoor air quality (IAQ) asthma management plan could be implemented in schools that resulted in measurable improvements. A Model School Environmental Asthma Management Plan (MSEAMP) was developed as a new tool to evaluate and improve school IAQ and its impact on asthma. The MSEAMP was implemented in 10 schools, six of which were re-evaluated after implementation. Improvements were observed in these schools.

Overall, 89 problem issues were identified at baseline 2004 compared to 62 at post-implementation in 2005. Specifically, in 2004, an average of 46 problem issues were observed during walk-through inspections in 187 location, which decreased to 35 problem issues in 141 locations in 2005. Also, pet allergen levels declined significantly: 70% of the areas sampled had lower levels in 2005. Moreover, staff perception of air quality improved in five schools, and to a significant extent in three schools where the proportion of staff rating air quality as average or good increased from 54% to 83%. In addition, ventilation rates

improved in these schools, reflected in an average carbon dioxide level that was 159 parts per million lower in 2005. The findings indicate that school officials in Minnesota can implement IAQ asthma management plans that yield measurable improvements. Students and staff in the project schools now benefit from cleaner air. A summary report was completed and posted to the MDH website, which contains the same information described in the final work program report.

Project Results Use and Dissemination

MDH is currently promoting the MSEAMP and the summary report, which are available on request and at the MDH website. Email announcements and presentations will be completed, targeting building operators, IAQ Coordinators, administrators, and school board members. This information will also be presented to and shared with local, state, and federal agencies that have a stake in school environmental health. Findings of this project were published in the *Clinical and Experimental Allergy*, volume 35, pages 126-136, and a case study was also submitted for publication in the *Journal of School Health*.

This project completed: 6/30/2005

Economic-based Analysis of Children's Environmental Health Risks

12(b) \$95,000

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Overall Project Outcome and Results

The Minnesota Department of Health met with environmental economic advisors and collaborators, convened focus groups of Minnesota citizens, and designed and administered a survey to one thousand Minnesota residents in a two-year effort to learn the advantages and decision-making. Specifically, the MDH explored the use of economics in gauging public concerns about protecting children from environmental threats. The department learned the basics of environmental health economics and the limitations in methods of generating monetary values for reduction of health risks. The department found that the application of economic data is controversial (particularly when applied to decisions about children), but may offer useful information and explanation to support decisions that are made about public health protections.

The major work undertaken was to survey one thousand Minnesota residents about their willingness to increase protection from environmental causes of cancer to the public (adults compared to children) or their families (themselves compared to their children). The survey results indicated that adults were more willing to spend money to reduce risks to all children than to reduce risks to all adults. Similarly adults were more willing to spend money to reduce risks to their children than to themselves.

Project Results Use and Dissemination

The department will use this experience to critique willingness-to-pay data that are used by the federal government to evaluate and support risk assessment decision-making such as the risk reduction benefits of setting air and water pollutant regulations. The work will be considered and cited in department rulemaking for water and air contaminants.

Copies of the survey and the results of the survey can be viewed on the Minnesota Department of Health survey website (<http://www.health.state.mn.us/divs/eh/children/environmental.html>). Future publications and meeting abstracts will be listed on the MDH website.

This project to be completed: 6/30/2005

Continuous Indoor Air Quality Monitoring in MN Schools

12(c) \$300,000

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Overall Project Outcome and Results

This project used innovative fixed-base continuous real-time indoor air quality (IAQ) monitoring technology and the Internet to investigate and characterize the IAQ in 85 representative classrooms and other spaces in eight selected Minnesota K-12 schools. Potential IAQ improvement and energy cost savings opportunities made possible by the continuous data were estimated.

The results show that many of the project schools needed better ventilation, and several had school-wide significant deficiencies. They also demonstrate that a recent initiative by the Minnesota Department of Education to improve ventilation in schools is working. However, state efforts to encourage ventilation improvements and energy conservation are not being sufficiently coordinated. The schools are using project results to successfully and dramatically improve their IAQ. These improvements are often being done inexpensively using operating or maintenance adjustments, once school staffs have actual IAQ data that enable them to identify problems and measure results. Potential energy conservation opportunities in the eight schools totaled about \$55,000/year, including relatively modest amounts of additional energy that would be required to remedy the discovered ventilation inadequacies.

This study has potentially major statewide and national significance. It represents the first time that IAQ in multiple classrooms in multiple schools have been monitored and analyzed side-by-side continuously and simultaneously for an entire school year. The project identified other recent studies that have found a correlation between inadequate school ventilation levels and increased student absenteeism. If such absenteeism study results are combined with IAQ data from projects like this LCMR effort, it could fundamentally change the benefit/cost equation for ventilation standards in schools. This project also demonstrated that ventilation and IAQ adequacy in multiple schools can be certified continuously from a single, remote location over the Internet. More detailed project results can be viewed on a website developed as part of the project at: www.mnk12IAQEnergyuse.org.

Project Results Use and Dissemination

Project results and the Final Project Report have been:

- Posted on a website developed as one of the project deliverables (www.mnk12IAQEnergyuse.org).
- Briefed to the MN Departments of Health and Education.
- Briefed to the National Association of Regulatory Commissioners, Energy and Environmental Resources Sub-Committee.
- Briefed to two statewide meetings of the Minnesota Association of School Business Officials (MASBO).
- Accepted by the American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE) for publication as an article in the May 2005 issue of *ASHRAE Journal*, the leading industry publication in building ventilation issues nationwide.

This project completed: 6/30/2005

Last Updated: 01/11/07 (ss)

send comments regarding this site to:
lccmr@lccmr.leg.mn

IV. Agency Implementation

*“recommendations to implement
successful projects and
programs into a state agency’s
standard operations;”*

No recommendations at this
time.

V. Recommendations

“to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund during the next biennium;”

There is \$22,866,000 available for expenditure in each year of the FY08-09 biennium from the Trust Fund. The LCCMR makes annual funding recommendations to the Legislature from the Trust Fund.

- In addition \$500,000 is recommended from Federal Land and Water Conservation Funds (LAWCON) M.S. 116P.14.
- The LCCMR adopted the funding recommendations for FY08 on January 5, 2007.
- The LCCMR will be making a funding recommendation to the Legislature for FY09 in January 2008.
- As of January 15, 2007 the appropriation language in V. Recommendation is in draft form. Upon review by the Revisor’s Office it will be introduced in bill form.

Note: Only draft appropriation language is available as of Jan. 15, 2007. The draft appropriation language will be replaced with the bill upon introduction

**2007 LCCMR Recommendations
for the Environment and Natural Resources Trust Fund
for FY08**

Subd. 5 Water Resources - \$5,051,000					
Subd	Para	Serial #	Title	Affiliation	\$ Recommended
5	(a)	SN 14	Local Water Management Matching Challenge Grants	BWSR	\$350,000
5	(b)	SN 52	Protection of Rare and Unique Rock Outcrop Wetlands	Renville & Redwood SWCD/BWSR	\$563,000
5	(c)	SN 62	Land Retirement Effects on Minnesota River Basin Streams	BWSR	\$275,000
5	(d)	SN 18	Demonstrating Benefits of Conservation Grasslands on Water Quality	Science Museum of Minnesota	\$374,000
5	(e)	SN 81	Improved River Quality Monitoring Using Airborne Remote Sensing	MN State University - Mankato	\$159,000
5	(f)	SN 26	Evaluating Riparian Timber Harvesting Guidelines: Phase 3	U of M	\$400,000
5	(g)	SN 17	Innovative Springshed Mapping for Trout Stream Management	U of M	\$270,000
5	(h)	SN 71	Intra-Lake Zoning to Protect Sensitive Lakeshore Areas	DNR	\$110,000
5	(i)	SN 70	Water Resource Sustainability	U of M	\$292,000
5	(j)	SN 12	County Geologic Atlas Program Acceleration	MN Geological Survey - U of M	\$400,000
5	(k)	SN 13	Minnesota's Water Resources: Impacts of Climate Change- Part 2	U of M - NRRRI	\$300,000
5	(l)	SN 56	Pharmaceutical and Microbiological Pollution	U of M	\$302,000
5	(m)	SN 74	Threat of Emerging Contaminants to Upper Mississippi Walleye	St. Cloud State University	\$97,000
5	(n)	SN 58	Cedar Creek Groundwater Project using Prairie Biofuel Buffers	U of M	\$659,000
5	(o)	SN 61	Pyrolysis Pilot Project	U of M	\$500,000
Subd. 6 Natural Resource Information - \$2,002,000					
Subd	Para	Serial #	Title	Affiliation	\$ Recommended
6	(a)	SN 3	Minnesota County Biological Survey	DNR	\$1,500,000
6	(b)	SN 6	Soil Surveys	BWSR	\$400,000
6	(c)	SN 27	Field Guide for Evaluating Vegetation of Restored Wetlands	Bonestroo, Rosene, Anderlik & Associates, Inc.	\$53,000
6	(d)	----	Natural Resource Data Collection and Mapping	LCCMR	\$49,000
Subd. 7 Establishment of an Emerging Issues Account - \$160,000					
Subd	Para	Serial #	Title	Affiliation	\$ Recommended
7	----	----	Emerging Issues Account		\$160,000

**2007 LCCMR Recommendations
for the Environment and Natural Resources Trust Fund
for FY08**

Section 1 MINNESOTA RESOURCES

Total Appropriations - \$23,366,000					
Environment and Natural Resources Trust Fund					\$22,866,000
State Land and Water Conservation Account (LAWCON)					\$500,000
Subd. 3 LCCMR and Contract Administration - \$1,318,000					
Subd	Para	Serial #	Title	Affiliation	\$ Recommended
3	(a)	----	Administration	LCCMR	\$1,278,000
3	(b)	----	Contract Administration	DNR	\$40,000
Subd. 4 Land - \$14,835,000					
Subd	Para	Serial #	Title	Affiliation	\$ Recommended
4	(a)	SN 1	Forest Legacy Conservation Easements	DNR	\$2,000,000
4	(b)	SN 5	Minnesota's Habitat Corridors Partnership - Phase IV	Pheasants Forever/DNR/11 Partners	\$4,200,000
4	(c)	SN 4	Metro Conservation Corridors - Phase III	DNR/6 Partners	\$2,500,000
4	(d)	SN 2	Prairie Stewardship Assistance for Private Landowners	DNR	\$220,000
4	(e)	SN 7	State Park and Trail Land Acquisitions	DNR	\$1,500,000
4	(f)	SN 11	Metropolitan Regional Park System Land Acquisition	Metropolitan Council	\$2,500,000
4	(g)	SN 10	Non-metropolitan Regional Parks and Natural and Scenic Area Acquisitions	DNR	\$1,000,000
4	(h)	SN 8	LAWCON Federal Reimbursements	DNR	\$500,000
4	(i)	SN 9	Biological Control of European Buckthorn and Garlic Mustard	DNR	\$300,000
4	(j)	SN 36	Neutralization of Reed Canary Grass Root Exudates	MN State University - Mankato	\$115,000

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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 293

January 22, 2007

Authored by Tingelstad, Wagenius, Carlson and Ozment

The bill was read for the first time and referred to the Committee on Finance

- 1.1 A bill for an act
1.2 relating to state government; appropriating money for environment and
1.3 natural resources; modifying meeting requirements of the Legislative-Citizen
1.4 Commission on Minnesota Resources; amending Minnesota Statutes 2006,
1.5 section 116P.08, subdivision 5.
- 1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.7 Section 1. **MINNESOTA RESOURCES APPROPRIATION.**
- 1.8 The sums shown in the columns marked "Appropriations" are appropriated to the
1.9 agencies and for the purposes specified in this act. The appropriations are from the general
1.10 fund, or another named fund, and are available for the fiscal years indicated for each
1.11 purpose. The figures "2008" and "2009" used in this article mean that the appropriations
1.12 listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009,
1.13 respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009.
1.14 "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending
1.15 June 30, 2007, are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2008</u>	<u>2009</u>

1.20 Sec. 2. <u>MINNESOTA RESOURCES</u>		
1.21 Subdivision 1. <u>Total Appropriation</u>	<u>\$ 23,366,000</u>	<u>\$ -0-</u>
1.22 <u>Appropriations by Fund</u>		
1.23 <u>2008</u>	<u>2009</u>	

2.1	<u>Environment and</u>		
2.2	<u>Natural Resources</u>		
2.3	<u>Trust</u>	<u>22,866,000</u>	<u>-0-</u>
2.4	<u>State Land and</u>		
2.5	<u>Water Conservation</u>		
2.6	<u>Account</u>		
2.7	<u>(LAWCON)</u>	<u>500,000</u>	<u>-0-</u>

2.8 Appropriations are available for either year
 2.9 of the biennium. Any unencumbered balance
 2.10 remaining in the first year does not cancel
 2.11 and is available for the second year of the
 2.12 biennium.

2.13 Subd. 2. Definitions

2.14 (a) "Trust fund" means the Minnesota
 2.15 environment and natural resources trust fund
 2.16 referred to in Minnesota Statutes, section
 2.17 116P.02, subdivision 6.

2.18 (b) "State land and water conservation
 2.19 account (LAWCON)" means the state land
 2.20 and water conservation account in the natural
 2.21 resources fund referred to in Minnesota
 2.22 Statutes, section 116P.14.

2.23	<u>Subd. 3. LCCMR and Contract Administration</u>	<u>1,318,000</u>	<u>-0-</u>
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2.24 (a) Legislative-Citizen Commission on Minnesota
 2.25 Resources (LCCMR)

2.26 \$1,278,000 is from the trust fund for fiscal
 2.27 years 2008 and 2009 and is for administration
 2.28 as provided in Minnesota Statutes, section
 2.29 116P.09, subdivision 5.

2.30 Notwithstanding Minnesota Statutes, section
 2.31 16A.281, the availability of up to \$50,000 of
 2.32 the appropriation from Laws 2006, chapter
 2.33 243, section 19, is extended to June 30, 2008,
 2.34 for communications outreach.

2.35 (b) Contract Administration

3.1 \$40,000 is from the trust fund to the
 3.2 commissioner of natural resources to
 3.3 complete contract management for duties
 3.4 assigned in Laws 2005, First Special Session
 3.5 chapter 1, article 2, section 11, subdivision
 3.6 3, paragraph (b), and additional duties as
 3.7 assigned in this section.

3.8 Subd. 4. Land 14,835,000 -0-

3.9 Appropriations by Fund

3.10 <u>Environment and</u>		
3.11 <u>Natural Resources</u>		
3.12 <u>Trust</u>	<u>14,335,000</u>	<u>-0-</u>
3.13 <u>LAWCON</u>	<u>500,000</u>	<u>-0-</u>

3.14 (a) Forest Legacy Conservation Easements

3.15 \$2,000,000 is from the trust fund to the
 3.16 commissioner of natural resources to acquire
 3.17 permanent working forest conservation
 3.18 easements on private forests in northern
 3.19 Minnesota, the Mississippi bluffslands, and
 3.20 other areas identified through the state
 3.21 forest legacy program. Priority must be
 3.22 given to acquiring easements on private
 3.23 lands within existing Minnesota state
 3.24 forest boundaries. Any easements acquired
 3.25 must have a sustainable forestry practice
 3.26 management plan. The commissioner must
 3.27 report to the Legislative-Citizen Commission
 3.28 on Minnesota Resources with proposed
 3.29 minimum standards for forest conservation
 3.30 easements by June 1, 2007. The commission
 3.31 shall consider the proposed standards as
 3.32 part of the work program approval by June
 3.33 30, 2007. No funds shall be expended until
 3.34 the commission has reviewed and approved
 3.35 minimum standards for forest conservation
 3.36 easements funded by the trust fund.

4.1 (b) Minnesota Habitat Corridors Partnership -
4.2 Phase IV

4.3 \$4,200,000 is from the trust fund to the
4.4 commissioner of natural resources for
4.5 acceleration of agency programs and
4.6 cooperative agreements with Pheasants
4.7 Forever; Minnesota Deer Hunters
4.8 Association; Ducks Unlimited, Inc.; National
4.9 Wild Turkey Federation; The Nature
4.10 Conservancy; Minnesota Land Trust; The
4.11 Trust for Public Land; Minnesota Valley
4.12 National Wildlife Refuge Trust, Inc.; United
4.13 States Fish and Wildlife Service; Red Lake
4.14 Band of Chippewa; Leech Lake Band of
4.15 Chippewa; Fond du Lac Band of Chippewa;
4.16 USDA-Natural Resources Conservation
4.17 Service; and the Board of Water and Soil
4.18 Resources to plan, restore, and acquire
4.19 fragmented landscape corridors that connect
4.20 areas of quality habitat to sustain fish,
4.21 wildlife, and plants. Expenditures are limited
4.22 to the project corridor areas as defined in
4.23 the work program. Land acquired with this
4.24 appropriation must be sufficiently improved
4.25 to meet at least minimum habitat and facility
4.26 management standards as determined by
4.27 the commissioner. This appropriation may
4.28 not be used for the purchase of residential
4.29 structures, unless expressly approved in the
4.30 work program. All conservation easements
4.31 must be perpetual and have a natural resource
4.32 management plan. Any land acquired in fee
4.33 title by the commissioner with money from
4.34 this appropriation must be designated:

4.35 (1) as an outdoor recreation unit under
4.36 Minnesota Statutes, section 86A.07; or

5.1 (2) as provided in Minnesota Statutes,
5.2 sections 89.018, subdivision 2, paragraph (a);
5.3 97A.101; 97A.125; 97C.001; and 97C.011.
5.4 The commissioner may similarly designate
5.5 any lands acquired in less than fee title.
5.6 (c) Metro Conservation Corridors - Phase III

5.7 \$2,500,000 is from the trust fund to the
5.8 commissioner of natural resources for
5.9 acceleration of agency programs and
5.10 cooperative agreements with The Trust for
5.11 Public Land; Friends of the Mississippi
5.12 River; Great River Greening; Minnesota
5.13 Land Trust; Minnesota Valley National
5.14 Wildlife Refuge Trust, Inc.; Trout Unlimited;
5.15 and Friends of the Minnesota Valley for
5.16 the purposes of planning, restoring, and
5.17 protecting important natural areas in the
5.18 metropolitan region, as defined by Minnesota
5.19 Statutes, section 473.121, subdivision 2,
5.20 and portions of the surrounding counties,
5.21 through grants, contracted services,
5.22 conservation easements, and fee acquisition.
5.23 Land acquired with this appropriation
5.24 must be sufficiently improved to meet at
5.25 least minimum management standards
5.26 as determined by the commissioner.
5.27 Expenditures are limited to the identified
5.28 project corridor areas as defined in the work
5.29 program. This appropriation may not be used
5.30 for the purchase of residential structures,
5.31 unless expressly approved in the work
5.32 program. All conservation easements must
5.33 be perpetual and have a natural resource
5.34 management plan. Any land acquired in fee
5.35 title by the commissioner of natural resources

- 6.1 with money from this appropriation must be
6.2 designated:
- 6.3 (1) as an outdoor recreation unit under
6.4 Minnesota Statutes, section 86A.07; or
- 6.5 (2) as provided in Minnesota Statutes,
6.6 sections 89.018, subdivision 2, paragraph (a);
6.7 97A.101; 97A.125; 97C.001; and 97C.011.
- 6.8 The commissioner may similarly designate
6.9 any lands acquired in less than fee title.
- 6.10 (d) Prairie Stewardship Assistance for Private
6.11 Landowners
- 6.12 \$220,000 is from the trust fund to the
6.13 commissioner of natural resources to develop
6.14 stewardship plans and implement prairie
6.15 management on private prairie lands on a
6.16 cost-share basis with private or federal funds.
- 6.17 (e) State Park and Trail Land Acquisition
- 6.18 \$1,500,000 is from the trust fund to the
6.19 commissioner of natural resources to acquire
6.20 land for state trails and in-holdings for state
6.21 parks. Land acquired with this appropriation
6.22 must be sufficiently improved to meet at
6.23 least minimum management standards as
6.24 determined by the commissioner.
- 6.25 (f) Metropolitan Regional Park System Land
6.26 Acquisition
- 6.27 \$2,500,000 is from the trust fund to the
6.28 Metropolitan Council for subgrants for the
6.29 acquisition of lands within the approved park
6.30 unit boundaries of the metropolitan regional
6.31 park system. This appropriation may not
6.32 be used for the purchase of residential
6.33 structures. Subdivision 12 applies to grants
6.34 awarded in the approved work program. This
6.35 appropriation must be matched by at least

- 7.1 40 percent of nonstate money and must be
7.2 committed by December 31, 2007, or the
7.3 appropriation cancels. This appropriation
7.4 is available until June 30, 2010, at which
7.5 time the project must be completed and final
7.6 products delivered, unless an earlier date is
7.7 specified in the work program.
- 7.8 (g) Nonmetropolitan Regional Parks and Natural
7.9 and Scenic Area Acquisitions
- 7.10 \$1,000,000 is from the trust fund to the
7.11 commissioner of natural resources to provide
7.12 matching grants to local governments for
7.13 acquisition of natural and scenic areas, as
7.14 provided in Minnesota Statutes, section
7.15 85.019, subdivision 4a, and regional parks
7.16 outside of the metropolitan area, as defined
7.17 in Minnesota Statutes, section 473.121,
7.18 subdivision 2. The local match required for
7.19 a grant to acquire a regional park or regional
7.20 outdoor recreation area is \$2 of nonstate
7.21 money for each \$3 of state money. For the
7.22 purposes of this paragraph, the match may
7.23 be either cash or a qualifying land donation.
7.24 Recipients may receive funding for more
7.25 than one project in any given grant period.
7.26 Subdivision 12 applies to grants awarded in
7.27 the approved work program.
- 7.28 (h) LAWCON Federal Reimbursements
- 7.29 \$500,000 is from the state land and water
7.30 conservation account (LAWCON) in the
7.31 natural resources fund to the commissioner of
7.32 natural resources for priorities established by
7.33 the commissioner for eligible state projects
7.34 and administrative and planning activities
7.35 consistent with Minnesota Statutes, section

- 8.1 116P.14, and the federal Land and Water
 8.2 Conservation Fund Act. Subdivision 12
 8.3 applies to grants awarded in the approved
 8.4 work program. This appropriation is
 8.5 contingent upon receipt of the federal
 8.6 obligation and remains available until June
 8.7 30, 2010, at which time the project must
 8.8 be completed and final products delivered,
 8.9 unless an earlier date is specified in the work
 8.10 program.
- 8.11 (i) Biological Control of European Buckthorn and
 8.12 Garlic Mustard
- 8.13 \$300,000 is from the trust fund to the
 8.14 commissioner of natural resources to
 8.15 research potential insects for biological
 8.16 control of invasive European buckthorn
 8.17 species for the third biennium and to
 8.18 introduce and evaluate insects for biological
 8.19 control of garlic mustard for the second
 8.20 biennium. This appropriation is available
 8.21 until June 30, 2010, at which time the
 8.22 project must be completed and final products
 8.23 delivered, unless an earlier date is specified
 8.24 in the work program.
- 8.25 (j) Neutralization of Reed Canary Grass Root
 8.26 Exudates
- 8.27 \$115,000 is from the trust fund to Minnesota
 8.28 State University, Mankato, to assess
 8.29 plant-soil feedback contribution to the
 8.30 invasiveness of reed canary grass through
 8.31 identification and neutralization of inhibitory
 8.32 root exudates.
- 8.33 Subd. 5. **Water Resources** 5,051,000 -0-
- 8.34 (a) Local Water Management Matching Challenge
 8.35 Grants

- 9.1 \$350,000 is from the trust fund to the Board
9.2 of Water and Soil Resources to accelerate
9.3 the local water management challenge
9.4 grant program under Minnesota Statutes,
9.5 sections 103B.3361 to 103B.3369, through
9.6 matching grants to implement high priority
9.7 activities in state-approved comprehensive
9.8 water management plans. For the purposes
9.9 of this paragraph, the match must be a
9.10 nonstate contribution and may be either cash
9.11 or qualifying in-kind. The grants may be
9.12 provided on an advance basis as specified
9.13 in the work program. This appropriation
9.14 is available until June 30, 2010, at which
9.15 time the project must be completed and final
9.16 products delivered, unless an earlier date is
9.17 specified in the work program.
- 9.18 (b) Protection of Rare and Unique Rock Outcrop
9.19 Wetlands
- 9.20 \$563,000 is from the trust fund to the Board
9.21 of Water and Soil Resources in cooperation
9.22 with Renville and Redwood Soil and
9.23 Water Conservation Districts for perpetual
9.24 easements of unique wetland and riparian
9.25 habitats associated with rock outcrops in the
9.26 Minnesota River Valley.
- 9.27 (c) Land Retirement Effects on Minnesota River
9.28 Basin Streams
- 9.29 \$275,000 is from the trust fund for the
9.30 second biennium to the Board of Water and
9.31 Soil Resources for a cooperative agreement
9.32 with the United States Geological Survey to
9.33 define the relation between land retirement
9.34 and water quality and biological integrity in
9.35 Minnesota River subbasins and to determine
9.36 if nutrient transport reductions improve

- 10.1 habitat and biodiversity in order to enhance
10.2 prioritization of future land retirements.
10.3 This appropriation must be matched by an
10.4 equal amount of nonstate money and must
10.5 be committed by December 31, 2007, or the
10.6 appropriation cancels.
10.7 (d) Demonstrating Benefits of Conservation
10.8 Grasslands on Water Quality

10.9 \$374,000 is from the trust fund to the
10.10 Science Museum of Minnesota to assess the
10.11 long-term benefits of conservation grasslands
10.12 in reducing sediment and nutrient loads
10.13 through quantitative lake sediment analysis
10.14 in small watersheds with different grassland
10.15 acreages. This appropriation is available
10.16 until June 30, 2010, at which time the
10.17 project must be completed and final products
10.18 delivered, unless an earlier date is specified
10.19 in the work program.
10.20 (e) Improved River Quality Monitoring Using
10.21 Airborne Remote Sensing

10.22 \$159,000 is from the trust fund to Minnesota
10.23 State University, Mankato, to monitor river
10.24 water quality and riparian habitat through
10.25 airborne dynamic hyperspectral remote
10.26 sensing on the Blue Earth River.
10.27 (f) Evaluating Riparian Timber Harvesting
10.28 Guidelines - Phase III

10.29 \$400,000 is from the trust fund to the
10.30 University of Minnesota to assess the timber
10.31 harvesting riparian management guidelines
10.32 for postharvest impacts on terrestrial, aquatic,
10.33 and wildlife habitats.
10.34 (g) Innovative Springshed Mapping for Trout
10.35 Stream Management

- 11.1 \$270,000 is from the trust fund to the
11.2 University of Minnesota to identify and
11.3 delineate supply areas and springsheds, for
11.4 springs serving as coldwater sources for
11.5 modern and historic trout streams, and to
11.6 assess the impacts from development and
11.7 groundwater appropriations.
- 11.8 (h) Intra-lake Zoning to Protect Sensitive
11.9 Lakeshore Areas
- 11.10 \$110,000 is from the trust fund to the
11.11 commissioner of natural resources in
11.12 cooperation with Cass County to identify
11.13 sensitive shorelines of the highest priority
11.14 lakes to protect water quality and near-shore
11.15 habitat through improved shoreland zoning
11.16 by Cass County.
- 11.17 (i) Water Resource Sustainability
- 11.18 \$292,000 is from the trust fund to the
11.19 University of Minnesota to quantify
11.20 sustainable supplies of surface and
11.21 groundwater by integrating surface water,
11.22 vadose zone, and groundwater systems into
11.23 defined hydrologic units.
- 11.24 (j) County Geologic Atlas Program Acceleration
- 11.25 \$400,000 is from the trust fund to the
11.26 University of Minnesota, Minnesota
11.27 Geologic Survey, to accelerate the production
11.28 of county geologic atlases that describe
11.29 location, size, boundaries, and vulnerability
11.30 of aquifers to enhance the protection and use
11.31 of groundwater.
- 11.32 (k) Minnesota's Water Resources: Impacts of
11.33 Climate Change - Phase II
- 11.34 \$300,000 is from the trust fund for the second
11.35 biennium to the University of Minnesota,

- 12.1 Natural Resources Research Institute, to
12.2 quantify climate, hydrologic, and ecological
12.3 variability and trends, along with economic
12.4 impacts of environmental fluctuation on
12.5 water resources, and to identify indicators
12.6 of future climate change effects on aquatic
12.7 systems. This appropriation is available until
12.8 June 30, 2010, at which time the project must
12.9 be completed and final products delivered,
12.10 unless an earlier date is specified in the work
12.11 program.
- 12.12 (l) Pharmaceutical and Microbiological Pollution

12.13 \$302,000 is from the trust fund to
12.14 the University of Minnesota to
12.15 develop technologies that eliminate
12.16 antibiotic-resistant bacteria, hormones,
12.17 and other pharmaceutical compounds from
12.18 Minnesota's surface waters.
- 12.19 (m) Threat of Emerging Contaminants to Upper
12.20 Mississippi Walleye

12.21 \$97,000 is from the trust fund to St. Cloud
12.22 State University to assess whether the genetic
12.23 diversity of walleye in the Upper Mississippi
12.24 is negatively impacted by emerging
12.25 contaminants at pollution hotspots where
12.26 feminized male fish have been identified.
- 12.27 (n) Cedar Creek Groundwater Project using
12.28 Prairie Biofuel Buffers

12.29 \$659,000 is from the trust fund to the
12.30 University of Minnesota, Cedar Creek
12.31 Natural History Area, to provide quantitative
12.32 data on the ability of diverse prairie buffers to
12.33 capture runoff pollutants, to produce biofuel
12.34 with minimal water requirements, and to
12.35 provide high carbon sequestration. This

13.1 appropriation is available until June 30, 2010,
 13.2 at which time the project must be completed
 13.3 and final products delivered, unless an earlier
 13.4 date is specified in the work program.

13.5 (o) Pyrolysis Pilot Project

13.6 \$500,000 is from the trust fund to the
 13.7 University of Minnesota in cooperation with
 13.8 Rural Advantage to demonstrate a water-free
 13.9 pyrolysis technology for converting biomass
 13.10 feedstock to biofuels. This appropriation
 13.11 is available until June 30, 2010, at which
 13.12 time the project must be completed and final
 13.13 products delivered, unless an earlier date is
 13.14 specified in the work program.

13.15 Subd. 6. Natural Resource Information

2,002,000

-0-

13.16 (a) Minnesota County Biological Survey

13.17 \$1,500,000 is from the trust fund to
 13.18 the commissioner of natural resources to
 13.19 accelerate the biological survey that identifies
 13.20 significant natural areas and systematically
 13.21 collects and interprets data on the distribution
 13.22 and ecology of native plant communities,
 13.23 rare plants, and rare animals.

13.24 (b) Soil Survey

13.25 \$400,000 is from the trust fund to the Board
 13.26 of Water and Soil Resources to accelerate
 13.27 the completion of soil survey mapping and
 13.28 Web-based data delivery in five or more
 13.29 counties. The new soil surveys must be done
 13.30 on a cost-share basis with local and federal
 13.31 funds.

13.32 (c) Field Guide for Evaluating Vegetation of
 13.33 Restored Wetlands

- 14.1 \$53,000 is from the trust fund to the Board of
 14.2 Water and Soil Resources for an agreement
 14.3 with Bonestroo, Rosene, Anderlik, &
 14.4 Associates to develop a printed and
 14.5 Web-based field guide to assist the evaluation
 14.6 of the quality of wetland restorations in
 14.7 Minnesota. This wetland guide must be
 14.8 available for downloading free of charge on
 14.9 the Internet.
- 14.10 (d) Natural Resource Data Collection and
 14.11 Mapping
- 14.12 \$49,000 is from the trust fund to the
 14.13 Legislative-Citizen Commission on
 14.14 Minnesota Resources for analysis and
 14.15 implementation of critical state natural
 14.16 resource data collection and mapping.
- 14.17 Subd. 7. **Emerging Issues Account** 160,000 -0-
- 14.18 \$160,000 is from the trust fund to an
 14.19 emerging issues account as authorized
 14.20 in Minnesota Statutes, section 116P.08,
 14.21 subdivision 4, paragraph (d).
- 14.22 Subd. 8. **Availability of Appropriations**
- 14.23 Unless otherwise provided, the amounts in
 14.24 this section are available until June 30, 2009,
 14.25 when projects must be completed and final
 14.26 products delivered. For acquisition of real
 14.27 property, the amounts in this section are
 14.28 available until June 30, 2010, if a binding
 14.29 contract is entered into by June 30, 2009,
 14.30 and closed not later than June 30, 2010. The
 14.31 amounts available in this section may be
 14.32 extended through an approved work program
 14.33 by up to one year. If a project receives
 14.34 a federal grant, the appropriation for the

15.1 project shall be extended to equal the federal
15.2 grant period.

15.3 **Subd. 9. Leveraged Funds for Real Property**
15.4 **Interest Requirement**

15.5 The work program for every appropriation
15.6 for acquisition of a real property interest
15.7 shall identify nonstate leveraged funds and a
15.8 plan for expenditure of funds to maximize
15.9 the benefit of the trust fund allocation. Any
15.10 work program that proposes materially less
15.11 leverage than the proposal shall be brought
15.12 to the Legislative-Citizen Commission
15.13 on Minnesota Resources for review and
15.14 approval or disapproval. The final report
15.15 of each project shall identify all leverage
15.16 obtained. Leveraged funds shall be spent
15.17 concurrently with trust fund appropriations
15.18 to the extent possible.

15.19 **Subd. 10. Data Availability Requirements**

15.20 (a) Data collected by the projects funded
15.21 under this section that have value for
15.22 planning and management of natural
15.23 resource, emergency preparedness, and
15.24 infrastructure investments must conform
15.25 to the enterprise technical architecture
15.26 maintained by the Office of Enterprise
15.27 Technology. Spatial data must conform to
15.28 geographic information system guidelines
15.29 and standards outlined in that architecture
15.30 and adopted by the Minnesota Geographic
15.31 Data Clearinghouse at the Land Management
15.32 Information Center. A description of spatial
15.33 data collected must adhere to Office of
15.34 Enterprise Technology geographic metadata
15.35 standards and must be submitted to the Land

16.1 Management Information Center to be made
16.2 available online through the clearinghouse
16.3 and the data themselves must be accessible
16.4 and free to the public unless made private
16.5 under the Data Practices Act, Minnesota
16.6 Statutes, chapter 13.

16.7 (b) To the extent practicable, summary data
16.8 and results of projects funded under this
16.9 section should be readily accessible on the
16.10 Internet and identified as an environment and
16.11 natural resources trust fund project.

16.12 **Subd. 11. Project Requirements**

16.13 It is a condition of acceptance of the
16.14 appropriations in this section that any agency
16.15 or entity receiving the appropriation must
16.16 comply with Minnesota Statutes, chapter
16.17 116P; vegetation planted must be of native
16.18 ecotypes to Minnesota, and preferably of the
16.19 local ecotype, unless expressly approved in
16.20 the work program; and in any acquisition of
16.21 land or interest in land, priority must be given
16.22 to lands with high quality natural resources
16.23 or conservation lands that provide natural
16.24 buffers to water resources.

16.25 **Subd. 12. Payment Conditions and Capital**
16.26 **Equipment Expenditures**

16.27 All agreements, grants, or contracts referred
16.28 to in this section must be administered on
16.29 a reimbursement basis unless otherwise
16.30 provided in this section. Notwithstanding
16.31 Minnesota Statutes, section 16A.41,
16.32 expenditures made on or after July 1,
16.33 2007, or the date the work program is
16.34 approved, whichever is later, are eligible for
16.35 reimbursement unless otherwise provided

- 17.1 in this section. Periodic payment must
17.2 be made upon receiving documentation
17.3 that the deliverable items articulated in
17.4 the approved work program have been
17.5 achieved, including partial achievements
17.6 as evidenced by approved progress reports.
17.7 Reasonable amounts may be advanced to
17.8 projects to accommodate cash flow needs or
17.9 match federal money. The advances must
17.10 be approved as part of the work program.
17.11 No expenditures for capital equipment are
17.12 allowed unless expressly authorized in the
17.13 project work program.
- 17.14 **Subd. 13. Purchase of Recycled and Recyclable**
17.15 **Materials**
- 17.16 A political subdivision, public or private
17.17 corporation, or other entity that receives
17.18 an appropriation in this section must use
17.19 the appropriation in compliance with
17.20 Minnesota Statutes, sections 16B.121 and
17.21 16B.122, requiring the purchase of recycled,
17.22 repairable, and durable materials; the
17.23 purchase of uncoated paper stock; and the
17.24 use of soy-based ink.
- 17.25 **Subd. 14. Energy Conservation and**
17.26 **Sustainable Building Guidelines**
- 17.27 A recipient to whom an appropriation is made
17.28 in this section for a capital improvement
17.29 project shall ensure that the project complies
17.30 with the applicable energy conservation and
17.31 sustainable building guidelines and standards
17.32 contained in law, including Minnesota
17.33 Statutes, sections 16B.325, 216C.19, and
17.34 216C.20, and rules adopted thereunder.
17.35 The recipient may use the energy planning,
17.36 advocacy, and state energy office units of

18.1 the Department of Commerce to obtain
18.2 information and technical assistance on
18.3 energy conservation and alternative energy
18.4 development relating to the planning and
18.5 construction of the capital improvement
18.6 project.

18.7 Subd. 15. Accessibility

18.8 Structural and nonstructural facilities must
18.9 meet the design standards in the federal
18.10 Americans with Disability Act (ADA)
18.11 accessibility guidelines.

18.12 Subd. 16. Carryforward

18.13 (a) The availability of the appropriations for
18.14 the following projects is extended to June
18.15 30, 2008:

18.16 (1) Laws 2005, First Special Session
18.17 chapter 1, article 2, section 11, subdivision
18.18 7, paragraph (i), improving impaired
18.19 watersheds; conservation drainage research;

18.20 (2) Laws 2005, First Special Session chapter
18.21 1, article 2, section 11, subdivision 8,
18.22 paragraph (d), open space planning and
18.23 protection; and

18.24 (3) Laws 2005, First Special Session chapter
18.25 1, article 2, section 11, subdivision 10,
18.26 paragraph (d), dairy farm digesters.

18.27 (b) The availability of the appropriation for
18.28 the following project is extended to June 30,
18.29 2009:

18.30 (1) Laws 2005, First Special Session
18.31 chapter 1, article 2, section 11, subdivision
18.32 9, paragraph (a), completing third-party
18.33 certification of DNR forest lands; and

19.1 (2) Laws 2005, First Special Session

19.2 chapter 1, article 2, section 11, subdivision

19.3 10, paragraph (e), wind to hydrogen

19.4 demonstration.

19.5 Sec. 3. Minnesota Statutes 2006, section 116P.08, subdivision 5, is amended to read:

19.6 Subd. 5. **Public meetings.** ~~Technical advisory committee and commission (a)~~

19.7 Meetings of the commission, committees or subcommittees of the commission, technical

19.8 advisory committees, and peer review panels must be open to the public. The commission

19.9 shall attempt to meet throughout various regions of the state during each biennium. For

19.10 purposes of this subdivision, a meeting occurs when a quorum is present and action

19.11 is taken regarding a matter within the jurisdiction of the commission, a committee or

19.12 subcommittee of the commission, a technical advisory committee, or a peer review panel.

19.13 (b) For legislative members of the commission, enforcement of this subdivision is

19.14 governed by section 3.055, subdivision 2. For nonlegislative members of the commission,

19.15 enforcement of this subdivision is governed by section 13D.06, subdivisions 1 and 2.

VI. Revenues and Distributions

*“the source and amount of all
revenues collected and
distributed by the commission,
including all administrative and
other expenses;”*

Appropriations from Revenue Sources

Appropriation Year	Environment and Natural Resources Trust Fund	Future Resources Fund	Oil Overcharge Money	Land & Water Conservation (LAWCON)	Great Lakes Protection Account	Totals
1991						
Ch 254 Art. 1 Sec. 14	14,960,000	16,534,000	3,500,000		0	34,994,000
1993						
Ch 174 Sec. 14	24,600,000	14,662,000	2,012,000		0	41,274,000
1994						
Ch 632 Art. 2 Sec. 6	1,346,000	1,404,000	0		0	2,750,000
1995						
Ch 229 Sec. 19, 20, 21	17,844,000	15,083,000	2,055,000		130,000	35,112,000
1st. Sp.Ses., Ch. 2, Sec. 5	175,000					175,000
1996						
Ch 407 Sec. 8	1,630,000	3,258,000	0		0	4,888,000
1997						
Ch 216 Sec. 15	22,270,000	14,668,000	150,000		120,000	37,208,000
Ch 246, Sec. 32		150,000				150,000
1999 *						
Ch 231, Sec. 16	26,010,000	16,040,000	0		200,000	42,250,000
Ch 231, Sec. 17	991,000					991,000
2001 **						
1st. Sp.Ses., Ch. 2, Sec. 14	34,620,000	15,385,000	180,000		87,000	50,272,000
2002						
Ch. 220, Art. 8, Sec. 1 & 8	316,000	0	0		0	316,000
2003 ***						
Ch. 128, Art. 1, Sec. 9	30,100,000	47,870,000	519,000	2,000,000 **	56,000	50,545,000
		0 *				32,675,000
2005****						
1st. Sp.Ses., Ch. 1, Art. 2, Sec. 11	33,560,000	0	0	1,600,000 **	0	35,160,000
2006						
Ch. 243, Sec. 19 & 20	4,097,000	0	0	0	28,000	4,125,000
	212,519,000	97,184,000	8,416,000	3,600,000	621,000	322,340,000

NOTE: Does not reflect vetoes below.

* 1999 Veto
350,000 TF
200,000 TF
1,200,000 FRF
1,750,000

** 2001 Veto
275,000 FRF
455,000 TF
730,000

*** 2003 Future Resource Fund was redirected to the General Fund, not to be recommended by the LCMR per ML 2003, Ch. 128, Art. 1, Sec. 146 & Sec. 155.

*** Previous to 2003, the LAWCON money was included in the Future Resource Fund appropriation for purposes of this chart.

Note: Does reflect the vetoes

****2005 Veto
4,098,000 TF
28,000 GLPA
4,126,000

Trust Fund and LAWCON for FY08-09 is expected to be \$47.5 million.

Appropriations for LCMR and LCCMR Administrative Expenses

Statutory reference MS 116P

The amounts shown here are part of the total appropriation above

	Appropriation Year	Environment & Natural Resources Trust Fund	Carryforward	Future Resources Fund	Biennium Total
LCMR	1991	0		850,000	850,000
LCMR	1993	270,000		425,000	695,000
LCMR	1995	394,000		308,000	702,000
LCMR	1997	472,000		304,000	776,000
LCMR	1999	567,000		333,000	900,000
LCMR	2001	738,000		389,000	1,127,000
LCMR	2003	672,000	172,000 **	0 *	844,000
LCMR	2005 (annual)	449,000		0	449,000 ***
LCCMR	2006 (annual)	550,000	63,000 ****	0	613,000
Total		4,112,000		2,609,000	6,956,000

NOTES:

- 1991-2003 reflects a biennial appropriation
- 2005 and 2006 are annual appropriations
- The administrative budget from the Trust Fund is capped at 4% of the Trust Fund available each year, M.S. 116P, Subd. 5

* Future Resources Fund was redirected to the General Budget, not to be recommended by the LCMR per per ML 2003, Ch. 128, Art. 1, Sec. 146 & Sec. 155.

** Carryforward from administrative budget appropriation 02-03 (Trust Fund)

*** This amount reflects only first year funding. The governor vetoed the second half of the biennium funding of the administrative budget (\$450,000).

**** Carryforward from 2005 administrative appropriation for LCMR and the "Citizen Advisory Committee for the Trust Fund"

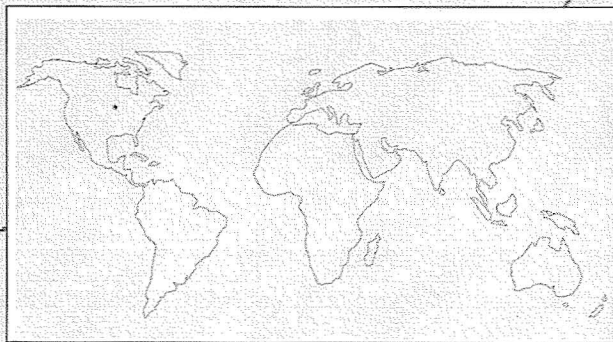
VII. Assets & Liabilities

“a description of the assets and liabilities of the trust fund;”

The following document is from the State Board of Investment 2005 Annual Report.



2005 Annual Report



Minnesota State Board of Investment

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This annual report can be accessed on our website at www.sbi.state.mn.us

Environmental Trust Fund

The Environmental Trust Fund was established in 1988 by the Minnesota Legislature to provide a long-term, consistent and stable source of funding for activities that protect and enhance the environment. On June 30, 2005, the market value of the Fund was \$377 million.

By statute, the State Board of Investment (SBI) invests the assets of the Environmental Trust Fund. The Legislature funds environmental projects from a portion of the market value of the Fund.

Investment Objective

The Environmental Trust Fund's investment objective is long-term growth in order to produce a growing level of spending within the constraints of maintaining adequate portfolio quality and liquidity.

Investment Constraints

In November 1998, Minnesota voters passed a constitutional amendment to continue the mandate that 40 percent of the net proceeds from the state lottery be credited to the Fund through 2025.

The amendment also provides for spending 5.5 percent of the Fund's market value annually, since fiscal year 2000. The amendment eliminates the accounting restrictions on capital gains and losses and the provision that the principal must remain inviolate.

Asset Allocation

After the constitutional amendment was adopted in November 1998, SBI staff worked with the Legislative Commission on Minnesota Resources to establish an asset allocation policy that is consistent with the Commission's goals for spending and growth of the Fund.

The SBI approved a 70% stock and 30% fixed income asset allocation which was implemented July 1, 1999. The allocation positions the Fund for the best long-term growth potential while meeting the objective of the Fund to produce a growing level of spending.

Figure 38 presents the actual asset mix of the Environmental Trust Fund at the end of fiscal year 2005. The current long term asset allocation targets for the Fund are:

Domestic Stocks	70%
Domestic Bonds	28
Cash	2

Investment Management

SBI staff manage all assets of the Environmental Trust Fund. Given the unique constraints of the Fund, management by SBI staff is considered to be the most cost effective at this time.

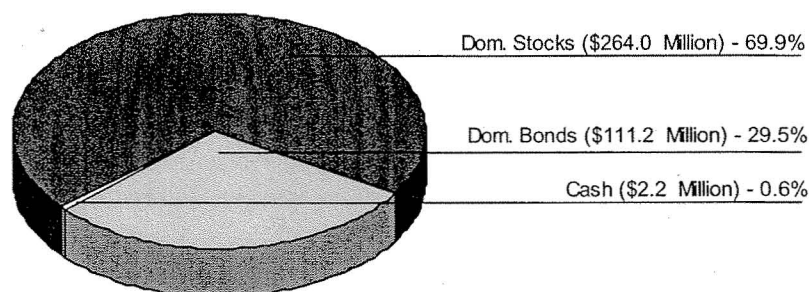
Stock Segment

The stock segment of the Fund is passively managed to track the performance of the S&P 500.

Bond Segment

The bond segment is actively managed to add incremental value

Figure 38. Environmental Trust Fund Asset Mix as of June 30, 2005



Note: Percentages may differ slightly due to rounding of values.

Environmental Trust Fund

through sector, security and yield curve decisions and its performance is measured against the Lehman Brothers Aggregate Bond Index.

Investment Performance

During the Fiscal Year, the *stock* segment matched the S&P 500 benchmark. By investing in all of the stocks in the benchmark at their index weighting, the segment attempts to track the benchmark return on a monthly and annual basis. The portfolio is periodically rebalanced to maintain an acceptable tracking error relative to the benchmark subject to keeping trading costs at a minimum.

The *bond* segment outperformed its benchmark by 0.2 percentage point during the fiscal year.

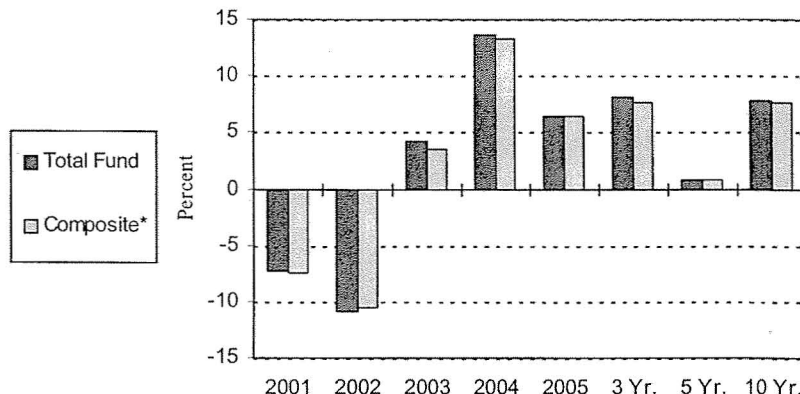
Overall, the Environmental Trust Fund provided a return of 6.5% for fiscal year 2005, matching its composite index. For the most recent three-year period, the fund exceeded its composite benchmark by 0.4 percentage point. The fund experienced modest outperformance over the last five and ten years due to the incremental value added by both the stock and bond segments.

Performance results are presented in Figure 39.

Spendable income generated by the Fund follows:

Fiscal Year	Millions
2001	\$13
2002	\$17
2003	\$17
2004	\$15
2005	\$15

Figure 39. Environmental Trust Fund Performance FY 2001-2005



	Annualized							
	2001	2002	2003	2004	2005	3 Yr.	5 Yr.	10 Yr.
Total Fund	-7.3%	-10.9%	4.2%	13.7%	6.5%	8.1%	0.8%	7.8%
Composite*	-7.4	-10.5	3.6	13.3	6.5	7.7	0.7	7.7
Stock Segment	-14.6	-18.2	0.7	19.2	6.3	8.5	-2.3	10.0
S&P 500	-14.8	-18.0	0.3	19.1	6.3	8.3	-2.4	9.9
Bond Segment	11.2	7.0	11.9	1.5	7.0	6.7	7.7	7.2
Lehman Aggregate	11.2	8.6	10.4	0.3	6.8	5.8	7.4	6.8

* Weighted 50% S&P 500/ 48% Lehman Aggregate, and 2% 3 Month T-Bills through June 1999. Weighted 70% S&P 500/ 28% Lehman Aggregate/ and 2% 3 month T-Bill beginning July 1, 1999.

VIII. Findings

*“any findings or
recommendations that are
deemed proper to assist the
legislature in formulating
legislation;”*

No findings or recommendations at
this time.

IX. Gifts and Donations

*“a list of all gifts and donations
with a value over \$1,000;”*

No gifts or donations were
received.

X. Environmental Spending Comparisons

*“a comparison of the amounts
spent by the state for
environment and natural
resources activities through the
most recent fiscal year; and”*

A

Fiscal Review

of the

2006 Legislative Session

Prepared by
Minnesota State Senate
Office of Senate Counsel, Research, and Fiscal Analysis
G-9 State Capitol
75 Rev. Dr. Martin Luther King, Jr. Blvd.
St. Paul, MN 55155-1606

Edited by
Matt Massman

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ENVIRONMENT AND AGRICULTURE

Changes enacted by the 2006 Legislature increased appropriations in the Environment and Agriculture budget area by \$21.9 million for the 2006-2007 biennium. Of that amount, \$17.0 million was appropriated from the General Fund, including \$14.9 million for the Clean Water Legacy Act, and \$4.1 million was appropriated from the Environment and Natural Resources Trust Fund.

Forecast changes accounted for an additional \$46.8 million in increased statutory appropriations and carry-forwards across all funds, most of which reflects increases for the Pollution Control Agency from the Remediation Fund. After accounting for forecast changes and 2006 appropriations, total spending for the Environment and Agriculture budget area increased by about 5.9 percent for the 2006-2007 biennium, from \$1.148 billion to \$1.216 billion.

Table 1
Environment and Agriculture Changes--All Funds
2006 Legislative Session
(dollars in thousands)

	<u>FY 2006-2007</u>	<u>FY 2008-2009</u>
General Fund		
<u>Department of Agriculture</u>		
Clean Water Legacy	2,400	
Invasive Species Staffing	248	260
Second Harvest Milk program grants	200	400
Containment Facilities Operations	190	380
Livestock/Crop Compensation	93	106
Marketing Renewable/Bio-Energy	75	150
Aviary Oversight Reduction	(42)	(42)
<u>Board of Animal Health</u>		
Bovine Tuberculosis Prevention	685	
<u>Board of Water & Soil Resources</u>		
Clean Water Legacy	5,840	
<u>Department of Natural Resources</u>		
Clean Water Legacy	1,630	
Bovine Tuberculosis Prevention	274	
Invasive Species Prevention	550	1,100
MN Shooting Sports Education Center	100	200
Tower Soudan Mine Grant Cancellation	(250)	
<u>Pollution Control Agency</u>		
Clean Water Legacy	5,030	
Total General Fund Changes	17,023	2,554
Environment & Natural Resources Trust Fund		
<u>Legislative-Citizen Commission on MN Resources</u>		
Strategic Plan Development	300	
Clean Water Legacy - Riparian Land Acquisition	640	
Forest Legacy	500	

Table 1 continued	FY 2006-2007	FY 2008-2009
Reinstatement of Vetoed Projects	2,107	
LCCMR Administration	550	
Total Environ. & Nat. Resources Trust Fund Changes	4,097	
Natural Resources Fund		
<u>Department of Natural Resources</u>		
Horse Trails Maintenance/Pass*	200	628
Corp of Engineers/Other Campground Ops.	400	
Canoe Routes Signage	130	
Land Appraisal Reimbursement*		90
Total Natural Resources Fund Changes	730	718
Special Revenue Fund		
<u>Department of Natural Resources</u>		
Forest Management Services	35	70
Total Special Revenue Fund Changes	35	70
Agricultural Fund		
<u>Department of Agriculture</u>		
Aviary Oversight Reduction	8	16
Total Agricultural Fund Changes	8	16
TOTAL CHANGES – ALL FUNDS	21,893	3,358

* Statutory appropriation, spending amounts equal to amounts collected from fees.

Clean Water Legacy Act

In Chapter 251, the Legislature enacted the “Clean Water Legacy Act” to provide for the protection, restoration, and preservation of the quality of Minnesota’s surface waters. The act establishes procedures and programs for the identification and cleanup of impaired waters in the state. The act uses the framework of the federal Clean Water Act for identifying impaired waters and developing total maximum daily load (TMDL) plans for the impaired waters. The act also establishes a 23-member Clean Water Council to work with the Pollution Control Agency and other entities in administering the act.

The 2006 Legislature appropriated just under \$25 million for Clean Water Legacy purposes. Of this amount, \$15 million is from the General Fund (including \$100,000 to the Public

Facilities Authority) in Chapter 282, article 10; \$9.31 million is appropriated to the Public Facilities Authority from bond proceeds in Chapter 258; and \$640,000 is from the Environment and Natural Resources Trust Fund in Chapter 243.

Department of Agriculture

In Chapter 282, article 9, the Legislature appropriated \$806,000 from the General Fund to the Department of Agriculture for invasive species staffing (\$248,000); livestock and crop compensation (\$93,000); containment facility operations (\$190,000); Second Harvest milk grant (\$200,000); and renewable energy information (\$75,000). In Chapter 282, article 10, the Legislature appropriated \$2.4 million from the General Fund to the department for the Clean Water Legacy Act.

Board of Animal Health

In Chapter 282, article 9, the Legislature appropriated \$685,000 from the General Fund to the Board of Animal Health for bovine tuberculosis prevention.

Department of Natural Resources

In Chapter 282, article 9, the Legislature appropriated \$1.5 million to the Department of Natural Resources. Of this amount, \$924,000 was from the General Fund for bovine tuberculosis prevention (\$220,000); invasive species control (\$550,000); the Minnesota Shooting Sports Education Center (\$100,000); and emergency deterrent materials assistance (\$54,000). The remaining \$530,000 was from the Natural Resources Fund for canoe route development (\$130,000) and federal recreation area operation (\$400,000). In Chapter 282, article 10, the Legislature appropriated just over \$1.6 million from the General Fund to the Department for the Clean Water Legacy Act.

Pollution Control Agency

In Chapter 282, article 10, the Legislature appropriated just over \$5 million from the General Fund to the Pollution Control Agency for the Clean Water Legacy Act.

Board of Water and Soil Resources

In Chapter 282, article 10, the Legislature appropriated just over \$5.8 million from the General Fund to the Board of Water and Soil Resources for the Clean Water Legacy Act.

Minnesota Resources

In Chapter 243, the Legislature enacted the recommendations from a legislatively mandated advisory task force that met during the 2005-2006 interim to recommend changes in the structure and organization of the Legislative Commission on Minnesota Resources (LCMR). The law creates the new Legislative-Citizens Commission on Minnesota Resources (LCCMR) to replace the LCMR. The principal changes include the addition of nonlegislative citizens to the commission and clarifying the use and importance of the strategic plan in making recommendations for appropriations from the Environment and Natural Resources Trust Fund. The new commission will sunset on June 30, 2016. In Chapter 243, the Legislature also appropriated just over \$4.1 million from the Environment and Natural Resources Trust Fund. This is the amount that was vetoed by the Governor in 2005.

Table 2
Biennial Spending by Agency and Fund - All Funds
Environment and Agriculture Budget
(dollars in thousands)

Agency/Fund	FY 2006-07 Enacted 2005 Session	Forecast Change	FY 2006-07 Feb-06 Forecast	2006 Session Legislative Change	FY 2006-07 Enacted 2006 Session
Department of Agriculture					
General Fund	76,732	2	76,734	3,164	79,898
Agricultural Fund	40,264	(522)	39,742	8	39,750
Federal Fund	11,940	322	12,262		12,262

Table 2 continued	FY 2006-07 Enacted 2005 Session	Forecast Change	FY 2006-07 Feb-06 Forecast	2006 Session Legislative Change	FY 2006-07 Enacted 2006 Session
Gift Fund	128		128		128
Remediation Fund	2,231	775	3,006		3,006
Special Revenue Fund	6,421		6,421		6,421
Department of Agriculture Total	137,716	577	138,293	3,172	141,465
Agricultural Utilization Research Institute					
General Fund	3,200		3,200		3,200
Board of Animal Health					
General Fund	6,520	64	6,584	685	7,269
Federal Fund	2,796	644	3,440		3,440
Special Revenue Fund	92		92		92
Board of Animal Health Total	9,408	708	10,116	685	10,801
Board of Water & Soil Resources					
General Fund	30,671	2,091	32,762	5,840	38,602
Federal Funds	598	30	628		628
Special Revenue Fund	915		915		915
Board of Water & Soil Res. Total	32,184	2,121	34,305	5,840	40,145
Department of Natural Resources					
General Fund	212,660	6,301	218,961	2,304	221,265
Endowment & Perm. School Fund	438		438		438
Federal Fund	37,611	3,055	40,666		40,666
Game and Fish Fund	182,327	(2,011)	180,316		180,316
Gift Fund	2,925		2,925		2,925
Natural Resources Fund	134,052	5,212	139,264	730	139,994
Remediation Fund	3,369	1,034	4,403		4,403
Special Revenue Fund	38,468		38,468	35	38,503
Department of Natural Res. Total	611,850	13,591	625,441	3,069	628,510
Met Council Parks					
General Fund	6,600		6,600		6,600
Natural Resources Fund	9,140		9,140		9,140
Met Council Parks Total	15,740		15,740		15,740
Zoological Board					
General Fund	12,878		12,878		12,878
Gift Fund	2,114		2,114		2,114
Natural Resources Fund	270		270		270
Special Revenue Fund	18,785		18,785		18,785
Zoological Board Total	34,047		34,047		34,047

Table 2 continued	FY 2006-07 Enacted 2005 Session	Forecast Change	FY 2006-07 Feb-06 Forecast	2006 Session Legislative Change	FY 2006-07 Enacted 2006 Session
Minnesota Resources (LCCMR)					
Environ. & Nat. Res. Trust Fund*	33,560		33,560	4,097	37,657
Minnesota Resources Fund		1,007	1,007		1,007
Natural Resources Fund	1,600		1,600		1,600
Minnesota Resources Total	35,160	1,007	36,167	4,097	40,264
Pollution Control Agency					
General Fund	22,717	139	22,856	5,030	27,886
Environmental Fund	117,152	(364)	116,788		116,788
Federal Fund	43,632	382	44,014		44,014
Gift Fund	22		22		22
Remediation Fund	56,756	28,632	85,388		85,388
Special Revenue Fund	24,684		24,684		24,684
State Govt. Special Revenue Fund	98		98		98
Pollution Control Agency Total	265,061	28,789	293,850	5,030	298,880
Science Museum of Minnesota					
General Fund	1,500		1,500		1,500
Minnesota Conservation Corps					
General Fund	700		700		700
Natural Resources Fund	980		980		980
MN Conservation Corps Total	1,680		1,680		1,680
Total By Fund					
General Fund	374,178	8,597	382,775	17,023	399,798
Agricultural Fund	40,264	(522)	39,742	8	39,750
Endowment & Perm. School Fund	438		438		438
Environmental Fund	117,152	(364)	116,788		116,788
Environ. & Nat. Res. Trust Fund	33,560		33,560	4,097	37,657
Federal Fund	96,577	4,433	101,010		101,010
Game and Fish Fund	182,327	(2,011)	180,316		180,316
Gift Fund	5,189		5,189		5,189
Minnesota Resources Fund		1,007	1,007		1,007
Natural Resources Fund	146,042	5,212	151,254	730	151,984
Remediation Fund	62,356	30,441	92,797		92,797
Special Revenue Fund	89,365		89,365	35	89,400
State Govt. Special Revenue Fund	98		98		98
Total Environment & Agriculture:	1,147,546	46,793	1,194,339	21,893	1,216,232

*Amounts for the LCCMR reflect actual appropriations from the Environment and Natural Resources Trust Fund rather than spending amounts reported by the Department of Finance.

Table 3 Biennial Spending by Function - All Funds Environment and Agriculture Budget (dollars in thousands)					
Agency/Function	FY 2006-07 Enacted 2005 Session	Forecast Change	FY 2006-07 Feb-06 Forecast	2006 Session Legislative Change	FY 2006-07 Enacted 2006 Session
Department of Agriculture					
Protection Service	21,331		21,331	214	21,545
Agricultural Marketing and Development	7,950		7,950	168	8,118
Administration and Financial Assistance	14,214	2	14,216	2,790	17,006
Ethanol Producer Payments	34,013		34,013		34,013
Special Revenue Fund Open/Statutory Appropriations	6,421		6,421		6,421
Gift Fund	128		128		128
Remediation Fund Open/Statutory Appropriations	1,455	775	2,230		2,230
Agricultural Fund Open/Statutory Appropriations	40,264	(522)	39,742		39,742
Federal Funds	11,940	322	12,262		12,262
Department of Agriculture Total	137,716	577	138,293	3,172	141,465
Agricultural Utilization Research Institute	3,200		3,200		3,200
Board of Animal Health	6,520	64	6,584	685	7,269
Special Revenue Fund Open/Statutory Appropriations	92		92		92
Federal Funds	2,796	644	3,440		3,440
Board of Animal Health Total	9,408	708	10,116	685	10,801
Board of Water & Soil Resources	30,671	2,091	32,762	5,840	38,602
Special Revenue Fund Open/Statutory Appropriations	915		915		915
Federal Funds	598	30	628		628
Board of Water & Soil Res. Total	32,184	2,121	34,305	5,840	40,145
Department of Natural Resources					
Operations Support	18,636		21,015	100	21,115
Water Resources Management	22,184		22,184	1,630	23,814
Land & Mineral Resources Management	17,578		17,578	35	17,613

Table 3 continued	FY 2006-07 Enacted 2005 Session	Forecast Change	FY 2006-07 Feb-06 Forecast	2006 Session Legislative Change	FY 2006-07 Enacted 2006 Session
Forest Management	70,652		70,652		70,652
Fish and Wildlife Management	125,554		125,554	274	125,828
Ecological Services	20,431		20,431	300	20,731
Parks and Recreation Management	66,162		66,162	400	66,562
Enforcement	57,309		57,309		57,309
Trails and Waterways	53,631		53,631	130	53,961
Leech Lake and White Earth Reservation	5,157		5,157		5,157
1854 Indian Treaty Settlement	10,655	37	10,692		10,692
Public Hunting Grounds/Con Con Areas	278		278		278
Payment in Lieu of Taxes	29,750	3,133	32,883		32,883
DNR Firefighting	16,708	752	17,460		17,460
General Fund Carryforward		2,379	2,379		2,379
Game and Fish Fund Open/Statutory Appropriations	7,626	(2,011)	5,615		5,615
Natural Resources Fund Open/Statutory Appropriations	7,328	5,212	12,540	200	12,540
Special Revenue Fund Open/Statutory Appropriations	38,468		38,468		38,468
Gift Fund	2,925		2,925		2,925
Remediation Fund Open/Statutory Appropriations	3,169	1,034	4,203		4,203
Endowment & Permanent School Fund	38		38		38
Federal Funds	37,611	3,055	40,666		40,666
Dept. of Natural Resources Total	611,850	13,591	625,441	3,069	628,510
Met Council Parks	15,740		15,740		15,740
Zoological Board	13,148		13,148		13,148
Special Revenue Fund Open/Statutory Appropriations	18,785		18,785		18,785
Gift Fund	2,114		2,114		2,114
Zoological Board Total	34,047		34,047		34,047
Minnesota Conservation Corps	1,680		1,680		1,680
Minnesota Resources*					
LCCMR Administration	619		619	850	1,469
Minnesota Resources Fund (Carryforward)		1,007	1,007		1,007
Recreation	12,519		12,519		12,519
Water Resources	5,132		5,132	1,157	6,289

Table 3 continued	FY 2006-07 Enacted 2005 Session	Forecast Change	FY 2006-07 Feb-06 Forecast	2006 Session Legislative Change	FY 2006-07 Enacted 2006 Session
Agricultural & Natural Res.-Based Industries	2,683		2,683		2,683
Land Use & Natural Resources Information	1,750		1,750	250	2,000
Environmental Education	495		495	150	645
Children's Environmental Health	200		200		200
Fish & Wildlife Habitat	9,576		9,576	790	10,366
Energy	2,186		2,186	900	3,086
Minnesota Resources Total	35,160		35,160	4,097	39,257
Pollution Control Agency					
Protection of the Water	50,867	42	50,909	5,030	55,939
Protection of the Air	18,901		18,901		18,901
Protection of the Land	36,938		36,938		36,938
Administrative Support	3,166	5	3,171		3,171
Multimedia	8,610	92	8,702		8,702
Office of Environmental Assistance	39,508		39,508		39,508
Special Revenue Fund Open/Statutory Appropriations	24,684		24,684		24,684
State Govt. Special Rev. Open/Stat. Appropriations	2		2		2
Environmental Fund Open/Statutory Appropriations	4,783	(364)	4,419		4,419
Gift Fund	22		22		22
Public Facilities Authority					
Remediation Fund Open/Statutory Appropriations	33,948	28,632	62,580		62,580
Federal Funds	43,632	382	44,014		44,014
Pollution Control Agency Total	265,061	28,789	293,850	5,030	298,880
Science Museum of Minnesota	1,500		1,500		1,500
Total Environment & Agriculture:	1,147,546	46,793	1,194,339	21,293	1,216,232

*Amounts for the LCCMR reflect actual appropriations from the Environment and Natural Resources Trust Fund rather than spending amounts reported by the Department of Finance.

For more information on the fiscal actions related to the Environment and Agriculture, contact Daniel Mueller, Daniel.Mueller@senate.mn or Greg Knopff, Greg.Knopff@senate.mn

XI. Compliance Audit

*“a copy of the most recent
compliance audit.”*

The most recent compliance audit dated October 13, 2000 was included in the January 15, 2001 biennial report. No audit has been completed since that time.

Appendix A

Funding Source Reference:

Environment and Natural Resources Trust Fund

MN Constitution – Amendment Article 11, Sec. 14

and M.S. 116P

Federal Land and Water Conservation Funds
(LAWCON)

M.S. 116P.14

Oil Overcharge Money

M.S. 4.071

Great Lakes Protection Account

M.S. 116Q.02

Sec. 14. **ENVIRONMENT AND NATURAL RESOURCES FUND.** A permanent environment and natural resources trust fund is established in the state treasury. Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund until the year 2025. [Adopted, November 8, 1988; Amended, November 6, 1990; November 3, 1998]



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Minnesota Statutes 2006 Chapter 116P. Environmental Protection Funds

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116P.01	Findings.
116P.02	Definitions.
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116P.01 FINDINGS.

The legislature finds that all Minnesotans share the responsibility to ensure wise stewardship of the state's environment and natural resources for the benefit of current citizens and future generations. Proper management of the state's environment and natural resources includes and requires foresight, planning, and long-term activities that allow the state to preserve its high quality environment and provides for wise use of its natural resources. The legislature also finds that to undertake such activities properly, a long-term, consistent, and stable source of funding must be provided.

History: 1988 c 690 art 1 s 5

116P.02 DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

Subd. 2. [Repealed, 2006 c 243 s 22]

Subd. 3. **Board.** "Board" means the State Board of Investment.

Subd. 4. **Commission.** "Commission" means the Legislative-Citizen Commission on Minnesota Resources.

Subd. 5. **Natural resources.** "Natural resources" includes the outdoor recreation system

under section 86A.04 and regional recreation open space systems as defined under section 473.351, subdivision 1.

Subd. 6. **Trust fund.** "Trust fund" means the Minnesota environment and natural resources trust fund established under Minnesota Constitution, article XI, section 14.

History: 1988 c 690 art 1 s 6; 1989 c 335 art 1 s 269; 2003 c 128 art 1 s 146; 2006 c 243 s 2

116P.03 TRUST FUND NOT TO SUPPLANT EXISTING FUNDING; APPROPRIATIONS.

(a) The trust fund may not be used as a substitute for traditional sources of funding environmental and natural resources activities, but the trust fund shall supplement the traditional sources, including those sources used to support the criteria in section 116P.08, subdivision 1.

The trust fund must be used primarily to support activities whose benefits become available only over an extended period of time.

(b) The commission must determine the amount of the state budget spent from traditional sources to fund environmental and natural resources activities before and after the trust fund is established and include a comparison of the amount in the report under section 116P.09, subdivision 7.

(c) For the fiscal year beginning July 1, 2007, and each year thereafter, the amount of the environment and natural resources trust fund that is available for appropriation under the terms of the Minnesota Constitution, article XI, section 14, shall be appropriated by law.

(d) The amount appropriated from the environment and natural resources trust fund may be spent only for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. Recommendations made by the commission under this chapter must be consistent with the Minnesota Constitution, article XI, section 14; this chapter; and the strategic plan adopted under section 116P.08, subdivision 3, and must demonstrate a direct benefit to the state's environment and natural resources.

History: 1988 c 690 art 1 s 7; 2006 c 243 s 3

116P.04 TRUST FUND ACCOUNT.

Subdivision 1. **Establishment of account and investment.** A Minnesota environment and natural resources trust fund, under article XI, section 14, of the Minnesota Constitution, is established as an account in the state treasury. The commissioner of finance shall credit to the trust fund the amounts authorized under this section and section 116P.10. The State Board of Investment shall ensure that trust fund money is invested under section 11A.24. All money earned by the trust fund must be credited to the trust fund. The principal of the trust fund and any unexpended earnings must be invested and reinvested by the State Board of Investment.

Subd. 2. [Repealed, 1990 c 610 art 1 s 59]

Subd. 3. **Revenue.** Nothing in sections 116P.01 to 116P.12 limits the source of contributions to the trust fund.

Subd. 4. **Gifts and donations.** Gifts and donations, including land or interests in land, may be made to the trust fund. Noncash gifts and donations must be disposed of for cash as soon as the board prudently can maximize the value of the gift or donation. Gifts and donations of marketable securities may be held or be disposed of for cash at the option of the board. The cash receipts of gifts and donations of cash or capital assets and marketable securities disposed of for cash must be credited immediately to the principal of the trust fund. The value of marketable securities at the time the gift or donation is made must be credited to the principal of the trust fund and any earnings from the marketable securities are earnings of the trust fund.

Subd. 5. **Audits required.** The legislative auditor shall audit trust fund expenditures to

ensure that the money is spent for the purposes for which the money was appropriated.

History: 1988 c 690 art 1 s 8; 1990 c 610 art 1 s 44; 1991 c 343 s 1; 2006 c 243 s 4

116P.05 LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES.

Subdivision 1. **Membership.** (a) A Legislative-Citizen Commission on Minnesota Resources of 17 members is created in the legislative branch, consisting of the chairs of the house and senate committees on environment and natural resources finance or designees appointed for the terms of the chairs, four members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and four members of the house appointed by the speaker. At least two members from the senate and two members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.

Seven citizens are members of the commission, five appointed by the governor, one appointed by the Senate Subcommittee on Committees of the Committee on Rules and Administration, and one appointed by the speaker of the house. The citizen members are selected and recommended to the appointing authorities according to subdivision 1a and must:

(1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources;

(2) have strong knowledge in the state's environment and natural resource issues around the state; and

(3) have demonstrated ability to work in a collaborative environment.

(b) Members shall develop procedures to elect a chair that rotates between legislative and citizen members. The chair shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(c) Appointed legislative members shall serve on the commission for two-year terms, beginning in January of each odd-numbered year and continuing through the end of December of the next even-numbered year. Citizen and legislative members continue to serve until their successors are appointed.

(d) A citizen member may be removed by an appointing authority for cause. Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled for the remainder of the term in the same manner under paragraph (a).

(e) Citizen members shall be initially appointed according to the following schedule of terms:

(1) two members appointed by the governor for a term ending the first Monday in January 2010;

(2) one member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2010 and one member appointed by the speaker of the house for a term ending the first Monday in January 2010;

(3) two members appointed by the governor for a term ending the first Monday in January 2009; and

(4) one member appointed by the governor for a term ending the first Monday in January 2008.

(f) Citizen members are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3.

(g) The governor's appointments are subject to the advice and consent of the senate.

Subd. 1a. **Citizen selection committee.** The governor shall appoint a Trust Fund Citizen

Selection Committee of five members who come from different regions of the state and who have knowledge and experience of state environment and natural resource issues.

The duties of the Trust Fund Citizen Selection Committee shall be to:

- (1) identify citizen candidates to be members of the commission as part of the open appointments process under section 15.0597;
- (2) request and review citizen candidate applications to be members of the commission; and
- (3) interview the citizen candidates and recommend an adequate pool of candidates to be selected for commission membership by the governor, the senate, and the house of representatives. Members are entitled to travel expenses incurred to fulfill their duties under this subdivision as provided in section 15.059, subdivision 6.

Subd. 2. **Duties.** (a) The commission shall recommend an annual legislative bill for appropriations from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08. Approval of the recommended legislative bill requires an affirmative vote of at least 12 members of the commission.

(b) The commission shall recommend expenditures to the legislature from the state land and water conservation account in the natural resources fund.

(c) It is a condition of acceptance of the appropriations made from the Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources, and comply with applicable reporting requirements under section 116P.16. None of the money provided may be spent unless the commission has approved the pertinent work program.

(d) The peer review panel created under section 116P.08 must also review, comment, and report to the commission on research proposals applying for an appropriation from the oil overcharge money under section 4.071, subdivision 2.

(e) The commission may adopt operating procedures to fulfill its duties under this chapter.

(f) As part of the operating procedures, the commission shall:

- (1) ensure that members' expectations are to participate in all meetings related to funding decision recommendations;
- (2) recommend adequate funding for increased citizen outreach and communications for trust fund expenditure planning;
- (3) allow administrative expenses as part of individual project expenditures based on need;
- (4) provide for project outcome evaluation;
- (5) keep the grant application, administration, and review process as simple as possible; and
- (6) define and emphasize the leveraging of additional sources of money that project proposers should consider when making trust fund proposals.

Subd. 3. **Sunset.** This section expires June 30, 2016, unless extended by law.

History: 1988 c 690 art 1 s 9; 1989 c 335 art 1 s 269; 1990 c 594 art 1 s 56; 1991 c 254 art 2 s 39; 1991 c 343 s 2; 1993 c 4 s 15; 1994 c 580 s 1; 1997 c 202 art 2 s 36; 2003 c 128 art 1 s 147; 1Sp2005 c 1 art 2 s 135; 2006 c 243 s 5

116P.06 [Repealed, 2006 c 243 s 22]

116P.07 INFORMATION GATHERING.

The commission may convene public forums or employ other methods to gather information for establishing priorities for funding.

History: 1988 c 690 art 1 s 11; 1991 c 254 art 2 s 41; 1991 c 343 s 4; 2002 c 225 s 2;

2006 c 243 s 6

116P.08 TRUST FUND EXPENDITURES.

Subdivision 1. **Expenditures.** Money in the trust fund may be spent only for:

- (1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;
- (2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;
- (3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;
- (4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;
- (5) capital projects for the preservation and protection of unique natural resources;
- (6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;
- (7) administrative and investment expenses incurred by the State Board of Investment in investing deposits to the trust fund; and
- (8) administrative expenses subject to the limits in section 116P.09.

Subd. 2. **Exceptions.** Money from the trust fund may not be spent for:

- (1) purposes of environmental compensation and liability under chapter 115B and response actions under chapter 115C;
- (2) purposes of municipal water pollution control under the authority of chapters 115 and 116;
- (3) costs associated with the decommissioning of nuclear power plants;
- (4) hazardous waste disposal facilities;
- (5) solid waste disposal facilities; or
- (6) projects or purposes inconsistent with the strategic plan.

Subd. 3. **Strategic plan required.** (a) The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. The strategic plan must be reviewed every two years. The strategic plan must have clearly stated short- and long-term goals and strategies for trust fund expenditures, must provide measurable outcomes for expenditures, and must determine areas of emphasis for funding.

(b) The commission shall consider the long-term strategic plans of agencies with environment and natural resource programs and responsibilities and plans of conservation and environmental organizations during the development and review of the strategic plan.

Subd. 4. **Legislative recommendations.** (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) The commission must recommend an annual legislative bill to make appropriations from the trust fund for the purposes provided in subdivision 1. The recommendations must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(c) The commission may recommend regional block grants for a portion of trust fund expenditures to partner with existing regional organizations that have strong citizen involvement, to address unique local needs and capacity, and to leverage all available funding sources for projects.

(d) The commission may recommend the establishment of an annual emerging issues account in its annual legislative bill for funding emerging issues, which come up unexpectedly, but which still adhere to the commission's strategic plan, to be approved by the governor after

initiation and recommendation by the commission.

(e) Money in the trust fund may not be spent except under an appropriation by law.

Subd. 5. **Public meetings.** Technical advisory committee and commission meetings must be open to the public. The commission shall attempt to meet throughout various regions of the state during each biennium.

Subd. 6. **Peer review.** (a) Research proposals must include a stated purpose directly connected to the trust fund's constitutional mandate, this chapter, and the adopted strategic plan under subdivision 3, a timeline, potential outcomes, and an explanation of the need for the research. All research proposals must be reviewed by a peer review panel before receiving an appropriation.

(b) In conducting research proposal reviews, the peer review panel shall:

(1) comment on the methodology proposed and whether it can be expected to yield appropriate and useful information and data;

(2) comment on the need for the research and about similar existing information available, if any; and

(3) report to the commission on clauses (1) and (2).

(c) The peer review panel also must review completed research proposals that have received an appropriation and comment and report upon whether the project reached the intended goals.

Subd. 7. **Peer review panel membership.** (a) The peer review panel must consist of at least five members who are knowledgeable in general research methods in the areas of environment and natural resources. Not more than two members of the panel may be employees of state agencies in Minnesota.

(b) The commission shall select a chair every two years who shall be responsible for convening meetings of the panel as often as is necessary to fulfill its duties as prescribed in this section. Compensation of panel members is governed by section 15.059, subdivision 3.

History: 1988 c 690 art 1 s 12; 1989 c 335 art 1 s 178; 1991 c 254 art 2 s 42,43; 1991 c 343 s 5,6; 1994 c 580 s 2,3; 2001 c 7 s 31; 2004 c 284 art 2 s 14; 2006 c 243 s 7-10

116P.09 ADMINISTRATION.

Subdivision 1. **Administrative authority.** The commission may appoint legal and other personnel and consultants necessary to carry out functions and duties of the commission. Permanent employees shall be in the unclassified service. In addition, the commission may request staff assistance and data from any other agency of state government as needed for the execution of the responsibilities of the commission and an agency must promptly furnish it.

Subd. 2. **Liaison officers.** The commission shall request each department or agency head of all state agencies with a direct interest and responsibility in any phase of environment and natural resources to appoint, and the latter shall appoint for the agency, a liaison officer who shall work closely with the commission and its staff.

Subd. 3. **Appraisal and evaluation.** The commission shall obtain and appraise information available through private organizations and groups, utilizing to the fullest extent possible studies, data, and reports previously prepared or currently in progress by public agencies, private organizations, groups, and others, concerning future trends in the protection, conservation, preservation, and enhancement of the state's air, water, land, forests, fish, wildlife, native vegetation, and other natural resources. Any data compiled by the commission shall be made available to any standing or interim committee of the legislature upon the request of the chair of the respective committee.

Subd. 4. **Personnel.** Persons who are employed by a state agency to work on a project and

are paid by an appropriation from the trust fund are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions must be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons for a project is authorized. The use of classified employees is authorized when approved as part of the work program required by section 116P.05, subdivision 2, paragraph (c).

Subd. 5. **Administrative expense.** The prorated expenses related to commission administration of the trust fund may not exceed an amount equal to four percent of the amount available for appropriation of the trust fund for the biennium.

Subd. 6. **Conflict of interest.** A commission member, a 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, 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.

Subd. 7. **Report required.** The commission shall, by January 15 of each odd-numbered year, submit a report to the governor, the chairs of the house appropriations and senate finance committees, and the chairs of the house and senate committees on environment and natural resources. Copies of the report must be available to the public. The report must include:

- (1) a copy of the current strategic plan;
- (2) a description of each project receiving money from the trust fund during the preceding biennium;
- (3) a summary of any research project completed in the preceding biennium;
- (4) recommendations to implement successful projects and programs into a state agency's standard operations;
- (5) to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund during the next biennium;
- (6) the source and amount of all revenues collected and distributed by the commission, including all administrative and other expenses;
- (7) a description of the assets and liabilities of the trust fund;
- (8) any findings or recommendations that are deemed proper to assist the legislature in formulating legislation;
- (9) a list of all gifts and donations with a value over \$1,000;
- (10) a comparison of the amounts spent by the state for environment and natural resources activities through the most recent fiscal year; and
- (11) a copy of the most recent compliance audit.

Subd. 8. **Technical advisory committees.** The commission shall make use of available public and private expertise on environment and natural resource issues by appointing necessary technical advisory committees to review funding proposals and evaluate project outcomes. Compensation for technical advisory committee members is governed by section 15.059, subdivision 6.

History: 1988 c 690 art 1 s 13; 1991 c 254 art 2 s 44-46; 1991 c 343 s 7-10; 1994 c 580 s 4; 2003 c 128 art 1 s 148-150; 2006 c 243 s 11-13

116P.10 ROYALTIES, COPYRIGHTS, PATENTS.

This section applies to projects supported by the trust fund and the oil overcharge money

referred to in section 4.071, subdivision 2, each of which is referred to in this section as a "fund." The fund owns and shall take title to the percentage of a royalty, copyright, or patent resulting from a project supported by the fund equal to the percentage of the project's total funding provided by the fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the fund's rights to a royalty, copyright, or patent, must be credited immediately to the principal of the fund. Receipts from Minnesota future resources fund projects must be credited to the trust fund. Before a project is included in the budget plan, the commission may vote to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the fund.

History: 1988 c 690 art 1 s 14; 1993 c 172 s 79; 2003 c 128 art 1 s 151

116P.11 AVAILABILITY OF FUNDS FOR DISBURSEMENT.

(a) The amount annually available from the trust fund for the legislative bill developed by the commission is as defined in the Minnesota Constitution, article XI, section 14.

(b) Any appropriated funds not encumbered in the biennium in which they are appropriated cancel and must be credited to the principal of the trust fund.

History: 1988 c 690 art 1 s 15; 1990 c 594 art 1 s 57; 1990 c 612 s 14; 1992 c 513 art 2 s 27; 1992 c 539 s 10; 1993 c 300 s 10; 1994 c 580 s 5; 1995 c 220 s 111; 2002 c 225 s 3; 2006 c 243 s 14

116P.12 WATER SYSTEM IMPROVEMENT LOAN PROGRAM.

Subdivision 1. **Loans authorized.** (a) If the principal of the trust fund equals or exceeds \$200,000,000, the commission may vote to set aside up to five percent of the principal of the trust fund for water system improvement loans. The purpose of water system improvement loans is to offer below market rate interest loans to local units of government for the purposes of water system improvements.

(b) The interest on a loan shall be calculated on the declining balance at a rate four percentage points below the secondary market yield of one-year United States Treasury bills calculated according to section 549.09, subdivision 1, paragraph (c).

(c) An eligible project must prove that existing federal or state loans or grants have not been adequate.

(d) Payments on the principal and interest of loans under this section must be credited to the trust fund.

(e) Repayment of loans made under this section must be completed within 20 years.

(f) The Minnesota Public Facilities Authority must report to the commission each year on the loan program under this section.

Subd. 2. **Application and administration.** (a) The commission must adopt a procedure for the issuance of the water system improvement loans by the Public Facilities Authority.

(b) The commission also must ensure that the loans are administered according to its fiduciary standards and requirements.

History: 1988 c 690 art 1 s 16

116P.13 MINNESOTA FUTURE RESOURCES FUND.

Subdivision 1. **Revenue sources.** The money in the Minnesota future resources fund consists of revenue credited under section 297F.10, subdivision 1, paragraph (b), clause (1).

Subd. 2. **Interest.** The interest attributable to the investment of the Minnesota future resources fund must be credited to the fund.

Subd. 3. **Revenue purposes.** Revenue in the Minnesota future resources fund may be spent for purposes of natural resources acceleration and outdoor recreation, including but not limited to the development, maintenance, and operation of the state outdoor recreation system under chapter 86A and regional recreation open space systems as defined under section 473.351, subdivision 1.

History: 1988 c 690 art 1 s 17; 1989 c 335 art 1 s 179; 1997 c 106 art 2 s 4

116P.14 FEDERAL LAND AND WATER CONSERVATION FUNDS.

Subdivision 1. **Designated agency.** The Department of Natural Resources is designated as the state agency to apply for, accept, receive, and disburse federal reimbursement funds and private funds, which are granted to the state of Minnesota from section 6 of the federal Land and Water Conservation Fund Act.

Subd. 2. **State land and water conservation account; creation.** A state land and water conservation account is created in the natural resources fund. All of the money made available to the state from funds granted under subdivision 1 shall be deposited in the state land and water conservation account.

Subd. 3. **Local share.** Fifty percent of all money made available to the state from funds granted under subdivision 1 shall be distributed for projects to be acquired, developed, and maintained by local units of government, providing that any project approved is consistent with a statewide or a county or regional recreational plan and compatible with the statewide recreational plan. All money received by the commissioner for local units of government is appropriated annually to carry out the purposes for which the funds are received.

Subd. 4. **State share.** Fifty percent of the money made available to the state from funds granted under subdivision 1 shall be used for state land acquisition and development for the state outdoor recreation system under chapter 86A and the administrative expenses necessary to maintain eligibility for the federal Land and Water Conservation Fund.

History: 1Sp2001 c 2 s 140; 2003 c 128 art 1 s 152,153

116P.15 LAND ACQUISITION RESTRICTIONS.

Subdivision 1. **Scope.** A recipient of an appropriation from the trust fund or the Minnesota future resources fund who acquires an interest in real property with the appropriation must comply with this section. If the recipient fails to comply with the terms of this section, ownership of the interest in real property transfers to the state. For the purposes of this section, "interest in real property" includes, but is not limited to, an easement or fee title to property.

Subd. 2. **Restrictions; modification procedure.** (a) An interest in real property acquired with an appropriation from the trust fund or the Minnesota future resources fund must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made.

(b) A recipient of funding who acquires an interest in real property subject to this section may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the commission. The commission shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:

- (1) the interest is at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and
- (2) the interest is in a reasonably equivalent location, and has a reasonably equivalent usefulness compared to the interest being replaced.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

- (1) a legal description of the interest in real property covered by the funding agreement;
- (2) a reference to the underlying funding agreement;
- (3) a reference to this section; and
- (4) the following statement:

"This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement or work program controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor. If the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work program, ownership of the interest in real property shall transfer to this state."

History: *1Sp2001 c 2 s 141; 2002 c 225 s 4; 2006 c 243 s 21*

116P.16 REAL PROPERTY INTEREST REPORT.

By December 1 each year, a recipient of an appropriation from the trust fund, that is used for the acquisition of an interest in real property, must submit annual reports on the status of the real property to the Legislative-Citizen Commission on Minnesota Resources in a form determined by the commission. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person who holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

- (1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;
 - (2) inform the person to whom the responsibility is transferred of the property restrictions under section 116P.15; and
 - (3) provide written notice to the commission of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.
- After the transfer, the person who holds the interest in the real property is responsible for reporting requirements under this section.

History: *1Sp2005 c 1 art 2 s 136; 2006 c 243 s 21*

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4.071, Minnesota Statutes 2006

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4.071 OIL OVERCHARGE MONEY.

Subdivision 1. **Appropriation required.** "Oil overcharge money" means money received by the state as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations. Oil overcharge money may not be spent until it is specifically appropriated by law.

Subd. 2. **Minnesota resources projects.** The legislature intends to appropriate one-half of the oil overcharge money for projects that have been reviewed and recommended by the Legislative-Citizen Commission on Minnesota Resources. A work plan must be prepared for each proposed project for review by the commission. The commission must recommend specific projects to the legislature.

Subd. 3. [Repealed, 1998 c 273 s 15]

History: 1988 c 686 art 1 s 36; 1988 c 690 s 1; 1989 c 335 art 1 s 269; 1990 c 568 art 2 s 1; 1994 c 483 s 1; 2006 c 243 s 21.

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116Q.02, Minnesota Statutes 2006

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116Q.02 STATE RECEIPTS FROM THE FUND.

Subdivision 1. **Great Lakes protection account.** Any money received by the state from the Great Lakes protection fund, whether in the form of annual earnings or otherwise, must be deposited in the state treasury and credited to a special Great Lakes protection account. Money in the account must be spent only as specifically appropriated by law for protecting water quality in the Great Lakes. Approved purposes include, but are not limited to, supplementing in a stable and predictable manner state and federal commitments to Great Lakes water quality programs by providing grants to finance projects that advance the goals of the regional Great Lakes toxic substances control agreement and the binational Great Lakes water quality agreement.

Subd. 2. **LCCMR review.** The legislature intends not to appropriate money from the Great Lakes protection account until projects have been reviewed and recommended by the Legislative-Citizen Commission on Minnesota Resources. A work plan must be prepared for each project for review by the commission. The commission must recommend specific projects to the legislature.

History: 1990 c 594 art 1 s 59; 2006 c 243 s 21

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Appendix B

*“a copy of the Advisory Task
Force Report and Appendices...”*

Trust Fund Advisory Task Force
Report and Appendices -
February 15, 2006.

Report of the Environment and Natural Resources Trust Fund Advisory Task Force

February 15, 2006

Adopted February 7, 2006

Advisory Task Force authorizing law, appointments and membership

Minnesota Constitution Article XI, Sec. 14

Sec. 14. **ENVIRONMENT AND NATURAL RESOURCES FUND.** A permanent environment and natural resources trust fund is established in the state treasury. Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund until the year 2025. [Adopted, November 8, 1988; Amended, November 6, 1990; November 3, 1998]

Per ML 2005, First Special Session, Chapter 1, Article 2, Section 156:

Sec. 156. [ENVIRONMENT AND NATURAL RESOURCES TRUST FUND; ADVISORY TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] (a) An advisory task force to examine the process for making recommendations on expenditures from the environment and natural resources trust fund is created, consisting of:

- (1) four former members of the current Legislative Commission on Minnesota Resources from the house of representatives, appointed by the executive committee of the commission;
- (2) four former members of the current Legislative Commission on Minnesota Resources from the senate, appointed by the executive committee of the commission; and
- (3) eight public members who are not current or past members of the Legislative Commission on Natural Resources or the Citizens Advisory Council, established under Minnesota Statutes, section 116P.06, but who have submitted trust fund proposals for funding, appointed by the governor.

(b) The members of the task force shall select a chair who shall preside and convene meetings of the task force. At least two house members and two senate members appointed must be from the minority caucus. Current legislative members of the task force are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the task force. Public members of the task force shall be compensated as provided in Minnesota Statutes, section 15.0575.

(c) The task force shall examine the current process for recommending appropriations from the environment and natural resources trust fund and make recommendations for changes in the process. (d) By February 15, 2006, the task force shall report on its recommendations to the governor and the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance.

Subd. 2. [SUNSET.] The duties of the Legislative Commission on Minnesota Resources to recommend expenditures from the environment and natural resources trust fund expire on June 30, 2006.

Advisory Task Force Membership

Governor Pawlenty Appointments:

David Zentner – Co-chair, Karen Bowen, Jeff Broberg, Joe Duggan, Wayne Enger, Ryan Heiniger, Pam Landers, Craig Shaver.

LCMR Executive Committee Appointments:

Loren Solberg – Co-chair, Charlie Berg**, Dave Bishop, Ron Erhardt, Phyllis Kahn, Jane Krentz, Gary Laidig, Steve Morse, Earl Renneke**.

** Earl Renneke resigned on January 6, 2006. He was replaced by Charlie Berg.

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EXECUTIVE SUMMARY

The Advisory Task Force for the Environment and Natural Resources Trust Fund ("Task Force") was established in ML 2005, First Special Session, Chapter 1, Article 2, Section 156 to "examine the process for making recommendations on expenditures from the environment and natural resources trust fund...."

The Task Force was composed of sixteen members with many years of legislative and citizen expertise in the environment, natural resource and governance issues. Although Task Force members had diverse perspectives, they shared a common goal of assuring the preservation and enhancement of Minnesota's environment and natural resources through the best possible stewardship of Trust Fund expenditures. This report reflects the consensus views of the Task Force on how this goal can best be achieved.

The Advisory Task Force held its first meeting on Sept. 27, 2005, and met an additional seven times before the report deadline of February 15, 2006.

The Task Force deliberations served to balance two overriding interests:

- The interest in providing meaningful citizen involvement in the Environment and Natural Resources Trust Fund decision making process; and
- The interest in maintaining the constitutional responsibility of the legislature to appropriate money and oversee the spending of any appropriation.

The Task Force concluded that the goal of increasing citizen input could be achieved by:

- Adding non-legislative citizen appointments to make final funding recommendations by creating a joint Legislative Citizen Commission on Minnesota Resources (Commission).
- Regularly rotating the chair between the citizen and legislative members.
- Requiring a two-thirds majority vote for all final funding decision recommendations.
- Creating a Citizen Selection Committee appointed by the Governor to make recommendations for the citizen appointments.
- Providing for the establishment and use of technical expert advisory committees to assist in strategic plan development and proposal review and evaluation.
- Allocating a portion of the Trust Fund dollars to regions, to engage citizens at the local level and to invest in projects that address the unique needs of the area served.

The Task Force also concluded that the constitutional responsibility of the legislature to appropriate money and oversee the spending of any appropriation could be assured by:

- Maintaining legislative members on the Legislative Citizen Commission on Minnesota Resources to determine final project funding recommendations.
- Forwarding final project funding recommendations from the Commission to the full Legislature for review and appropriation.

Key Findings of the Task Force:

- The Trust Fund expenditures must follow the constitutional “mandate” as defined in MS 116P.02 and allowed in MS 116P.08.
- The Trust Fund must be appropriated by the Legislature.
- The Trust Fund expenditures must provide a long-term benefit to Minnesota’s environment and natural resources.
- The Trust Fund expenditures must supplement and not supplant other environment and natural resource funding.

Summary of Task Force Recommendations:

The Advisory Task Force Recommendations for changes to the process used for expenditures from the Environment and Natural Resources Trust Fund are in the four major areas of:

- Governance
- Long Range Planning
- Grant Administration
- Other Funds to Enhance Trust Fund Expenditures

The Task Force Recommendations include:

The full recommendations are on page 8.

Governance:

In order to provide increased citizen involvement the Task Force recommends replacing the current Legislative Commission on Minnesota Resources (LCMR) and Citizen Advisory Committee (CAC) process for making recommendations for the Trust Fund expenditures to the Legislature with a 17 member Commission composed of citizen and legislative appointed membership.

The 17 members are composed of: 7 citizen appointees, 5 House members and 5 Senate members. The citizen members are appointed by the Governor (5), the Senate (1) and the House (1).

The citizen members are appointed by the Governor, House, and Senate from recommendations received by the Citizen Selection Committee appointed by the Governor. The House and Senate appoint the 10 legislative members.

The chair of the Commission is elected by the membership and rotates between citizen and legislative members. A super majority of 12 of the 17 members (two-thirds) is required for Trust Fund expenditure recommendations.

Technical Advisory Expert Committees must be established to assist in long range planning for expenditures and proposal review and evaluation.

Annually, the Legislature will receive the Commission's recommendations for review and appropriation to forward to the Governor for signature.

Long Range Plan:

The Commission must adopt a 6 –year strategic long range plan for Trust Fund expenditures with measurable outcomes and determine areas of emphasis for funding.

Grant Administration and Funding Cycle

To make the funding available on a more timely basis, the funding cycle is adjusted as follows:

- (1) the cycle is changed from biennial to annual;
- (2) the Legislature is asked to take action on the funding recommendations at the beginning of its annual legislative session as stand alone appropriation legislation;
- (3) regional block grants are encouraged; and
- (4) an account should be set up to fund emerging issues outside of the proposed annual grant cycle with final approval by the Governor.

Other Funds to Enhance Trust Fund Expenditures

- Trust Fund Expenditures should seek to maximize leveraging of non-state dollars in project funding
- The Governor and the Legislative should restore the funding for the MN Future Resources Fund for environment and natural resource expenditures.

INTRODUCTION

Advisory Task Force Charge

The Advisory Task Force for the Environment and Natural Resources Trust Fund was established in ML 2005, First Special Session, Chapter 1, Article 2, Section 156 to "examine the process for making recommendations on expenditures from the environment and natural resources trust fund..."

Advisory Task Force Meetings

The Advisory Task Force held its first meeting on Sept. 27, 2005, and met an additional seven times before the report deadline of February 15, 2006. The Task Force Report was adopted on February 7, 2006 by a unanimous vote.

All materials distributed at the Advisory Task Force meetings and meeting minutes are available on the web at www.lcmr.leg.mn. In addition, the audio of all Advisory Task Force meetings is located at this web site.

Facilitation of the Advisory Task Force was conducted under contract with the Department of Administration.

Information Gathering

The Task Force reviewed the Constitutional amendments for the Trust Fund and MS 116P, the statute that implements the constitutional amendment. Various constitutional issues related to governance structures and expenditure options were provided by House and Senate Research for discussion.

The Advisory Task Force also reviewed the current process for Trust Fund expenditures and programs and processes used by other states, local and national foundations and other state grant programs. Included in the review were presentations from:

- **House, Senate and the Office of the Governor.** House and Senate conference committee members, a representative from the Governor's office and the current LCMR chair shared their thoughts on the establishment of the Advisory Task Force and its charge.
- **Public Testimony.** The public was invited to share comments and suggestions to improve the process for Trust Fund expenditures. On November 17, 2005, twenty-three people presented testimony. An additional sixteen written comments were received.

- **Citizen Advisory Committee for the Environment and Natural Resources Trust Fund (CAC).**
All current and former CAC members were invited to share their perspectives with the Task Force during the November 17, 2005 meeting. Three CAC members provided testimony. In addition Nancy Gibson, Chair of the CAC, provided written comments.
- **States with Constitutionally Dedicated Environment and Natural Resource Funding and/or Established Trust Funds.**
Representatives of Great Outdoors Colorado, the Nebraska Environmental Trust, and the Missouri Department of Conservation presented overviews of the programs and activities in their states. House Research provided an Issue Brief on "State Environmental Trust Funds" (Appendix A).
- **Foundations and State Grant Programs.** The McKnight Foundation, the National Fish and Wildlife Foundation, and the Minnesota Arts Board presented overviews of their funding governance and process.

FINDINGS AND CONCLUSIONS

The Task Force deliberations served to balance two overriding interests:

- The interest in providing meaningful citizen involvement in the Environment and Natural Resources Trust Fund decision making process; and
- The interest in maintaining the constitutional responsibility of the legislature to appropriate money and oversee the spending of any appropriation.

The Task Force concluded that the goal of increasing citizen input could be achieved by:

- Adding non-legislative citizen appointments to the make final funding recommendations by creating a Legislative Citizen Commission on Minnesota Resources (Commission).
- Regularly rotating the chair between the citizen and legislative members.
- Requiring a two-thirds majority vote for all final funding decision recommendations.
- Creating a Citizen Selection Committee appointed by the Governor to make recommendations for the citizen appointments.
- Providing for the establishment and use of technical expert advisory committees by the Commission to assist in strategic plan development and proposal review and evaluation.
- Allocating a portion of the Trust Fund dollars to regions, to engage citizens at the local level and to invest in projects that address the unique needs of the area served.

The Task Force also concluded that the constitutional responsibility of the legislature to appropriate money and oversee the spending of any appropriation would be assured by:

- Maintaining legislative members on the Legislative Citizen Commission on Minnesota Resources to determine final project funding recommendations.
- Forwarding final project funding recommendations from the Commission to the full Legislature for review and appropriation.

The Task Force identified the following additional findings and conclusions, based on the results of their information gathering and deliberations.

Guiding principles for Trust Fund Expenditures:

- The Trust Fund expenditures must follow the constitutional “mandate” as defined in MS 116P.02 and allowed in MS 116P.08.
- The Trust Fund must be appropriated by the Legislature.
- The Trust Fund expenditures must provide a long-term benefit to Minnesota’s environment and natural resources.
- The Trust Fund expenditures must supplement and not supplant other environment and natural resource funding.

Governance

- Ensure an open public process in the development of the strategic plan and project funding review.
- Increase the involvement of Minnesota citizens in the Trust Fund strategic plan and expenditure decisions.
- Increase the public outreach for reporting the funding accomplishments.

Long Range Planning

- The long-range plan (strategic plan) must conform to the Trust Fund Constitution and M.S. 116P. 08, Environment and Natural Resources Trust Fund allowed expenditures, and definitions in M. S. 116P.02.
- The strategic plan required in M.S. 116P.08, Subd. 3, must provide measurable outcomes for expenditures and determine areas of emphasis for funding.

Grant Administration

- Increase the frequency of the funding cycle.
- Provide for regional grants to address unique needs of the regions.
- Increase responsiveness to emerging issues.

Other Funds to Enhance Trust Fund Expenditures

- Additional state and non-state sources of funds should be leveraged to enhance and maximize the impact of Trust Fund expenditures.

RECOMMENDATIONS

The Advisory Task Force Recommendations address four major areas including,

- Governance
- Long Range Planning
- Grant Administration
- Other Funds to Enhance Trust Fund Expenditures

The Advisory Task Force recommends that a sunset of June 30, 2016 apply to all of its recommendations.

Governance Structure and Membership

- A 17 member Legislative Citizen Commission on Minnesota Resources (Commission) composed of legislative members and citizen appointed members is created to make final recommendations on the Trust Fund expenditures to the legislature.
- The Commission should consist of a membership size that can provide for streamlined decision making and represent diverse points of view and opinions of elected and non-elected citizens.
- All appointments made to the Commission must take into consideration the appointee's qualifications and interest in the mission of the Trust Fund.
- Members are expected to participate in all meetings related to funding decision recommendations through procedures established by the Commission.
- A conflict of interest process would apply to all members of the Commission.

Composition and Duties

- The composition of the 17 member Commission legislative and non-legislative citizen members is:
 - 7 citizen members
 - 5 House members
 - 5 Senate members
- The Commission makes final project funding recommendations for the Trust Fund to the Legislature.
- Funding decision recommendations require a two-thirds majority vote of the full membership (12 members).
- The Commission must establish and use technical expert advisory panels.
- Citizen appointed members will be selected to chair the technical expert advisory panels.
- The Commission must adopt and regularly review a long-term strategic plan.
- The Commission shall operate within the current legislative administrative structure.

Membership

- Appointment process
 - Legislative members are appointed by the House and Senate.
 - Citizen members are appointed by the Governor (5), House (1) and Senate, (1) based on the recommendations of Governor's appointed Citizen Selection Committee.
- The Commission chair is elected by Commission membership. Selection of the chair rotates between citizen membership and legislative membership.
- Membership Terms
 - The Task Force recommends that the legislature develop term limits for the citizen and legislative appointees, such as:
 - Citizen Membership: Staggered 3-year terms, with a maximum of two full terms
 - Legislative Membership: 2-year terms, with a maximum of 3 full terms.

Citizen Membership Criteria

- Criteria for citizen members to the Commission includes:
 - Demonstrated expertise and experience in the science, policy, or practice of the protection, conservation, prevention and enhancement of the State's air, water, land, fish, wildlife and other natural resources (as defined in 116P).
 - Demonstrated ability to work in a collaborative environment.
 - A strong knowledge of the environment and natural resource issues faced across the variety of geographic regions of the state.

Legislative Membership Criteria

- Criteria for legislative members to the Commission includes:
 - Limiting automatic appointments to be the chairs of the environment finance/budget committees in the House and the Senate, or the Chairs' designees.
 - At least 2 of the 5 appointments from the House and Senate must be minority members.
 - A strong knowledge of the environment and natural resource issues faced across the variety of geographic regions of the state.

Citizen Selection Committee Composition and Duties

- A committee totaling 5 – 8 members, representing a geographic balance and diversity in the environment and natural resource interests, appointed by the Governor, recommends citizen members for appointment to the Commission.
- The Citizen Selection Committee duties include:
 - Identification of citizen Commission member candidates from the open appointments process "pool."
 - Requesting and reviewing special applications for citizen member candidates.
 - Interviewing and recommending a "pool" of member candidates to the Governor, House and Senate.

Long-Range Plan

- The strategic plan required in M.S. 116P.08, Subd. 3, (6- year plan, reviewed every 2 years) must provide measurable outcomes for expenditures and determine areas of emphasis for funding.
- The strategic plan must have clearly stated short and long term goals and strategies for Trust Fund expenditures that can move the environment and natural resources toward the desired outcomes.
- The Commission shall consider the long term strategic plans of agencies with environmental programs and responsibilities and conservation and environmental organizations during the development and review of the Trust Fund strategic plan.
- The long-range plan (strategic plan) adopted by the Commission must conform to the Trust Fund Constitution, M.S. 116P.08, Environment and Natural Resources Trust Fund allowed expenditures, and definitions in M.S. 116P.02.

The Task Force recommends that the Commission strategic plan development consider the following as part of its process:

The Commission should develop the first draft of the Trust Fund long range content plan from their combined expertise on and understanding of statewide issues. Once the first draft of the long range plan has been written, the Commission should review the state agency long range plans to determine what portions of the Commission trust fund plan are already being addressed. The Trust Fund long range plan could then be revised to emphasize funding those identified needs not being addressed in the agency plans.

Additionally, the Advisory Task Force recommends that:

- The Commission recommend adequate funding for the Advisory Task Force recommendations for increased citizen outreach and communications as part of the long-range planning and grant-making functions.

Grants Administration

The Legislature is asked to take action on the project funding recommendations at the beginning of its annual legislative session as stand alone appropriation legislation.

Additionally, it is recommended that the Commission:

- Increase the frequency of the funding cycle to an annual cycle (Example of annual cycle in Appendix B).
- Continue to allow for direct administrative expenses for the project expenditures, as needed
- Establish and use technical advisory review committee(s), in proposal

evaluation and project outcome evaluation.

- Continue to conduct scientific peer reviews for research proposals.
- Research expenditures must focus on the environment and natural resources identified in the Trust Fund Constitution and long-range plan.
- Simplify the grant application and review process.
- Streamline the administration of the project expenditures for recipients.
- Continue to ensure the accountability of the expenditures and provide for the evaluation of the projects and the auditing of the expenditures.

The Advisory Task Force also recommends that staff of the Commission be given a stronger role in the screening and initial evaluation of proposals.

In addition to making specific project funding recommendations, the Commission should consider recommending funding for regional block grants and an account for emerging issues.

Regional Block Grants

The Commission should consider establishing regional block grants for a portion of the funding to:

- Partner with existing administrative structures that have strong citizen involvement
- Leverage local and federal funding.
- Help build local capacity for the environment and natural resource activities, education and awareness.
- Address unique needs of areas served.
- Capture potentially high-return, local citizen efforts.

The Commission should consider providing the block grants to existing regional organizations.

The regional block grant expenditures must conform to Constitutional and statutory authorizations and the adopted long-range plan.

Grant recipients must report their grant awards and evaluation results to the Commission and be expected to maximize the funding provided to projects, minimize the administrative dollars, and leverage additional funds.

Emerging Issues Account

The Commission is encouraged to establish an account for emerging issues to be appropriated by the legislature for the Commission to respond rapidly to emerging issues brought to their attention. Expenditures would need to conform to the adopted strategic long-range plan. Recommendations for the account expenditures are subject to final approval by the Governor.

Other Funds to Enhance Trust Fund Expenditures

- Trust Fund expenditures should seek to maximize the leveraging of non-state dollars in project funding by partnering with 501c(3)s, other organizations and agencies.
- It is recommended the Governor and the Legislature restore the funding for the MN Future Resources Fund for environment and natural resource expenditures.
- The Governor and Legislature are encouraged to recognize the need for the environment and natural resource project funding in the capital bonding considerations.

Report of the Environment and Natural Resources Trust Fund Advisory Task Force

February 15, 2006

Adopted February 7, 2006

List of Appendices

- A. House Research Issue Brief – “State Environmental Trust Funds”**
- B. Example of possible annual funding cycle**
- C. Environment and Natural Resources Trust Fund Background**
 - C-1. A History of the Trust Fund appropriated dollars**
 - C-2. Flow Chart diagram of the current LCMR funding process and schedule**
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 - C-4. Trust Fund Vision and Mission adopted 1990**
 - C-5. M.S. Chapter 116D.11 Energy and Environmental Strategy Report**
 - C-6. Projections of Assets in the Environmental Trust Fund, Nov. 14, 2005, State Board of Investment**

HOUSE RESEARCH

Information Brief

John Helland, Legislative Analyst
651-296-5039

December 2005

State Environmental Trust Funds

This information brief provides summary background on the known environment and natural resources trust funds that have been established in states around the country. It addresses four basic questions for each state:

- (1) Is the trust fund established in the state's constitution or by statute?
- (2) Is the trust fund money for broad-based purposes or only limited spending?
- (3) Are there any specific restrictions on spending the trust fund money?
- (4) Who makes up the trust fund governing board, and who appoints its members?

Alabama

How the fund is established

Constitutionally dedicated as the *Forever Wild Trust Fund*. (Ala. Const. of 1901, Amendment 543)

Spending purposes

The constitutional language is broad for spending purposes, which include spending to:

- "Protect, manage, and enhance certain lands and waters of Alabama with full recognition that this generation is a trustee of the environment for succeeding generations;
- Protect, to the fullest extent practicable, recreational lands and areas of unique ecological, biological and geological importance; and
- Promote a proper balance among population growth, economic development, environmental protection, and ecological diversity."

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Many House Research Department publications are also available on the Internet at: www.house.mn/hrd/hrd.htm.

Spending restrictions The governing board may not construct or improve buildings, structures, or facilities used for human lodging, feeding, or entertainment, including hotels, restaurants, convention centers, meeting halls, golf courses, dancing pavilions, tennis courts, recreational dams, and similar facilities.

Who makes up the governing board The governing board is composed of 15 members: nine citizens whom are appointed by the governor and who must reside in geographic locations throughout the state, the state forester, the director of the Marine Environmental Sciences Consortium, the Commissioner of Conservation and Natural Resources, and three members with scientific background chosen by three separate Alabama colleges.

Arizona

How the fund is established Created in 1990 through a ballot initiative and established in state statute as the *Arizona Heritage Fund*. (Ariz. Rev. Stat. § 41-502)

Spending purposes The funding is for local, regional, and state parks and trails, water conservation, and historic preservation, with specific percentages for the various programs:

- 5 percent for local, regional and state trails
- 35 percent for local, regional, and state parks for outdoor recreation purposes
- 17 percent for acquisition of natural areas
- 17 percent for local, regional, and state historic preservation programs
- 4 percent on maintenance, operation, and management of natural areas
- 17 percent on state park acquisition and development
- 5 percent on environmental education

Spending restrictions No entity may receive more than 20 percent of the funds available annually, and any interest earned in the trust fund must be expended according to the exact percentages identified above.

Who makes up the governing board The State Parks Board administers the trust fund and is made up of the state land commissioner and six citizens at-large, appointed by the governor.

Colorado

How the fund is established	Article XXVII of the Colorado Constitution (1980) allots state lottery proceeds (capped at \$35 million, adjusted annually for inflation) to the <i>Great Outdoors Colorado Trust Fund</i> , called GOCO.
Spending purposes	<p>There are four major categories—outdoor recreation, wildlife, open space, and local government—where the constitutional language requires trust fund expenditures to be made on a substantially equal basis for projects. Five competitive grant cycles are outlined:</p> <ul style="list-style-type: none">• Open space and natural areas: projects in urban, suburban, and rural areas• Local government: awarded to local governments to acquire, establish, expand, and enhance park and outdoor recreation facilities, including environmental education• Legacy: major regional or statewide projects that combine two or more of the board's four funding categories• Trails: construction of new trails, trail renovation, acquisition of land or permanent easements for trail access, and trailhead development• Planning and capacity: seed grants to local governments and nonprofit organizations primarily for land conservation planning
Spending restrictions	The constitutional language explicitly provides that the expenditures of the funds "...shall not be subject to legislative appropriation or restriction." Money also cannot be used in condemnation proceedings.
Who makes up the governing board	The governing board is composed of 17 members, 14 appointed by the governor from the seven congressional districts—and no two in each district from the same political party—and the executive director of the Department of Natural Resources, a representative from the State Parks Board, and a representative from the State Wildlife Commission.

Florida

How the fund is established	Established in state statute (1999) as the <i>Florida Forever Act</i> . (Fla. Stat. § 259.105)
Spending purposes	<p>The act primarily functions for land acquisition needs of natural resources through the sale of state bonds, and the funds are divided as follows:</p> <ul style="list-style-type: none">• 35 percent to the Department of Environmental Protection (DEP) for acquisition of lands that are necessary to implement water management district's priority lists

- 35 percent to DEP for acquisition of lands and capital project expenditures
- 22 percent to the Department of Community Affairs (DCA) for grants to local governments or nonprofit environmental organizations that are tax exempt under subchapter S for the acquisition of community-based projects, urban open spaces, parks, and greenways to implement local government comprehensive plans
 - ▶ 75 percent of the funds available for land acquisition shall be matched by local governments on a dollar-for-dollar basis and at least 30 percent of the total allocations must be used in Standard Metropolitan Statistical Areas, but one-half that amount shall be used in localities in which the project site is located in built-up commercial, industrial, or mixed-use areas to intersperse open spaces within congested urban spaces
 - ▶ No less than 5 percent shall be used to acquire lands for recreational trail systems
 - ▶ Any lands purchased by nonprofit organizations using trust funds must provide for such lands to remain permanently in public use through a reversion of title to local or state government, conservation easement, or other appropriate mechanism
- 2 percent to the DEP for grants "to qualified local governmental entities to acquire or develop land for public outdoor recreation purposes." Fla. Stat. § 375.075(1).
- 1.5 percent to DEP for the purchase of inholdings and additions to state parks and for capital project expenditures as described in this section. Capital project expenditures may not exceed 10 percent of the trust funds.
- 1.5 percent to the Division of Forestry of the Department of Agriculture and Consumer Services to fund the acquisition of state forest inholdings and additions, the implementation of reforestation plans or sustainable forestry management practices, and for capital project expenditures. Capital project expenditures may not exceed 10 percent of the funds allocated to the department.
- 1.5 percent to the Fish and Wildlife Conservation Commission to fund the acquisition of inholdings and additions to lands managed by the commission that are important to the conservation of fish and wildlife and for capital project expenditures as described in this section. Capital project expenditures may not exceed 10 percent of the funds allocated to the commission.

- 1.5 percent to DEP for the Florida Greenways and Trails Program, to acquire greenways and trails or greenways and trail systems including, but not limited to, abandoned railroad rights-of-way and the Florida National Scenic Trail and for capital project expenditures. Capital project expenditures may not exceed 10 percent of the funds allocated under this paragraph.

**Spending
restrictions**

No specific statutory restrictions are specified.

**Who makes up
the governing
board**

Governed under the Acquisition and Restoration Council, which has nine members: four appointed by the governor who have scientific backgrounds, and five executive cabinet members from the Department of Community Affairs, DEP, divisions of forestry and historical resources, and the Fish and Wildlife Conservation Commission.

Indiana

**How the fund
is established**

Created in state statute (1995) as the *Indiana Heritage Trust Fund*. (Ind. Code § 14-12-2-1)

**Spending
purposes**

Established to provide funds for land acquisition and preservation for the purposes of protecting outstanding natural features and habitat, historical and archaeological preservation, and conservation and restoration of biological diversity.

**Spending
restrictions**

Money may not be expended on the costs of constructing structures, removal and remediation of hazardous substances, and wastewater treatment projects. No eminent domain may be utilized for land acquisition.

**Who makes up
the governing
board**

The governing foundation board has 17 members: 12 appointed by the governor from each congressional district, and two members each from the legislative House and Senate, and the state treasurer.

Maryland

**How the fund
is established**

Established in statute (1973) as the *Maryland Environmental Trust*. (Md. Code Ann. § 3-201)

**Spending
purposes**

The statute is very broad for the purpose of land acquisition. The stated purpose of the trust fund is to "...perpetuate the aesthetic, natural, health and welfare, scenic, and cultural qualities of the environment, including,

but not limited to land, water, air, wildlife, scenic qualities, open spaces, buildings or any interest...pertaining to any way to the State." Money is allocated to the trust through state appropriations and private donations, most of the latter being land.

**Spending
restrictions**

There are no specific statutory restrictions on spending trust fund dollars.

**Who makes up
the governing
board**

The board of trustees has 15 members, 12 citizens whom are appointed by the governor, and a representative each from the governor's cabinet, the House, and the Senate.

Michigan

**How the fund
is established**

The *Michigan Natural Resources Trust Fund* was established by constitutional amendment in 1963 and expenditures are governed by state statute (clarified in 1994). (Mich. Stat. Ann. § 324.1902)

**Spending
purposes**

The trust is funded by bonuses and royalties collected or reserved by the state for the lease of nonrenewable resources from state-owned lands. The interest and earnings of the trust fund must be expended for the following:

- Land acquisition or rights in land for recreational uses, or protection of the land because of its environmental importance and scenic beauty
- Development of public recreational facilities
- Administration of the trust fund, which may include payments in lieu of taxes on state-owned land purchased through the trust fund

**Spending
restrictions**

No less than 25 percent of total annual expenditures from the fund can be for development of land acquisition and rights in land, and no more than 25 percent can be expended for development of public recreational facilities.

**Who makes up
the governing
board**

Michigan's trust fund board is composed of five members, the director of the Department of Natural Resources and four citizens appointed by the governor.

Minnesota

How the fund is established

Constitutionally dedicated as the *Minnesota Environmental and Natural Resources Trust Fund*, established under Minnesota Constitution, article XI, section 14.

Spending purposes

Money in the trust fund may be spent only for:

- the Reinvest in Minnesota program as provided in Minnesota Statutes, section 84.95, subdivision 2;
- research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;
- collection and analysis of information that assists in developing the state's environmental and natural resources policies;
- enhancement of public education awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish wildlife, and other natural resources;
- capital projects for the preservation and protection of unique natural resources;
- activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;
- administrative and investment expenses incurred by the State Board of Investment in investing deposits to the trust fund; and
- administrative expenses subject to the limits in section 116P.09, for the commission.

Spending restrictions

Money from the trust fund may not be spent for:

- purposes of environmental compensation and liability under chapter 115B and response actions under chapter 115C;
- purposes of municipal water pollution control under the authority of chapters 115 and 116;
- costs associated with the decommissioning of nuclear power plants;
- hazardous waste disposal facilities;
- solid waste disposal facilities; or
- projects or purposes inconsistent with the strategic plan.

Additionally, the trust fund may not be used as a substitute for traditional sources of funding environmental activities.

Who makes up the governing board A legislative commission on Minnesota resources composed of ten legislators each from the House and Senate, including certain funding and policy chairs; recommends a trust fund budget plan to the full legislature for approval.

Nebraska

How the fund is established Protected by a constitutional amendment in 2004, 44.5 percent of lottery proceeds are deposited in the *Nebraska Environmental Trust Fund*, which was created by statute in 1992.

Spending purposes The fund was established for broad purposes: "...conserving, enhancing, and restoring the natural physical and biological environment...including the air, land, ground water and surface water, flora and fauna, prairies and forests, wildlife habitat, and natural areas of aesthetic or scenic values." Priority funding categories are:

- preservation and restoration of wetlands and other areas critical to rare or endangered species;
- protection of lakes and streams from deterioration due to pollution;
- fostering of good management practices to preserve groundwater from degradation, and clean-up of soils and groundwater;
- development of recycling markets and reduction of the volume and toxicity of solid waste; and
- strategies to manage carbon in the atmosphere, and sequester carbon in the soil.

Spending restrictions Not subject to legislative approval. No land using trust fund money may be acquired by condemnation.

Who makes up the governing board The 14-member governing board is made up of nine citizens (three from each of the three congressional districts) appointed by the governor, and five related state agency directors.

New Jersey

How the fund is established Created by constitutional amendment in 1998 as the *Garden State Preservation Trust*, with a goal to preserve one million acres of land by 2008.

Spending purposes The constitutional amendment dedicated \$98 million annually for ten years to a variety of preservation efforts and authorized the issuance of up to one billion dollars in revenue bonds. The trust fund money goes to three major areas—historic preservation, farmland preservation, and green acres. The following program areas comprise the Green Acres program:

- State park and open space acquisition
- Local government grants and nonprofit funding for land preservation
- Planning and technical assistance grants
- Stewardship for monitoring and maintenance of land preservation efforts

Spending restrictions No specific constitutional or statutory restrictions on expenditure.

Who makes up the governing board A nine-member governing board is composed of five citizens, with one appointed by the governor, and two each appointed by the leadership of the House and Senate, and four cabinet heads, including the secretaries of state and treasury.

North Carolina

How the fund is established Created by statute for three distinct trust funds in 1987, 1991, and 1996.

Spending purposes Funding for each trust fund comes from state deed transfer revenue when property is sold. *The Parks and Recreation Trust Fund* allocates revenue as follows: 65 percent to state parks for acquisition and development; 30 percent for matching grants to local governments for park and recreation needs; and 5 percent for a coastal and estuary water access program.

The Natural Heritage Trust Fund is used for acquiring ecologically diverse land, natural areas in the state, and historic properties. It also receives a portion of vanity license plate sales.

The Clean Water Management Trust Fund revenues go to help projects that specifically address water pollution problems. This fund is mainly funded by legislative appropriations.

Spending restrictions Each fund is very specific for the type of projects the money is intended for, and no specific restrictions are mentioned.

Who makes up the governing board The Parks and Recreation Trust Fund's 11-member board has three citizens appointed by the governor and four members each appointed by the House and the Senate.

The Natural Heritage Trust Fund's nine-member board has three citizens each appointed by the governor, the House, and the Senate.

The Clean Water Management Trust Fund 21-member board has seven citizens appointed by the governor and seven each by the House and the Senate.

South Carolina

How the fund is established Established by state statute in 1995 as the *Legacy Trust Fund*. (S.C. Code Ann. § 51-22-20)

Spending purposes Funded by state appropriations and private donations, the fund has the following purposes:

- Acquire sensitive ecological resources
- Preserve, renovate, and restore historic sites
- Protect habitat for plant and animal species considered endangered
- Acquire and develop resource-based recreational projects and facilities

Spending restrictions No land or properties may be acquired by eminent domain, and the trust fund may not hold title or interest in land. Specific state and nonprofit entities are listed to hold title and interest in land.

Who makes up the governing board There is a 15-member governing board composed of 13 citizens (two from each of the six congressional districts and one other at-large who serves as chair), the chair of the Senate Finance Committee, and the chair of the House Ways and Means Committee, or their designees.

Virginia

How the fund is established The *Natural Resources Trust Fund* was established in 1999 by state statute. (Va. Code Ann. § 10.1-1017)

Spending purposes Funded by state appropriations and private donations, the fund is designed to establish permanent conservation easements and direct land acquisition of open space and parklands, lands of historic or cultural significance, farmlands and forests, and natural areas.

Spending restrictions No eminent domain may be used, and no legislative approval is required.

Who makes up the governing board The Virginia Land Conservation Board's 18-member board is made up of 11 citizens appointed by the governor representing each congressional district, four citizens appointed by the House, two citizens appointed by the Senate, and the Secretary of Natural Resources.

Several of these state's trust funds are discussed in more detail in the House Research publication, *Natural Resources Trust Funds and Their Citizen Committees*, October 2002.

For more information about natural resources, visit the environment and natural resources area of our web site, www.house.leg.state.mn.us/hrd/issinfo/environ.htm.

Appendix B

Advisory Task Force on the Trust Fund

Appendix to Report - Possible Annual Funding Calendar

For further determination by the joint Legislative Citizen Commission on Minnesota Resources.

Note, the first year may be more difficult because of appointments and organizational issues.

Early to mid fall -- Issue RFP

Late fall to early winter -- RFP Deadline date
 -- Proposal Evaluations

Winter -- Recommendation presented to Legislature
 Consideration by Legislature as a stand alone bill
 early in the session.

July 1, of each year -- First date money can be spent by recipients by
 Constitution

The RFP deadline to the money available to spend can be done in 6 to 7 months once the funding cycle matures.

BACKGROUND

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND BACKGROUND

Trust Fund Establishment Background:

Trust Fund Constitutional Amendments and MN Statutes 116P.

Purpose and Assets

Amendments to the Minnesota Constitution and MN Statutes provide the legal framework that establishes and defines the purpose and assets of the Environment and Natural Resources Trust Fund (Trust Fund).

The Trust Fund was established as it is today through three Constitutional Amendments adopted in 1988, 1990, and 1998.

The 1988 amendment proposed the first constitutional amendment to the voters to set up an environmental and natural resources trust fund. MN Statutes 116P, enacted prior to the passage of the first amendment, established the governance structure for the fund expenditures and further defined allowable expenditures.

The 1990 and 1998 amendments constitutionally dedicated a portion of MN lottery proceeds, restated the purpose of the fund and the requirement to appropriate the assets by law. The 1998 amendment also amended the amount available for expenditure.

MN Constitution, Art. XI, Sec. 14

The complete text of the current constitutional language as adopted by the 1998 amendment is:

Art. XI. Sec. 14. ENVIRONMENT AND NATURAL RESOURCES FUND. A permanent environment and natural resources trust fund is established in the state treasury.

Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law.

The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources.

The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium.

Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund until the year 2025. [Adopted, November 8, 1988; Amended, November 6, 1990; November 3, 1998]

- The phrase "other natural resources" is defined in MS 116P.02, Subd. 5 as: "includes the outdoor recreation system under section 86A.04 and regional recreation open space systems as defined under section 473.351, subdivision 1." These definitions include the state park and trail system, state historic sites and the metropolitan regional park and open space system.
- MS 116P.03 states that the Trust fund is not to supplant existing funding, but shall supplement the traditional sources used to support the criteria in section 116P.08.
- 116P.08 as adopted in 1988, further defines the allowable expenditures of the constitutionally dedicated dollars in the Trust Fund. MS 116P.08 has not been changed since the initial legislation establishing the Trust Fund.

MS 116 P.08 states:

116P.08 Trust fund expenditures; exceptions; plans.

Subdivision 1. Expenditures. Money in the trust fund may be spent only for:

- (1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;***
- (2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;***
- (3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;***
- (4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;***
- (5) capital projects for the preservation and protection of unique natural resources;***
- (6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;***
- (7) administrative and investment expenses incurred by the State Board of Investment in investing deposits to the trust fund;***
- and (8) administrative expenses subject to the limits in section 116P.09.***

Subd. 2. Exceptions. Money from the trust fund may not be spent for: (1) purposes of environmental compensation and liability under chapter 115B and response actions under chapter 115C;

- (2) purposes of municipal water pollution control under the authority of chapters 115 and 116; (3) costs associated with the decommissioning of nuclear power plants;***
- (4) hazardous waste disposal facilities;***
- (5) solid waste disposal facilities;***
- or (6) projects or purposes inconsistent with the strategic plan.***

- A history of the Trust Fund appropriated dollars is in Appendix C-1.

1. GOVERNANCE – FUNDING DECISIONS FOR EXPENDITURES

Background on Current Governance:

The MN Constitution directs the purpose, assets and appropriation of the Trust Fund. MS 116P further defines the governance of the fund expenditures. 116P defines the role of the executive and legislative branches of government as well as the specific advisory roles of the Legislative Commission on Minnesota Resources (LCMR) and the Citizen Advisory Committee for the Trust Fund (CAC).

Legislative Commission on Minnesota Resources (LCMR)

The LCMR is advisory to the legislature (116P.05). The LCMR adopts a strategic plan for Trust Fund expenditures using the advice of the CAC and recommends project expenditures from the Trust Fund assets.

The LCMR is a 20 member bicameral/bipartisan legislative body composed of 10 members from the House and 10 members from the Senate. They are appointed by the House and Senate. Six of the 20 positions are designated committee chairs. The membership of the LCMR at the time of adoption of the 1988 amendment was 16 members. It was expanded to 20 members in 1998.

MN laws 2005, First Special Session, Chapter 1, Art. 2, contains a sunset provision.

“The duties of the Legislative Commission on Minnesota Resources to recommend expenditures from the environment and natural resources trust fund expire on June 30, 2006.”

If no action is taken by the 2006 Legislature, the Trust Fund expenditures will be determined by the House and Senate Environment Finance Committees without recommendations by the LCMR or CAC. The Governor can currently propose expenditures to the Legislature from the Trust Fund and could continue to do so in the future.

Legislature and Governor

The funding recommendations must be appropriated by law by the Legislature and signed by the Governor (116P.08, Subd. 4 – Budget Plan). Currently, specific line item expenditures are proposed to the legislature by the LCMR for funding consideration. LCMR funding recommendations are forwarded to the Governor for inclusion in the biennial budget. In addition, the Governor has line item veto authority of the appropriations adopted by the legislature.

Citizen Advisory Committee (CAC)

The Citizen Advisory Committee for the Environment and Natural Resources Trust Fund is an 11 member committee, with at least one from each of the 8 congressional districts appointed by the Governor and confirmed by the Senate (116P.06). The Citizen Advisory Committee is advisory to the LCMR on the Strategic Plan for the Trust Fund expenditures and the funding expenditures.

Conflict of Interest

MS 116P.09 Subd. 6 establishes guiding principles for conflict of interest for LCMR members, CAC and LCMR staff. Rules established by the legislature further define legislative conflict of interest. The CAC has adopted its own conflict of interest procedures.

2. GRANT ADMINISTRATION

Background of Current Process for Grant Administration

- Appendix C-2 provides a flow chart diagram of the current funding process and schedule
- The following presents this information in a chronological order:

Request for Proposal

A RFP, adopted by the LCMR, with funding priorities, evaluation criteria, schedule and eligible costs is issued every two years to line up with the biennial budget process. Typically, the proposal process is open for 2-3 months from the issuance of the RFP to the proposal deadline. The RFP deadline is usually February or March in the even numbered year of the biennium.

Anyone is eligible to apply. The proposal format requested consists of a three page maximum. There is not a predetermined geographic allocation or per capita allocation. There is no minimum or maximum dollar amount that can be requested.

Upon request, LCMR staff provides assistance to project funding proposers and review drafts of their proposals in advance of the final submission.

Once proposals are received they are sorted and ranked by LCMR staff according to the criteria in the adopted strategic plan/RFP. Outside technical assistance is periodically sought during this proposal review process.

Eligible/ineligible costs are stated in the RFP and dollars are administered on a reimbursement basis for non-state agency entities, as required by MN law.

- Current eligible/ineligible costs are in Appendix C-3.

Funding Deliberations

Initial Proposal Review

The CAC reviews the proposals and recommends proposals for further consideration (hearing).

The LCMR, using the CAC advice, the LCMR staff ranking and other outside advice received decides how many proposals and which proposals to ask in for an interview.

Since the number of proposals received and the dollar amount requested far exceed the money available (about 7 dollars requested for each dollar available) a portion of the proposals received are eliminated from further consideration. Projects chosen for further consideration are those determined to best meet the funding criteria. This does not

mean that proposals eliminated would not meet the funding criteria, but rather they are determined to be a lower priority or they have possibly received other funding since the time of submission (e.g. state bonding dollars).

During the most recent biennium (FY 06-07) 221 proposals were received requesting over \$240 million. 93 proposals requesting over \$182 million were chosen for further consideration. Approximately \$39 million was available for funding.

Proposal Review

Proposers (project managers) are invited to appear before the LCMR to explain their proposal and respond to questions. Typically, about 30 minutes is spent per proposal during this interview process. During LCMR deliberations, the Commission might again seek additional outside assistance in the review of groups of proposals on specific topics. The CAC is authorized to attend the hearings to ensure the members have more information (beyond the initial 3 page proposal) to assist in making their funding recommendations to the LCMR.

Funding Recommendations:

The CAC develops a set of project funding recommendations to the LCMR.

The LCMR, using the CAC advice, then develops a set of recommendations to the legislature in the form of a draft appropriation law.

It is about 6 months from the proposal deadline to the determination of an initial funding recommendation by the LCMR.

Part of the LCMR funding recommendations are the funding of ongoing grant programs for projects such as local and regional parks, small community and habitat projects, metro habitat corridor restoration and acquisition, and local water plan implementation. Funding of these programs enables access to funding for these types of projects throughout the biennium. The LCMR reviews the specific funding allocations of these programs during the biennium.

Enhanced Proposed Scope of Work

After the LCMR funding deliberations are completed more detailed work programs based on the dollars recommended for funding are requested of proposers (116P.05, subd. 2c). Often, projects are not funded at the full dollar amount requested either in the CAC advice to the LCMR or in the final LCMR recommendation. LCMR staff works with the project proposers to ensure that the dollar amount recommended provides for a viable project. If the reduced dollar amount recommended negatively impacts the project proposal, the LCMR is informed before it completes its advice to the legislature.

Peer Review

A formal peer review process on research projects or projects with research elements takes place on projects recommended for funding by the LCMR. The peer review (116P.08, subd. 6) is required to take place before the appropriation is made. The peer review is conducted on the full project work program, not the initial proposal. The peer reviewers are required to comment on the methodology and need for the research. Peer review is also required on completed research projects. The peer review panel is appointed by the LCMR and its findings are reported to the LCMR and the CAC. Peer review takes place prior to the final recommendation of the LCMR to the legislature.

Legislative Review of Proposed Funding

The Trust Fund is appropriated on a biennial basis for each year of the funding available to coincide with the biennial budget process.

Projects proposed to receive funding are presented to the legislature in the odd year of the biennium in appropriation law form and are reviewed by the funding committees.

At times, the funding recommendations have been considered by the legislature as a separate piece of appropriation legislation. This process has often allowed adoption of the funding recommendations early in the legislative session. However, in recent years, the recommendations have been held for inclusion in the omnibus Environment appropriation bill, which is usually adopted in the last days of the legislative session. Consequently, the time from LCMR recommendation to full legislative action and signature by the Governor can be up to one year. In total the time from the proposal deadline to availability of the dollars can be approximately 18 months.

Project Duration

Projects typically take 3 years to complete due to field season work and complexities of acquisitions. Some projects are authorized over longer periods of time and some receive funding over several biennia with review of spending capability.

Evaluation

The work program is again reviewed and approved by the LCMR after legislative action and before the project funding begins. Periodic progress reports (semiannual) are required during the project funding period for evaluation. Oversight is conducted by LCMR staff and periodically by LCMR members during factfinding activities. Final reports are required for all projects funded.

3. LONG-RANGE PLANNING

Background

MS 116P.08 requires a strategic plan. The first strategic plan for the Trust Fund was adopted in 1990. The statute text is as follows:

MS 116P.08, Subd. 3 Strategic plan required. (a) The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. The strategic plan must be updated every two years. The plan is advisory only. The commission shall submit the plan, as a recommendation, to the house of representatives Ways and Means and senate Finance Committees by January 1 of each odd-numbered year. (b) The commission may accept or modify the draft of the strategic plan submitted to it by the advisory committee before voting on the plan's adoption.

- According to MS 116P.08, the six-year plan for priority areas for funding must be updated every two years and the plan is advisory only.
- Originally a separate strategic plan and RFP were adopted. The plan is currently published as a detailed RFP and is revised every two years. The original adopted

Trust Fund Vision and Mission from 1990 remains in place (Appendix C-4). Priorities for funding, proposal evaluation criteria and the timetable for decision making are listed in the RFP.

- In developing the strategic plan, advice on emerging issues is sought from natural resources experts from local units of government, private and nonprofits and state and federal agencies. In addition, public forums have been held to get more general citizen input. In the last two biennia there has also been a web questionnaire seeking advice on priorities for funding. In 2003, over 480 individual responses were received.
- In M.S. Chapter 116D, Environmental Policy, 116D.10, an Energy and Environmental Strategy Report is required each even numbered year.

See Appendix C-5

116D.11, Each department or agency of the state is required to assist in the report preparation. In Subd 2, the Environmental Quality Board has the responsibility to prepare the report.

4. Other Funds to Enhance Trust Fund Expenditures

Background:

- **Minnesota Future Resources Fund**
Since 1963, the LCMR has made funding recommendations to the legislature for environment and natural resources projects from the MN Future Resources Fund (MFRF). The MFRF received its revenue from a tax of approximately two cents per pack of cigarettes. In 2003, the revenue to the MFRF was \$7-8 million per year. In 2003, the MFRF was redirected to the general fund.
- **Appendix C-6**, Projections of Assets in the Environmental Trust Fund , Nov. 14, 2005, State Board of Investment

Appendix C-1

Appropriations from Revenue Sources available to the LCMR for Funding Recommendations

Appropriation Year	Environment and Natural Resources Trust Fund	Future Resources Fund	Oil Overcharge Money	Land & Water Conservation (LAWCON)	Great Lakes Protection Account	Totals
1991 <i>Ch 254 Art. 1 Sec. 14</i>	14,960,000	16,534,000	3,500,000		0	34,994,000
1993 <i>Ch 174 Sec. 14</i>	24,600,000	14,662,000	2,012,000		0	41,274,000
1994 <i>Ch 632 Art. 2 Sec. 6</i>	1,346,000	1,404,000	0		0	2,750,000
1995 <i>Ch 229 Sec. 19, 20, 21</i>	18,019,000	15,083,000	2,055,000		130,000	35,287,000
1996 <i>Ch 407 Sec. 8</i>	1,630,000	3,258,000	0		0	4,888,000
1997 <i>Ch 216 Sec. 15</i>	22,270,000	14,668,000	150,000		120,000	37,208,000
1999 * <i>Ch 231, Sec. 16</i>	26,010,000	16,040,000	0		200,000	42,250,000
2001 <i>1st. Sp.Ses., Ch. 2, Sec. 14</i>	34,620,000	15,385,000	180,000		87,000	50,272,000
2002 <i>Ch. 220, Art. 8, Sec. 1 & 8</i>	316,000	0	0		0	316,000
2003 *** <i>Ch. 128, Art. 1, Sec. 9</i>	30,100,000	17,870,000 0 *	519,000	2,000,000 **	56,000	50,545,000 32,675,000
2005*** <i>1st. Sp.Ses., Ch. 1, Art. 2, Sec. 11</i>	33,560,000	0	0	1,600,000 **	0	35,160,000
	173,871,000	114,904,000	8,416,000	3,600,000	593,000	367,619,000

NOTE: Does not reflect vetoes below.

* 1999 Veto
 350,000 TF
 200,000 TF
 1,200,000 FRF
 1,750,000

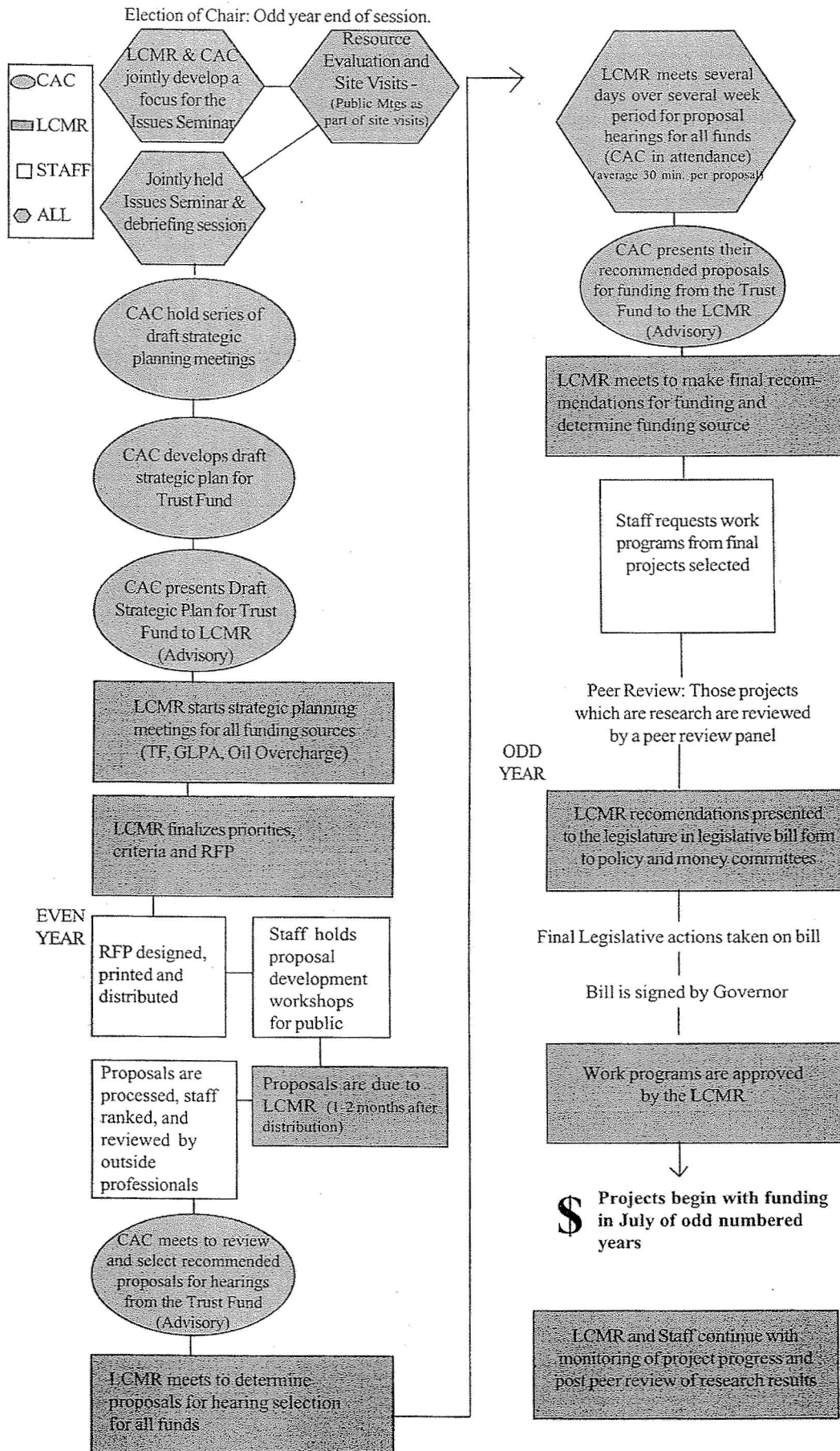
** 2001 Veto
 275,000 FRF
 455,000 TF
 730,000

***2005 Veto
 4,098,000 TF
 28,000 GLPA
 4,126,000

* 2003 Future Resource Fund was readirected to the General Fund, not to be recommended by the LCMR per ML 2003, Ch. 128, Art. 1, Sec. 146 & Sec. 155.

** Previous to 2003, the LAWCON money was included in the Future Resource Fund appropriation for purposes of this chart.

LCMR Current 2 Year Proposal Process Cycle, as of October 2005



ELIGIBLE & NON-ELIGIBLE COSTS

ELIGIBLE COSTS

Eligible costs are those costs directly incurred through Project activities that are solely related to and necessary for producing the work products described in the approved Work Program during the appropriation period. All dollars are awarded on a reimbursement basis, unless specifically authorized.

Eligible costs may include the following and are eligible only if specified in the approved Attachment A of the Work Program. Eligible costs must be documented as specified in the Reimbursement Manual available from the authorized contract person for the State:

- a. Expenditures incurred only after the effective date in the approved Work Program. No expenditures will be allowed after June 30, 2007 unless approved by specific law;
- b. Capital expenditures for facilities, equipment & other capital assets as expressly approved in the Work Program. For expenditures greater than \$3,500, the Recipient must include in the Work Program an explanation as to how all the equipment purchased with the appropriation will continue to be used for the same program through its useful life, or, if the use changes, a commitment to pay back to the Environment & Natural Resources Trust Fund an amount equal to either the cash value received or a residual value approved by the director of the LCMR if it is not sold;
- c. Computers, if unique to the project and specifically approved in the work program;
- d. Materials and supplies specific to the project and incoming freight charges for them;
- e. Publication & printing costs (including the process of composition, plate-making, press work, & binding & the end products produced) necessary for contract administration; work products production; & biennial reports relating to work program accomplishments;
- f. Transportation & travel expenses such as lodging, meals, & mileage of personnel involved in the Project in the same manner and in no greater amount than provided for in the current "Commissioner's Plan" promulgated by the Commissioner of Employee Relations and as provided by LCMR or, for University of Minnesota (U of M) projects, the University of Minnesota plan found at <http://www.fpd.finop.umn.edu/groups/ppd/documents/policy/travel.cfm>. Allowable meal & lodging expenses are for employees only. Purchasing meals for others is not an allowable expense. All out of state travel must be explicitly approved in the Work Program;
- g. Wages & expenses of salaried Recipient employees if specified and documented in the Work Program. For State Agencies: use of unclassified staff only OR request approval for the use of

classified staff accompanied by an explanation of how the agency will backfill that part of the classified staff salary proposed to be paid for with this appropriation. This is subject to specific discussion and approval by LCMR;

- h. Fringe benefit costs limited to salary, FICA/Medicare, retirement, and health insurance of Recipient's employees if specified in the Work Program;
- i. Professional services specified in the approved Work Program that are rendered by individuals or organizations not a part of the Recipient;
- j. Eligible expenditures incurred after the effective date of the approved Work Program and before the effective date of their Agreement.

NON-ELIGIBLE COSTS

Non-eligible costs for reimbursement mean all costs not defined as eligible costs, including but not limited to the following:

- a. Any costs incurred before the project is authorized, July 1, 2005 or Work Program approval; whichever is later;
- b. Fund raising;
- c. Taxes, except sales tax on goods and services;
- d. Insurance, except title insurance;
- e. Attorney fees, except for acquisition and clearing title to land;
- f. Loans, grants, or subsidies to persons or entities for development;
- g. Bad debts, late payment fees, finance charges or contingency funds; Interest, Investment management fees;
- h. Lobbyists, Political contributions;
- i. Memberships (including subscriptions and dues);
- j. Indirect costs, such as office maintenance, office utility costs, refreshments for staff, decorations, office material & supplies;
- k. Directors or officers salary;
- l. Office rental fees (including storage space rental);
- m. Publications & periodicals;
- n. Merit awards and bonuses;
- o. Employee worksite parking;
- p. Entertainment; Gifts and prizes; Food and refreshments;
- q. Audio visual equipment;
- r. Advertising costs;
- s. Communication costs incurred for telephone calls, postage, and similar services. Purchase of communication devices such as pagers, cell phones, personal data assistants (PDAs);
- t. Computers (unless unique to the project & specifically approved in the work program).

I. TRUST FUND VISION STATEMENT

All Minnesotans have an obligation to use and manage our natural resources in a manner that promotes wise stewardship and enhancement of the state's resources for ourselves and for future generations. The Trust Fund is a perpetual fund that provides a legacy from one generation of Minnesotans to the many generations to follow. It shall be used to preserve, protect, restore and enhance both the bountiful and the threatened natural resources that are the collective heritage of every Minnesotan. It shall also be used to nurture a sense of responsibility by all, and to further our understanding of Minnesota's resource base and the consequences of human interaction with the environment.

II. TRUST FUND MISSION STATEMENT

The mission of the Trust Fund is to ensure a long-term secure source of funding for environment and natural resource activities whose benefits are realized only over an extended period of time.

==116D.10

116D.10 Energy and environmental strategy report.

On or before January 1 of each even-numbered year, the governor shall transmit to the energy and environment and natural resources committees of the legislature a concise, comprehensive written report on the energy and environmental strategy of the state.

The report must be sufficiently comprehensive to assist the legislature in allocating funds to support all of the policies, plans, and programs of the state related to energy and the environment, and specifically must include:

(1) a concise, comprehensive discussion of state, and, as applicable, national and global energy and environmental problems, including but not limited to: indoor and outdoor air pollution, water pollution, atmospheric changes, stratospheric ozone depletion, damage to terrestrial systems, deforestation, regulation of pesticides and toxic substances, solid and hazardous waste management, ecosystem protection (wetlands, estuaries, groundwater, Lake Superior and the inland lakes and rivers), population growth, preservation of animal and plant species, soil erosion, and matters relating to the availability and conservation of crude oil and of refined petroleum product and other energy sources;

(2) a concise, comprehensive description and assessment of the policies and programs of all departments and agencies of the state responsible for issues listed in clause (1), including a concise discussion of the long-term objectives of such policies and programs; existing and proposed funding levels; the impact of each policy and program on pollution prevention, emergency preparedness and response, risk assessment, land management, technology transfer, and matters relating to the availability and conservation of crude oil and of refined petroleum product and other energy sources; and the impact of each on relations with the other states, the federal government, membership in national organizations, and funding of programs for state environmental protection and energy issues;

(3) a concise description and assessment of the integration and coordination of policies, plans, environmental programs, and energy programs of the state with the policies and programs of the federal government, the environmental and energy policies and programs of the other states, and the environmental and energy policies and programs of major state and national nonprofit conservation organizations;

(4) a concise description and assessment of all efforts by the state to integrate effectively its energy and environmental strategy with:

(i) the science and technology strategy of the federal government, including objectives, priorities, timing, funding details, and expected results of all environmental and energy research and development supported by the federal government and of all efforts at regional, national, and international cooperation on environmental and energy research and development;

(ii) the national energy policies of the federal government, including objectives, priorities, timing, funding details, and expected results of all efforts supported by the federal government aimed at reducing energy demand, improving energy efficiency and conservation, fuel-switching, using safe nuclear power reactors, employing clean coal technology, promoting renewable energy sources, promoting research and possible use of alternative fuels, promoting biomass research, promoting energy research and development in general, and advancing regional, national, and international energy cooperation;

(iii) the national environmental education strategy of the federal government, including objectives, priorities, timing, funding details, and expected results of all domestic and international education efforts supported by the United States to improve both public participation and awareness of the need for environmental protection;

(iv) the technology transfer strategy of the federal government, including objectives, priorities, timing, funding details, and expected results of all domestic and international environmental and energy technology transfer efforts to foster collaboration and cooperation between federal agencies and state and local governments, universities, nonprofit conservation organizations, and private industry in order to improve the competitiveness of the state and the nation in the world marketplace and promote environmental and energy technology advancement; and

(v) the national security strategy of the federal government, including objectives, priorities, timing, funding, and expected results of the national security programs to be most compatible with requirements for environmental preservation and a national energy policy, while accomplishing missions essential to national security;

(5) a concise assessment of the overall effectiveness of the energy and environmental strategy of the state, including a concise description of the organizational processes used to provide a body of energy and environmental information and to evaluate the results of energy and environmental programs; the use of statistical methods; the degree to which the strategy is long term, comprehensive, integrated, flexible, and oriented toward achieving broad consensus in the state, the nation, and abroad; and recommendations on the ways in which the legislature can assist the governor in making the strategy more effective;

(6) specific two-year, five-year and, as appropriate, longer-term goals for the implementation of the energy and environmental strategy of the state; and

(7) such other pertinent information as may be necessary to provide information to the legislature on matters relating to the overall energy and environmental strategy of the state and to develop state programs coordinated with those formulated on a national and international level.

HIST: 1991 c 303 s 6

==116D.11

116D.11 Report preparation.

Subdivision 1. **Agency responsibility.** Each department or agency of the state, as designated by the governor, shall assist in the preparation of the strategy report. Each designated department or agency shall prepare a preliminary strategy report relating to those programs or policies over which the department or agency has jurisdiction. Each preliminary strategy report shall:

(1) describe concisely the existing policies and programs of the department or agency as they relate to the issues listed in section 116D.10, clause (1);

(2) describe concisely and evaluate the long-term objectives of the department or agency as they relate to the issues listed in section 116D.10, clause (1);

(3) identify and make proposals about the development of department or agency financial management budgets as they relate to the issues listed in section 116D.10, clause (1);

(4) describe concisely the strategy and procedure of the department or agency to recruit, select, and train personnel to carry out department or agency goals and functions as they relate to the issues listed in section 116D.10, clause (1);

(5) identify and make proposals to eliminate duplicative and unnecessary programs or systems, including encouraging departments and agencies to share systems or programs that have sufficient capacity to perform the functions needed as they relate to the issues listed in section 116D.10, clause (1); and

(6) establish two-year quantitative goals for policy implementation.

Subd. 2. **Primary responsibility.** The Environmental Quality Board shall have the primary responsibility for preparing the energy and environmental strategy report of the state, as required by section 116D.10. The board shall assemble all preliminary reports prepared pursuant to subdivision 1 under a timetable established by the board and shall use the preliminary reports in the preparation of the draft energy and environmental strategy report of the state. Each department or agency designated by the governor to prepare a preliminary strategy report shall submit a copy of the preliminary strategy report to the governor and to the board at the same time.

Subd. 3. **Report to governor.** On or before October 1 of each odd-numbered year, the Environmental Quality Board shall transmit to the governor a draft of the written report on the energy and environmental strategy of the state. The governor may change the report and may request additional information or data from any department or agency of the state responsible for issues listed in section 116D.10, clause (1). Any such requested additional information or data shall be prepared and

submitted promptly to the governor.

Subd. 4. Repealed, 1997 c 7 art 2 s 67

HIST: 1991 c 303 s 7

==116D.misc

116D.05 Repealed, 1984 c 655 art 1 s 20

116D.07 Repealed, 1991 c 303 s 9

MINNESOTA
STATE
BOARD OF
INVESTMENT



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Tim Pawlenty

State Auditor
Patricia Anderson

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Mary Kiffmeyer

Attorney General
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DATE: November 14, 2005

TO: Susan Thornton, LCMR

FROM: Jim Heidelberg, State Board of Investment

SUBJECT: Projections of Assets in the Environmental Trust Fund

Enclosed are a new projection of the growth of assets and available withdrawals from the Environmental Trust Fund (through 2025) and a copy of a September 1998 projection the SBI provided the LCMR (shown through 2035).

The new projection differs from the seven year old projection you currently have. In the 1998 document, the ETF is projected to grow to \$2,068,355,044 by the end of 2025. In the new projection, the ETF is projected to grow to \$1,262,324,921 by the end of 2025. The differences in asset totals and withdrawal amounts in the two projections arise from the following:

- **The starting point for the 2005 projection is lower than the amount projected for FY2006 in the 1998 projection.** Beginning total market value for the Fund for FY2006 in the 2005 projection is \$377,512,976, which is the actual Fund balance as of June 30, 2005. Beginning total market value for the Fund for FY2006 in the 1998 projection is a projected \$525,724,190. During fiscal years 1999 through 2005, the fund did not grow at the rate projected in the 1998 projection.
- **Rates of return assumptions are lower in the 2005 projection.** In 1998, the SBI used an annual rate of return of 11.0% for stocks and 8.0% return for bonds. In the 2005 projection, the SBI used the return assumptions of 9.25% for stocks and 6.5% for bonds, which are the return assumptions the SBI used in its 2003 asset allocation study for pension fund assets. The ETF is projected to grow at a slower rate in the 2005 projection than in the 1998 projection.

For these reasons, withdrawal amounts in future years are also projected to be lower in the 2005 projection.

Note that the estimate of the amount of contributions placed in the Fund each year through 2025 is assumed to be the same \$24 million as used in the 1998 projection. This amount is confirmed by information about lottery proceeds provided to the SBI by the LCMR.

70%Stocks/30%Bonds
5.5% Spending Rule
Withdrawal is at FY beginning
Contribution is at FY end

ENVIRONMENTAL TRUST FUND
Projections of Annual Growth
(Contributions Through 2025)

11/14/2005

Fiscal Year	Stock Beginning Mkt Value	Rate of Return	Withdrawal	Stock Ending Mkt Value	Bond Beginning Mkt Value	Rate of Return	Withdrawal	Bond Ending Mkt Value	5.5% Total Withdrawal	Contributions Stocks&Bonds	Total Mkt Value
											377,512,976
2006	264,025,356	0.0925	13,212,954	274,012,549	113,487,620	0.065	5,662,695	114,833,546	18,875,649	24,000,000	412,846,095
2007	288,992,266	0.0925	13,212,954	301,288,698	123,853,828	0.065	5,662,695	125,873,557	18,875,649	24,000,000	451,162,456
2008	315,813,719	0.0925	17,369,755	326,050,031	135,348,737	0.065	7,444,181	136,218,352	24,813,935	24,000,000	486,268,384
2009	340,367,869	0.0925	17,369,755	352,897,289	145,880,515	0.065	7,444,181	147,434,696	24,813,935	24,000,000	524,331,986
2010	367,032,390	0.0925	20,186,781	378,928,627	157,299,596	0.065	8,651,478	158,310,246	28,838,259	24,000,000	561,239,073
2011	392,867,351	0.0925	20,186,781	407,153,622	168,371,722	0.065	8,651,478	170,102,060	28,838,259	24,000,000	601,255,582
2012	420,878,908	0.0925	23,148,340	434,520,645	180,376,675	0.065	9,920,717	181,535,595	33,069,057	24,000,000	640,056,240
2013	448,039,368	0.0925	23,148,340	464,193,448	192,016,872	0.065	9,920,717	193,932,405	33,069,057	24,000,000	682,125,853
2014	477,488,097	0.0925	26,261,845	492,964,680	204,637,756	0.065	11,255,077	205,952,554	37,516,922	24,000,000	722,917,234
2015	506,042,064	0.0925	26,261,845	524,159,888	216,875,170	0.065	11,255,077	218,985,400	37,516,922	24,000,000	767,145,288
2016	537,001,702	0.0925	29,535,094	554,407,269	230,143,586	0.065	12,657,897	231,622,259	42,192,991	24,000,000	810,029,528
2017	567,020,670	0.0925	29,535,094	587,202,992	243,008,859	0.065	12,657,897	245,323,774	42,192,991	24,000,000	856,526,766
2018	599,568,736	0.0925	32,976,280	619,002,258	256,958,030	0.065	14,132,692	258,608,985	47,108,972	24,000,000	901,611,243
2019	631,127,870	0.0925	32,976,280	653,480,611	270,483,373	0.065	14,132,692	273,013,475	47,108,972	24,000,000	950,494,087
2020	665,345,861	0.0925	36,594,022	686,911,384	285,148,226	0.065	15,683,152	286,980,303	52,277,175	24,000,000	997,891,687
2021	698,524,181	0.0925	36,594,022	723,158,698	299,367,506	0.065	15,683,152	302,123,837	52,277,175	24,000,000	1,049,282,535
2022	734,497,774	0.0925	40,397,378	758,304,684	314,784,760	0.065	17,313,162	316,807,253	57,710,539	24,000,000	1,099,111,936
2023	769,378,355	0.0925	40,397,378	796,411,718	329,733,581	0.065	17,313,162	332,727,746	57,710,539	24,000,000	1,153,139,464
2024	807,197,625	0.0925	44,395,869	833,360,918	345,941,839	0.065	19,026,801	348,164,516	63,422,671	24,000,000	1,205,525,434
2025	843,867,804	0.0925	44,395,869	873,423,088	361,657,630	0.065	19,026,801	364,901,833	63,422,671	24,000,000	1,262,324,921

70% Stocks/30% Bonds
5.5% Spending Rule
Withdrawal is at FYBgt
Contribution is at FYE

ENVIRONMENTAL TRUST FUND
PROJECTIONS OF ANNUAL GROWTH
(Contributions Continue Through 2025)

Fiscal Year	Stock Beginning Mkt Value	Rate of Return	Withdrawal	Stock Ending Mkt Value	Stock Income	Bond Beginning Mkt Value	Rate of Return	Withdrawal	Bond Ending Mkt Value	Bond Income	5.50% Total Withdrawal	Contributions Stocks&Bonds	Total Mkt Value	Total Income
													236,462,942	
1999	118,231,471	11.00%		131,236,933	3,937,108	118,231,471	8.00%		127,689,989	8,938,299		24,000,000	270,051,514	12,875,407
2000	189,036,060	11.00%	9,103,823	199,724,783		81,015,454	8.00%	3,901,639	83,282,921		13,005,462	24,000,000	307,007,704	
2001	214,905,393	11.00%	9,103,823	228,439,742		92,102,311	8.00%	3,901,639	95,256,726		13,005,462	24,000,000	347,696,468	
2002	243,387,528	11.00%	11,819,797	257,040,182		104,308,941	8.00%	5,065,627	107,182,778		16,885,424	24,000,000	388,222,960	
2003	271,756,072	11.00%	11,819,797	288,529,266		116,466,888	8.00%	5,065,627	120,313,362		16,885,424	24,000,000	432,842,628	
2004	302,989,839	11.00%	14,946,584	319,728,014		129,852,788	8.00%	6,405,679	133,322,878		21,352,263	24,000,000	477,050,892	
2005	333,935,624	11.00%	14,946,584	354,077,835		143,115,268	8.00%	6,405,679	147,646,358		21,352,263	24,000,000	525,724,190	
2006	368,006,933	11.00%	18,366,459	388,100,926		157,717,257	8.00%	7,871,340	161,833,591		26,237,799	24,000,000	573,934,517	
2007	401,754,162	11.00%	18,366,459	425,560,350		172,180,355	8.00%	7,871,340	177,453,737		26,237,799	24,000,000	627,014,086	
2008	438,909,860	11.00%	22,096,479	462,662,854		188,104,226	8.00%	9,469,920	192,925,051		31,566,398	24,000,000	679,587,904	
2009	475,711,533	11.00%	22,096,479	503,512,710		203,876,371	8.00%	9,469,920	209,958,968		31,566,398	24,000,000	737,471,678	
2010	516,230,175	11.00%	26,164,134	543,973,305		221,241,503	8.00%	11,213,200	226,830,567		37,377,335	24,000,000	794,803,872	
2011	556,362,710	11.00%	26,164,134	588,520,420		238,441,162	8.00%	11,213,200	245,406,198		37,377,335	24,000,000	857,926,618	
2012	600,548,632	11.00%	30,599,949	632,643,038		257,377,985	8.00%	13,114,264	263,804,819		43,714,213	24,000,000	920,447,858	
2013	644,313,500	11.00%	30,599,949	681,222,042		276,134,357	8.00%	13,114,264	284,061,701		43,714,213	24,000,000	989,283,743	
2014	692,498,620	11.00%	35,437,243	729,338,129		296,785,123	8.00%	15,187,390	304,125,552		50,624,632	24,000,000	1,057,463,681	
2015	740,224,576	11.00%	35,437,243	782,313,941		317,239,104	8.00%	15,187,390	326,215,852		50,624,632	24,000,000	1,132,529,792	
2016	792,770,855	11.00%	40,712,352	834,784,938		339,758,938	8.00%	17,448,151	348,095,650		58,160,502	24,000,000	1,206,880,588	
2017	844,816,412	11.00%	40,712,352	892,555,507		362,064,176	8.00%	17,448,151	372,185,308		58,160,502	24,000,000	1,288,740,814	
2018	902,118,570	11.00%	46,464,903	949,775,571		386,622,244	8.00%	19,913,530	396,045,412		66,378,432	24,000,000	1,369,820,983	
2019	958,874,688	11.00%	46,464,903	1,012,774,862		410,946,295	8.00%	19,913,530	422,315,386		66,378,432	24,000,000	1,459,090,248	
2020	1,021,363,174	11.00%	52,738,108	1,075,173,823		437,727,074	8.00%	22,602,046	448,335,030		75,340,154	24,000,000	1,547,508,853	
2021	1,083,256,197	11.00%	52,738,108	1,143,875,079		464,252,656	8.00%	22,602,046	476,982,659		75,340,154	24,000,000	1,644,857,738	
2022	1,151,400,417	11.00%	59,579,091	1,211,921,672		493,457,321	8.00%	25,533,896	505,357,299		85,112,987	24,000,000	1,741,278,971	
2023	1,218,895,280	11.00%	59,579,091	1,288,840,969		522,383,691	8.00%	25,533,896	536,597,779		85,112,987	24,000,000	1,847,438,748	
2024	1,293,207,124	11.00%	67,039,240	1,361,046,351		554,231,624	8.00%	28,731,103	567,540,563		95,770,343	24,000,000	1,952,586,914	
2025	1,366,810,840	11.00%	67,039,240	1,442,746,475		585,776,074	8.00%	28,731,103	601,608,569		95,770,343	24,000,000	2,068,356,044	
2026	1,447,848,531	11.00%	75,174,596	1,523,668,067		620,506,513	8.00%	32,217,684	635,351,935		107,392,280	0	2,159,020,003	
2027	1,511,314,002	11.00%	75,174,596	1,594,114,740		647,706,001	8.00%	32,217,684	664,727,382		107,392,280	0	2,258,842,123	
2028	1,581,189,486	11.00%	83,122,270	1,662,854,609		677,652,637	8.00%	35,623,830	693,391,111		118,746,100	0	2,356,245,721	
2029	1,649,372,004	11.00%	83,122,270	1,738,537,205		706,873,716	8.00%	35,623,830	724,949,877		118,746,100	0	2,463,487,082	
2030	1,724,440,958	11.00%	90,715,460	1,813,435,302		739,046,125	8.00%	38,878,054	756,181,510		129,593,515	0	2,569,616,818	
2031	1,798,731,773	11.00%	90,715,460	1,895,898,107		770,885,045	8.00%	38,878,054	790,567,550		129,593,515	0	2,686,465,657	
2032	1,880,525,960	11.00%	98,930,247	1,977,571,241		805,939,697	8.00%	42,398,677	824,624,301		141,328,925	0	2,802,195,542	
2033	1,961,536,879	11.00%	98,930,247	2,067,493,361		840,658,663	8.00%	42,398,677	862,120,784		141,328,925	0	2,929,614,145	
2034	2,050,729,902	11.00%	107,884,528	2,156,558,364		878,884,244	8.00%	46,236,226	899,259,858		154,120,755	0	3,055,818,223	
2035	2,139,072,756	11.00%	107,884,528	2,254,618,933		916,745,467	8.00%	46,236,226	940,149,980		154,120,755	0	3,194,768,912	