

# Dakota 1W1P Collaborative

## Planning Work Group Meeting

February 7, 2018

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### ***Attendees:***

Mark Zabel (Vermillion River Watershed JPO)  
Brad Becker (Dakota County)  
Jane Byron (City of Apple Valley)  
Curt Coudron (Dakota SWCD)  
Joe Barten (Lower Miss. River WMO/Dakota SWCD)  
Daryl Jacobson (Black Dog WMO/City of Burnsville)  
Eric Macbeth (City of Eagan)

Mary Peterson (BWSR)  
Barb Peichel (BWSR)  
Darin Rezac (City of West St. Paul)  
Ashley Gallagher (E-IGHWMO/NCRWMO/Dakota SWCD)  
Brian Watson (Dakota SWCD)  
Ryan Ruzek (City of Mendota Heights)  
Mac Cafferty (City of Lakeville)

### ***Handouts/Presentation:***

Agenda

BWSR adopted FY2018 Watershed-Based Funding Pilot Program Policy (12/20/17)

BWSR Guiding Principles for Watershed-Based Funding Pilot Program

BWSR FY2018-19 CWF Watershed-Based Funding Pilot Program FAQ

BWSR FY2018-19 CWF Watershed-Based Funding Pilot Program Metropolitan FAQ (2/5/18)

Power Point - Watershed Based Funding (Pilot Program) Dakota County PWG, by Dakota County SWCD (2/7/18)

### ***Notes:***

#### **Introductions**

Everyone introduced themselves. The SWCD thanked the WMOs for providing time on their agenda's over the past few months to introduce them to this new State program and supporting the SWCD in convening the initial meetings.

#### **Overview of One Watershed, One Plan (1W1P)**

A brief overview was provided on the statewide program, members of the local government roundtable, the identified major watershed planning boundaries throughout Minnesota and status of current comprehensive water management plans. Information was provided on history of water planning within the 7-County Metro area and the number of different water management authorities at the local level. There was recognition that the process of 1W1P is different in the 7-County Metro area. A graphic showing current watershed management organization within Dakota County was shown.

#### **Watershed Based Funding Policy (Pilot Program)**

The BWSR Board adopted policy in December (see handout). Legislative appropriation was \$9.75M and the policy provides \$5.59M to the 7-County Metro area based on geographical boundaries and \$3.11M to watershed planning areas whom have completed, or nearly completed, comprehensive water management plans. A table was provided showing funding allocations per County geographical area within the 7-County Metro, as well as watershed planning units in greater Minnesota, and the formulas used to determine funding allocations. The Dakota County geographical area was allocated \$1,018,000 per BWSR policy.

It was explained that each 7-County Metro geographical area has two choices under BWSR Policy:

1. By June 30, 2018, create a Collaborative PTM Implementation Plan and submit budget request and work plan to BWSR
2. Opt out of the collaborative approach and individually decide whether to submit competitive grant applications – this pool would include all funds from those 7-County Metro geographical areas that opt out.

Information was provided that eligible recipients of grant funds under the collaborative approach would be all six of the watershed management organizations/watershed districts, the SWCD, and cities and township. Dakota County is currently not eligible to receive funding as they do not have a State approved groundwater plan.

An example list of both eligible and ineligible activities per BWSR Policy was provided. It was mentioned that the primary purpose of these funds is to implement projects that protect, enhance and restore surface water quality and protect groundwater for degradation or protect drinking water. BWSR staff indicated that funds will need to be consistent with the Nonpoint Priority Funding Plan (NPPF).

Other adopted BWSR policy items were reviewed including non-state match requirements will be 10% and not 25% under previous competitive grant awards, a feasibility study will need to be conducted and approved by BWSR staff prior to expending funds for in-lake or in-channel projects, easements are allowed but grant expenditure need to be reviewed and approved by BWSR and incentive payments longer than 3 years will need BWSR approval. BWSR staff provided clarification that the 10% match would still apply if the Dakota County geographical area choose to take the competitive option rather than the collaborative option.

SWCD staff requested discussion on whether the Planning Work Group (PWG) felt the collaborative option was supported or whether the competitive route was preferred. There was general consensus to move forward with the collaborative option but some meeting attendees wanted to hear more information prior to supporting any of the two options.

#### **Potential Funding Distribution Options under a Collaborative Plan:**

Discussion occurred on what entities should be considered as potential grant fund recipients under a Collaborative Plan. The concept of having each of the six WMOs/WDs and the SWCD was identified. This list did not include Dakota County since they do not have a State approved groundwater plan. However, they could be added to the list in the future. There were comments that individual cities and townships were not included as grant recipients. Discussion continued. The potential of adding several more grant recipients within Dakota County by including individual cities and townships would be difficult to manage and determine allocations under the pilot program. The thought was that each WMO/WD would coordinate with their member communities to seek activities for developing the Collaborative Plan on a watershed bases.

The concept of how do we allocate funds to each grant recipient was discussed and some general options provided. A formula bases system that provides a base amount of \$50,000 to each of the WMO/WD's and \$100,000 to the SWCD, and then the remaining amount of \$618,000 being divided among the six WMO/WDs based on 50% total land area and 50% property value was further explored. Under this example, approximate allocations would be:

Black Dog WMO	\$113,890
Eagan-Inver Grove Heights WMO	\$124,169
Lower Mississippi River WMO	\$133,430
Lower Minnesota River WD	\$ 65,450
Vermillion River Watershed JPO	\$343,550
Cannon River WMO	\$136,520
Dakota County SWCD	\$100,000

There was general staff support for the funding formula identified. Discussion occurred on whether funding allocated to an entity identified could be used outside of the Dakota County geographical area but still within the watershed. BWSR staff indicated that sharing funds outside of the County boundary for major watershed improvements would be the choice of the Dakota collaborative not BWSR. A secondary question was asked if the watershed based funding for the Metro area would need to be identified for use with a Metro County or could funds go to non-metro areas if still within the major watershed. BWSR to provide guidance.

### **Identifying Process for Selecting Activities**

A review of Collaborative Plan requirements occurred. BWSR is currently evaluating how this new Watershed Based Funding Program would be added into eLINK and how a collaborative work plan should be entered into their reporting system. In order for BWSR to approve a Dakota Collaborative PTM Implementation Plan, a description of partnerships and decision making process used, time frame for implementing activities identified, identification of implementation actions, identifying responsible party and budget, and showing activity proposed is referenced to State approved watershed plan would be required.

It was discussed that each WMO/WD should begin the coordination process with their member communities and among their own Boards and prioritize a list of activities. The Dakota SWCD should coordinate with respective WMO/WDs to coordinate proposed activities they would develop. All entities should submit a prioritized list of activities to the SWCD by April 15, 2018.

SWCD indicated they are willing to continue leading the PWG meetings and compiling the information through the Pilot Program. This was supported by meeting attendees. SWCD would compile information a draft a Dakota PTM Implementation Plan per BWSR guidance by May 1, 2018. Each WMO/WD/SWCD Board would then have approximately 45 days to obtain Board approval of Collaborative Plan. Discussion followed on the dates and timeline for submitting to BWSR. No changes were recommended in the end. The SWCD to develop a spreadsheet that each WMO/WD/SWCD can use for identifying a list of activities. This spreadsheet will need to be coordinated with BWSR to determine eLINK requirements so data entry becomes more efficient.

Considerable discussion followed on what Plans need to be referenced. BWSR clarified that all activities identified within the Collaborative Plan must be referenced back to a WMO or WD plan. City Water Plans alone, even though approved by the WM/WD, is not an acceptable reference for prioritizing activities.

Discussion occurred on who should be the grant recipient. The question came up as to what if every entity is not able to use their allocation and flexibility for making changes are needed to an approved work plan that is under multiple BWSR grant agreements. It was asked if the SWCD would be interested in being the fiscal agent for the full FY18 allocation and then distribute funds to each of the WMOs/WDs. Each WMO/WD and the SWCD to discuss more on what would be preferred option from a grant and work plan management perspective.

### **Watershed Based Funding Beyond FY18-19**

It was mentioned and emphasized that this is a pilot program. The PWG should share their thoughts with BWSR staff moving forward as to how this new Watershed Based funding program can be best implemented within the 7-County Metro area.

It was mentioned that beyond the pilot program and under a more consistent policy and funding era, a formal agreement of some sort may be necessary; this is a requirement for watershed planning areas outside of the 7-County metro. It was also mentioned that funding levels to the 7-County metro area are likely to stay similar in the future as added legislative funds to this program will need to go to watershed planning areas outside of the 7-County metro as comprehensive water management plans are completed statewide.

There was also general discussion on the value of a collaborative approach long term that could identify activities 3-5 years out and allow cities WMO/WDs and SWCDs to better plan ahead with a stable and reliable funding source. There was brief discussion on how this effort could be tied into the Biennial Budget Request (BBR) for WMOs/WDs and SWCDs. BWSR staff indicated that the FY20-21 BBR information will be coming out spring/summer.

### **Review of Discussion**

There was consensus to pursue the Collaborative Plan approach and that the grant entities and funding formula identified was a fair approach.

### **Next Steps/To Do Items**

- Each WMO/WD/SWCD should add the Watershed Based Funding discussion on their upcoming agendas and determine Board support for 1.) The collaborative plan approach, 2.) Funding allocation formula and grant recipients identified.
- WMOs/WD to begin communication with their Member communities to identify activities; list due to SWCD by April 15, 2018
- BWSR staff to verify if allocations provided to each identified recipient can be spent outside of the 7-County metro area for management activities within major watershed planning areas.
- SWCD to develop spreadsheet template, in coordination with BWSRs eLINK needs, for WMO/WD/SWCD to use for submitting list of prioritize activities.
- SWCD to begin communication with WMO/WDs to identify activities, list due by April 15, 2018.
- A draft Dakota Collaborative PTM Implementation Plan to be prepared by SWCD for PWG review by May 1, 2018.
- The Dakota Collaboration PTM Implementation Plan to be formally adopted by WMOs/WD/SWCD by June 30, 2018.
- Continue discussions on whether 1 BWSR grant agreement to a fiscal agent or 7 BWSR grant agreements to each entity is best.
- Next PWG meeting to be determined based on how things go moving forward.