

**Environment and Natural Resources Trust Fund
2018 Request for Proposals (RFP)**

Project Title:

ENRTF ID: 194-F

MN CREP for Water Quality and Habitat

Category: F. Methods to Protect or Restore Land, Water, and Habitat

Total Project Budget: \$ 20,000,000

Proposed Project Time Period for the Funding Requested: 5 years, July 2018 to June 2023

Summary:

MN CREP is a federal and state partnership designed to improve water quality and provide habitat in the 54 County area through establishing buffers, restoring wetlands, and protecting groundwater resources.

Name: Dave Rickert

Sponsoring Organization: Board of Water and Soil Resources

Address: 520 Lafayette Road North
St. Paul MN 55155

Telephone Number: (651) 539-2569

Email dave.rickert@state.mn.us

Web Address http://www.bwsr.state.mn.us/

Location

Region: Central, Metro, Northwest, Southwest, Southeast

County Name: Becker, Big Stone, Blue Earth, Brown, Carver, Chippewa, Clay, Cottonwood, Dakota, Dodge, Douglas, Faribault, Fillmore, Freeborn, Goodhue, Grant, Hennepin, Houston, Jackson, Kandiyohi, Lac qui Parle, Le Sueur, Lincoln, Lyon, Martin, McLeod, Meeker, Mower,

City / Township:

Alternate Text for Visual:

Minnesota Conservation Reserve Enhancement Program (CREP) Project Area Map

_____ Funding Priorities	_____ Multiple Benefits	_____ Outcomes	_____ Knowledge Base
_____ Extent of Impact	_____ Innovation	_____ Scientific/Tech Basis	_____ Urgency
_____ Capacity Readiness	_____ Leverage	_____ TOTAL	_____ %



PROJECT TITLE: MN CREP for Water Quality and Habitat

I. PROJECT STATEMENT

MN CREP is a federal and state partnership designed to improve water quality and provide habitat in the 54 County area through establishing buffers, restoring wetlands, and protecting groundwater resources. The Minnesota Conservation Reserve Enhancement Program (MN CREP) will target 60,000 acres in areas of southern and western Minnesota facing significant water quality challenges, to protect and improve our natural resources for future generations. Almost 180 conservation leaders, media, elected officials and farmers joined Governor Dayton in the Capitol Rotunda on January 17, 2017 as he signed the MN CREP agreement with the United States Department of Agriculture.

The Minnesota Conservation Reserve Enhancement Program (MN CREP) is designed to help improve water quality and provide habitat in the 54 County area by establishing and maintaining buffers of permanent vegetation between eligible waterbodies and adjacent agricultural cropland, restoring and maintaining wetlands, establishing permanent vegetative cover in wellhead protection areas, and to establish beneficial habitat for terrestrial and aquatic habitat. Reinvest In Minnesota (RIM) permanent conservation easements will be secured in combination with a 15 year CRP contract to provide permanent protection for these important natural resource benefits. This \$20 million proposal will leverage a significant USDA match to restore and protect approximately 6,594 acres with 402 individual landowners.

Minnesota continues to see a net loss of grasslands and Conservation Reserve Program (CRP) acres each year. This exodus is being driven by high land prices, increased pressure for alternative uses, and declining federal budgets for conservation programs. Minnesota's primary strategy to mitigate the loss of CRP is to target expiring contracts for enrollment into Continuous CRP practices and permanent easements.

The MN CREP will enroll up to 60,000 acres of environmentally sensitive cropland within the project area at an estimated total state investment of \$150 million combined with a USDA cost of \$350 million. This request will apply toward the entire \$150 million state need. Without the state contribution, the USDA share cannot be realized.

The primary objectives of this entire CREP are to reduce phosphorus by 19,200 pounds per year, Nitrogen by 1,220,000 pounds per year, and sediment runoff by 123,000 tons per year. This program will reduce hydrological impacts to surface waters and increase infiltration for groundwater recharge. An expansion of wetland and prairie habitat availability through this program may alleviate pressure on those species that are most sensitive to habitat changes occurring on the landscape.

II. PROJECT ACTIVITIES AND OUTCOMES

Activity 1: Conservation Easement Acquisition & Restoration

Budget: \$20,000,000

This program will target certain riparian areas, wetlands and wellhead protection areas, providing multiple benefits to water quality and wildlife habitat. Through a combination of targeted outreach, eligibility screening, and a scoring and ranking process, each site is considered on its benefits to the surrounding landscape, as well as the site-specific features which highlight the benefits of selection for permanent protection. The scoring and ranking process used with this program places a preference on sites that reduce pollutant loads and protect vulnerable groundwater resources. A preference is also placed on sites that are in close proximity to other protected habitat, selecting sites that build complexes. Each site is considered on benefit to the surrounding landscape, ability to build upon existing corridors and complexes, and site-specific features which highlight the benefits of selection for permanent protection and habitat.



Environment and Natural Resources Trust Fund (ENRTF)
2018 Main Proposal
Project Title: MN CREP for Water Quality and Habitat

Easements selected for funding will be secured via RIM permanent easement and use a 15 year CRP contract. Due to the USDA paying the majority of landowner payments, BWSR assumes a large proportion of administrative costs to acquire these easements, using this leverage to protect three times the acres.

Restoration activity occurs once an easement is acquired. Through the use of BWSR’s Native Vegetation Guidelines, we will establish high diversity native plantings and restore hydrology when applicable.

Outcome	Completion Date
<i>1. Acquire Conservation Easements (Projected number of easements: 402; Projected number of acres: 6,594)</i>	<i>June 30, 2021</i>
<i>2. Restore Acquired Conservation Easements</i>	<i>June 30, 2023</i>

III. PROJECT STRATEGY

A. Project Team/Partners

BWSR will be the recipient of these funds, and be responsible for easement acquisition, financial reporting, and reporting outcomes. BWSR staff will coordinate with its USDA federal partners, the Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) on the overall MN CREP process and program oversight. These federal partners will be contributing a substantial amount of leverage and in-kind services related to CRP Contract processing.

Soil and Water Conservation District (SWCD) Staff and Farm Bill Assistance Program Staff will locally promote CRP contracts and RIM easements, assist with easement processing and provide key essential technical assistance and project management services. SWCDs will receive funds from BWSR for activities related to easement acquisition.

B. Project Impact and Long-Term Strategy

This program is the result of a five state agency effort, support from the Governor, and a large amount of local agency, organization, and farmer support for the MN CREP. A broad coalition of over 70 non-state organizations and groups supports this program.

By themselves, CRP practices provide a substantial amount of water quality and habitat benefits, but may be removed 10 to 15 years later. Through this MN CREP partnership, BWSR leverages the federal CRP program, adding a permanent RIM easement on this same area and ensuring these benefits are preserved in perpetuity. Total annual load reductions for the 6,594 acres include 2,110 lbs. of total Phosphorus, 158,256 lbs. of total nitrogen and 13,517 tons of sediment.

Once a RIM easement is acquired, BWSR is responsible for monitoring and enforcement into perpetuity. Easements are inspected for the first five consecutive years beginning in the year after the easement is recorded. Thereafter, on-site inspections are performed every three years and compliance checks are performed in the other two years.

C. Timeline Requirements

We anticipate easement acquisition will occur primarily within the initial four years of MN CREP, allowing sufficient time to record easements and complete subsequent restoration.

We expect all easements to be closed by June 30, 2021 and will need an additional two years thereafter to ensure restoration activity is successful.

2018 Detailed Project Budget

Project Title: MN CREP for Water Quality and Habitat

IV. TOTAL ENRTF REQUEST BUDGET: 5 years

<u>BUDGET ITEM</u>	<u>AMOUNT</u>
Personnel:*	
Program Management (60% Salary, 40% benefits) 0.25FTE/yr for 5 years	\$ 137,600
Easement Processing Staff (60% Salary, 40% benefits) 7.0FTE/yr for 3 years	\$ 1,082,300
Ecological/Engineering Staff (60% Salary, 40% benefits) 2.1FTE/yr for 3 years	\$ 612,600
Direct Support Services (60% Salary, 40% benefits) 0.6FTE/yr for 5 years	\$ 220,000
Professional/Technical/Service Contracts:	
SWCD Assistance with local CREP Implementation (does not include FBAP)	\$ 858,900
Equipment/Tools/Supplies:	
Equipment & supplies necessary to post signage or other supplies necessary for easement acquisition	\$ 65,100
Acquisition (Fee Title or Permanent Easements):	
Estimated 402 easements, totalling approximately 6,594 acres to be held by BWSR, including restoration costs. Planned practices are buffers, wetland restorations, and wellhead protection. Estimated number of easements and acres are based on average easement size and average easement payment throughout the 54 County CREP Area.	\$ 14,375,400
Travel:	
In-state travel, mileage, lodging and meals	\$ 35,100
Additional Budget Items:	
Easement Stewardship: Perpetual stewardship costs have been calculated at \$6,500 per easement. This value is based on using local SWCD staff for monitoring and landowner relations and existing enforcement authorities. The amount listed for Easement Stewardship covers costs of SWCD regular monitoring, BWSR oversight, and enforcement.	\$ 2,613,000
TOTAL ENVIRONMENT AND NATURAL RESOURCES TRUST FUND \$ REQUEST =	\$ 20,000,000

Additional Note: As we are leveraging significant federal funds through MN CREP, federal funds pay most of the landowner payment. The state contribution pays the majority of the technical assistance, stewardship and easement processing expenses.

***This project will span five years, with the first three years focused on easement acquisition and the remaining two years focused on restoration of easements. Easement Processing and Ecological/Engineering Staff timeframes reflect this transition.**

V. OTHER FUNDS

<u>SOURCE OF FUNDS</u>	<u>AMOUNT</u>	<u>Status</u>
Other Non-State \$ To Be Applied To Project During Project Period: USDA funds, in the form of CRP payments and conservation plan payments	\$ 39,522,200	<i>Secured</i>
Other State \$ To Be Applied To Project During Project Period:	N/A	N/A
In-kind Services To Be Applied To Project During Project Period:	N/A	N/A
Past and Current ENRTF Appropriation:	N/A	N/A
Funding currently under consideration by MN Legislature	\$6,000,000 to \$25,000,000	<i>Pending</i>
Other Funding History:	N/A	N/A

**Environment and Natural Resources Trust Fund
2018 Proposed Acquisition/Restoration List**

Project Title: MN CREP for Water Quality and Habitat

Project Manager Name: Dave Rickert

Organization: Minnesota Board of Water and Soil Resources

ENRTF \$ Request: \$ 20,000,000

#	Acquisition or Restoration Parcel Name	Geographic Coordinates Format: [Deg.]° [Min.]' [Sec.]" [Hemis.]		Estimated Cost	County	Ecological Significance	Activity Description	# of Acres	# of Shoreline Miles	Type of Landowner	Proposed Fee Title or Easement Holder (if applicable)
		Latitude	Longitude								

NOTES: The MN CREP signup starts on May 15th, 2017 and the list of parcels that will be funded through this appropriation will be determined through a scoring and ranking process. Scoresheets used for the MN CREP signup are available upon request. The proposed results of this ENRTF Request will result in conservation easement acquisition on approximately 402 easements, securing approximately 6,594 acres under permanent protection. Conservation easements will be purchased using established RIM Rates and will be held by the Board of Water and Soil Resources. After including administrative costs, \$20,000,000 of State funds will accomplish an estimated 6,594 acres of permanent protection, at a state cost of \$3,033 an acre. Parcel size will vary, with buffer strip easements averaging at a size less than 10 acres and wetland restoration easements close to a 60 acre average size.

Minnesota Conservation Reserve Enhancement Program (CREP) Project Area



MN CREP will enroll up to 60,000 acres within the 54 County project area in southern and western Minnesota.


This effort prioritizes water quality and habitat through the restoration and protection of marginal cropland using the following conservation practices:

- Buffer Strips
- Wetland Restorations
- Wellhead Protection Areas

MN CREP is a voluntary program using a combination of the USDA-FSA Conservation Reserve Program (CRP) and the nationally-recognized state Reinvest In Minnesota (RIM) conservation easement program.



 MN CREP Project Area
 County Boundary

25
 Miles



Project Manager Qualifications and Organization Description:

The Project Manager for the MN CREP Proposal is Dave Rickert, Assistant Easement Section Manager. Dave has over 8 years of experience in developing, coordinating, and promoting state conservation programs. He and his staff are responsible for program development, project management and implementation, and reporting of outcomes upon project completion.

The Minnesota Board of Water and Soil Resources consists of 20 members, including local government representatives that deliver BWSR programs, state agencies, and citizens. The BWSR mission is to improve and protect Minnesota's water and soil resources by working in partnership with local organizations and private landowners. Because 78 percent of the state's land is held in private ownership, BWSR's focus on private lands is critical to attaining the state's goals for clean water, clean air, and abundant fish and wildlife.

