

2003 — 2010

Conservation of Minnesota's Natural Resources

Accomplishment Highlights

DECEMBER 6th, 2010



Minnesota Department of Natural Resources

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Introduction: DNR's Conservation Mission



DNR's Three-part Conservation Mission

- DNR's conservation mission has three interdependent parts — promoting **recreational use**, protecting **natural resources**, and encouraging sustainable **economic development**.
- Our mission requires that we maintain an appropriate balance between these three mission elements – managing at the center.
- We call this **integrated resource management**.

DNR's Strategic Conservation Agenda

- Part I: Highlights the key trends that shape DNR's ability to achieve its mission; describes eight strategic directions to achieve our goals.
- Part II: Describes 83 performance indicators and conservation targets to measure and communicate progress toward our goals.

I. Natural Resource Conservation



Quick Facts

- 11,850 lakes and 69,000 miles of natural rivers and streams; more than 1,100 wildlife species and more than 50 game species managed through regulated harvest
- Minnesota ranks 2nd in the nation for wildlife watching
- Minnesota ranks 1st in the nation for number of boats per capita
- Minnesota ranked 4th in the nation for both total number of anglers and angling days in 2006
- Minnesota ranked 1st in taconite production with 80% of U.S. produced iron ore and taconite being mined in Minnesota
- \$4.3 billion generated each year in Minnesota by fishing, hunting and wildlife watching—spending by hunters and anglers supports 55,000 jobs in the state

Lands — Protection and Use

The Pawlenty Administration has protected more lands and waters than ever in recent history while assuring their continued beneficial use. DNR and partners have conserved over 366,000 acres of priority conservation lands since 2003.

Lake Vermilion State Park

The new Lake Vermilion State Park created in 2010:

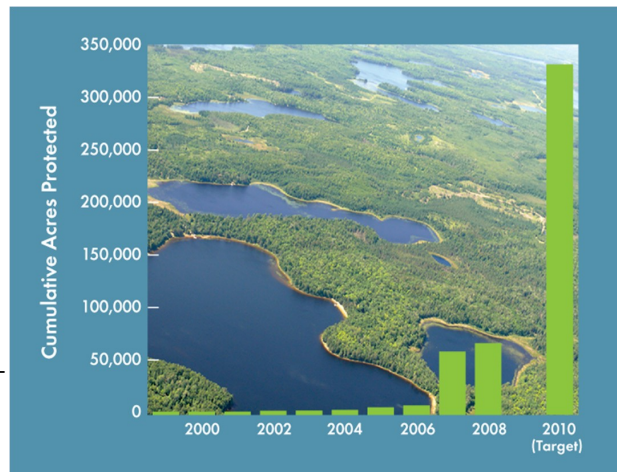
- Protects 3,000 acres of high conservation value land and 5 miles of Lake Vermilion shoreline
- Provides access to 40,557 acres of water and 368 islands
- Will serve as a model for an innovative, “next generation” state park



Forests for the Future Program

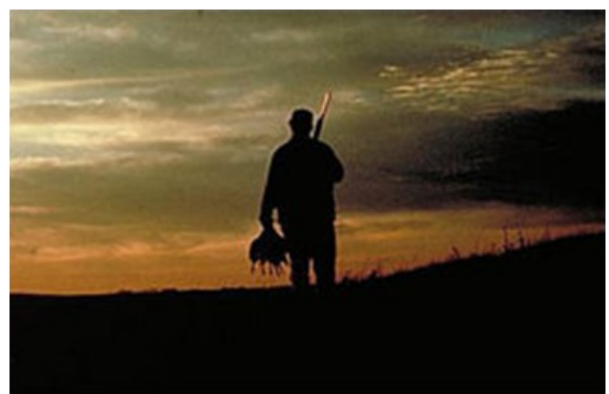
In 2007, DNR helped create one of the state’s most successful conservation public-private partnerships— the Minnesota Forests for the Future program:

- Permanently protected over 330,000 acres of private forest land through conservation easements
- Guarantee public access to working forest lands and provide wildlife habitat, sustainable timber production, and public outdoor recreation opportunities



Wildlife Management Areas (WMAs)

- Since 2003, over 36,000 acres of wildlife management and aquatic management areas were acquired to provide fish and wildlife habitat and public recreational opportunities
- Minnesota has more than 1,433 public wildlife areas covering 1.3 million acres of habitat in 86 of the state’s 87 counties



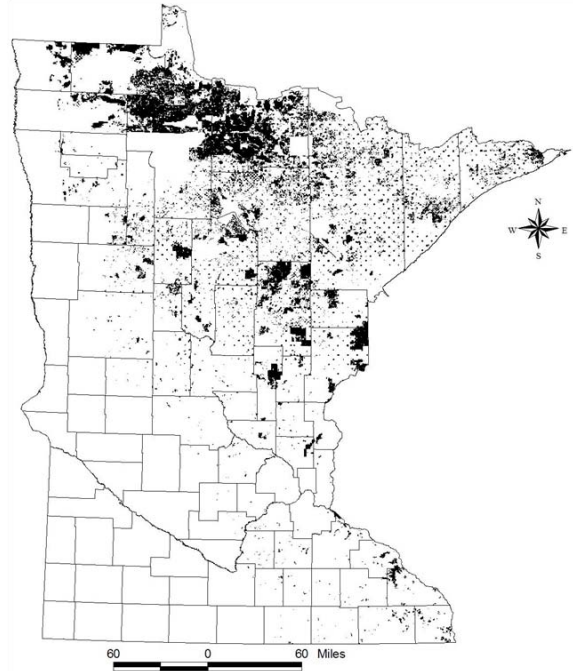
Lands — Management

DNR is recognized as a national leader in managing natural lands. Minnesota's parks and natural areas, working forest, wildlife areas and grasslands are managed to sustain the full range of natural resource benefits.

Forest Certification

Forest certification (specifically, third-party audited certification) is a credible system to evaluate and verify sustainable forest management practices:

- In 2005, in response to market demand and the *Governor's Task Force Report on the Competitiveness of Minnesota's Primary Forest Products Industry*, DNR obtained dual (FSC & SFI) certification for 4.8 million acres of state-administered forest, the largest public certification holder in the nation
- Sourcing from certified forests is now a prerequisite for doing forest product business (e.g., Time inc. requires sourcing 80% of its paper from certified forests and mills; Home Depot, Lowe's and IKEA all give preference to certified wood products)



DNR achieved dual Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI) certification in



Minnesota's forest-dependent communities and businesses are looking for certified wood.

Waters — Monitoring

Inventory and monitoring of our water resources is the backbone for setting conservation priorities and allocating limited resources efficiently.

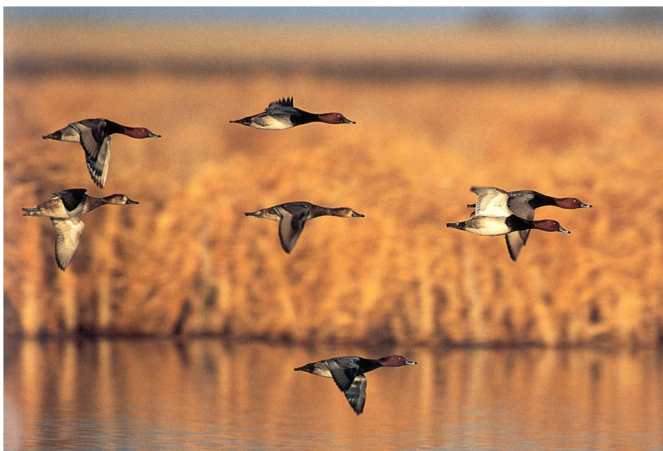
Hydrological Monitoring Network

- In FY 2010, DNR completed a plan for the development of a “backbone” groundwater level monitoring network for the 11-county metropolitan area
- DNR completed a report on the Long-Term Protection of the State’s Surface Water and Groundwater Resources that identifies 25 year targets for statewide water resource mapping, monitoring and management needs
- DNR upgraded its hydrologic monitoring network critical to clean water implementation planning and to improving the accuracy of flood warnings and flood forecasts. This upgrade included the evaluation of 1,018 wells (61% of the state’s monitoring well network), replacement of several hundred rain gages used by state volunteers, and installation of over 75 multiple use real-time telemetry stream gages.



Wetland Monitoring

- Initiated in 2006, DNR and the Minnesota Pollution Control Agency began operating the only statistically-designed monitoring program to provide a comprehensive, state-wide assessment of wetland quantity and quality trends



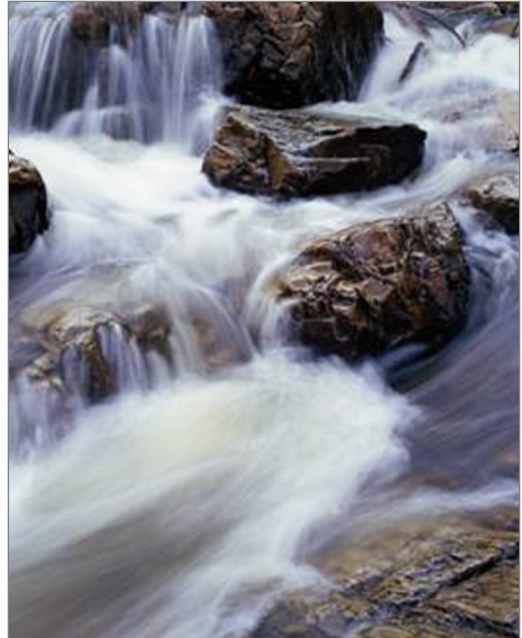
Waters — Program Development

Inventory and monitoring of our water resources is the backbone for setting conservation priorities and allocating limited resources efficiently.

Clean Water Legacy Program

Passed in 2006, the Clean Water Legacy Program seeks to ensure that all of Minnesota's lakes, streams, and wetlands have acceptable water quality conditions. Total 5 Year Appropriation: \$10.470 million; outcomes:

- Installed/upgraded 28 stream flow monitoring sites as part of effort to gage all major watersheds in Minnesota to support MPCA's watershed assessment process
- Upgraded DNR/MPCA cooperative stream gauging data system and web site to facilitate delivery of hydrologic information
- Provided hydrologic, ecologic, and biologic data for TMDL plans and helped local governments and shoreland owners improve the management of riparian shoreland areas
- Worked cooperatively with BWSR to develop agricultural drainage BMPs
- Completed a new Watershed Assessment Tool (WAT) that organizes and delivers watershed data and provides "watershed health" rankings



Division of Ecological and Water Resources

- In 2010 DNR created a new Division of Ecological and Water Resources to expand watershed conservation and integrate clean water and habitat management work. The new division will improve results, such as ensuring all water clean-up (TMDL) plans incorporate ecological and hydrological expertise to produce habitat and clean water benefits.



Outdoor Recreation — Parks & Trails

DNR provides an outdoor recreation system that connects Minnesotan's and visitors to the great outdoors. We serve 8 million visitors annually at state parks, including day, overnight, and interpretive services visits.

Connecting People to the Outdoors

Initiated a "Gateway" initiative to engage more families and new recreation participants, outcomes:

- "Becoming an Outdoors Woman" programming increased by 20% in FY09 with 1,746 participants
- In 2007 started the National Archery in the Schools program. In FY10-11, DNR will increase the number of teachers trained and schools involved in the program by 8% each year from 2009 levels (285 schools reaching 97,000 youth)
- Initiated "I Can Camp!" campaign, a partnership program with REI Inc. and Conservation Corps Minnesota. Initiated in summer 2010 (30 overnight workshops held and 528 participants in efforts to take kids camping)
- Started "Break a Bat, Plant a Tree" partnership program with the Minnesota Twins



State Trails and Waterways

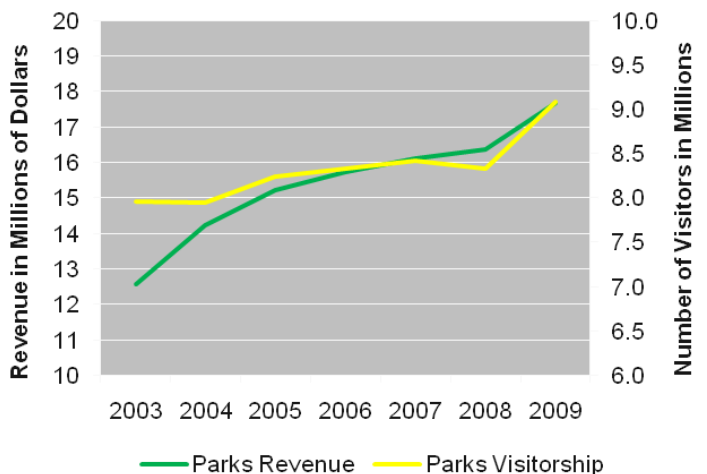
- In 2010, Minnesota named "Best Trails State" in the country by American Trails. This award recognizes the state for facilitating an outstanding statewide system of trails serving all types of recreational trail users.
- In 2003, the state lacked a comprehensive managed trail system on its forest lands. In 2008, DNR completed a road and trail designation system for 58 State Forests. The result: 2,929 miles authorized for motorized use to provide "managed use on managed trails," and 3,382 miles identified for managed, non-motorized use.
- Finished the 150-mile Lake Superior Kayak Trail



Park Visitation and Revenue

- Minn. State Parks annual permits increase by 7% from FY 2009-2010
- Minn. State park revenue increased 14% from FY 2008 -2010

(Revenue has been growing almost \$1 million each year over recent years. Top 3 revenue sources: parks permits, campsite fee, and sale of merchandise.)



Outdoor Recreation — Fish & Wildlife

DNR serves 1.5 million licensed anglers, 600,000 hunters and trappers, and 2.1 million wildlife watchers. Minnesota has more than 50 game species and more than 1,100 known wildlife species; many in conservation need.

Expanded Hunting Opportunities

- Deer license and permit sales have increased to over 600,000 per year. The highest deer harvest on record occurred in 2003 and the five years from 2003 through 2007 were the top 5 deer harvest years ever.
- Minnesota is frequently the top producer of ruffed grouse in the United States with an annual harvest exceeding 1.2 million during the peak of the bird's 10-year population cycle
- In 2010, DNR will offer 55,732 wild turkey permits, an increase of over 122% from 2003
- New Hunting Seasons Established:
 - * Prairie chicken season in 2003 (1st time since 1942)
 - * Dove season in 2004 (1st time since 1946)
 - * Sandhill crane season in 2010



Walleye Stocking

- Completed the most comprehensive analysis ever done of DNR's walleye stocking program; in 2010, revised stocking guidelines to maximize walleye abundance for angling
- DNR protects and improves walleye habitat and regulates walleye harvest in over 1,500 lakes; and stocks walleye into about 1,009 lakes where natural reproduction is insufficient



Sturgeon

- Lake sturgeon were believed to be extirpated from the Red River Basin. In 1997 DNR launched a lake sturgeon restoration program focused on re-introducing lake sturgeon through stocking coupled with removal/modification of aging dams to provide fish passage and improve public safety.
- DNR and partners including the White Earth and Red Lake Bands, the U.S. Fish and Wildlife Service and the State of North Dakota have succeeded in reestablishing the sturgeon in the Red River Basin.



Partnerships

- In 2010, DNR received the USFWS "Partners in Conservation Award" for its leadership in establishing the Working Lands Initiative in 2005 and its leadership in fostering this cooperative partnership since then. To date the Working Lands Initiative has had a conservation impact on over 8,200 acres of private land.

Natural Resource Economy - Timber

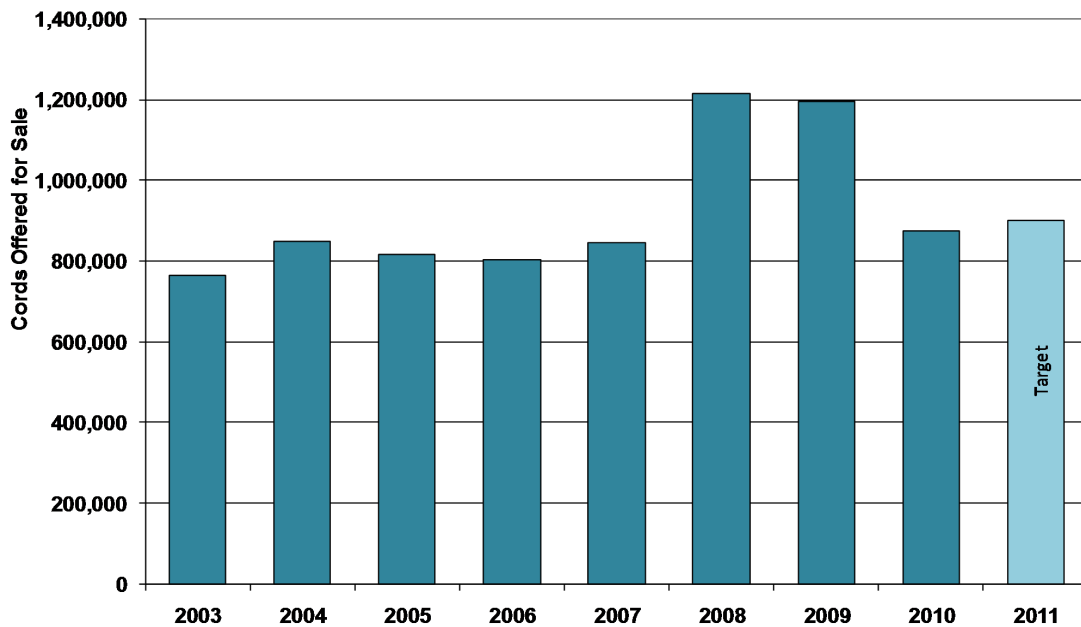
DNR coordinates forest and minerals management across multiple ownerships, and manage 4.2 million acres of state-owned forest land and 12 million acres of land for mineral rights.

Timber Sales

- Since 2002 DNR has sold more than 700,000 cords of wood annually, meeting or exceeding yearly targets. In 2008 over 1.2 million cords of wood were offered for sale
- Harvest helps keep the state's forest products industry vigorous by supplying about 30% of the wood fiber used in the state
- DNR produces timber while also maintaining water quality, creating habitat, and providing for recreational access



Number of Cords Offered for Sale on DNR Lands

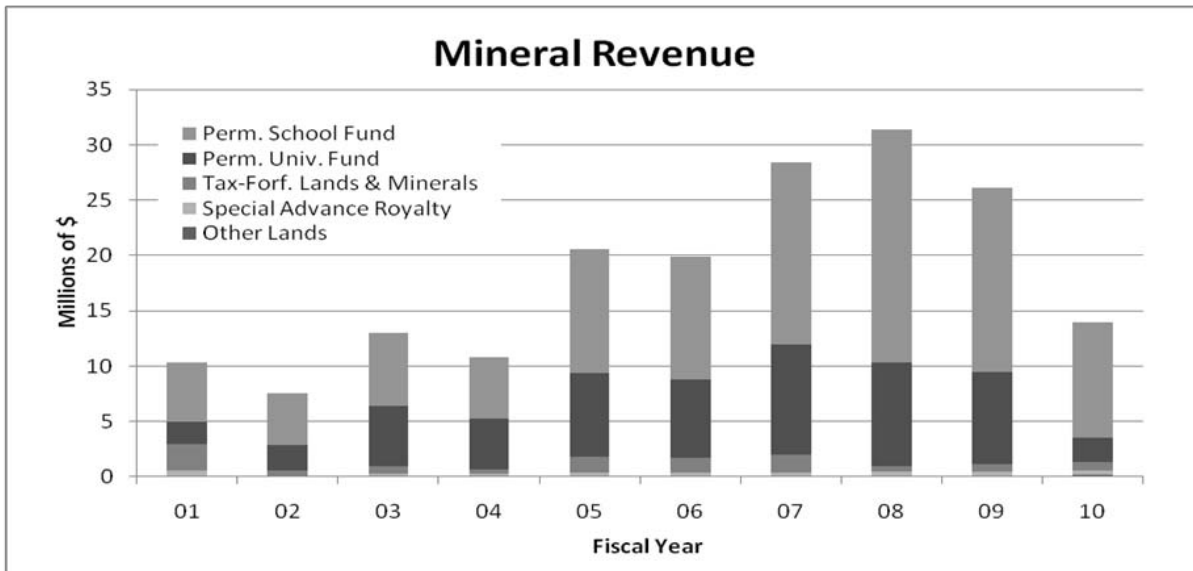


Natural Resource Economy - Minerals

DNR coordinates forest and minerals management across multiple ownerships, and manage 4.2 million acres of state-owned forest land and 12 million acres of land for mineral rights.

Minerals

- \$31 million projected in mineral revenues from royalty for state-mined taconite in FY 2011. This represents a \$19 million increase of royalty revenue from FY2010 due to increased mining of state-owned ore and more accurate royalty rates.
- In the past four years, Minnesota has increased the number of active state mineral leases 62% from 337 to 545 leases. This includes 121 iron ore and taconite leases and 406 non-ferrous metallic leases. The number of acres under lease has also increased from about 84,500 to 162,000 acres.



II. Public Health & Safety



Quick Facts

- More than 2,200 homes and businesses have been acquired and removed from the floodplain since 1988
- DNR is charged by statute with protecting life, property, and natural resources from wildfires on 45.5 million acres of public and private land in Minnesota
- The 2007 Ham Lake fire in northern Minnesota was the biggest in the state in 90 years, burning 36,000 acres and more than 100 homes

Flooding Mitigation

DNR protects public health and safety associated with natural disasters such as floods and wildfire. Since 2003 more than \$230 million dollars was expended for flood hazard mitigation.

Flood Mitigation

- Minnesota experienced major floods in 2004, 2006, 2007, 2009, and 2010. Since 2003 more than \$230 million dollars expended for flood hazard mitigation has significantly reduced long-term flood risks.
- The City of East Grand Forks was decimated by the 1997 flood. During the flood of 2009 (second highest crest on record) virtually no flood damage was reported in East Grand Forks following a large federal flood control project with DNR Flood Hazard Mitigation Grant funding of \$40 million.
- DNR helps local governments fund flood damage reduction measures, providing funds to communities to build flood-control structures, define flood hazard areas, and buy and remove flood-prone buildings
- Austin spent \$13 million of federal, state, and local funds to acquire flood-prone homes and businesses. When major flooding occurred there in 2000, 2004, and 2008, cost savings due to removal of flood-prone buildings far exceeded the cost of acquiring the structures.



Oslo, Minnesota, largely protected by flood control structures during The Red River flood of 1997. .

Hydrological Monitoring Network

- Installed 75 telemetry stream gauges providing real-time flood forecasting data
- 2006: DNR and PCA launched a stream gauging website—providing access to current river flow and levels
- Improved the accuracy of flood warnings and flood forecasts essential to public safety and community preparedness

Wildfire Prevention

DNR and DNR-trained rural fire departments respond to an average of 7,000 wildfires per year in leading efforts to protect life, property, and natural resources from damages.

Wildfire Prevention

DNR is charged with protecting people, property, and natural resources from wildfire on 45.5 million acres of land in Minnesota.

- Since 2003 Minnesota experienced two of the largest wildfire years in decades
- The 2007 Ham Lake fire in northern Minnesota was the biggest in the state in 90 years, burning 36,000 acres and more than 100 homes and cabins
- DNR and DNR-trained rural fire departments respond to an average of 1,400 wildfires per year



DNR Roles:

- Oversee open burning and issue 60,000-70,000 burning permits each year
- Coordinate firefighting activities and equipment in Minnesota and provide out-of-state reciprocal assistance via the Minnesota Interagency Fire Center
- Provide equipment and trained staff for emergency response



2006 Cavity Lake Wildfire: 31,380 acres



2007 Ham Lake Wildfire: 36,000 acres

III. Organizational Improvements



Quick Facts

- DNR is one of the state's largest agencies, with many work locations, multiple work sites, and capital assets worth \$1 billion
- DNR owns and operates over 2,500 buildings in 185 different locations
- DNR operates one of the top vehicle fleets in the United States with approximately 5,000 pieces

Fleet, Facility, and Safety Performance

DNR has adapted to significant shifts in the state's budget climate by better integrating our work, being innovative and entrepreneurial in our business, improving efficiencies in our operations, and reducing staffing levels over the past several years.

Facility Costs

- In 2009, DNR set a goal for a 10% reduction (\$1.6 million) in facility costs. To date completed projects have yielded \$540,000 in savings. DNR saved \$72,469 annually by sharing workspace with MnDoT in Bemidji.
- DNR is focusing on energy efficiency in many of its facilities. Recently, Camden State Park's main office building was constructed using B3 Minnesota Sustainable Building Guidelines and produces all its own energy on site.
- In cooperation with Xcel Energy DNR has installed or is constructing photovoltaic installations that will produce more than 99 kilowatts of renewable energy



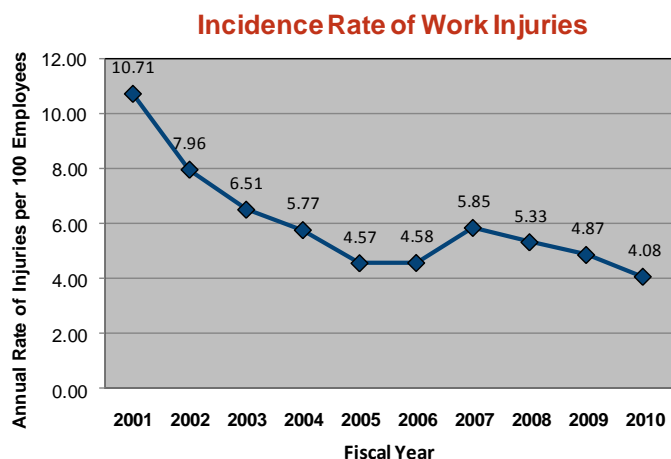
Fleet

- Among the "100 Best Fleets" of North America's public fleets (*Fleet Equipment* magazine and *Government Fleet* magazine)
- Leads in neighborhood electric vehicle procurement for state parks (15 vehicles in operation)
- Eliminated annual debt payment—\$3 million in interest savings in the past 5 years
- Since 2002, reduced miles driven by 8% and reduced gallons consumed by 10%
- Driven by inherent efficiency gains, DNR is switching 3/4 ton and heavy trucks to diesel



Safety

- A department-wide safety strategy resulted in a 50% decrease in recordable injuries over the last 10 years



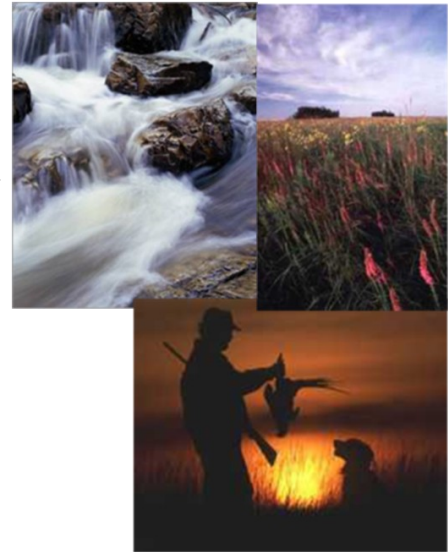
New Business Models

Since 2003, DNR has initiated major transformations to become a more efficient and productive agency in our work to conserve Minnesota's natural resources and provide for their beneficial uses.

New Integrated Divisions

Division of Fish and Wildlife (2003)

- DNR's combined Fish and Wildlife Division integrates terrestrial and aquatic fish and wildlife habitat management and land acquisition programs, expands outreach and recruitment efforts to hunters and anglers, improves efficiency through shared administrative services, provides improved customer service for license buyers, provides for strategic and effective use of game and fish license dollars, and supports the \$4.3 billion fishing, hunting and wildlife watching industry.



Division of Parks and Trails (2009)

- DNR's new Parks and Trails Division focuses on increasing outdoor recreation participation, promotes efficiencies through shared administration and management activities, and garners support for environmental stewardship while promoting economic vitality.

Division of Ecological and Water Resources (2010)

- DNR's new Division of Ecological and Water Resources works to ensure healthy watersheds throughout Minnesota and improve Minnesota's water, biodiversity, and ecosystem services through integrated, collaborative and community-based approaches.

New Budget and Management Systems

Shared Support Services

- DNR has transformed how it finances internally-provided shared support services. Its budget no longer includes direct appropriations for such things as human resources functions, information technology services, and fleet operations. Instead, shared support services are financed internally by billing natural resource management programs for the support services they consume.

Performance Management System

- **Budgeting for Results.** In 2009, DNR build a new system for presenting its biennial budget to the legislature in response to the state budget deficit and the legislature's mandate for increased transparency and accountability to results. The new "*Budgeting for Results*" framework describes agency strategic direction, connects budgets to strategic goals, and uses indicators and targets to measure and report conservation results. In response, the legislature called DNR's new system a new standard for state agency budget presentations.
- **Implementing DNR strategic direction.** In 2009, DNR led an agency-wide process to define critical trends and strategic direction for the department resulting in the DNR's *Strategic Conservation Agenda 2009-2013*. In 2010, DNR built agency-wide team structures for coordinating DNR efforts to ensure consistent implementation of DNR's strategic direction in two areas: 1) connecting people to Minnesota's great outdoors and 2) effectively responding to climate change and energy issues.

New Technology Tools and Improved Business Models

Land Records System

- DNR is in the final phases of re-engineering its Land Records System to enhance access to public information about state land assets, improve integrated natural resource management, and streamline legislatively-mandated reporting requirements.

New Cell Phone Accountability Protocols

- In 2010, DNR developed an innovative database for comprehensive tracking and auditing of cell phones.

DNR: An Integrated Organization



Integrated resources require integrated management.

DNR is an integrated organization:

Minnesota DNR combines functions related to forests, fish and wildlife, parks, and mineral management into one integrated agency.

This is a major advantage as we pursue our conservation mission.