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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

**EIGHTY-SIXTH  
SESSION**

**HOUSE FILE No. 3502**

March 8, 2010

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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 water; establishing a metropolitan area groundwater monitoring  
1.3 account and fee; appropriating money; amending Minnesota Statutes 2009  
1.4 Supplement, section 103G.271, subdivision 6; proposing coding for new law  
1.5 in Minnesota Statutes, chapter 103G.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2009 Supplement, section 103G.271, subdivision 6,  
1.8 is amended to read:

1.9 Subd. 6. **Water use permit processing fee.** (a) Except as described in paragraphs  
1.10 (b) to (f), a water use permit processing fee must be prescribed by the commissioner in  
1.11 accordance with the schedule of fees in this subdivision for each water use permit in force  
1.12 at any time during the year. The schedule is as follows, with the stated fee in each clause  
1.13 applied to the total amount appropriated:

1.14 (1) \$140 for amounts not exceeding 50,000,000 gallons per year;

1.15 (2) \$3.50 per 1,000,000 gallons for amounts greater than 50,000,000 gallons but less  
1.16 than 100,000,000 gallons per year;

1.17 (3) \$4 per 1,000,000 gallons for amounts greater than 100,000,000 gallons but less  
1.18 than 150,000,000 gallons per year;

1.19 (4) \$4.50 per 1,000,000 gallons for amounts greater than 150,000,000 gallons but  
1.20 less than 200,000,000 gallons per year;

1.21 (5) \$5 per 1,000,000 gallons for amounts greater than 200,000,000 gallons but less  
1.22 than 250,000,000 gallons per year;

1.23 (6) \$5.50 per 1,000,000 gallons for amounts greater than 250,000,000 gallons but  
1.24 less than 300,000,000 gallons per year;

2.1 (7) \$6 per 1,000,000 gallons for amounts greater than 300,000,000 gallons but less  
2.2 than 350,000,000 gallons per year;

2.3 (8) \$6.50 per 1,000,000 gallons for amounts greater than 350,000,000 gallons but  
2.4 less than 400,000,000 gallons per year;

2.5 (9) \$7 per 1,000,000 gallons for amounts greater than 400,000,000 gallons but less  
2.6 than 450,000,000 gallons per year;

2.7 (10) \$7.50 per 1,000,000 gallons for amounts greater than 450,000,000 gallons but  
2.8 less than 500,000,000 gallons per year; and

2.9 (11) \$8 per 1,000,000 gallons for amounts greater than 500,000,000 gallons per year.

2.10 (b) For once-through cooling systems, a water use processing fee must be prescribed  
2.11 by the commissioner in accordance with the following schedule of fees for each water use  
2.12 permit in force at any time during the year:

2.13 (1) for nonprofit corporations and school districts, \$200 per 1,000,000 gallons; and

2.14 (2) for all other users, \$420 per 1,000,000 gallons.

2.15 (c) The fee is payable based on the amount of water appropriated during the year  
2.16 and, except as provided in paragraph (f), the minimum fee is \$100.

2.17 (d) For water use processing fees other than once-through cooling systems:

2.18 (1) the fee for a city of the first class may not exceed \$250,000 per year;

2.19 (2) the fee for other entities for any permitted use may not exceed:

2.20 (i) \$60,000 per year for an entity holding three or fewer permits;

2.21 (ii) \$90,000 per year for an entity holding four or five permits; or

2.22 (iii) \$300,000 per year for an entity holding more than five permits;

2.23 (3) the fee for agricultural irrigation may not exceed \$750 per year;

2.24 (4) the fee for a municipality that furnishes electric service and cogenerates steam  
2.25 for home heating may not exceed \$10,000 for its permit for water use related to the  
2.26 cogeneration of electricity and steam; and

2.27 (5) no fee is required for a project involving the appropriation of surface water to  
2.28 prevent flood damage or to remove flood waters during a period of flooding, as determined  
2.29 by the commissioner.

2.30 (e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two  
2.31 percent per month calculated from the original due date must be imposed on the unpaid  
2.32 balance of fees remaining 30 days after the sending of a second notice of fees due. A fee  
2.33 may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal  
2.34 governmental agency holding a water appropriation permit.

2.35 (f) The minimum water use processing fee for a permit issued for irrigation of  
2.36 agricultural land is \$20 for years in which:

3.1 (1) there is no appropriation of water under the permit; or

3.2 (2) the permit is suspended for more than seven consecutive days between May 1  
3.3 and October 1.

3.4 (g) A surcharge of \$30 per million gallons in addition to the fee prescribed in  
3.5 paragraph (a) shall be applied to the volume of water used in each of the months of June,  
3.6 July, and August that exceeds the volume of water used in January for municipal water  
3.7 use, irrigation of golf courses, and landscape irrigation. The surcharge for municipalities  
3.8 with more than one permit shall be determined based on the total appropriations from all  
3.9 permits that supply a common distribution system.

3.10 (h) A water monitoring fee of .0008 cents per gallon shall be applied to the volume  
3.11 of groundwater used in the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti,  
3.12 Ramsey, Scott, Sherburne, Washington, and Wright. Fees collected under this paragraph  
3.13 must be credited to the metropolitan area groundwater monitoring account established in  
3.14 section 103G.272.

3.15 **Sec. 2. [103G.272] METROPOLITAN AREA GROUNDWATER MONITORING**  
3.16 **ACCOUNT.**

3.17 A metropolitan area groundwater monitoring account is created in the natural  
3.18 resources fund. Money in the account is appropriated to the commissioner of natural  
3.19 resources to provide for monitoring the groundwater quantity and quality of non-stressed  
3.20 systems in the 11-county metropolitan area, to include the installation, maintenance, and  
3.21 sealing of new or existing groundwater level monitoring wells, monitoring equipment,  
3.22 groundwater data analysis, and data management systems. Money received from the water  
3.23 monitoring fee under section 103G.271, subdivision 6, paragraph (h), and interest earned  
3.24 on the account shall be deposited into the account.

3.25 **Sec. 3. CLEAN WATER FUND APPROPRIATIONS.**

3.26 Subdivision 1. **Pollution Control Agency.** \$615,000 in fiscal year 2011 is  
3.27 appropriated from the clean water fund to the commissioner of the Pollution Control  
3.28 Agency to continue rulemaking to establish water quality standards for total nitrogen  
3.29 and nitrate nitrogen.

3.30 Subd. 2. **Department of Natural Resources.** (a) The \$5,000,000 appropriated in  
3.31 Laws 2009, chapter 172, article 2, section 4, paragraph (m), for activities relating to  
3.32 groundwater protection or prevention of groundwater degradation shall be transferred  
3.33 to the metropolitan area groundwater monitoring account established under Minnesota

4.1 Statutes, section 103G.272, to be used by the commissioner of natural resources for the  
4.2 following purposes:

4.3 (1) establish a groundwater monitoring network in the 11-county metropolitan area  
4.4 that monitors non-stressed systems to provide information on aquifer characteristics and  
4.5 natural water level trends; and

4.6 (2) develop an automated data system to capture groundwater level and water use  
4.7 data to enhance the evaluation of water resource changes in aquifer systems that are  
4.8 stressed by pumping of existing wells.

4.9 (b) \$..... in fiscal year 2011 is appropriated from the clean water fund to the  
4.10 commissioner of natural resources for the implementation of the next priority of the  
4.11 St. Louis River Remedial Action Plan, the Knowlton Creek Fishery Restoration and  
4.12 Enhancement Project, in order to improve water quality in the lower St. Louis River. This  
4.13 appropriation must be matched by nonstate money at a rate of \$2 for every \$1 of state  
4.14 money.

4.15 Subd. 3. **Board of Water and Soil Resources.** \$..... in fiscal year 2011 is  
4.16 appropriated from the clean water fund to the Board of Water and Soil Resources for  
4.17 the following purposes:

4.18 (1) \$..... is to purchase and restore permanent conservation easements on riparian  
4.19 buffers of up to 100 feet adjacent to public waters, excluding wetlands, to keep water on  
4.20 the land in order to decrease sediment, pollutant, and nutrient transport, reduce hydrologic  
4.21 impacts to surface waters, and increase infiltration for groundwater recharge. The riparian  
4.22 buffers must be at least 50 feet unless there is a natural impediment, a road, or other  
4.23 impediment beyond the control of the landowner. This appropriation may be used for  
4.24 restoration of riparian buffers protected by easements purchased with this appropriation  
4.25 and for stream bank restorations when the riparian buffers have been restored. Up to five  
4.26 percent may be used for administration of this program;

4.27 (2) \$..... is for grants to watershed districts and watershed management  
4.28 organizations for: (i) structural or vegetative management practices that reduce storm  
4.29 water runoff from developed or disturbed lands to reduce the movement of sediment,  
4.30 nutrients, and pollutants or to leverage federal funds for restoration, protection, or  
4.31 enhancement of water quality in lakes, rivers, and streams and to protect groundwater  
4.32 and drinking water; and (ii) the installation of proven and effective water retention  
4.33 practices including, but not limited to, rain gardens and other vegetated infiltration basins  
4.34 and sediment control basins in order to keep water on the land. The projects must be  
4.35 of long-lasting public benefit, include a local match, and be consistent with TMDL  
4.36 implementation plans or local water management plans. Watershed district and watershed

- 5.1 management organization staff and administration may be used for local match. Priority  
5.2 may be given to school projects that can be used to demonstrate water retention practices.  
5.3 Up to five percent may be used for administering the grants; and  
5.4 (3) \$..... is for permanent conservation easements on wellhead protection areas  
5.5 under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d). Priority must  
5.6 be placed on land that is located where the vulnerability of the drinking water supply  
5.7 management area, as defined under Minnesota Rules, part 4720.5100, subpart 13, is  
5.8 designated as high or very high by the commissioner of health.