

Meeting Minutes
Water Policy Committee
07.15.08
League of Minnesota Cities
Time: 5pm to 7pm

Members present: Jonathan Abram, Larry Baker, Alex Bakkum, Janna Caywood, Karen Chesebrough, Sherry Enzler, Janne Flisrand, Lea Foushee, Annette Jacob, Kelsey Johnson, Dianne Krizan (chair), Tony Kwilas, Bruce Leslie, Joseph Mansky, Gene Merriam (chair), Wallace Neal, Randy Neprash, Jack Ray, Erika Sitz, Jay Sjostrom, Joel Spoonheim, Kaitlin Steiger-Meister, Nena Street, Becca Vargo Dagget, Danielle Waldschmidt

Presenters: Laurel Reeves, John Wells

Staff Present: Victoria Ford, Jim Horan, Annie Levenson-Falk

Outcomes:

- Learn about and discuss water sources, uses and sustainability issues in Minnesota
 - Begin to get ideas for continued study
 - Presentations from Laurel Reeves and John Wells
-
- I. Introduction by Gene Merriam
 - a. Special thank you to Kevin Frazell and the League of Minnesota Cities for allowing the Citizens League to use the space.
 - b. Introductions by the public guests in attendance

 - II. Presentations:
 - a. **Laurel Reeves**, Program Development, MN Department of Natural Resources-Division of Water Resources. (See Attached Power Point)
 - i. Water Use and Sustainability
 - 1. Water Challenges in Minnesota:
 - a. Ground water and surface water interaction
 - b. Water use controls
 - c. Well interference
 - d. Strategies and plans for water supply and aquifer utilization for the whole state.
 - e. High volume, continuous withdrawal for industrial and agricultural processing
 - f. Public water supply increasing
 - g. Sustainability of aquifers interbasin transfer
 - h. Short and long term changes in climate
 - ii. Overview:

1. Hydrological Cycle and Hydrogeology
 2. Water Law
 3. Water use data
 4. Water supply management tools
 5. Policy and planning
 6. Availability
 7. Sustainability
 8. Value of Water
 9. What Next?
- iii. Minnesota's Water Law:
1. Minnesota's Water Law is based on the common law doctrine of riparian right modified by the concept of reasonable use.
 2. If you own land abutting a surface water source or overlying a ground water source you have the reasonable right to use the resource subject to the rights of other riparian landowners.
 3. Reasonable use is defined by statutes and rules that guide issuance water appropriation permits.
- iv. MN Statute 103G on Water Supply Management
1. Water use permitting
 2. Water use appropriation program
 3. Primary Program Elements:
 - a. Water use priorities
 - b. Water use reporting
 - c. Resource protections
 - d. Water conservation
 - e. Conflict Resolution
 - f. Inter-Basin Diversions
- v. Water Use Priorities:
1. Domestic water supply
 2. Consumption less than 10,000 gallons/day
 3. Agricultural Irrigation and Processing
 4. Power production
 5. Consumptive uses in excess of 10,000 gallons/day
 6. Non-essential uses
- vi. Water Resource Protection Laws
1. Surface Water
 - a. Protected flows and elevations
 - b. Wetland requirements
 2. Ground Water
 - a. Safe yields
 - b. Metro Mt. Simon-Hinkley source
 3. Special Protection
 - a. Trout streams

- b. Calcareous Fens
 - c. Endangered Species
- vii. Consumptive v. Non-consumptive Use
 - 1. Consumptive use: water that is withdrawn from its source for immediate further use in the area of the source and is not directly returned to the source.
- viii. Water Management Tools
 - 1. Conservation
 - 2. Permits
 - 3. Water Supply Plans
 - 4. Well Interference
 - 5. Water Use Conflict
 - 6. Use Restrictions
 - 7. Allocation Plans
 - 8. Pricing
- ix. Water Rate Structures
 - 1. 2008 Amendment, all public water suppliers serving more than 1,000 people must adopt a conservation rate structure:
 - a. Increasing block or seasonal rate: rate increases with increased volume
 - b. Excess use rate
 - c. Time of use
 - d. Individualized Goal Rate
 - e. Service charge does not include volume of water.
- x. Sustainability:
 - 1. Sustainable use of ground water is the use of water to provide for the needs of society, now and in the future, without unacceptable social, economic, or environmental consequences.
- xi. Valuing Water:
 - 1. How do we think about efficiency?
 - a. Gallons of water per –
 - i. Physical unit of output
 - ii. Dollars of output
 - iii. Jobs created
 - iv. People served
 - b. Not all water is valued equally:
 - i. Value is a function of:
 - 1. cost to use
 - 2. quality available
 - 3. degree of competition for the water
- xii. Next Steps:
 - 1. Need professional dialog that is focused on facts and analysis not factoids and framing.

2. Continue to invest in understanding the resource – investigation and monitoring
 3. Need to work with water users to ensure proper siting relative to water supply
 4. Improve efficiency in industrial uses.
 5. Leverage the ethanol debate and climate change discussions to build the case for and implement strategies to reduce the overall demand for water.
- b. **John Wells**, Strategic Planning Direction, MN Environmental Quality Board.
- i. **EQB Mission:** Develop a strategic plan for water-plan and environmental review process.
 - ii. EQB strives to work towards the Governors Vision of Clean Water for Minnesota.
 - iii. Issues:
 1. Global issues affect our natural resources
 2. What is good for business must be good for environment.
 3. Small actions often create a larger concern.
 4. We are disconnecting from the environment.
 - iv. Cumulative Potential Effects:
 1. Small (local) problems to large (regional) ones.
 2. See Generally *Pope County Mothers v. MPCA* (594 N.W.2d 233)
 3. “When determining whether a project consisting of multiple connected sites has a potential for significant environmental effects, a responsible until should consider the cumulative environmental effects of the individual sites.” (From the opinion)
 - v. Sustainable Development is:
 1. Thinking and acting as if a long term future mattered
 2. Recognizing how things connect
 3. Living within our means (i.e. not mining groundwater unless we have a plan for when it’s gone).
 4. Taking creative approaches to issues.
 - vi. MN has built its laws on the idea that we have plenty of water to go around. The problem is that we don’t.
 - vii. Climate change may result in not only higher temps but in higher precipitation.
 - viii. Estimates are that the metro area will add a million new residents and half a million new homes by 2030.
 - ix. We need to be able to project need:
 1. Understand what MN is doing
 2. Define unknown in quality and use
 3. Recognize importance of water in growth
 - x. Define the difference between:
 1. Sustainable Supply
 2. Sustainable Use
 - xi. EQB project found:

1. 4 Counties used more than 50% of their sustainable supply
2. The use range was between 1% and 135%.
- xii. As water supplies dwindle the definition of reasonable use will change.
- xiii. Ethanol issues: The numbers look small state-wide but when taken at the county level they can account for a significant percent of water usage.
- xiv. Water quality: Cities and counties need to be aware of the quality of ground water they're using. For example Rochester will not use the top layer of ground water because it has been polluted through run-off.
- xv. The next EQB project on water will be completed in September of 2008.
- xvi. From "Protecting Minnesota's Waters: Priorities for the 2005-2007 Biennium":
 1. EQB Priorities:
 - a. Protect the core state water activities and meet strategic long range needs
 - b. Make the commitment to restoring impaired waters
 - c. Promote Twin Cities Water Supply Sustainability
 2. Increase Drinking Water Protection Fee and Well Management Fees.
 3. Additional Recommended Priorities:
 - a. Improve the monitoring and assessment of Minnesota Waters
 - b. Help agriculture protect, restore, and enhance water resources.
 - c. Manage water for growth
 - d. Take new steps to protect Minnesota Lakes
 - e. Secure stable financing
- xvii. EQB's Minnesota Watermarks:
 1. Goal: Minnesotans will improve the quality of water resources
 2. Goal: Minnesotans will conserve water supplies and maintain the diverse characteristics of water resources to give future generations a health environment and a strong economy.
 3. Goal: Minnesotans will restore and maintain health aquatic ecosystems that support diverse plants and wildlife.
 4. Goal: Minnesotans will have reasonable and diverse opportunities to enjoy the state's water resources.
- xviii. Waste Water Suggestions:
 1. Priority should be given to maintaining and improving existing wastewater treatment systems.
 2. This should be balanced with a need to support new systems in areas determined to be serious threats to the environment or public health.
 3. Projects should utilize loans or other mechanisms before any grant funding is considered.
- xix. Water Availability Project
 1. EQB's charge includes:
 - a. Taking a broad look at water availability and appropriations, including but not limited to issues specific to the ethanol industry,

finding a way to put consideration of proposed water uses into a broader framework and perspective.

- b. Consider how the state might establish and/or has established protective and achievable standards to quantify and address the environmental impacts of proposed water uses.
- c. Summarize need and options for collective additional data important to comprehensive and timely analysis of proposed water uses.

xx. Clean Water Cabinet and EQB recommendation to the Legislature:

1. Support research to:

- a. Better define the location and characteristics of ground water resources, giving priority to areas subject to ethanol or population demands
- b. Understand what volume of water is renewable, that is, how much can be taken for use on a long-term, sustainable basis without drawing down the resource.
- c. Understand the impacts of drainage or other land use practices on rates of recharge and means to quantify these impacts.
- d. Understand the impacts of global warming on climate, rates of recharge and water demand.
- e. Characterize the interactions of surface and ground waters, including implications of water quality and quantity.
- f. Quantify the timing, amount and quality of water to better understand ecosystem needs.

2. Support Completion of mass water-level measurements of the major water supply aquifers in the Twin Cities and associated developing areas in 2008 and each decade thereafter.
3. Use the biennial water availability assessment as a benchmark for what we know or need to know about the allocation of Minnesota's water resources and the policies and priorities that guide allocation decisions, supporting EQB and DNR efforts to enhance the analysis and apply the finding of future editions.

III. Questions and Comments:

- a. Gene (question to both): Do we have a water sustainability problem and how do we define it?

i. John Wells: Yes, quality is 40% impaired. We have to understand that we have a limit to our water supply.

1. The EQB welcomes any questions the committee may have on water quality.
2. Suggestion that the committee also engage the U of M and the MPCA (editor's note: staff from both the U of M and the MPCA will speak in the coming meetings).

- ii. Laurel Reeves: Yes, quantity is a location problem. We don't have a problem statewide but, we do on a county/city level. Climate change may give us more water but, we can only estimate its affect. Other parts of the country will/do covet our water.
 - 1. The DNR isn't too concerned about non-consumptive water use because the water is returned to the environment at acceptable rates and levels.
- iii. PUD No. 1 of Jefferson County v. Washington Dept of Ecology
 - 1. "A state may impose conditions on certifications insofar as necessary to enforce a designated use contained in the State's water quality standard."

b. Is water properly priced? Should it be properly priced?

- i. John Wells: Water costs nothing, all we are really charging for is the system that provides it.
- ii. There was a suggestion in the 1980's that groundwater should be priced at 4 times the amount of surface water. However, the suggestion did not go any further.
- iii. The EQB wants to put a "real" value on water.

c. How do we create transparency in ground water supply and use?

IV. Close Conversation (Gene Merriam)

- a. Invite extended to John Wells and Laurel Reeves to future committee meetings.