

Priorities for the 2005 - 2007 Biennium



A BIENNIAL REPORT OF THE ENVIRONMENTAL QUALITY BOARD
February 2005





The **Environmental Quality Board** draws together the Governor's Office, five citizens and the heads of 10 state agencies in order to develop policy, create long-range plans and review proposed projects that would significantly influence Minnesota's environment. Minnesota Statutes (see *Minnesota Statutes*, Chapters 103A, 103B, 116C, 116D, 116G and 116I) directs the EQB to:

- Ensure compliance with state environmental policy
- Oversee the environmental review process
- Regulate the siting of large energy facilities
- Develop the state water plan and coordinate state water activities
- Coordinate environmental agencies and programs
- Study environmental issues
- Convene environmental congresses
- Advise the Governor and the Legislature

Today, the Board staff is housed in the Division of State and Community Services of the Department of Administration.

The **Clean Water Cabinet** includes commissioners of the departments of Agriculture, Health and Natural Resources, and the Pollution Control Agency, the executive directors of the Board of Water and Soil Resources and the Metropolitan Council, and the Governor's deputy chief of staff, the cabinet chair. Tim Scherkenbach serves as cabinet director.

Protecting Minnesota's Waters: Priorities for the 2005-2007 Biennium was prepared by the EQB Water Resources Committee; Sara Bertelsen, EQB water policy planner; and John Wells, EQB water & sustainable development director. EQB WRC includes: Agriculture (Greg Buzicky and Gerald Heil), Board of Water and Soil Resources (Steve Woods and Doug Thomas), EQB Citizen Members (Jon Bloomberg and Mary Mellen), Health (Pat Bloomgren), Metropolitan Council (Judy Sventek and Keith Buttleman), Minnesota Geological Survey (Harvey Thorleifson and Dale Setterholm), Natural Resources (Kent Lokkesmoe and Craig Engwall), Pollution Control (Lisa Thorvig), U.S. Geological Survey (Jeff Stoner), Administration (John Wells) and the Governor's Clean Water Cabinet (Tim Scherkenbach). Photo on front cover provided by Minnesota Office of Tourism.

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February 2005



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INTRODUCTION

Minnesotans place a high value on their water resources. Water provides jobs, drives quality of life, supports fish and wildlife, and is the cornerstone of a \$10 billion a year tourism industry. Simply put, water quality and quantity are central to our success as a state.

Despite their importance, Minnesota waters face increasing pressure from development, pollution, exotic species, and growing demands for drinking water. How we protect our water resources today will determine whether Minnesota remains prosperous in the future. The choice is ours.

The vision

Given this choice, what vision should guide us? As Minnesotans, we expect our waters to be clean and plentiful, both today and long into the future. This requires all Minnesotans to:

- Guard their waters from present and future threats
- Restore waters that are impaired
- Maintain an accurate picture of waters for citizens, managers and policy-makers
- Ensure adequate reserves of safe water to keep Minnesota prosperous and sustain healthy communities

The partners

Protecting Minnesota's waters is a huge task, one that relies on the knowledge, authorities, partnerships, commitment and resources of state and local governments, the University, environmental organizations, agricultural groups, private firms, citizens and others. Each of these players is important and necessary in the effort to protect the state's waters.

Minnesota Statutes, Sections 103A.43 and 103B.151 directs the Environmental Quality Board to coordinate state water programs and develop a biennial water policy and priorities report. In furtherance of this mission, the Clean Water Cabinet has worked over the past 18 months to coordinate the Governor's Clean Water Initiative and define state water priorities. The Cabinet and Board present the 2005-2007 biennial water priorities based on this work. The priorities demonstrate the commitment to protecting the economic, social and ecological value of Minnesota's water resources.

State tasks

A set of core tasks provides the state with the capability to uphold its essential responsibilities. These include activities that help people understand, evaluate, communicate, develop and regulate Minnesota's waters.

While each of these activities is important in its own right, it is important to recognize that they also are highly interdependent. For instance, the ability to evaluate water conditions and trends requires an understanding of water availability and the geologic and land use characteristics that profoundly influence and affect water.

Challenges

Although the vision is clear, several issues must be addressed to ensure that Minnesota has high quality water for both a healthy economy and environment. Matters of greatest concern today include:

- As tough budgetary decisions are made, it will be evermore important to hold harmless the interrelated set of core state activities and the knowledge and expertise so key to protecting Minnesota's waters.
- In 2004, Minnesota reported 1,123 impaired bodies of water whose pollutants threaten their economic and recreational value. These numbers, while alarming, are based on an assessment of only 8 percent of the state's river miles and 14 percent of its lakes.
- The state has limited knowledge of how much water can be safely withdrawn for drinking water supplies, especially its largely unmapped ground water resources. As population increases and development expands, the demand for high quality water will increase. Population pressures of the Twin Cities Metropolitan Area already place great demands on that region's waters.

Priorities

With these challenges in mind, the Clean Water Cabinet and Environmental Quality Board recommend the following priorities for the 2005-2007 biennium:

- Protect core state water activities and meet strategic long range needs
- Make the commitment to restoring impaired waters
- Promote Twin Cities water supply sustainability



CORE WATER ACTIVITIES

A set of core state activities serves to protect Minnesota's ground and surface waters through the day-to-day, coordinated application of law, programs, expertise, information and education. This work helps people answer basic quality and quantity questions about water, such as where it is, how clean it is, how we use it and how actions we take may impair it. These core activities provide the key to meeting the state's water vision.

With so much of Minnesota's continuing prosperity hinging on a sound water program, maintaining the collaborative effort to protect and sustain our waters must take center stage.

What do the core activities do?

The state's core water activities protect Minnesota's waters by providing the following services:

- Research
- Monitoring
- Data management and assessment
- Regulation and enforcement
- Implementation
- Education and outreach

With these services, people gain the understanding of watershed and land use characteristics, and trends in water quality, supply and use that Minnesota's communities need to plan for population growth and economic development in environmentally safe ways. With this understanding, people can apply the tools of water management in a prudent, effective manner to protect resources and meet future needs.

Questions for policy makers

Policy makers can determine if an activity is a core water activity by asking a few simple questions. Does the activity help people and programs:

- Address current problems and prevent the emergence of new ones?
- Make the link to land use?
- Integrate and coordinate federal, state and local interests?
- Collect sufficient data and interpret it for ready use by decision-makers and citizens

- Involve and empower local governments and citizens
- See and easily understand water issues and efforts?
- Act in a unified, economical manner?

How are core water activities funded?

The state funds water-related activities through the following sources:

Water Funding FY 2004

| Funding Source | Funding (\$ million) | Percent of Total (%) |
|----------------------|----------------------|----------------------|
| Bonding; | | |
| State Revolving Fund | 303.30 | 72.7 |
| Fees | 35.77 | 8.5 |
| Federal* | 37.04 | 8.7 |
| General Fund | 42.58 | 10.1 |

* Total does not include federal funds, such as those for the Conservation Reserve Program, that benefit Minnesota's water management efforts, but are not administered by state government.

Budgetary challenges

The state faces new challenges this biennium with another large deficit expected and water programs again on the line for reductions. Working through the Clean Water Cabinet, state water agencies are working to protect core water activities from General Fund cuts. Part of the challenge is to strike a balance between the state's immediate and strategic long range needs.

Recommendations

The Clean Water Cabinet and Environmental Quality Board recommend that the Legislature:

1. Find long-term funding options to protect and maintain the cycle of services provided by the state's core water activities.

While supplying only 10 percent of the state water budget, the General Fund plays a key role in supporting these core activities.

2. Overhaul the process for administering the Environment and Natural Resources Trust Fund.

While many important measures have been supported through the current process, the overhaul would make long-term strategic investment in Minnesota's natural resources the priority. The Governor recommends establishment of the Minnesota Conservation Heritage



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Foundation, an independent citizen-expert panel, to administer the Trust Fund with this priority in mind.

3. Evaluate Minnesota's wetland conservation efforts to ensure that the state's no-net loss policy is working.

The Wetland Conservation Act of 1991 establishes a state "no net loss" policy with certain exemptions, and provides for the mitigation of drained or filled wetlands. It complements and is complemented by various state and federal regulatory and conservation programs. However, recent studies of wetland losses in selected watersheds raise questions about the policy's effectiveness.

The state should complete efforts to develop a comprehensive wetland monitoring system in cooperation with federal agencies, and fund its implementation. This will make a scientific analysis of the "no net loss" policy possible. The state also should update the Minnesota Wetland Conservation Plan to ensure that current wetland protection efforts efficiently meet state goals while addressing local and regional needs.

4. Increase selected water-related fees to keep pace with inflation and increased program-related demands. The fee increases should include:

- Drinking Water Protection fees to meet the federal water testing guidelines in the Safe Drinking Water Act. The drinking water connection fee was

originally established in 1992 at \$5.21 per water connection. This fee level has been adequate for nearly 15 years due to the accrual of a surplus in the early years of the fee. However during the upcoming biennium, the surplus will be exhausted and the existing fee will not cover increased program costs. Therefore, increasing the fee to \$6.36 per water connection will allow the program to continue to ensure safe drinking water for all Minnesotans.

- Well Management fees to ensure that new and abandoned wells do not contaminate aquifers. At present, fees fully fund state well management activities, and the result has been a high rate of compliance with requirements for constructing new wells and sealing abandoned wells. Experience indicates that the rates of compliance will fall if program support drops. So too will the assurance that 10,000 abandoned wells are properly sealed every year. The fee increases will cover increased program costs; not expand programs.

What is the benefit of protecting core water activities?

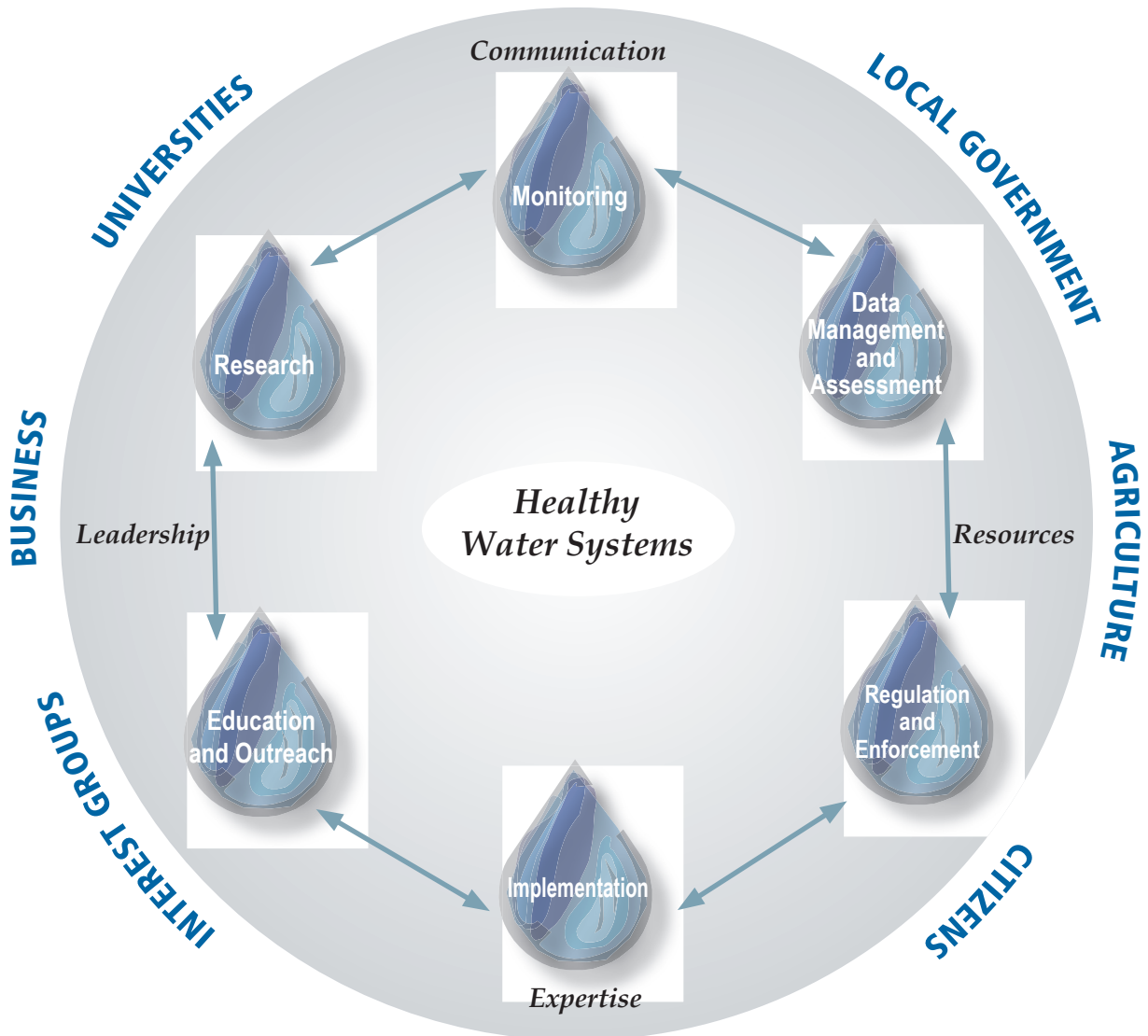
The health and sustainability of Minnesota's waters depends upon the cycle of services provided by the state's core water activities. Without proper funding, the cycle will break and its services will fail to defend the state's water interests, support state partners, allow a growing economy and meet the expectations every Minnesotan has for a quality environment. We should not let this happen.

Agencies working together

In early 2004, the Pollution Control Agency, Department of Agriculture and the Department of Health agreed on a joint plan for conducting statewide ambient ground water quality monitoring in Minnesota. Among the three agencies, there are different yet related purposes and requirements for ground water monitoring. All three use monitoring data to gain the information necessary to assess, protect and restore water resources. They also embrace a commitment to share data with each other and others that manage ground water resources, and to share monitoring information to educate the public about threats that ground water contamination presents to Minnesotans.



THE WATER CYCLE OF SERVICES





GOVERNOR'S CLEAN WATER INITIATIVE – PILOT PROJECTS

In June of 2003, Governor Pawlenty announced a new initiative to help clean up Minnesota's waters and ensure the state's famed water legacy will pass intact to future generations.

One of the first priorities in the initiative was selecting demonstration projects. The Governor's Clean Water Cabinet decided to focus on four areas in the state in which to implement specific projects. These project areas were selected to represent some of the state's most unique and important water challenges. The four areas were: the Red River valley where there are problems with flood damage and control; the Twin Cities metropolitan area with significant challenges of protecting and managing drinking water supplies; the North Central lakes area which needs to manage a complex balance between lake-related development and quality-of-life issues related to water quality, fish populations and lakeshore preservation; and southeastern Minnesota where the quality of surface waters has deteriorated to unacceptable levels with many waters unsuitable for swimming and the maintenance of desirable fish populations.

The six pilot projects include:

North Central MN Lakes

This five county project (Aitkin, Cass, Crow Wing, Itasca and Hubbard) works to support, coordinate and enhance innovative lake management tools. These tools will help to maintain or improve the economic and natural value of lakes and shorelands and will address the cumulative effects of population growth, population density and land use change.

Twin Cities Metro Area – Two Pilots

The Twin Cities Sub-Regional Water Supply project will help to: a) propose an institutional framework for regional/sub-regional planning and coordination of drinking water supplies, b) identify and evaluate water supply options for the Metro area to ensure a sustainable source of drinking water, and c) increase the reliability and security of core Twin Cities supplies through interconnection of the Minneapolis – St. Paul water supply systems.

The Lambert Lakes wetland restoration project is designed to reduce the amount of phosphorous entering Vadnais Lake, the last reservoir for surface water before it enters the St. Paul Regional Water Services system. This system serves more than 400,000 people.

Red River Basin – Two Pilots

The projects in this area focus on restoration of wetlands, reduction of flooding and improvement of water quality. The Grand Marais Creek project within the Red Lake Watershed District takes a collaborative approach to reducing flood damages and enhancing natural resources. The Manston Slough project provides flood control and reduces flood peaks to the South Branch of the Buffalo River. Wetland restoration will help to reduce pollutant runoff into creeks and lakes, prevent damage from 100-year flood events, protect intensively farmed land from 10-year storm events and create millions of acres of flood storage.

Southeast Minnesota

This pilot provides a special focus on reducing pollutants to impaired waters and evaluating results in the South Fork of the Root River. Activities include targeting the delivery of farm programs to efficiently restore impaired waters and prevent future impairments.



GOVERNOR'S CLEAN WATER INITIATIVE – MILESTONES

Conservation Reserve Enhancement Program II

In 2004, Governor Pawlenty submitted a second CREP application to the federal government. CREP II will address water-related needs of the Red River watershed in the northwest, the Lower Mississippi River watershed in the southeast, and the Missouri River and Des Moines River watersheds in the southwest. The goal is to secure approximately 4,500 conservation easements covering 120,000 acres by the end of 2007.

Wetland Reserve Enhancement Program

WREP combines RIM resource funds and funds from the USDA Natural Resources Conservation Service to provide financial and technical assistance to landowners who voluntarily restore wetlands and increase wildlife habitat. The goal is to restore approximately 7,250 acres across Minnesota. The areas include: 3,000 acres in the five Presidential Flood Disaster counties of Dodge, Faribault, Freeborn, Mower and Steele; 1,750 acres along the Red River of the North main stem; and 1,500 and 1,000 acres, respectively, in the Buffalo-Red River and Grand Marais Creek watersheds in northwestern Minnesota.

Glacial Ridge NWR

The nation's 54th national wildlife refuge – Glacial Ridge Refuge in northwest Minnesota – was officially created on October 12, 2004. Launched with the donation of a 2,000 acre parcel by the Nature Conservancy, the refuge will eventually cover 35,000 acres, becoming the largest tall grass prairie and wetland restoration project in the United States. This refuge will become a major waterfowl breeding and nesting area. It will provide critical habitat for declining grassland birds, greater prairie chickens, sandhill cranes, as well as the endangered western prairie fringed orchid, among other species.

EPA Watershed Grants

Root River

Governor Pawlenty chose the Root River watershed to serve as a demonstration for the Impaired Waters component of the Clean Water Initiative. The 81 mile river with its million acre watershed flows from the corn belt of southern Minnesota to its confluence with the Mississippi River in the southeast corner of the state. Elements of the project include wetland restoration, drainage management and riparian buffer in intensively cropped upper watershed areas, sidehill seep buffers and reforestation in Karst plains of middle watershed areas, alfalfa incentives, detention basin cleanouts, and critical area seedings in steep lower watershed areas.

Hawk Creek

Hawk Creek is a 65 mile long stream with a 600,000 acre watershed that enters the Minnesota River near Granite Falls. The watershed is 85 percent agricultural cropland, with over 98 percent of its original wetlands drained. This project promotes the use of best management practices that will result in significant water quality benefits for the watershed. Those BMPs include livestock waste management systems, buffer strips, grassed waterways, nutrient and residue management plans, livestock exclusions, alternative tile intake systems, terraces, sediment retentions, and septic system upgrades.

Clearwater River

The Clearwater River in northwest Minnesota drains 1,300 square miles through a variety of land uses and ecological habitats before its confluence with the Red Lake River. It is an important recreational resource and provides water for a \$5 million commercial wild rice production area and drinking water supply for several communities. This initiative will achieve the goals defined in a 1994 nonpoint source study by reducing solids and chemical oxygen demand in the river by 40 percent.



IMPAIRED WATERS

Pollution in Minnesota's lakes, rivers and streams threatens to hamper economic development, erode quality of life and harm ecosystems.

State of Minnesota's waters

When a water body fails to meet water quality standards because of one or more pollutants, it is considered an impaired water.

Minnesota has over 12,000 lakes and 92,000 miles of rivers and streams. Of those water bodies, 1,123 – 40 percent of those assessed thus far – are on Minnesota's 2004 list of impaired waters. Several of those water bodies contain more than one impairment, bringing the total number of impairments in Minnesota's waters to 1,916.

However, due to resource limitations, water body assessments have occurred on only 14 percent of Minnesota's lakes and 8 percent of its rivers and streams. The Pollution Control Agency expects to find more than 10,000 impairments statewide, with impaired waters located in nearly every watershed in the state, once it assesses all the state's waters.

Clean Water Act requirements

The federal Clean Water Act requires the states to take specific steps to address "impaired waters," including:

1. Designate uses for waters of the state and set standards or pollutant limitations to protect those uses.
2. Collect water quality data and use it to assess whether water bodies meet water quality standards set to protect designated uses.
3. Develop and gain U.S. Environmental Protection Agency approval for the list of impaired waters – those that do not meet standards for their uses.
4. Conduct Total Maximum Daily Load evaluations to determine why impaired waters are not meeting standards and set pollutant-reduction goals that will eventually restore them to their designated uses.
5. Develop implementation plans for federally approved TMDLs.

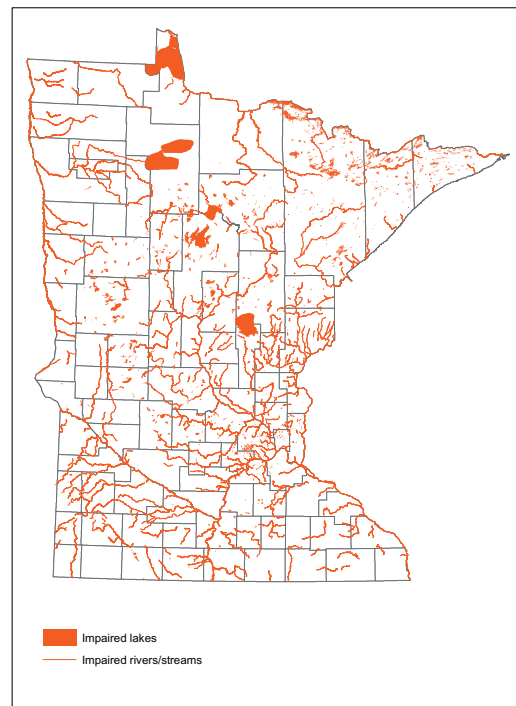
What is a TMDL?

For each pollutant that causes a water body to fail to meet applicable water-quality standards, the Clean Water Act requires the states to conduct an evaluation called a Total Maximum Daily Load. A TMDL identifies both point and non-point sources of each pollutant that violates standards. Water quality sampling and computer modeling determine how much each pollutant source must reduce its contribution to ensure the standards are again met.

Waters may have several TMDLs, each one determining the limit for a different pollutant. There are various options for achieving efficiencies in TMDLs, such as grouping water bodies with similar impairments into regional TMDLs.

6. Implement restoration or other activities to achieve water-quality standards.
7. Evaluate effectiveness of source-reduction activities through monitoring water-quality trends. If monitoring indicates standards are still not met, modify implementation plans and, if necessary, the TMDL to achieve water-quality standards. If standards are met, de-list the water body.

2004 Impaired Waters*



* Pollution Control Agency, 2004



Why must impaired waters be addressed?

Minnesota needs to restore impaired waters to allow continued economic development within impaired watersheds. Once a water body is added to the federal impaired waters list, a state has 13 years to complete a TMDL report on each pollutant impairing the water body. Until a TMDL report is completed, the federal Clean Water Act restricts any new or expanded pollutant discharges that would contribute to the problem, including those from businesses and cities. These restrictions will result in added expense and time to obtain permits and, without action, will slow economic development around impaired waters.

Recommendations

The Legislature should make a serious commitment to cleaning up impaired surface waters in order to restore their long-term value while removing barriers to economic development in Minnesota.

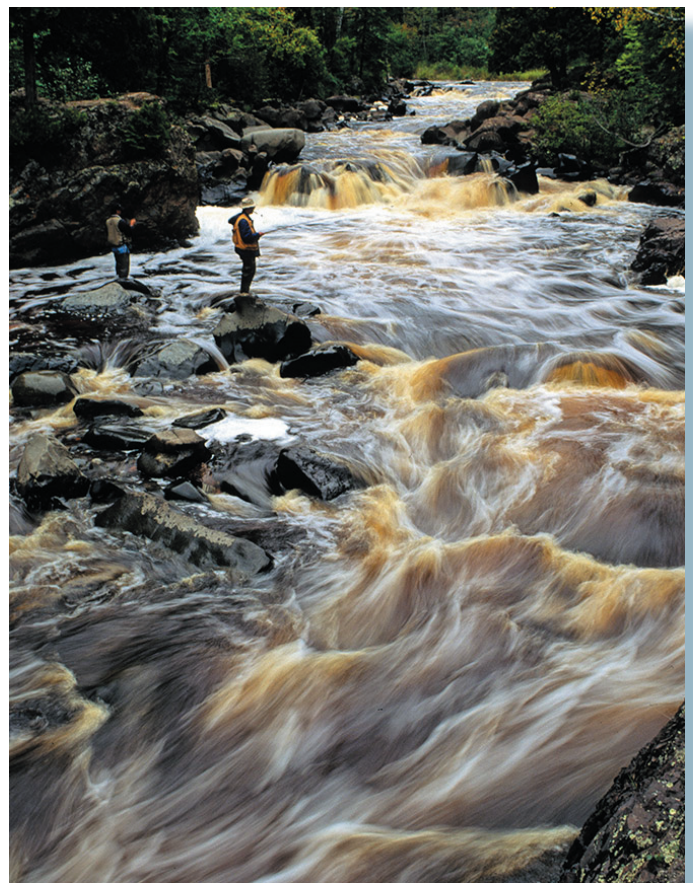
In making this commitment, the Clean Water Cabinet and Environmental Quality Board recommend that the Legislature:

- Recognize the overriding importance of acting on the Impaired Waters Initiative, and find consensus on a funding package
- Focus the Initiative on restoring polluted surface waters, but also support protection of clean waters
- Base cleanup strategies and priorities on sound science, and meet federal requirements
- Optimize the use of federal dollars for impaired waters cleanup
- Provide resources to local groups and existing local programs
- Ensure representation of a diversity of perspectives through a Clean Water Council

The Minnesota Environmental Initiative convened stakeholders over an 18 month period to forge a policy framework for addressing impaired waters. A coalition of over 60 organizations now supports the Impaired Waters Initiative. The coalition includes state agencies, cities, counties, agriculture, business, environmental organizations and others. It recommends that initiative funding come both from existing Pollution Control Agency funds, as well as a proposed package of \$80 million a year in new funds. The goal is to help local governments and landowners solve problems that impair waters.

A threat of economic restrictions

Economic restrictions could have dramatic impacts in cases such as Lake Pepin, which is impaired by phosphorous and which drains half of the state's land area. The area contains about 60 percent of the state's municipal and industrial wastewater treatment facilities and lies in the heart of Minnesota's economic activity corridor from St. Cloud through the Twin Cities to Red Wing.



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Funding Proposal

| Fee | Funds Generated | Comments |
|---------------------------------|-----------------|------------------------------------|
| Residential: Municipal sewer | \$34.0 million | Exemption for low income residents |
| Residential: Rural ISTS | \$19.3 million | Exemption for low income residents |
| Residential: Multi-unit | \$14.3 million | Flow based |
| Non-residential | \$12.1 million | Tiered system |

TWIN CITIES METROPOLITAN AREA WATER SUPPLY SUSTAINABILITY

Wise management of the region's water supply and the demands people place on it is essential to the vitality of the Twin Cities metropolitan area. Demographers expect nearly a million new people in the area by 2030. This growth and its associated urbanization will strain the region's water resources. This, plus a concern with the vulnerability of water supply systems to acts of terror make water supply within the Twin Cities metropolitan area a priority concern today. In addition, population demands have begun to spill outside the seven-county area and loom elsewhere in Minnesota. The lessons to be learned from this initiative will have direct application throughout the state.

Where does the water come from?

Ground water is the primary source of water for communities served by municipal – primarily suburban – systems (59 percent of the metropolitan population). Surface water is the primary source of water to communities served by the Minneapolis Water Works and the St. Paul Regional Water Service. The Minneapolis Water Works relies completely on the Mississippi River while St. Paul acquires about 70 percent of its water from the river and Vadnais chain of lakes and the rest from high capacity wells.

Demand and supply of high quality water

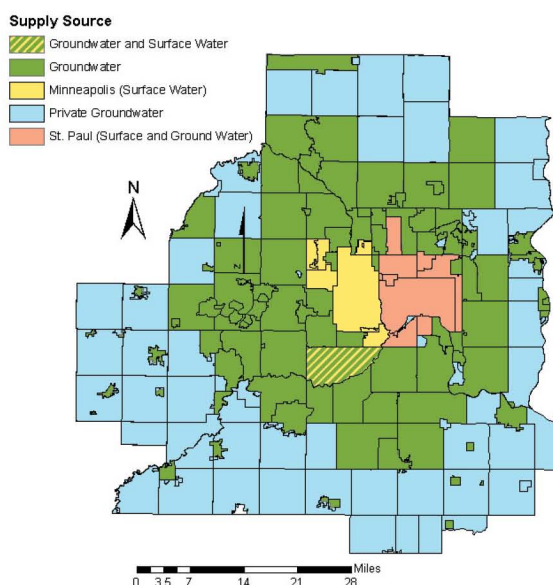
Minnesota Statutes, Section 473.156 directs the Metropolitan Council to prepare short- and long-term plans for existing and expected water use and supply. In 2000, residential, commercial, industrial and institutional sectors within the area used 384 million gallons of water each day. The Metropolitan Council expects the region's demand for high quality water to increase 35 percent or 133 million gallons each day over the next 40 years.

While the Twin Cities region is blessed with abundant supplies of high quality water, these supplies are not limitless. Unfortunately, we do not know how much water people can safely withdraw from regional ground water supplies over the long term. We lack necessary information on the extent, capacity and vulnerability of ground water systems, and we need new approaches to managing the region's demand for high quality water.

What are the factors affecting the short-term supply of high quality water?

Extended dry periods and rising demand have led to short-term water supply constraints and growing inter-community conflicts. Communities have had to restrict water use to reduce demands on the supply source and system. Some issues cut across community boundaries

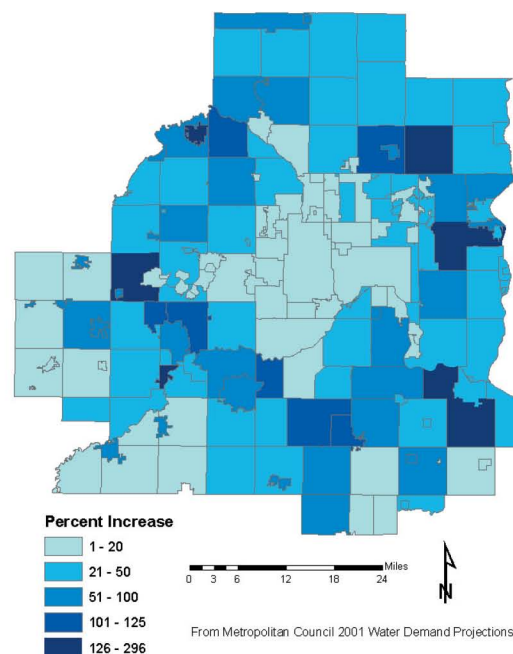
Twin Cities Metropolitan Area Water Sources



Source: Metropolitan Council

Note: Some communities shown as having a municipal supply may also have a portion of the population served by private wells.

Percent Increase Water Demand 2000-2030
Residential, Non-residential, Unaccounted



From Metropolitan Council 2001 Water Demand Projections



and require special attention to prevent long-term consequences. These include well interferences, ground water withdrawal effects on wetlands and lakes, and the limited capacity of aquifers to meet the needs of neighboring communities.

What are the factors affecting the long-term sustainability of water?

A variety of factors may hinder the long-term sustainability of high quality water in the Twin Cities area. These include:

- Development expanding beyond the limits of the Twin Cities artesian basin
- Ground water withdrawals affecting important surface water features
- Information and controls to manage aquifers and water demand
- Understanding of how to address contaminated supplies

What are implications of both the short- and long-term water supply constraints?

The economic well-being of the metropolitan area may not be significantly threatened during episodes of short-term water supply constraints. Long-term water supply limitations, however, may put the region's continued prosperity and competitiveness at risk.

Communities typically make water system investments based on local interest without consideration of regional implications. This results in inefficient and sometimes duplicative development of infrastructure, adverse impacts on the resource, and delays in regulatory permitting that could be avoided through a coordinated approach. The region needs a comprehensive water supply planning process to guide the use of water in an efficient manner. The goal is to ensure that the region has a sustainable, economical and reliable long-term supply of high water quality.

How can we minimize the impacts of short- and long-term water supply constraints?

The Metropolitan area needs to develop a better understanding of the supply of water available at sustainable rates of withdrawal, and the future demand for this water. The region needs a plan based upon this

Surface and ground water are connected

Community ground water use in the southwestern part of the metropolitan area has put the Savage Fen wetland complex, which contains a rare calcareous fen, at risk. The affected communities agreed to limit their appropriations to avoid further degradation of the fen. The presence of other special surface water features in the area, including Eagle Creek, Boiling Spring, Deans Lake, Black Dog Fen and Nichols Fen raised additional concerns and led to cooperative planning efforts through the Southwest Metro Ground Water Group.

understanding to guide the management of demand, the development of future supplies and the protection of homeland security. The plan and a streamlined approval process for related permits would ensure that water is made available for growth in a timely, economical manner.

Therefore, the Clean Water Cabinet and Environmental Quality Board recommend:

1. That the Legislature establish a Twin Cities regional water supply development fund.

The fund would support needed assessments of the region's water resources and a plan for their wise use, security and orderly development. The Legislature should authorize the transfer of \$2 million from the Credit Enhancement Fund to initiate the new fund, which the Metropolitan Council would administer.

Ultimately, a long-term funding source is needed to support ongoing water supply studies and planning activities, as well as to establish a capital development fund to support water supply investments of regional benefit.

2. That the Metropolitan Council form a Metropolitan Region Water Supply Advisory Committee.

A water supply advisory committee would:

- Advise the Metropolitan Council on regional water supply issues, technical studies, plans and related recommendations
- Serve as a liaison with communities and the public on water supply matters



The board would consist of representatives from water suppliers, local governments, state agencies and other parties with interest in water supply.

3. That the Legislature direct the Metropolitan Council to develop a regional water supply master plan.

A water supply master plan would guide the future development of water supplies for the Twin Cities area. In preparing the plan, the Council would invite participation of communities outside the metropolitan area along with state agencies to explore issues of mutual interest and opportunities of mutual benefit. The plan would address the need for managing water security and demand, and include a process for streamlining approval of water appropriation permits.

What is the benefit of this approach?

A regional approach to research, data collection, water demand, system security and planning will reduce the chance of conflicts between communities as they work to meet the needs of present and future water users. Taking steps to cooperate rather than compete for water will save Twin Cities communities money and ensure adequate supplies for future economic development.

In addition, a water supply plan will help regulatory agencies make informed decisions and expedite well construction and water appropriation permits. Lastly, this initiative will help to define lessons for future statewide application.

Will supplies meet the needs of growing populations?

The Twin Cities to St. Cloud corridor is growing rapidly, but water supplies may not support that growth without costly investment. Unlike the metro area, which is served by several stacked aquifers, the corridor's ground waters are spotty and vulnerable to contamination. The area will likely need to rely on some combination of these less productive aquifers along with the Mississippi River, which supplies much of the water needs of the Twin Cities. Better information will be needed about the supplies that may be available for growth, if that growth is to occur in an orderly fashion. Minnesotans will also need an effective framework for sustainable decision-making that brings citizens, interest groups, local governments and state agencies together in understanding and accounting for the long-term regional implications of water and land use decisions. The lessons learned in the metropolitan area over the next two years will help communities and the state understand how best to reconcile growth with resource limits in the state's water-short regions.



RECOMMENDATIONS FOR THE 2005-2007 BIENNIUM

1. Protect core water activities and meet strategic long range needs

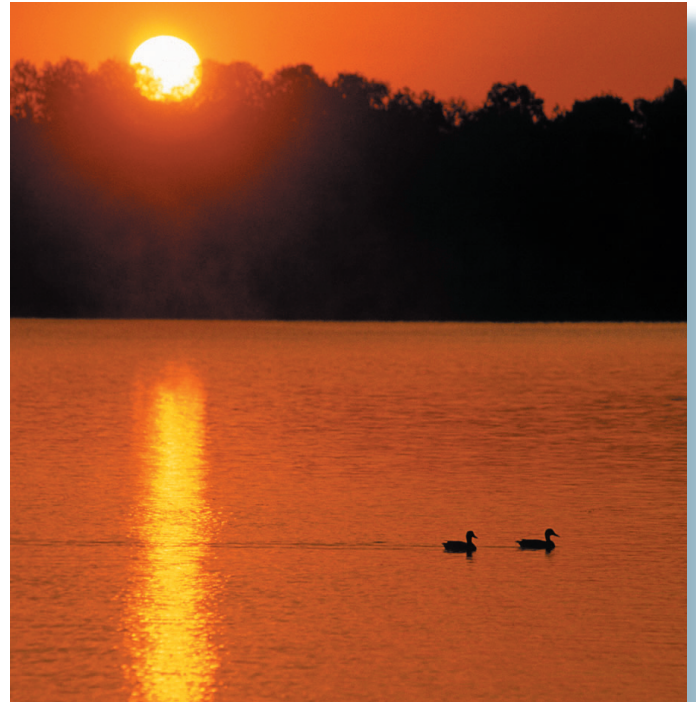
- Maintain the cycle of services provided by core water programs
- Overhaul the process for administering the Environment and Natural Resources Trust Fund
- Evaluate Minnesota's wetland conservation efforts to ensure that the state's no-net loss policy is working
- Increase water-related fees to keep pace with inflation and increased program-related demands

2. Make the commitment to cleaning up impaired waters

- Recognize the overriding importance of the Impaired Waters Initiative and fund it
- Restore polluted surface waters while protecting clean waters
- Base clean-up strategies on sound science and meet federal TMDL requirements
- Optimize the use of federal dollars for impaired waters cleanup
- Provide resources to local groups through existing programs
- Ensure representation of diverse perspectives through the Clean Water Council

3. Promote Twin Cities area water supply sustainability

- Establish a regional water supply development fund
- Form a metropolitan water supply advisory committee
- Develop a water supply master plan
- Help define lessons for statewide applications



Minnesota Office of Tourism

"More so than any other state, the quality and quantity of water in Minnesota is central to our way of life. It helps define who we are and what we value."

— Governor Tim Pawlenty, June 23, 2003, St. Cloud, Minnesota

The Clean Water Cabinet and Environmental Quality Board identified these 2005-2007 priorities as the next big step that must be taken to safeguard Minnesota's waters. In the future, the state will need to examine its ever growing demands for water and how these demands and the growth they support affect the sustainability of Minnesota's most precious resource. We intend to carry on the process of identifying and evaluating such pressing state water issues, and seeking executive and legislative action to address them. We trust this will ensure that the state does its part in safeguarding the health and preserving the quality of life for all Minnesotans, today and long into the future.

PROTECTING MINNESOTA'S WATERS



Priorities for the 2005 – 2007 Biennium

Minnesota Environmental Quality Board