

## HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **1923**

01/24/2012 Authored by O'Driscoll, McDonald, Banaian, Gottwalt and Fabian  
The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance  
03/07/2012 Adoption of Report: Pass as Amended and Read Second Time  
03/26/2012 Calendar for the Day, Amended  
Read Third Time as Amended  
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1 A bill for an act  
1.2 relating to waters; requiring water supply demand reduction measures; amending  
1.3 Minnesota Statutes 2010, section 103G.291, subdivisions 3, 4.

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

1.5 Section 1. Minnesota Statutes 2010, section 103G.291, subdivision 3, is amended to  
1.6 read:

1.7 Subd. 3. **Water supply plans; demand reduction.** (a) Every public water supplier  
1.8 serving more than 1,000 people must submit a water supply plan to the commissioner  
1.9 for approval by January 1, 1996. In accordance with guidelines developed by the  
1.10 commissioner, the plan must address projected demands, adequacy of the water supply  
1.11 system and planned improvements, existing and future water sources, natural resource  
1.12 impacts or limitations, emergency preparedness, water conservation, supply and demand  
1.13 reduction measures, and allocation priorities that are consistent with section 103G.261.  
1.14 Public water suppliers must update their plan and, upon notification, submit it to the  
1.15 commissioner for approval every ten years.

1.16 (b) The water supply plan in paragraph (a) is required for all communities in the  
1.17 metropolitan area, as defined in section 473.121, with a municipal water supply system  
1.18 and is a required element of the local comprehensive plan required under section 473.859.  
1.19 Water supply plans or updates submitted after December 31, 2008, must be consistent  
1.20 with the metropolitan area master water supply plan required under section 473.1565,  
1.21 subdivision 1, paragraph (a), clause (2).

1.22 (c) Public water suppliers serving more than 1,000 people must ~~employ~~ encourage  
1.23 water conservation by employing water use demand reduction measures, ~~including a~~  
1.24 ~~conservation rate structure~~, as defined in subdivision 4, paragraph (a), ~~unless exempted~~

~~under subdivision 4, paragraph (c), before requesting approval from the commissioner of health under section 144.383, paragraph (a), to construct a public water supply well or requesting an increase in the authorized volume of appropriation. Demand reduction measures must include evaluation of conservation rate structures and a public education program that may include a toilet and showerhead retrofit program. The commissioner of natural resources and the water supplier shall use a collaborative process to achieve demand reduction measures as a part of a water supply plan review process. The Metropolitan Council shall not require a public water supplier to implement a conservation rate structure.~~

(d) Public water suppliers serving more than 1,000 people must submit records that indicate the number of connections and amount of use by customer category and volume of water unaccounted for with the annual report of water use required under section 103G.281, subdivision 3.

(e) For the purposes of this section, "public water supplier" means an entity that owns, manages, or operates a public water supply, as defined in section 144.382, subdivision 4.

Sec. 2. Minnesota Statutes 2010, section 103G.291, subdivision 4, is amended to read:

Subd. 4. ~~Conservation rate structure required~~ **Demand reduction measures.**

(a) For the purposes of this section, "demand reduction measures" means measures that reduce water demand, water losses, peak water demands, and nonessential water uses. Demand reduction measures must include a conservation rate structure, or a uniform rate structure with a conservation program that achieves demand reduction. A "conservation rate structure" means a rate structure that encourages conservation and may include increasing block rates, seasonal rates, time of use rates, individualized goal rates, or excess use rates. If a conservation rate is applied to multifamily dwellings, the rate structure must consider each residential unit as an individual user in multiple-family dwellings.

(b) ~~To encourage conservation, a public water supplier serving more than 1,000 people in the metropolitan area, as defined in section 473.121, subdivision 2, shall use a conservation rate structure by January 1, 2010. All remaining public water suppliers serving more than 1,000 people shall use a conservation rate structure must implement demand reduction measures by January 1, 2013 2015.~~

~~(c) A public water supplier without the proper measuring equipment to track the amount of water used by its users, as of July 1, 2008, is exempt from this subdivision and the conservation rate structure requirement under subdivision 3, paragraph (c).~~