

A bill for an act

relating to water; modifying beneficial use of wastewater capital grant program to include use of storm water; amending Minnesota Statutes 2010, section 116.195; Laws 2009, chapter 172, article 2, section 4.

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

Section 1. Minnesota Statutes 2010, section 116.195, is amended to read:

**116.195 BENEFICIAL USE OF WASTEWATER AND STORM WATER;
CAPITAL GRANTS FOR DEMONSTRATION PROJECTS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Agency" means the Pollution Control Agency.

(c) "Beneficial use of wastewater or storm water" means:

(1) use of the effluent from a wastewater treatment plant that replaces use of groundwater; or

(2) use of storm water that replaces the use of groundwater.

(d) "Capital project" means the acquisition or betterment of public land, buildings, and other public improvements of a capital nature for the treatment of wastewater intended for beneficial use or for the use of storm water to replace groundwater use. Capital project includes projects to retrofit, expand, or construct new treatment facilities.

Subd. 2. **Grants for capital project design.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to predesign and design capital projects that demonstrate the beneficial use of wastewater or storm water. The maximum amount for a grant under this subdivision is \$500,000. The grant agreement must provide that the predesign and design work being funded is public information and available to

anyone without charge. The agency must make the predesign and design work available on its Web site.

Subd. 3. **Grants for capital project implementation.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to acquire, construct, install, furnish, and equip capital projects that demonstrate the beneficial use of wastewater or storm water. The political subdivision must submit design plans and specifications to the agency as part of the application.

The agency must consult with the Public Facilities Authority and the commissioner of natural resources in reviewing and ranking applications for grants under this section.

The application must identify the uses of the treated wastewater or storm water and greater weight will be given to applications that include a binding commitment to participate by the user or users.

The agency must give preference to projects that will reduce use of the greatest volume of groundwater from aquifers with the slowest rate of recharge.

Subd. 4. **Application form; procedures.** The agency shall develop an application form and procedures.

Subd. 5. **Reports.** The agency shall report by February 1 of each year to the chairs of the house of representatives and senate committees with jurisdiction over environment policy and finance and capital investment on the grants made and projects funded under this section. For each demonstration project funded, the report must include information on the scale of water constraints for the area, the volume of treated wastewater ~~supply~~ supplied or storm water available, the quality of the storm water or treated wastewater supplied and treatment implications for the industrial user, impacts to stream flow and downstream users, and any considerations related to water appropriation and discharge permits.

Sec. 2. Laws 2009, chapter 172, article 2, section 4, is amended to read:

Sec. 4. POLLUTION CONTROL AGENCY	\$	24,076,000	\$	27,285,000
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(a) \$9,000,000 the first year and \$9,000,000 the second year are to develop total maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall

3.1 complete an average of ten percent of the
3.2 TMDLs each year over the biennium. Of
3.3 this amount, \$348,000 the first year is to
3.4 retest the comprehensive assessment of the
3.5 biological conditions of the lower Minnesota
3.6 River and its tributaries within the Lower
3.7 Minnesota River Major Watershed, as
3.8 previously assessed from 1976 to 1992 under
3.9 the Minnesota River Assessment Project
3.10 (MRAP). The assessment must include the
3.11 same fish species sampling at the same 116
3.12 locations and the same macroinvertebrate
3.13 sampling at the same 41 locations as the
3.14 MRAP assessment. The assessment must:
3.15 (1) include an analysis of the findings; and
3.16 (2) identify factors that limit aquatic life in
3.17 the Minnesota River.

3.18 Of this amount, \$250,000 the first year is
3.19 for a pilot project for the development of
3.20 total maximum daily load (TMDL) studies
3.21 conducted on a watershed basis within
3.22 the Buffalo River watershed in order to
3.23 protect, enhance, and restore water quality
3.24 in lakes, rivers, and streams. The pilot
3.25 project shall include all necessary field
3.26 work to develop TMDL studies for all
3.27 impaired subwatersheds within the Buffalo
3.28 River watershed and provide information
3.29 necessary to complete reports for most of the
3.30 remaining watersheds, including analysis of
3.31 water quality data, identification of sources
3.32 of water quality degradation and stressors,
3.33 load allocation development, development
3.34 of reports that provide protection plans
3.35 for subwatersheds that meet water quality

4.1 standards, and development of reports that
4.2 provide information necessary to complete
4.3 TMDL studies for subwatersheds that do not
4.4 meet water quality standards, but are not
4.5 listed as impaired.

4.6 (b) \$500,000 the first year is for development
4.7 of an enhanced TMDL database to manage
4.8 and track progress. Of this amount, \$63,000
4.9 the first year is to promulgate rules. By
4.10 November 1, 2010, the commissioner shall
4.11 submit a report to the chairs of the house of
4.12 representatives and senate committees with
4.13 jurisdiction over environment and natural
4.14 resources finance on the outcomes achieved
4.15 with this appropriation.

4.16 (c) \$1,500,000 the first year and \$3,169,000
4.17 the second year are for grants under
4.18 Minnesota Statutes, section 116.195, to
4.19 political subdivisions for up to 50 percent of
4.20 the costs to predesign, design, and implement
4.21 capital projects that use storm water or
4.22 treated municipal wastewater instead of
4.23 groundwater from drinking water aquifers,
4.24 in order to demonstrate the beneficial use
4.25 of wastewater or storm water, including
4.26 the conservation and protection of water
4.27 resources. Of this amount, \$1,000,000 the
4.28 first year is for grants to ethanol plants that
4.29 are within one and one-half miles of a city for
4.30 improvements that use storm water or reuse
4.31 greater than 300,000 gallons of wastewater
4.32 per day. This appropriation is available until
4.33 spent.

4.34 (d) \$1,125,000 the first year and \$1,125,000
4.35 the second year are for groundwater

5.1 assessment and drinking water protection to
5.2 include:

5.3 (1) the installation and sampling of at least
5.4 30 new monitoring wells;

5.5 (2) the analysis of samples from at least 40
5.6 shallow monitoring wells each year for the
5.7 presence of endocrine disrupting compounds;
5.8 and

5.9 (3) the completion of at least four to
5.10 five groundwater models for TMDL and
5.11 watershed plans.

5.12 (e) \$2,500,000 the first year is for the clean
5.13 water partnership program. Priority shall be
5.14 given to projects preventing impairments and
5.15 degradation of lakes, rivers, streams, and
5.16 groundwater in accordance with Minnesota
5.17 Statutes, section 114D.20, subdivision 2,
5.18 clause (4). Any balance remaining in the first
5.19 year does not cancel and is available for the
5.20 second year.

5.21 (f) \$896,000 the first year is to establish
5.22 a network of water monitoring sites, to
5.23 include at least 20 additional sites, in public
5.24 waters adjacent to wastewater treatment
5.25 facilities across the state to assess levels of
5.26 endocrine-disrupting compounds, antibiotic
5.27 compounds, and pharmaceuticals as required
5.28 in this article. The data must be placed on
5.29 the agency's Web site.

5.30 (g) \$155,000 the first year is to provide
5.31 notification of the potential for coal tar
5.32 contamination, establish a storm water
5.33 pond inventory schedule, and develop best
5.34 management practices for treating and
5.35 cleaning up contaminated sediments as

6.1 required in this article. \$345,000 the second
6.2 year is to develop a model ordinance for the
6.3 restricted use of undiluted coal tar sealants
6.4 and to provide grants to local units of
6.5 government for up to 50 percent of the costs
6.6 to implement best management practices to
6.7 treat or clean up contaminated sediments
6.8 in storm water ponds and other waters as
6.9 defined under this article. Local governments
6.10 must have adopted an ordinance for the
6.11 restricted use of undiluted coal tar sealants
6.12 in order to be eligible for a grant, unless a
6.13 statewide restriction has been implemented.
6.14 A grant awarded under this paragraph must
6.15 not exceed \$100,000.

6.16 (h) \$350,000 the first year and \$400,000
6.17 the second year are for a restoration project
6.18 in the lower St. Louis River and Duluth
6.19 harbor. This appropriation must be matched
6.20 by nonstate money at a rate of \$2 for every
6.21 \$1 of state money.

6.22 (i) \$150,000 the first year and \$196,000 the
6.23 second year are for grants to the Red River
6.24 Watershed Management Board to enhance
6.25 and expand existing river watch activities in
6.26 the Red River of the North. The Red River
6.27 Watershed Management Board shall provide
6.28 a report that includes formal evaluation
6.29 results from the river watch program to the
6.30 commissioners of education and the Pollution
6.31 Control Agency and to the legislative natural
6.32 resources finance and policy committees
6.33 and K-12 finance and policy committees by
6.34 February 15, 2011.

7.1 (j) \$200,000 the first year and \$300,000 the
7.2 second year are for coordination with the
7.3 state of Wisconsin and the National Park
7.4 Service on comprehensive water monitoring
7.5 and phosphorus reduction activities in the
7.6 Lake St. Croix portion of the St. Croix
7.7 River. The Pollution Control Agency
7.8 shall work with the St. Croix Basin Water
7.9 Resources Planning Team and the St. Croix
7.10 River Association in implementing the
7.11 water monitoring and phosphorus reduction
7.12 activities. This appropriation is available
7.13 to the extent matched by nonstate sources.
7.14 Money not matched by November 15, 2010,
7.15 cancels for this purpose and is available for
7.16 the purposes of paragraph (a).

7.17 (k) \$7,500,000 the first year and \$7,500,000
7.18 the second year are for completion of 20
7.19 percent of the needed statewide assessments
7.20 of surface water quality and trends. Of this
7.21 amount, \$175,000 the first year and \$200,000
7.22 the second year are for monitoring and
7.23 analyzing endocrine disruptors in surface
7.24 waters.

7.25 (l) \$100,000 the first year and \$150,000
7.26 the second year are for civic engagement
7.27 in TMDL development. The agency shall
7.28 develop a plan for expenditures under
7.29 this paragraph. The agency shall give
7.30 consideration to civic engagement proposals
7.31 from basin or sub-basin organizations,
7.32 including the Mississippi Headwaters Board,
7.33 the Minnesota River Joint Powers Board,
7.34 Area II Minnesota River Basin Projects,
7.35 and the Red River Basin Commission.
7.36 By November 15, 2009, the plan shall be

8.1 submitted to the house and senate chairs
8.2 and ranking minority members of the
8.3 environmental finance divisions.

8.4 (m) \$5,000,000 the second year is for
8.5 groundwater protection or prevention of
8.6 groundwater degradation activities. By
8.7 January 15, 2010, the commissioner, in
8.8 consultation with the commissioner of
8.9 natural resources, the Board of Water and
8.10 Soil Resources, and other agencies, shall
8.11 submit a report to the chairs of the house of
8.12 representatives and senate committees with
8.13 jurisdiction over the clean water fund on the
8.14 intended use of these funds. The legislature
8.15 must approve expenditure of these funds by
8.16 law.

8.17 Notwithstanding Minnesota Statutes, section
8.18 16A.28, the appropriations encumbered on or
8.19 before June 30, 2011, as grants or contracts in
8.20 this section are available until June 30, 2013.

8.21 Sec. 3. **EFFECTIVE DATE.**

8.22 Sections 1 and 2 are effective the day following final enactment.