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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-EIGHTH SESSION

**H. F. No. 1679**

04/02/2013 Authored by Wagenius

The bill was read for the first time and referred to the Committee on Environment, Natural Resources and Agriculture Finance

1.1 A bill for an act  
1.2 relating to water; modifying water use fees; appropriating money; amending  
1.3 Minnesota Statutes 2012, sections 103G.271, subdivision 6; 103G.282.  
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2012, section 103G.271, subdivision 6, is amended to  
1.6 read:

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

1.13 (1) ~~\$140 for amounts not exceeding 50,000,000 gallons per year;~~

1.14 (2) ~~\$3.50~~ for residential use, \$15 per 1,000,000 gallons for amounts greater than  
1.15 50,000,000 gallons but less than 100,000,000 gallons per year;

1.16 (3) ~~\$4~~ (2) for use for metallic mine dewatering, mineral processing, and wood  
1.17 products processing, \$8 per 1,000,000 gallons for amounts greater than 100,000,000  
1.18 gallons but less than 150,000,000 gallons per year;

1.19 (4) ~~\$4.50~~ (3) for use for nonagricultural irrigation, \$75 per 1,000,000 gallons for  
1.20 amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year; and

1.21 (5) ~~\$5~~ (4) for all other uses, \$35 per 1,000,000 gallons for amounts greater than  
1.22 200,000,000 gallons but less 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;~~

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

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

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

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

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

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

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

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

(c) The fee is payable based on the amount of water appropriated during the year and, except as provided in paragraph (f), the minimum fee is ~~\$100~~ \$140.

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

(1) the fee for a city of the first class may not exceed ~~\$250,000~~ \$275,000 per year;

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

(i) ~~\$60,000~~ \$66,000 per year for an entity holding three or fewer permits;

(ii) ~~\$90,000~~ \$99,000 per year for an entity holding four or five permits; or

(iii) ~~\$300,000~~ \$330,000 per year for an entity holding more than five permits;

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

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

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

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

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

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

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

(g) A surcharge of ~~\$30~~ \$75 per million gallons in addition to the fee prescribed in paragraph (a) shall be applied to the volume of water used in each of the months of May, June, July, and August, and September that exceeds the volume of water used in January for ~~municipal water use, irrigation of golf courses, and landscape irrigation~~ all water uses, excluding irrigation. The surcharge for ~~municipalities~~ a permit holder with more than one permit shall be determined based on the total appropriations from all permits that supply a common distribution system.

Sec. 2. Minnesota Statutes 2012, section 103G.282, is amended to read:

**103G.282 MONITORING TO EVALUATE IMPACTS FROM APPROPRIATIONS.**

Subdivision 1. **Monitoring equipment.** ~~The commissioner may require the installation and maintenance of~~ install and maintain monitoring equipment to evaluate water resource impacts from permitted appropriations and proposed projects that require a permit. ~~Monitoring for water resources that supply more than one appropriator must be designed to minimize costs to individual appropriators. The cost of drilling additional monitoring wells must be shared proportionally by all permit holders that are directly affecting a particular water resources feature.~~ The commissioner may require a permit holder or a proposer of a project to install and maintain monitoring equipment to evaluate water resource impacts when the commissioner determines that the permitted or proposed water use is or has the potential to be the primary source of water resource impacts in an area.

Subd. 2. **Measuring devices required.** Monitoring installations ~~required~~ established under subdivision 1 must be equipped with automated measuring devices to measure water levels, flows, or conditions. The commissioner may require a permit holder or a proposer of a project to perform water measurements. The commissioner may determine the frequency of measurements and other measuring methods based on the quantity of water appropriated or used, the source of water, potential connections to other water resources, the method of appropriating or using water, seasonal and long-term changes in water levels, and any other facts supplied to the commissioner.

Subd. 3. **Reports and costs.** (a) Records of water measurements under subdivision 2 must be kept for each installation. The measurements must be reported annually to the

commissioner on or before February 15 of the following year in a format or on forms prescribed by the commissioner.

(b) ~~The owner or person~~ permit holder or project proposer in charge of an installation for appropriating or using waters of the state or a proposal that requires a permit is responsible for all costs related to establishing and maintaining monitoring installations and to measuring and reporting data. ~~Monitoring costs for water resources that supply more than one appropriator may be distributed among all users within a monitoring area determined by the commissioner and assessed based on volumes of water appropriated and proximity to resources of concern.~~ The commissioner may require a permit holder or project proposer utilizing monitoring equipment installed by the commissioner to meet water measurement requirements to cover the costs related to measuring and reporting data.

Sec. 3. **APPROPRIATION.**

\$2,500,000 in fiscal year 2014 and \$5,260,000 in fiscal year 2015 are appropriated from the water management account in the natural resources fund to the commissioner of natural resources for the following activities:

- (1) installation of additional groundwater monitoring wells;
- (2) increased financial reimbursement and technical support to soil and water conservation districts or other local units of government for groundwater level monitoring;
- (3) additional surface water monitoring and analysis, including installation of monitoring gauges;
- (4) additional groundwater analysis to assist with water appropriation permitting decisions;
- (5) additional permit application review incorporating surface water and groundwater technical analysis;
- (6) enhancement of precipitation data and analysis to improve the use of irrigation;
- (7) acceleration of the county geologic atlas;
- (8) enhanced information technology, including electronic permitting and integrated data systems; and
- (9) increased compliance and monitoring.