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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 1810

01/24/2012 Authored by Dill, Howes, Hausman, McNamara, Zellers and others  
The bill was read for the first time and referred to the Committee on Government Operations and Elections  
01/30/2012 Adoption of Report: Pass and re-referred to Environment, Energy and Natural Resources Policy and Finance

1.1 A bill for an act  
1.2 relating to capital investment; establishing the Lake Superior-Poplar River Water  
1.3 District; appropriating money for the construction of water facilities; authorizing  
1.4 the sale and issuance of state bonds.

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

1.6 Section 1. **LAKE SUPERIOR-POPLAR RIVER WATER DISTRICT.**

1.7 Subdivision 1. Establishment. The Lake Superior-Poplar River Water District is  
1.8 created as a municipal corporation, having the powers provided under Minnesota Statutes,  
1.9 chapters 110A; 429, notwithstanding any provision of chapter 110A to the contrary; and  
1.10 444. Notwithstanding any law to the contrary, the district shall not have the power to issue  
1.11 general obligation bonds. Minnesota Statutes, sections 110A.04, 110A.07, and 110A.09 to  
1.12 110A.18, shall not apply to the district or to the board created by this act.

1.13 Subd. 2. Definitions. For purposes of applying Minnesota Statutes, chapter 110A,  
1.14 to this act, "works" and "systems" shall include irrigation purposes, "court" is deemed to  
1.15 refer to the board of county commissioners, and "secretary of state" is deemed to refer to  
1.16 the county auditor.

1.17 Subd. 3. Territory included in the district. The territory of the district shall  
1.18 include all lands within sections 20, 21, 28, 29, 32, and 33 of Township 60 North, Range 3  
1.19 West of the Fourth Principal Median. Additional territory may be added as provided in  
1.20 Minnesota Statutes, sections 110A.19 to 110A.22.

1.21 Subd. 4. Payment of costs. No person shall be obligated to purchase or be entitled  
1.22 to receive water from the district unless that person is a party to a contract to purchase  
1.23 water from the district. Excluding any initial capital investment funded by the state, all  
1.24 capital and operating expenses of the district shall be paid by the users in proportion to

2.1 their use of water. The cost of distribution lines: (1) departing from the main water pipe  
 2.2 from Lake Superior to the domestic water treatment plant to any user; or (2) from the  
 2.3 water treatment plant to any user, shall be paid for by the user of the water either at the  
 2.4 time of installation or by user charges that allow the district to recoup the full cost of the  
 2.5 distribution lines and the cost of financing. Subject to this subdivision and the availability  
 2.6 of water under any applicable permit with a state or federal agency, any owner of land  
 2.7 within the district may contract with the district for the purchase of water.

2.8 Subd. 5. **Board of directors; elections.** (a) The district shall be governed by a  
 2.9 board of directors which shall have not less than three nor more than 13 members. The  
 2.10 district's initial directors shall be appointed by the Cook County Board of Commissioners,  
 2.11 with one director representing the domestic water users to serve for three years; up to two  
 2.12 directors representing the irrigation water users, one to serve for two years and one to  
 2.13 serve for three years; and up to two directors representing the commercial, stock watering,  
 2.14 and industrial users, one to serve for one year and one to serve for two years.

2.15 (b) The district's establishment shall take effect upon the Cook County Board of  
 2.16 Commissioners' appointment of the initial directors. The initial directors shall meet for  
 2.17 the purposes of organization within 30 days of their appointment. Thereafter, except  
 2.18 as otherwise provided in this subdivision, directors shall be elected in accordance with  
 2.19 Minnesota Statutes, section 110A.24, from election divisions comprised of domestic water  
 2.20 users, irrigation water users, and commercial, stock watering, and industrial users. Each  
 2.21 use classification shall be entitled to elect one director, plus one additional director if its  
 2.22 expected water usage for the following fiscal year exceeds ten percent of total water  
 2.23 usage. Each water user within each use classification shall be entitled to cast one vote for  
 2.24 each one percent of expected water usage for the following fiscal year. A homeowner's  
 2.25 association shall vote on behalf of its members if duly authorized by appropriate action by  
 2.26 the association's members. Prior to each election, the board of directors shall determine  
 2.27 the use classifications entitled to vote, the expected water use percentage of each user and  
 2.28 of use classification for the following fiscal year, and the number of directors each use  
 2.29 classification is entitled to elect. The election shall be conducted and supervised by the  
 2.30 board of directors and ratified by the Cook County Board of Commissioners.

2.31 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after  
 2.32 the governing body of Cook County and its chief clerical officer comply with Minnesota  
 2.33 Statutes, section 645.021, subdivisions 2 and 3.

2.34 Sec. 2. **APPROPRIATION AND BOND SALE.**

3.1            Subdivision 1. **Appropriation.** \$3,600,000 is appropriated from the bond proceeds  
3.2 fund to the Public Facilities Authority for a grant to the district created in section 1 to  
3.3 acquire easements, licenses, and other interests in real property, and to engineer, design,  
3.4 permit, and construct works and systems to transport and treat water from Lake Superior  
3.5 through the Poplar River Valley to serve domestic water users, irrigation water users, and  
3.6 commercial, stock watering, and industrial users. This appropriation or any portion of it is  
3.7 available when the authority has determined that at least \$1,200,000 has been committed  
3.8 to the project from nonstate sources. Expenditures made on or after October 1, 2011, for  
3.9 this project shall count towards the match of nonstate sources.

3.10           Subd. 2. **Bond sale.** To provide the money appropriated in this section from the  
3.11 bond proceeds fund, the commissioner of management and budget shall sell and issue  
3.12 bonds of the state in an amount up to \$3,600,000 in the manner, upon the terms, and with  
3.13 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the  
3.14 Minnesota Constitution, article XI, sections 4 to 7.

3.15           **EFFECTIVE DATE.** This section is effective the day following final enactment.