

firm or corporation licensed as a public local grain warehouseman and bonded under the provisions of section 232.13 may include liability for outstanding non-negotiable grain bank receipts under the coverage of such bond in lieu of securing a separate grain bank bond as provided in this section.

Sec. 10. APPROPRIATIONS CANCELLED.

The sums appropriated from the general fund to the commissioner of agriculture for the administration and enforcement of grain and public terminal warehouse regulations in Minnesota Statutes, Chapters 231, 232, 233, and 236, for the fiscal year ending June 30, 1983, are cancelled and shall be credited to the general fund.

Sec. 11. APPROPRIATION.

The sum of \$30,000 is appropriated from the general fund to the commissioner of agriculture for establishment of the grain buyers and storage fund pursuant to section 3. The amount appropriated in this section shall be repaid by the commissioner to the general fund by June 30, 1983.

Sec. 12. REPEALER.

Minnesota Statutes 1980, Sections 232.06, Subdivisions 2, 3, 4, 6 and 7; 232.07; 232.08; 232.09; 232.10; 232.11; 232.12; 232.13; 232.14; 232.15; 232.16; 232.17; 232.18; 232.19; and Minnesota Statutes 1981 Supplement, Section 232.06, Subdivision 1, are repealed. Section 2, subdivision 5, is repealed July 1, 1983.

Approved March 22, 1982

CHAPTER 509 — S.F.No. 1451

An act relating to storm and waste water management; providing for the establishment and operation of a water planning and management program in the metropolitan area; requiring watershed and local water management plans in the metropolitan area; providing for the establishment and operation of watershed management organizations in the metropolitan area; establishing provision for the event that grant funding is not received for the North Koochiching area sanitary district; authorizing debt; authorizing taxes; amending Minnesota Statutes 1980, Sections 112.35, by adding a subdivision; 112.37, Subdivision 1, and by adding a subdivision; 112.42, Subdivision 3 and by adding a subdivision; 112.43, by adding a subdivision; 112.46; Laws 1981, Chapter 291, Section 2, Subdivisions 1 and 2, and by adding subdivisions; 4, Subdivision 1; 5, Subdivision 2; 7; 8, Subdivisions 1 and 2, and by adding a subdivision; and 24; proposing new law coded in Minnesota Statutes, Chapter 473.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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

Section 1. Laws 1981, Chapter 291, Section 2, Subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** A ~~waste water treatment sanitary sewer~~ board called the North Koochiching ~~county waste water treatment sanitary sewer~~ board with jurisdiction in the ~~International Falls, South International Falls and Ranier municipalities and the East Koochiching county sewer district and the Papermakers sewer district~~ North Koochiching area sanitary district is established as a public corporation and political subdivision with all the rights, powers, privileges, immunities and duties which may be granted to or imposed upon a municipal corporation.

Sec. 2. Laws 1981, Chapter 291, Section 2, is amended by adding a subdivision to read:

Subd. 1a. DISTRICT. The North Koochiching area sanitary district is the International Falls, South International Falls and Ranier municipalities and the East Koochiching county sewer district and the Papermakers sewer district, except that if the conditions in subdivision 10 as added by section 4 of this act are not met, after December 31, 1985, the north Koochiching area sanitary district shall then be the area served by the district disposal system on that date.

Sec. 3. Laws 1981, Chapter 291, Section 2, Subdivision 2, is amended to read:

Subd. 2. **MEMBERS AND SELECTIONS.** The board members shall be appointed by each of their governmental units in the following numbers:

International Falls 4

South International Falls 2

East Koochiching county sewer district 1

Papermakers sewer district 1

Ranier 1

The East Koochiching and Papermakers sewer districts shall each appoint their member on the board and designate the term of the member in accordance with subdivision 5, by a majority vote. If the conditions in subdivision 10 as added by section 4 of this act are not met, after December 31, 1985 the composition of the board shall be changed, with each local government unit remaining in the district appointing one board member.

Sec. 4. Laws 1981, Chapter 291, Section 2, is amended by adding a subdivision to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 10. CONDITIONS; APPOINTMENT OF ENGINEER; BOARD COMPOSITION. If before January 1, 1986, the state or federal governments have not offered grants for at least 70 percent of the estimated grant eligible cost, or the board has not advertised for bids for construction, of all interceptors and treatment works which the comprehensive plan adopted pursuant to Laws 1981, Chapter 291, Section 4 identifies as critical to the integrity of the district, then:

(a) The board shall appoint an independent consulting engineer who shall determine the actual value, as of January 1, 1982, of all real and personal property transferred to the board pursuant to Laws 1981, Chapter 291, Section 5, Subdivision 2, Clause (a) as amended by section 6 of this act.

(b) After appointing the independent consulting engineer, the composition of the board shall be changed to comply with Laws 1981, Chapter 291, Section 2, Subdivision 2.

Sec. 5. Laws 1981, Chapter 291, Section 4, Subdivision 1, is amended to read:

Subdivision 1. BOARD PLAN AND PROGRAM. The board shall adopt as its first comprehensive plan for the collection, treatment and disposal of waste water in the district for the period the board deems proper the comprehensive plan adopted by the joint powers board previously established for the cities of International Falls, South International Falls, and Ranier and the county of Koochiching by agreement pursuant to Minnesota Statutes, Section 471.59. The board shall prepare and adopt subsequent comprehensive plans for the collection, treatment and disposal of waste water in the district for each succeeding designated period the board deems proper. The first plan, as modified by the board, and any subsequent plan, shall provide that no treatment facilities shall be constructed which would allow a discharge above the water intake used to supply drinking water to residents of the district, and shall take into account the preservation and best and most economic use of water and other natural resources in the area; the preservation, uses and potential for use of lands adjoining waters of the state to be used for the disposal of waste water; and the impact the disposal system will have on present and future land use in the area affected. Plans shall include the general location of needed interceptors and treatment works, a description of the area that is to be served by the various interceptors and treatment works, a long range capital improvements program and other details the board deems appropriate. Plans shall specifically identify those interceptors and treatment works which are critical to the integrity of the district. In developing the plans, the board shall consult with persons designated for the purpose by the governing body of any municipal and public corporation or governmental or political subdivision or agency within the district. It shall consider the data, resources, and suggestions offered to the board by the entities and any planning agency acting on behalf of one or more of them. Each plan,

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when adopted, shall be followed in the district and may be revised as often as the board deems necessary.

Sec. 6. Laws 1981, Chapter 291, Section 5, Subdivision 2, is amended to read:

Subd. 2. **METHOD OF ACQUISITION.** (a) The board may require any local government unit to transfer to the board, without consideration, free and clear of all encumbrances, subject only to a contingent liability pursuant to section 8, subdivision 1a, as amended by section 9 of this act all of the unit's right, title, and interest in any interceptors or treatment works and their necessary appurtenances owned by the unit which are needed for the purpose stated in subdivision 1. Appropriate instruments of conveyance for all the transferred property shall be executed and delivered to the board by the proper officers of each local government unit concerned.

(b) All persons regularly employed by a local government unit to operate and maintain works transferred to the board on the date on which the transfer becomes effective shall be employees of the board, in the same manner and with the same options and rights as other employees of the board.

Sec. 7. Laws 1981, Chapter 291, Section 7, is amended to read:

Sec. 7. **BUDGET.**

The board shall prepare and adopt a budget, on or before ~~September 1, 1981~~ August 1, 1982 and annually thereafter. The budget shall show for the following calendar year or other fiscal year determined by the board estimated receipts of money from all sources, including but not limited to payments by each local government unit, federal or state grants, taxes on property, and funds on hand at the beginning of the year, and estimated expenditures for:

(a) Costs of operation, administration and maintenance of the district disposal system;

(b) Costs of acquisition and betterment of the district disposal system; and

(c) Debt service, including principal and interest, on general obligation bonds and certificates issued pursuant to section 12, and any money judgments against the district.

Expenditures within these categories and others the board may determine, shall be itemized in the detail the board shall prescribe. The board and its officers, agents, and employees shall not spend money for any purpose other than debt service without having set forth the expense and its amount in the budget. No obligation to make an unbudgeted expenditure shall be enforceable except as the obligation of the person incurring it. The board may amend the budget at any time by transferring from one purpose to another any budgeted sums, except money for debt service and bond proceeds, or by increasing expenditures in any

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amount by which cash receipts during the budget year actually exceed the total amounts designated in the original budget. The creation of an obligation pursuant to section 12 or the receipt of a federal or state grant is a sufficient budget designation of the proceeds for the purpose for which it is authorized, and of the tax or other revenue pledged to pay the obligation, whether or not specifically included in the budget.

Sec. 8. Laws 1981, Chapter 291, Section 8, Subdivision 1, is amended to read:

Subdivision 1. **DEFINITION OF CURRENT COSTS.** The estimated cost of administration, operation, maintenance and debt service of the district disposal system to be paid by the board in a fiscal year and the estimated costs of acquisition and betterment of the system which are to be paid during the year from funds other than state or federal grants and bond proceeds and all other previously unallocated payments made by the board pursuant to this act to be allocated in the year, less any costs to be allocated to industries pursuant to subdivision 3 and less any amounts to be received pursuant to subdivision 1a as added by section 9 of this act, are referred to as current costs and shall be allocated by the board to the local government units in the budget for such year.

Sec. 9. Laws 1981, Chapter 291, Section 8, is amended by adding a subdivision to read:

Subd. 1a. **PAYMENT OF DIFFERENCE.** If the area of the district and the composition of the board change pursuant to section 2, after December 31, 1985 any local government unit remaining in the district shall pay in equal payments over 20 years, with interest at the rate of eight percent per annum, the proportionate difference in the value determined pursuant to Laws 1981, Chapter 291, Section 2, Subdivision 10, Clause (a), as amended by section 4 of this act. "Proportionate difference" in this subdivision means the difference in value determined in Laws 1981, Chapter 291, Section 2, Subdivision 10, as amended by section 4 of this act, divided by the number of remaining government units.

Sec. 10. Laws 1981, Chapter 291, Section 8, Subdivision 2, is amended to read:

Subd. 2. **METHOD OF ALLOCATION OF CURRENT COSTS.** All current costs shall be allocated to local government units in the district on a pro rata basis determined by the effluent contributed by each, less any industrial wastes for which costs have been allocated under subdivision 3, calculated on the basis of flow measurement. The projected pro rata contribution of effluent shall be made on or before ~~September 1, 1981~~ August 1, 1982 and annually thereafter. An adjustment shall be made on or before February 1 of each succeeding year based upon the actual effluent contributed by each government entity. The adjustments shall be paid to the district or to the proper local government units. It also may be corrected by deduction from or addition to subsequent payments.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The adoption or revision of a method of allocation used by the board shall be by the affirmative vote of at least two-thirds of the members of the board.

Sec. 11. Laws 1981, Chapter 291, Section 24, is amended to read:

Sec. 24. EFFECTIVE DATE; LOCAL APPROVAL.

This act Laws 1981, Chapter 291, is effective in the local government units named in section 23 upon approval by all of the government units named in section 23 and upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3, the day after final enactment of sections 1 to 11 of this chapter, pursuant to Minnesota Statutes, Section 645.023, Subdivision 1, clause (a).

Sec. 12. Minnesota Statutes 1980, Section 112.35, is amended by adding a subdivision to read:

Subd. 22. "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

Sec. 13. Minnesota Statutes 1980, Section 112.37, Subdivision 1, is amended to read:

112.37 PROCEDURE FOR ESTABLISHMENT.

Subdivision 1. Proceedings for the establishment of a watershed district shall be initiated only by the filing of a nominating petition with the secretary of the board, which. The nominating petition shall be signed by any one of the following groups: either by

- (1) at least one-half of the counties within the proposed district; or
- (2) ~~or~~ by a county or counties having at least 50 percent of the area within the proposed district; or
- (3) ~~or~~ by a majority of the cities within the proposed district; or
- (4) ~~or a nominating petition also may be filed if signed~~ by at least 50 resident freeholders of the proposed district, exclusive of the resident freeholders within the corporate limits of any city on whose behalf the authorized official has signed the petition.

~~Said~~ The nominating petition shall set forth the following:

- (1) The name of the proposed district;
- (2) The necessity for the district, and why it would be conducive to public health and public welfare, or accomplish any of the purposes of a watershed district;
- (3) A statement in general terms setting forth the purpose of the contemplated improvements, the territory to be included in the district, and all proposed subdivisions thereof, if any, of the district;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(4) The number of managers proposed for the district. Except as otherwise provided in subdivisions 6 and 7, the managers shall be not less than three nor more than five and shall be selected from a list of at least ten nominees. They, and shall be selected as representative of the local units of government affected and. None shall be a public officer of the county, state, or federal government;

(5) A map of the proposed district;

(6) A request for the establishment of the district as proposed.

The petitioners shall cause to be served upon the county auditor or auditors of the counties affected by the proposed district, the commissioner, and the director, a copy of ~~said~~ the nominating petition, and proof of service thereof shall be attached to the original petition, to be filed with the secretary of the board.

Sec. 14. Minnesota Statutes 1980, Section 112.37, is amended by adding a subdivision to read:

Subd. 7. The managers of a district wholly within the metropolitan area shall number not less than five nor more than nine. They shall be selected from a list of persons nominated jointly or severally by statutory and home rule charter cities and towns having territory within the district. The list shall contain at least three nominees for each position to be filled. If the cities and towns fail to nominate in accordance with this subdivision, the managers shall be selected as provided in subdivision 1.

Sec. 15. Minnesota Statutes 1980, Section 112.42, Subdivision 3, is amended to read:

Subd. 3. At least 30 days prior to the expiration of the term of office of the first managers named by the board, the county commissioners of each county affected shall meet and proceed to appoint successors to the first managers. Provided, however, If the nominating petition that initiated the district shall be originated from a majority of the cities within the district or if the district is wholly within the metropolitan area, the county commissioners shall appoint the managers from a list of nominees submitted persons nominated jointly or severally by the townships and municipalities within the district. Said The list shall contain at least three nominees for each position to be filled. It shall be submitted to the affected county board at least 60 days prior to the expiration of the term of office. If such the list is not submitted within 60 days prior to the expiration of the term of office the county commissioners shall select the managers from eligible individuals within the district. Said The county commissioners shall at least 30 days before the expiration of the term of office of any managers meet and appoint the successors. If the district affects more than one county, distribution of the managers among the counties affected shall be as directed by the board. Ten years after the order of establishment, upon petition

of the county board of commissioners of any county affected by the district, the board after public hearing thereon, may redistribute the managers among the counties if such redistribution is in accordance with the policy and purposes of this chapter. No petition for the redistribution of managers shall be filed with the board more often than once in ten years. The term of office of each manager, if the number does not exceed three, shall be one for a term of one year, one for a term of two years, and one for a term of three years. If the managers consist of five members, one shall be for a term of one year, two for a term of two years, and two for a term of three years. If the board of managers consists of more than five members, the managers shall be appointed so that as nearly as possible one-third serve terms of one year, one-third serve terms of two years, and one-third serve terms of three years. If the district affects more than one county, the board shall direct the distribution of the one, two and three year terms among the affected counties. Thereafter, the term of office for each manager shall be for a term of three years, and until his successor is appointed and qualified. If the district affects more than five counties, in order to provide for the orderly distribution of the managers, the board may determine and identify the manager areas within the territory of the district and select the appointing county board of commissioners for each manager's area. Any vacancy occurring in an office of a manager shall be filled by the appointing county board of commissioners. A record of all appointments made under this subdivision shall be filed with the county auditor of each county affected, with the secretary of the board of managers, and with the secretary of the water resources board. No person shall be appointed as a manager who is not a voting resident of the district and none shall be a public officer of the county, state, or federal government.

Sec. 16. Minnesota Statutes 1980, Section 112.42, is amended by adding a subdivision to read:

Subd. 3a. The board shall restructure the boards of managers of districts established before the effective date of this act and located wholly within the metropolitan area to ensure compliance with the requirements of sections 14 and 15. The board shall request recommendations from the district and the affected local government units. Additional managers, if any, shall be appointed by the county designated by the board, to terms designated by the board, at the time of and in the manner provided for the next regular appointment of successors to managers of the district.

Sec. 17. Minnesota Statutes 1980, Section 112.43, is amended by adding a subdivision to read:

Subd. 1b. A watershed district located wholly within the metropolitan area shall have the duties and authorities provided in sections 18 to 25. Notwithstanding any contrary provision of subdivision 1, a watershed district located wholly within the metropolitan area shall have authority to regulate the use and development of land only under the conditions specified in section 20, clause (c).

Sec. 18. [473.875] PURPOSES.

The purpose of the surface water management programs required by sections 18 to 25 is to preserve and use natural water storage and retention systems in order to (a) reduce to the greatest practical extent the public capital expenditures necessary to control excessive volumes and rates of runoff, (b) improve water quality, (c) prevent flooding and erosion from surface flows, (d) promote ground water recharge, (e) protect and enhance fish and wildlife habitat and water recreational facilities, and (f) secure the other benefits associated with the proper management of surface water.

Sec. 19. [473.876] DEFINITIONS.

Subdivision 1. SCOPE. For the purposes of sections 18 to 25, the following terms have the meanings given them.

Subd. 2. CAPITAL IMPROVEMENT PROGRAM. "Capital improvement program" means an itemized program for at least a five year prospective period, and any amendments to it, subject to at least biennial review, setting forth the schedule, timing, and details of specific contemplated capital improvements by year, together with their estimated cost, the need for each improvement, financial sources, and the financial effect that the improvements will have on the local government unit or watershed management organization.

Subd. 3. LOCAL COMPREHENSIVE PLAN. "Local comprehensive plan" has the meaning given it in section 473.852, subdivision 5.

Subd. 4. LOCAL GOVERNMENT UNIT. "Local government unit" or "local unit" has the meaning given it in section 473.852.

Subd. 5. MINOR WATERSHED UNITS. "Minor watershed units" means the drainage areas identified and delineated as such pursuant to Laws 1977, Chapter 455, Section 33, Subdivision 7(a).

Subd. 6. OFFICIAL CONTROLS. "Official controls" has the meaning given it in section 473.852.

Subd. 7. WATERSHED. "Watershed" means a drainage area having boundaries which are substantially coterminous with those of an aggregation of contiguous minor watershed units possessing similar drainage patterns and which cross the borders of two or more local government units.

Subd. 8. WATERSHED DISTRICT. "Watershed district" means a district established under chapter 112.

Subd. 9. WATERSHED MANAGEMENT ORGANIZATION. "Watershed management organization" or "organization" means a watershed district wholly within the metropolitan area or a joint powers entity established wholly within the metropolitan area by special law or by agreement which performs some or all of the functions of a watershed district for a watershed and which has

the characteristics and the authority specified under section 20. Lake improvement or conservation districts are not watershed management organizations.

Sec. 20. [473.877] WATERSHED MANAGEMENT ORGANIZATION.

Subdivision 1. AUTHORITY. Any agreement under section 471.59 to jointly or cooperatively manage or plan for the management of surface water as required by sections 18 to 25 may provide for a joint board having:

(a) the authority to prepare and adopt a plan meeting the requirements of section 21;

(b) the authority to review and approve local water management plans as provided in section 22;

(c) the authority of a watershed district under chapter 112 to regulate the use and development of land when one or more of the following conditions exists: (1) the local government unit exercising planning and zoning authority over the land under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.364, does not have a local water management plan approved and adopted in accordance with the requirements of section 11 or has not adopted the implementation program described in the plan; (2) an application to the local government unit for a permit for the use and development of land requires an amendment to or variance from the adopted local water management plan or implementation program of the local unit; (3) the local government unit has authorized the organization to require permits for the use and development of land.

(d) other powers necessary to exercise the authority under clauses (a) to (c), including the power to enter into contracts for the performance of functions with governmental units or persons.

Subd. 2. REVIEW OF WATERSHED BOUNDARIES. Before commencing planning under section 21, a watershed management organization established pursuant to section 471.59 and this section shall submit a map delineating the boundaries of the watershed to the water resources board for review and comment on the conformance of the boundaries with the requirements of sections 18 to 25. The board shall have 60 days to comment.

Sec. 21. [473.878] WATERSHED PLANS.

Subdivision 1. REQUIREMENT. A watershed management plan is required for watersheds comprising all minor watershed units within the metropolitan area. For the purposes of this section a minor watershed unit shall be considered within the metropolitan area if more than 90 percent of its area is within the metropolitan area. The watershed management plan shall be prepared, adopted, and implemented in accordance with the requirements of sections 18 to 25.

Subd. 2. RESPONSIBLE UNITS. Where a watershed management organization exists, the plan for the watershed shall be prepared and adopted by the organization. If a watershed management organization is not established by December 31, 1983, for any minor watershed unit located wholly outside of Hennepin and Ramsey counties, the county or counties containing the watershed unit shall prepare and adopt the watershed plan and shall have the planning, review, and permitting authority of a watershed management organization specified in section 20. If a watershed management organization is not established by December 31, 1983, for any minor watershed unit within the metropolitan area and wholly or partly within Hennepin or Ramsey counties, the county or counties containing the watershed unit shall petition for the establishment of a watershed district under chapter 112, provided, however, that a district established pursuant to such a petition shall not cross a primary river nor a river forming the boundary between a metropolitan county and a county outside the metropolitan area, shall have boundaries which are based upon negotiations among all local government units which may have territory within the district and adjacent watersheds and shall not cross county boundaries to include territory whose distinguishing characteristic is multiple drainage points into a primary river. A watershed management organization may request a county to prepare all or part of a plan. A county may delegate the preparation of all or part of a plan to the county soil and water conservation district. Upon request of a statutory or home rule charter city or town, a county may delegate the preparation of all or part of a plan to the city or town.

Subd. 3. GENERAL STANDARDS. The watershed management plan shall extend through the year 1990 or any year thereafter which is evenly divisible by five. The plan shall contain the elements required by subdivision 4. Each element shall be set out in the degree of detail and prescription necessary to accomplish the purposes of sections 18 to 25, considering the character of existing and anticipated physical and hydrogeologic conditions, land use, and development and the severity of existing and anticipated water management problems in the watershed. The plan shall be prepared and submitted for review under subdivision 5 by December 31, 1985. Existing plans of a watershed management organization shall remain in force and effect until amended or superseded by plans adopted under sections 18 to 25. Existing or amended plans of a watershed management organization which meet the requirements of sections 18 to 25 may be submitted for review under subdivision 5.

Subd. 4. CONTENTS. The plan shall:

(a) Describe the existing physical environment, land use, and development in the area and the environment, land use, and development proposed in existing local and metropolitan comprehensive plans;

(b) Present information on the hydrologic system and its components and existing and potential problems related thereto;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(c) State objectives and policies, including management principles, alternatives and modifications, water quality, and protection of natural characteristics;

(d) Set forth a management plan, including the hydrologic and water quality conditions that will be sought and significant opportunities for improvement;

(e) Describe conflicts between the watershed plan and existing plans of local government units;

(f) Set forth an implementation program consistent with the management plan, which includes a capital improvement program and standards and schedules for amending the comprehensive plans and official controls of local government units in the watershed to bring about conformance with the watershed plan; and

(g) Set out a procedure for amending the plan.

Subd. 5. REVIEW. Upon completion of the plan but before final adoption by the organization, the organization shall submit the plan for review and comment to all counties, soil and water conservation districts, towns, and statutory and home rule charter cities having territory within the watershed. Any local government unit which expects that substantial amendment of its local comprehensive plan will be necessary in order to bring local water management into conformance with the watershed plan shall describe as specifically as possible, within its comments, the amendments to the local plan which it expects will be necessary. Sixty days after the submission to local government units for comment, the organization shall submit the plan, any comments received, and any appropriate amendments to the plan, to the board of the county or counties having territory within the watershed. The county shall approve or disapprove projects in the capital improvement program which may require the provision of county funds pursuant to section 112.60, subdivision 2, or section 25. The county shall have 60 days to complete its review of the capital improvement program. If the county fails to complete its review within the prescribed period, unless an extension is agreed to by the organization the program shall be deemed approved. If the watershed extends into more than one county and one or more counties disapprove of all or part of a capital improvement program while the other county or counties approve, the program shall be submitted to the water resources board for review pursuant to subdivision 7.

Subd. 6. REVIEW BY METROPOLITAN COUNCIL. After completion of the review under subdivision 5, the plan shall be submitted to the metropolitan council for review. Notwithstanding any provision to the contrary in sections 112.46 and 473.165, the council shall review the plan in the same manner and with the same authority and effect as provided for the council's review of the comprehensive plans of local government units under section 473.175. The council shall comment on the apparent conformity with metropolitan system plans of any anticipated amendments to local comprehensive plans.

Subd. 7. REVIEW BY STATE AGENCIES. After completion of the review under subdivision 6, the plan shall be submitted to the commissioner of natural resources and the pollution control agency for review and comment on the consistency of the plan with state laws and rules relating to water and related land resources, and to the water resources board for review under section 112.46. Except as otherwise provided in this subdivision, the water resources board shall review the plan as provided in section 112.46. The board shall review the plan for conformance with the requirements of chapter 112 and sections 18 to 25. The board shall not prescribe a plan, but may disapprove all or parts of a plan which it determines is not in conformance with the requirements of chapter 112 and sections 18 to 25. If the capital improvement program is the subject of a dispute between counties, the water resources board shall make a final decision on the issue. The decision shall be binding on the organization and the counties involved.

Subd. 8. ADOPTION; IMPLEMENTATION. The organization shall adopt and implement its plan within 120 days after compliance with the provisions of subdivision 7 and approval of the plan by the water resources board. A watershed district may implement its approved plan and approved capital improvement program by resolution of the majority of the board of managers and without respect to the provisions of chapter 112 requiring the managers to wait upon petitions for projects, to submit projects for review by the water resources board, and to limit the cost and purposes of projects.

Subd. 9. AMENDMENTS. To the extent and in the manner required by the adopted plan, all amendments to the adopted plan shall be submitted to the towns, cities, county, and other agencies for review in accordance with the provisions of subdivisions 5, 6, and 7.

Sec. 22. [473.879] LOCAL WATER MANAGEMENT PLANS.

Subdivision 1. REQUIREMENT. After the watershed plan is approved and adopted, or amended, pursuant to section 21, the local government units having land use planning and regulatory responsibility for territory within the watershed shall prepare or cause to be prepared a local water management plan, capital improvement program, and official controls as necessary to bring local water management into conformance with the watershed plan within the time period prescribed in the implementation program of the watershed plan and, as necessary, shall prepare or cause to be prepared amendments to the local comprehensive plan. Each town within the counties of Anoka, Carver, Dakota, Scott, and Washington authorized by general or special law to plan and regulate the use of land under sections 462.351 to 462.364 shall by resolution determine whether to prepare the local water management plan itself or to delegate all or part of the preparation of the plan to the county. Towns within counties which have adopted comprehensive plans applicable to the town shall use county preparation of their plan to the maximum extent possible.

Subd. 2. STANDARDS; CONTENTS. Each local plan, in the degree of detail required in the watershed plan, shall:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

- (a) Describe existing and proposed physical environment and land use;
- (b) Define drainage areas and the volumes, rates, and paths of stormwater runoff;
- (c) Identify areas and elevations for stormwater storage adequate to meet performance standards established in the watershed plan;
- (d) Define water quality and water quality protection methods adequate to performance standards established in the watershed plan;
- (e) Identify regulated areas; and
- (f) Set forth an implementation program, including a description of official controls and, as appropriate, a capital improvement program.

Subd. 3. REVIEW. After consideration but before adoption by the governing body, each local unit shall submit its water management plan to the watershed management organization for review for consistency with the watershed plan adopted pursuant to section 21. The organization shall approve or disapprove the local plan or parts thereof. The organization shall have 60 days to complete its review. If the organization fails to complete its review within the prescribed period, unless an extension is agreed to by the local unit the local plan shall be deemed approved.

Subd. 4. ADOPTION; IMPLEMENTATION. After approval of the local plan by the organization, the local government unit shall adopt and implement its plan within 120 days and shall amend its official controls accordingly within 180 days.

Subd. 5. AMENDMENTS. To the extent and in the manner required by the organization, all amendments to local water management plans shall be submitted to the organization for review and approval in accordance with the provisions of subdivision 3 for the review of plans.

Sec. 23. [473.881] EXEMPTION FROM LEVY LIMIT.

Any levy to pay the increased costs to a local government unit or watershed management organization of implementing sections 21 and 22 or to pay costs of improvements and maintenance of improvements identified in an approved and adopted plan shall be in addition to any other taxes authorized by law and shall be disregarded in the calculation of limits on taxes imposed by chapter 275, except levies pursuant to section 25, subdivision 7, for taxes payable in 1985 and thereafter. Notwithstanding any provision to the contrary in chapter 112, a watershed district may levy a tax sufficient to pay the increased costs to the district of implementing sections 21 and 22. The proceeds of any tax levied under this section shall be deposited in a separate fund and expended only for the purposes authorized by this section.

Sec. 24. [473.882] SPECIAL TAX DISTRICT.

Subdivision 1. WATERSHED MANAGEMENT TAX DISTRICT. Any local government unit planning for water management under sections 21 and

22 may establish a watershed management tax district in the territory within the watershed, for the purpose of paying the costs of the planning required under sections 21 and 22. Any local government unit which has part of its territory within a watershed for which a plan has been adopted in accordance with section 21 and which has a local water management plan adopted in accordance with section 22 may establish a watershed management tax district in the territory within the watershed, for the purpose of paying capital costs of the water management facilities described in the capital improvement program of the plans and for the purpose of paying for normal and routine maintenance of the facilities.

Subd. 2. PROCEDURE. The district shall be established by ordinance adopted after a hearing. Notice of the time, place, and purpose of the hearing shall be published for two successive weeks in the official newspaper of the local government unit, ending at least seven days before the day of the hearing. The ordinance shall describe with particularity the territory or area to be included in the district. After adoption, the ordinance shall be filed with the county auditor and county recorder. The district may be dissolved by following the procedures prescribed for the establishment of the district.

Subd. 3. TAX. After adoption of the ordinance under subdivision 2, a local government unit may annually levy a tax on all taxable property in the district for the purposes for which the tax district is established. The proceeds of the tax shall be paid into a fund reserved for these purposes. Any proceeds remaining in the reserve fund at the time the tax is terminated or the district is dissolved shall be transferred and irrevocably pledged to the debt service fund of the local unit to be used solely to reduce tax levies for bonded indebtedness of taxable property in the district. A tax levied in accordance with this subdivision for paying capital costs is a levy for the payment of principal and interest on bonded indebtedness within the meaning of section 275.50, subdivision 5, clause (c).

Subd. 4. BONDS. After adoption of the ordinance under subdivision 2, and after a contract for the construction of all or part of an improvement has been entered into or the work has been ordered done by day labor, the local government unit may issue obligations in the amount it deems necessary to pay in whole or in part the capital cost incurred and estimated to be incurred in making the improvement. The obligations shall be payable out of the proceeds of the tax levied pursuant to subdivision 3. The local unit may by resolution of its governing body adopted prior to the sale of obligations pledge the full faith, credit and taxing power of the local unit to assure payment of the principal and interest in the event the proceeds of the tax levy in the district are insufficient to pay principal and interest. The amount of any taxes which are required to be levied outside of the territory of the tax district or taken from the general funds of the local unit to pay principal and interest on the obligations shall be reimbursed to the local unit from taxes levied within the territory of the tax district. Obligations shall be issued in accordance with chapter 475, except that an election is not required and the amount of any obligations shall not be included in determining

the net indebtedness of the local unit under the provisions of any law or charter limiting indebtedness.

Sec. 25. [473.883] WATERSHED MANAGEMENT ORGANIZATION; CAPITAL IMPROVEMENTS; PAYMENT BY COUNTY.

Subdivision 1. GENERAL AUTHORITY. The authority provided to watershed districts in this section is in addition to the authority provided in chapter 112. A watershed management organization which has adopted a watershed plan in accordance with section 21 may certify for payment by the county as provided in this section all or any part of the cost of a capital improvement contained in the capital improvement program of the plan.

Subd. 2. PROCEDURE. A copy of the plan for the improvement shall be forwarded to the county board. The organization shall then hold a public hearing on the proposed improvement, following publication once each week for two successive weeks before the date of the hearing in a legal newspaper published in the county or counties in which a part or all of the affected waters and lands are located. The last publication shall occur not more than 30 days nor less than ten days before the hearing. The notice shall state the time and place of hearing, the general nature of the proposed improvement, the estimated cost, and the method by which the cost of the improvement is to be paid, including the cost to be allocated to each county under subdivision 3. Not less than ten days before the hearing, notice by mail shall be given to the counties and to each home rule charter or statutory city or town located wholly or partly within the territory of the watershed management organization. Failure to give mailed notice or defects in the notice shall not invalidate the proceedings. At the time and place specified in the notice the organization shall hear all parties interested in the proposed improvement. If upon full hearing the organization finds that the improvement will be conducive to public health and promote the general welfare, and is in compliance with sections 18 to 25 and the plan adopted pursuant to section 21, it shall make findings accordingly, determine the cost of the improvement, and certify the cost to the county or counties for payment.

Subd. 3. APPORTIONMENT OF COSTS. If the territory of the watershed management organization extends into more than one county, the cost of the improvement shall be certified to the respective county boards in the proportions prescribed in the capital improvement program of the organization.

Subd. 4. COUNTY PAYMENT. Each county receiving a certification for payment from a watershed management organization pursuant to this section shall provide funds to meet its proportionate share of the cost of the improvement as shown in the certification by the organization.

Subd. 5. BONDS. In order to make the payment required by subdivision 4, the county board of each county may issue general obligation bonds of the county in the amount necessary to pay all or part of the cost of improvements certified to the county board or to refund general obligation bonds issued for this purpose. The bonds shall be sold, issued, and secured in accordance with the

provisions of chapter 475 for general obligation bonds, except as otherwise provided in this subdivision. No election shall be required.

Subd. 6. **TAX.** For the payment of principal and interest on the bonds issued under subdivision 5 and the payment required under subdivision 4, the county shall irrevocably pledge and appropriate the proceeds of an ad valorem tax levied on all taxable property located within the territory of the watershed management organization for which the bonds are issued. Each year until the reserve for payment of the bonds is sufficient to retire the bonds, the county shall levy on all taxable property in the territory of the organization, without respect to any statutory or other limitation on taxes, an amount of taxes sufficient to pay principal and interest on the bonds and to restore any deficiencies in reserves required to be maintained for payment of the bonds. If at any time the amounts available from the levy on property in the territory of the organization are insufficient to pay principal and interest on the bonds when due, the county shall make payment from any available funds in the county treasury. The amount of any taxes which are required to be levied outside of the territory of the watershed management organization or taken from the general funds of the county to pay principal or interest on the bonds shall be reimbursed to the county from taxes levied within the territory of the watershed management organization.

Subd. 7. **MAINTENANCE LEVY.** For the purpose of creating a maintenance fund to be used for normal and routine maintenance of a work of improvement constructed in whole or part with money provided by the county pursuant to subdivision 4, the board of managers of a watershed district, with the approval of the county, may impose an ad valorem levy on all property located within the territory of the watershed district. The levy shall be certified, levied, collected, and distributed as provided in section 112.611, and shall be in addition to any other moneys levied and distributed to the district thereunder. The proceeds of the levy shall be deposited in a separate maintenance and repair account to be used only for the purpose for which the levy was made.

Sec. 26. APPLICATION.

Sections 18 to 25 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 27. EFFECTIVE DATE.

Sections 1 to 11 are effective the day after final enactment.

Approved March 22, 1982

CHAPTER 510 — S.F.No. 588

An act proposing an amendment to the Minnesota Constitution, Article XIV, Section 11; revising certain restrictions on highway bonds.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.