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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 683

02/18/2013 Authored by Fischer; Ward, J.A.; Isaacson; Yarusso and Hansen  
The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy

1.1 A bill for an act  
1.2 relating to water; requiring conservation rate structures under certain conditions;  
1.3 amending Minnesota Statutes 2012, 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 2012, 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 encourage  
1.23 water conservation by employing water use demand reduction measures, as defined in  
1.24 subdivision 4, paragraph (a), before requesting approval from the commissioner of health

2.1 under section 144.383, paragraph (a), to construct a public water supply well or requesting  
2.2 an increase in the authorized volume of appropriation. The demand reduction measures  
2.3 must include a conservation rate structure, as defined in subdivision 4, unless the recharge  
2.4 rates for all groundwater sources being utilized by the public water supplier are known. The  
2.5 commissioner of natural resources and the water supplier shall use a collaborative process  
2.6 to achieve demand reduction measures as a part of a water supply plan review process.

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

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

2.13 Sec. 2. Minnesota Statutes 2012, section 103G.291, subdivision 4, is amended to read:

2.14 Subd. 4. **Demand reduction measures.** (a) For the purposes of this section,  
2.15 "demand reduction measures" means measures that reduce water demand, water losses,  
2.16 peak water demands, and nonessential water uses. Demand reduction measures must  
2.17 include a conservation rate structure, or a uniform rate structure with a conservation  
2.18 program that achieves demand reduction. A "conservation rate structure" means a rate  
2.19 structure that encourages conservation and may include increasing block rates, seasonal  
2.20 rates, time of use rates, individualized goal rates, or excess use rates. If a conservation  
2.21 rate is applied to multifamily dwellings, the rate structure must consider each residential  
2.22 unit as an individual user.

2.23 (b) To encourage conservation, a public water supplier serving more than 1,000  
2.24 people must implement demand reduction measures by January 1, 2015. The demand  
2.25 reduction measures must include a conservation rate structure unless the recharge rates for  
2.26 all groundwater sources being utilized by the public water supplier are known.