

MINNESOTA
STATE GOVERNMENT
ISSUES

STATE AND LOCAL WATER PLANNING

ISSUE TEAM REPORT

NOVEMBER 1984

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Executive Branch Policy Development Program
1984-1985

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EXECUTIVE SUMMARY
STATE AND LOCAL WATER PLANNING

The purpose of this report is to define a process and recommend actions for improving the effectiveness of water and related land resources planning, research, and management programs in Minnesota through more coordinated use of state, federal, and local resources.

THE SETTING

There are a myriad of federal agencies and commissions, state agencies, interstate organizations, regional bodies, and local units of government involved in water and related land resources management in Minnesota. The state strategy for improving effectiveness within this management structure is based on (1) coordination of the water management activities of separate "advocate" agencies at the state level through the Environmental Quality Board; (2) increased focus on resource management at the local level, with general purpose governments as the focal point; and (3) an emphasis on partnerships in resource management among all levels of government.

CONCLUSIONS

1. The fragmentation of programs has led to problems in recognizing and dealing effectively with the interdependence of water and related land resources solutions and to problems in public and legislative perception of water management in the state. Coordinated planning, research, and management at all levels of government is a prerequisite to efficient and effective program operation.
2. While there is need for continuing debate on the most efficient ways to organize the state structure for water and related land resources management, no reorganization options will eliminate the need for coordination of activities and effective partnerships with local governments, universities, and federal agencies.
3. No one organization at the local level serves as a focus for water management decisions. Sound strategy requires that some organization at the local level be responsible for assuring action to prevent the emergence of water and related land resources problems, as well as to assure action to solve existing problems.
4. Further study, analysis, and research to address the major issues identified in the 1979 framework water and related land resources plan is essential. Such study, analysis, and research should be promoted as the major activity for revision of the framework plan.

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SUBJECT TO REVISION

RECOMMENDATIONS

1. The Environmental Quality Board, as the state water resources coordinating body, should adopt an explicit process for the negotiation of priorities and resource assignments designed to result in written agreements among participating public agencies which set forth a specific, coordinated strategy to guide the investment of time and resources. The process proposed would consist of five stages: (a) definition of the issue; (b) organization for negotiation; (c) informal exchange of information; (d) the bargaining process; and (e) review and monitoring of the implementation of decisions.
2. The immediate issues to which the process recommended in (a) should be applied are: (a) the development of a program for implementing a non-point source pollution control program (e.g., 208 planning recommendations) in Minnesota, including the definition of critical areas for planning and protection; (b) develop a water resources research program to satisfy state and university interests; and (c) definition of resources and data necessary to implement a local water planning and management initiative and how the necessary resources and data might be supplied. The Environmental Quality Board should serve as a forum for the discussion of issues to which the negotiation process might be applied.
3. To enhance its coordinating functions, the Environmental Quality Board should establish a permanent Water and Related Land Resources Subcommittee. This Subcommittee should include the Departments of Natural Resources, Health, and Agriculture; the Pollution Control Agency; and three citizen members of the Board. This Subcommittee should be responsible for carrying out the Board's water and related land resources coordination functions.
4. The Governor should support enactment by the Legislature of a comprehensive local water management act for the 80 counties outside the metropolitan region. The act should assign to counties the basic responsibility and necessary authorities for developing and assuring implementation of comprehensive water and related land resources plans.
5. To further the refinement and implementation of the 1979 framework water and related land resources plan, the Legislature should support the recommendations of the Legislative Commission on Minnesota Resources to devote at least \$5.3 million to water resource projects in the F.Y. 86-87 biennium. Seventeen projects which will aid in achieving the "Priority Recommendations" of the Water Planning Board (February 1983) are identified in the text.
6. The Water and Related Land Resources Subcommittee of the EQB should specifically be charged with responsibility for preparing by February 1985 a set of "1985-87 Priority Recommendations" for further implementing the framework water and related land resources plan and should biennially prepare a coordinated set of water and related land resources recommendations to the LCMR.
7. As five years have passed since the Water Planning Board's initial assessment of organization options and as the local water planning initiative recommended in (3) above is likely to raise organizational issues, the staff of the State Planning Agency/Environmental Quality Board should develop state water management organizational options for review by the EQB, the Governor, and the Legislature.

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BUDGET IMPLICATIONS

Recommendations 1, 2, 3, and 7 can be accomplished without budgetary change level requests. While recommendation 5 has a significant associated cost, funds will be drawn from monies dedicated to use by the LCMR. They will have no net effect on state expenditures.

It is estimated that the cost of implementing recommendation 4 would be \$1,815,000 in the F.Y. 86-87 biennium. This would consist of \$60,000 to fund information system development and rule-making in F.Y. 1986 and \$250,000 for state agency staffing and information transfer, plus \$1,505,000 in planning grants to counties in F.Y. 1987. F.Y. 88-89 costs would be an estimated \$3,410,000. Of the F.Y. 88-89 amount, \$3,010,000 would be for planning grants to counties and \$400,000 for state agency staffing and information transfer.

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I. BACKGROUND

In 1979, "Toward Efficient Allocation and Management: A Strategy to Preserve and Protect Water and Related Land Resources" was completed by the Minnesota Water Planning Board. This document, frequently referred to as the state framework water and related land resources plan, identified a series of goals, objectives, and general policy directions as guidelines for decision-making at the state level. Nearly 90 recommendations for action were provided. However, the Board did not see its work as an end-product, but as an "effort to describe and suggest processes that may be developed and utilized in a water and related land resources decision-making system capable of anticipating and responding to the possibilities and problems that are ahead."

Consistent with this philosophy, in 1981 the Water Planning Board supplemented the state-level focus of the 1979 report with a "Special Study on Local Water Management." The "Local Study" recommended the adoption of nine basic positions in order to clarify and improve the authorities and relationships in water and related land resources management at the local level. The theme which emerged from the work of the Board was the creation of a strong state-local partnership in water and related land resources management.

In 1983, acting under its statutory duty to evaluate and update the framework water and related land resources plan, the Water Planning Board summarized its strategy for meeting water management in a report entitled "Toward Efficient Allocation and Management: 1983-85 Priority Recommendations." The Board identified six major responsibilities of the state and its political subdivisions for meeting its obligations with respect to water and related land resources management and the major elements of a strategy for meeting these responsibilities. Eleven priority actions for furthering this strategy during the 1983-85 biennium were recommended.

Appendix A contains the strategy adopted by the Water Planning Board for meeting the responsibilities of state and local government for water management in Minnesota. The task which continues is the task of fulfilling the elements of this strategy. While some major actions have been taken or are now being pursued, much remains to be done.

1. The Issue Team Charge

A major responsibility of government identified by the Water Planning Board is:

"To establish a management structure which assures adequate communication and coordination among all levels of government, the private sector, and the public, avoiding duplication of effort and accomplishing management, development, and protection objectives at the lowest possible cost."

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To further meet this responsibility, the charge to the "State and Local Water Planning" Issue Team from the Energy/Environment/Resources Subcabinet was:

"To develop a process for improving the effectiveness of water and related land resources planning, research and management programs in Minnesota through more coordinated use of state, local, and federal resources for implementation by the Environmental Quality Board."

The EQB was defined as the implementing authority because in 1983 the Legislature identified the EQB as the water resources coordinating body at the state level. (The Water Planning Board was discontinued.)

The process developed by the Issue Team was to be based on (1) the development and implementation by January 1985 of a program of negotiated priorities and resource assignments and (2) immediate action to enhance local water and related land resources planning capacities to permit inclusion of defined local needs in the process of defining priorities for action.

The charge to the Issue Team was designed to yield several products. These included:

- a. An on-going process for preparing interagency agreements for the coordinated use of resources and for preparing biennial priorities for presentation to the Legislature.
- b. Tools to assist local units of government in water and related land resources planning.
- c. Revisions to the 1979 framework plan.

While the water planning staff of the State Planning Agency/Environmental Quality Board previously has prepared drafts of revisions to the text of the 1979 document, the Issue Team did not take up this discussion. Rather, efforts were focused on the identification of initiatives for funding through the Legislative Commission on Minnesota Resources which would further the accomplishment of the priority recommendations for implementation of the framework plan. (As noted below, this activity was initiated by the team leader and involved actions not reviewed by the Issue Team per se.)

2. The Issue Team

The Issue Team was composed of the following agencies and agency staff persons:

- ** State Planning Agency--Jack Ditmore, Team Leader
- ** Minnesota Pollution Control Agency--Dave Christopherson
- ** Minnesota Department of Health--Gary Englund
- ** Department of Natural Resources--Gene Hollenstein
- ** Department of Agriculture/Soil & Water Conservation Board--Ron Nargang

State Planning Agency staff who assisted in the project were John Wells, Linda Bruemmer, and Marilyn Lundberg.

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Activities led by SPA staff which were associated with meeting the Issue Team charge but which did not involve all members of the Issue Team are included in this report. In these cases, the agencies who were members of the Issue Team were involved, but not necessarily the Issue Team members. Specifically, these areas include:

- ** The establishment of LCMR priorities, where PCA was represented by Mike Robertson; DNR, by Steve Thorne; and Health by Ray Throne. Other agencies involved during the process include Agriculture, USGS, the University of Minnesota, and the Multi-County Solid Waste Task Force. The SPA coordinated this effort.

- ** The development of the proposed local water management initiative. The views of MPCA, DNR, Agriculture, and Health were obtained through several sources.

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II. RECOMMENDATIONS

The Recommendations section of this report is divided into three parts. These parts correspond to the major products the Issue Team was asked to develop.

1. Negotiated Priorities and Resource Assignments

The objective of the Issue Team in developing a program of negotiated priorities and resource assignments was to integrate the processes of planning and implementation. The State of Minnesota has established a basic framework to guide future water planning, research and analysis, and management decisions. The major need is to implement priority elements to fill in this framework (including continuing evaluation of the framework plan).

The principal task of the issue team was to develop a process which sets forth a specific coordinated strategy to guide and target the investment of time and resources, particularly by the State of Minnesota, in water and related land resources management. In order to carry out this task, the Issue Team focused on the process of negotiation, specifically a strategy for negotiation of investments.

In the "negotiated investment" process, parties with appropriate resources and/or a stake in policy outcomes are convened for the purpose of dealing with problem areas in a comprehensive manner. Initially, participants are asked to agree on priorities for action and policy reform in a problem area. In the subsequent formulation of action plans, participants are asked to think of the commitment of time and resources as "investments" which are expected to pay-off in longer-term benefits to the state. The purpose of the process is to establish an agreed upon, comprehensive implementation plan for resolving the problem identified.

Recommendation 1. The Environmental Quality Board, as the state water resources coordinating body, should adopt an explicit process for the negotiation of priorities and resource assignments designed to result in written agreements among participating public agencies which set for a specific, coordinated strategy to guide the investment of time and resources. The Board should encourage its member agencies to employ this process in appropriate instances.

The recommended process is outlined in detail in Appendix B. In summary, the process outlined is one of negotiation of respective roles and commitments of agencies with respect to defined issues. The process includes five stages: (1) definition of the issue (see Recommendation 2 below); (2) organization for negotiation; (3) informal exchange of information; (4) the bargaining process; and (5) review and monitoring of the implementation of decisions.

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The Issue Team anticipates that the Environmental Quality Board, as the state's water resources coordinating body, will play a central role in the implementation of this process. A representative of the EQB, such as a staff member of the State Planning Agency/Environmental Division, may serve as the facilitator of the process. However, individual agencies should be encouraged to employ this process, with or without assistance from the EQB, in appropriate instances.

Recommendation 2. The Environmental Quality Board should serve as a forum for discussion of issues to which the negotiation process might be applied.

As an initial step, the Issue Team has identified three issues to which the process outlined in Appendix B should be applied. These issues are: (1) the development of a program for implementing a non-point source pollution control program and the recommendations of the 208 planning effort in Minnesota, including the definition of critical areas for planning and protection; (2) development of a water resources research program to satisfy state and university interests; and (3) definition of resources and data necessary to implement a local water planning and management initiative and how the necessary data and resources might be supplied (also see Recommendation 4 below).

In addition, on a biennial basis, the Issue Team recommends that this process be applied to the review of water and related land resources proposals to the Legislative Commission on Minnesota Resources. (See Recommendation 6 below.) In this case, the water resources strategy defined by the Water Planning Board should provide basic policy guidance.

Other potential issues discussed by the Issue Team included development of a resource protection plan for wetlands, revision of the state drainage code, development of a state water allocation plan, identification of flood damage reduction priorities, and definition of a water project financing program.

Recommendation 3. To facilitate a focus on the tasks recommended for the EQB, it is recommended that the Board form a permanent Water and Related Land Resources Subcommittee.

The Environmental Quality Board has the statutory authority to form subcommittees. In order to carry out its statutory duties for water and related land resources program coordination, a permanent subcommittee is needed.

The recommended Water and Related Land Resources Subcommittee might include the following EQB members: the Department of Agriculture, Health, and Natural Resources; the Pollution Control Agency; and three EQB citizen members.

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2. Local Water Management

The strain of a population which has doubled during the last generation of Minnesotans and of modern practices which place greater stresses on water and related land resources than ever before has caused water management problems to emerge in every area of this state. Areawide ground-water quality concerns in southeastern Minnesota and problems with toxic chemicals in municipal water supplies in several localities, flooding in the Minnesota River basin and the Red River Valley, localized water supply deficiencies in western Minnesota, and soil erosion throughout the state are prime examples. Even excluding newly formed watershed management organizations for surface water planning in the metropolitan area, nearly 150 special purpose districts have emerged to deal with local problems. Included are 37 watershed districts and 92 soil and water conservation districts. New special purpose districts, such as a watershed district to address the problems of Lake Koronis and a lake improvement district around Lake Pulaski, are being formed. Their authorities are in addition to those of counties, cities, and townships. The frustrations and problems of these local authorities in dealing with emerging problems are a major reason for considering action to strengthen local water management.

No one organization at the local level serves as a focal point for water management decisions which can be made at the local level. While water and related land resources problems are addressed, it is often not until they have reached crisis levels. The recent controversies surrounding the rising level of Lake Pulaski is an example. Sound management strategy requires that some organization at the local level be responsible for anticipating problems and initiating action to prevent their emergence. Sound management strategy further dictates that state government work with local units as a partner in addressing water and related land resource problems.

In addition, there is a practical reason for acting now. In 1982, the Legislature adopted the Metropolitan Surface Water Planning Act (Laws 1982, Chapter 509). There is general support from a range of organizations--from the Sierra Club to the Association of Minnesota Counties--for extending this concept statewide. The longer statewide extension is delayed, the more difficult it will become to coordinate the two closely related initiatives.

Recommendation 4. The Governor should support enactment by the Legislature of a comprehensive local water management act for the 80 counties outside the seven metropolitan counties covered by the Metropolitan Surface Water Management Act. The Act should assign to counties the basic responsibility and necessary authorities for developing and assuring implementation of comprehensive water and related land resources plans.

Appendix C provides an outline for a bill to implement this recommendation. In summary, the bill outlined would:

** Vest in counties the basic responsibility and necessary authorities for developing comprehensive water and related land resources plans and for assuring their implementation;

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- ** Require that planning be based on hydrologic units within counties and that intercounty coordination take place where problems or their solutions cross county boundaries;
- ** Provide incentives, including matching grants to encourage planning;
- ** Identify the plan components that must be addressed, but also require development of administrative guidance for plan preparation and approval;
- ** Give a great deal of flexibility to counties in determining how they will pursue planning; and
- ** Assign state agencies responsibility for assisting counties in complying with planning requirements, establishing planning guidelines, approving local plans, and providing a process for resolving conflicts which may arise in preparing and implementing plans.

Because state agency assistance and matching grants are recommended, the implementation consistent with the proposed legislation outlined in Appendix C would have significant fiscal implications. It is estimated that the cost of implementing this recommendation would be \$1,815,000 in the F.Y. 86-87 biennium and \$3,410,000 in the F.Y. 88-89 biennium. This would consist of \$60,000 to fund information system development in F.Y. 1986; \$250,000 for state agency staffing and information transfers, plus \$1,505,000 in planning grants in F.Y. 1987; and \$200,000 per year for state agency staffing and information transfers, plus \$1,505,000 per year for planning grants in fiscal years 1988 and 1989. After F.Y. 1989, it is assumed that: (1) planning grants would be discontinued; (2) state agency staffing and information transfer needs would continue at about \$200,000 per year (adjusted for inflationary factors); and (3) pressure may develop for plan implementation funds.

In addition, the Issue Team recommends that the State Planning Agency/Environmental Division continue development of a local planning assistance handbook. This handbook should be sufficiently complete by February 1985 to assist in responding to legislative questions on the scope of planning to be required. The development of SPA/Management Information Center capabilities should also be continued, particularly with F.Y. 86 funding.

3. The Framework Plan

"Toward Efficient Allocation and Management: A Strategy to Preserve and Protect Water and Related Land Resources" was completed by the Water Planning Board in 1979. In 1981, the base report was supplemented by a "Special Study on Local Water Management". The Water Planning Board drew these two documents and its ongoing implementation initiatives together in 1983. In "Toward Efficient Allocation and Management: 1983-85 Priority Recommendations", the Water Planning Board outlined a strategy for meeting six government responsibilities in water and related land resources management and defined eleven priority actions toward implementation of this strategy.

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In the view of the Issue Team, a major continuing task for water and related land resources planning and management agencies is fulfilling the major elements of the strategy outlined. Recommendations 1-4 are designed to aid in meeting this need. Further specific steps are also desirable.

Recommendation 5. To further the refinement and implementation of the 1979 framework water and related land resources plan, the Legislature should support the recommendations of the Legislative Commission on Minnesota Resources for appropriation of approximately \$5.3 million for water resource projects in the F.Y. 86-87 biennium.

In July 1984, the Legislative Commission on Minnesota Resources requested that, consistent with the coordinating functions assigned to the Environmental Quality Board by the 1983 Legislature, a review of how water resource proposals made to the Commission correspond to recommendations for action in the framework plan.

A review of 36 proposals made to the Commission in the water resources issue area was conducted in cooperation with the major water management agencies of the state (i.e., the Departments of Natural Resources and Health and the Pollution Control Agency). These projects were reviewed for their relationship to the "1983-85 Priority Recommendations" of the Water Planning Board. Projects which would do the most to achieve the "Priority Recommendations" were assigned the highest priority. Seventeen projects with a total cost of about \$5.2 million were identified as priority targets for funding by the LCMR. (See Appendix D.)

In its decisions to fund projects, the LCMR included 17 projects in the water resources area. As shown in Appendix D, these are not exactly the same projects at the same level of funding as recommended. However, the LCMR recommendations are sound and should be supported by the full Legislature.

Recommendation 6. The development of coordinated recommendations of priorities for implementation of the framework plan strategy should become a regular function of the permanent Water and Related Land Resources Subcommittee (Recommendation 3) of the EOB. Specifically, the Subcommittee should by February 1985 develop a set of "1985-87 Priority Recommendations" and should biennially prepare a coordinated set of water and related land resources recommendations to the Legislative Commission on Minnesota Resources.

The model for the "1985-87 Priorities" report should be "Toward Efficient Allocation and Management: 1983-85 Priority Recommendations" prepared by the Water Planning Board. In completing this report, the Subcommittee should also review the basic strategy recommended by the Water Planning Board and take appropriate action to revise or enhance this strategy.

The process for biennial recommendations to the LCMR should consider the model provided by the Minerals Coordinating Committee. Importantly, this Committee involves the university system in the development of recommendations to the Commission.

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Recommendation 7. As five years have passed since the Water Planning Board's initial assessment of organizational options and as the local water management initiative recommended in Recommendation 4 above is likely to raise organizational issues, the staff of the State Planning Agency/Environmental Quality Board should develop state water management organizational options for review by agencies, interest groups, the EQB, the Governor, and the Legislature.

The coordinated approach to policy development with implementation of policy directions through separate "advocate" agencies was a central recommendation of the 1979 framework plan. Five years later, questions of whether this approach is efficient and effective in meeting state policy development and management needs continue to emerge from a variety of sources--legislators, interest groups (e.g., the League of Women voters and the Citizens League), and government agencies (e.g., the Southern Minnesota Rivers Basin Council). The Governor has placed a high priority on reviewing organizational issues in order to assure state government functions in an efficient manner.

Appendix E provides a list of options identified by the State Planning Agency/Environmental Quality Board staff. Also included is a strategy for consideration of these options.

APPENDIX A

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APPENDIX A

The State of Minnesota has an obligation to maintain and improve the health, safety, welfare, and quality of life for present and future generations of Minnesotans.

To meet its obligations, the state and its political subdivisions have six major responsibilities with respect to water and related land resources. These are:

1. To allow for continued growth and development, while adequately protecting and preserving the state's water resources to assure the maintenance of an adequate supply of safe and acceptable quality water from both surface and ground-water sources to meet seasonal and long-range requirements.
2. To establish a management structure which assures adequate communication and coordination among all levels of government, the private sector, and the public, avoiding duplication of effort and accomplishing management, development, and protection objectives at the lowest possible cost.
3. To provide an equitable distribution of opportunities to enjoy the benefits provided by Minnesota's water and related land resources.
4. To assure adequate public education regarding water and related land resources to allow informed public participation in water and related land resources decisions.
5. To attempt to develop adequate financing and/or incentives to assure the achievement of the management, development, and protection objectives of state and local programs.
6. To seek to improve understanding of water and related land resources by encouraging creative and applicable research contributions from the state's colleges and universities.

Progress toward fulfilling these responsibilities can be made only if the state and local institutional structure has (1) management authority; (2) coordinating capability; (3) financing ability; (4) a means of providing an effective voice for all parties; and (5) planning, analysis, and research capabilities so as to anticipate and be responsive to changing desires and technologies.

MEETING OUR RESPONSIBILITIES: THE STRATEGY

In 1979, the Minnesota Water Planning Board made 88 recommendations for action in 11 major areas. More than 75 percent of these recommendations have either been carried out or have had some significant action taken on them. Twenty percent have been fully accomplished.

Action toward implementation of recommendations, continued study, and evaluation of progress have aided the Minnesota Water Planning Board in sharpening its focus on a strategy to preserve and protect the state's water and related land resources. This strategy--which provides direction for the future--is summarized below.

TO MEET THE RESPONSIBILITY FOR ATTAINING DESIRED GROWTH AND DEVELOPMENT WHILE PROVIDING ADEQUATE RESOURCE PROTECTION, THE WPB BELIEVES THE STATE OF MINNESOTA SHOULD:

- ** Discourage the interstate diversion of surface or ground water.
- ** Continue water quantity and quality planning and management programs, enhancing them with an expanded emphasis on protection of ground water, erosion and sediment control, acid precipitation abatement, flood damage reduction, preservation of waters and wetlands, and maintenance of commercial navigation channels (while preserving their significant environmental values).
- ** Accelerate data collection and analysis to develop a more accurate picture of present and future water use and changes in total supply related to seasonal and climatic variations in order to aid in targeting areas for continued growth and development in concert with their resources.
- ** Encourage water conservation through education and technical assistance to local governments and individuals.

TO MEET THE RESPONSIBILITY FOR ESTABLISHING A MANAGEMENT STRUCTURE WHICH IS EFFICIENT, EFFECTIVE, AND ASSURES COMMUNICATION AND COORDINATION, THE WPB BELIEVES THE STATE OF MINNESOTA SHOULD:

- ** Continue the distribution of water and related land resources planning and management responsibilities among the major agencies created for specific purposes, but establish a permanent state coordinating body responsible for assuring communication and coordination relative to matters of inter-agency and interstate concern.
- ** Expand the role of local government in water and related land resources planning and management, establishing general purpose governments--particularly counties--as the fundamental decision-makers at the local level.
- ** Retain state management responsibility where there are threats to resources which local governments cannot effectively address, and transferring responsibility to the local level for decisions on matters on which the benefits and detriments of the solution to a problem will be felt within the boundaries of the decision-making unit and do not have a major impact on matters of state-wide concern.
- ** Continue special purpose districts at the local level in order to allow general purpose government decision-makers and citizens to "shop" for the best solution to a problem, but with increased accountability to general purpose governments.
- ** Develop a coordinated approach to working with local units of government, focusing on improved communication, technical assistance, and coordination of requests for information.
- ** Further develop and utilize automated systems for water information management to aid both state and local planning and management.
- ** Assure the opportunity of the public to participate in the preparation and implementation of water and related land resources planning and management decisions.

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TO MEET RESPONSIBILITY FOR PROVIDING AN EQUITABLE DISTRIBUTION OF OPPORTUNITIES, THE WPB BELIEVES THE STATE OF MINNESOTA SHOULD:

- ** Develop further a water supply/demand planning process which combines water use efficiency, growth management, and supply augmentation (where possible) considerations.
- ** Accelerate acquisition of public access to lakes and streams for recreational use, with emphasis on potential sites close to urban areas and on high-quality fishing lakes with limited or no public access in the prime lake areas of the state.
- ** Maintain an environment that offers a diversity of cultural experiences and preserves important aesthetic values, such as through preserving wild and scenic rivers.

TO MEET THE RESPONSIBILITY FOR ASSURING ADEQUATE PUBLIC EDUCATION WITH RESPECT TO WATER AND RELATED LAND RESOURCES, THE WPB BELIEVES THAT THE STATE OF MINNESOTA SHOULD:

- ** Expand public education efforts, particularly with respect to efficient use and conservation of water and related land resources, including greater use of the general education program of the Minnesota Department of Education in cooperation with the Minnesota Environmental Education Board and the Agricultural Extension Service.
- ** Institute a process of regular and extensive communication and interaction between state planners and managers and university leaders and researchers.
- ** Give special emphasis to assisting local decision-makers in understanding the importance and benefits of water and related land resources planning.

TO MEET THE RESPONSIBILITY TO DEVELOP ADEQUATE FINANCING AND/OR INCENTIVES TO ACHIEVE PROGRAM OBJECTIVES, THE WPB BELIEVES THAT THE STATE OF MINNESOTA SHOULD:

- ** Critically examine the future role of the state in financing water and related land resources development, management, research, and planning; how this involvement should be structured and paid for; and the uses to which state funds should be put.
- ** Establish added incentives for local water and related land resources planning and plan implementation; adoption of flood damage reduction measures; and soil erosion and sedimentation control.

TO MEET THE RESPONSIBILITY FOR ENCOURAGING CREATIVE AND APPLICABLE RESEARCH CONTRIBUTIONS FROM THE STATE'S COLLEGES AND UNIVERSITIES, THE WPB BELIEVES THE STATE OF MINNESOTA SHOULD:

- ** Continue to place primary reliance for research programs on the state's universities and colleges.
- ** Address questions of research responsibility, research information flow to state agencies, and financing of water and related land resources research through joint discussions and actions of state agencies, universities and colleges.
- ** Encourage university and college research in areas of priority concern to the state (e.g., acid precipitation and water conservation) and in areas which will assist the state in meeting water and related land resources management challenges, including partnerships with local units of government.

The Water Planning Board strategy does not prescribe a future for Minnesota. It does suggest a policy direction which will positively affect that future. The future the Board wishes to aid in attaining is one of continued growth and development within a framework which protects and preserves water and related land resources for the enjoyment of future generations.

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APPENDIX B

PROCESS OUTLINE:
NEGOTIATION OF PRIORITIES AND RESOURCE ASSIGNMENTS

OBJECTIVE: To develop a written agreement among participating public agencies which sets forth a specific, coordinated strategy to guide and target the investment of time and resources by public sector interests.

PROCESS: Negotiation of respective roles and commitments with respect to defined issues. (The issues definition process is a separate step. It may or may not include the same actors as the negotiation process.)

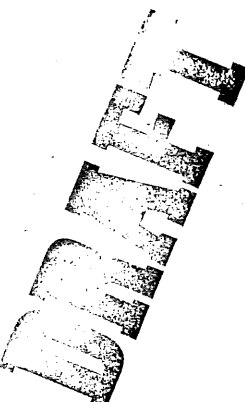
OUTLINE: The process proposed includes four stages: (1) organizing the negotiations, (2) informal exchange of information, (3) the bargaining process, and (4) review and monitoring. These stages are outlined below. It is assumed that the issue(s) to be addressed has (have) been defined.

1. Organizing for negotiations

- A. An impartial facilitator is selected. A representative of the State Planning Agency/Environmental Division will fill this role.
- B. Appropriate participants from state agencies, federal agencies, and the university/colleges are identified. The Work Team will do the initial work in identifying participants, although the list of participants may be expanded as work progresses.
- C. The negotiating team is organized. The leaders of participating agencies and university groups appoint members. The State Planning Agency will request these appointments based on Work Team recommendations.
- D. Each negotiating team member serves as an independent interest. He or she participates on the negotiating team as a representative of his or her agency or discipline.
- E. Each participant (or group) participates in establishing the agenda for the negotiating team. This will be the subject of the first negotiating team meeting. The facilitator (SPA representative) will chair this meeting (and subsequent meetings). The agenda decided upon must focus on the issues to be decided as a prelude to a written agreement (the objective of the effort).

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II. Informal Exchange of Information

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- A. Given the agenda, the second meeting of the negotiating team will have as its purpose the exchange of information about the issues at stake. Prior to the meeting, the SPA will suggest the types of information which might be useful.
 - B. Between the second and third meetings, participants (or groups) prepare preliminary position statements with respect to their interests. These statements deal with such things as how available staff and dollar resources might be used to address the priority issue, additional staff and dollar needs, and research needs.
 - C. During the third meeting, the participants (groups) present and discuss their preliminary positions.

III. Bargaining Process

- A. From the third meeting on, the participants (or groups) begin to negotiate commitments to be included in the written agreement.
- B. Between the third and fourth meetings, the team members work toward finalization of positions. This may be done through participant-to-participant contacts or through negotiations among groups. (For example, the university group might prepare a draft proposal and submit it to the state and federal groups. They, in turn, might respond in writing.) The process may involve written statements and responses, or be accomplished more informally through conversations. The objective is to reach consensus.
- C. The fourth meeting will focus on reaching consensus. As consensus emerges, an outline of the memorandum of agreement can be developed.
- D. Throughout this process, the facilitator (SPA representative) will serve as an active "go-between," helping participants (or groups) interact to discover mutually agreeable positions. As consensus is achieved, the facilitator will draft a memorandum of agreement for consideration. The drafting of the MDA will occur between the fourth and fifth meetings.
- E. At the fifth meeting, participants (or groups) will resolve any remaining differences and approve a final written agreement.

IV. Review and Monitoring

- A. The final agreement will be submitted to the Energy/Environmental/Resources Subcommittee for review. The Subcommittee will be asked to approve the report as guidance to state agency activities. Federal and university officials will be asked to employ the agreement as guidance to their activities.

- B. The final agreement will become a part of the report of the State and Local Water Planning Work Team report to the Governor.
- C. The implementation of the agreements will be monitored by the SPA and negotiating team members. It may be necessary from time-to-time for the facilitator to step in to see that implementation occurs.

REQUIREMENTS:

1. The right people must be involved. Participants must have the authority to make commitments regarding the allocation of resources.
2. Participants must be willing to work toward an agreement in good faith. There will be no guarantee that all recommended actions can be carried out, but all parties must actively seek and attempt to implement a solution.
3. Positions must be clearly stated; their outcomes must be measurable.

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APPENDIX C

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DRAFT OUTLINE LOCAL WATER MANAGEMENT BILL

Section 1. Title. Comprehensive Local Water Management Act of 1985.

Section 2. Purposes. In order to safeguard the public health and sensitive environmental systems, to reduce the public capital expenditures necessary for wise water and related land resources management, and to foster a local-state partnership, it is the purpose of sections 1-~~12~~¹⁴ to:

- (a) encourage communication and coordination among local units of government and between local and state governments in managing water resources;
- (b) provide an ongoing focus for water-related planning and management in each county; and
- (c) identify local water-related problems and opportunities, set local directions for addressing them, and minimize future problems.

Section 3. Definitions. To be added as necessary.

Section 4. County Water Planning and Management.

(1) County Duties. Each county shall develop and coordinate the implementation of a comprehensive water plan. Each county has the duty and authority to:

- (a) Prepare and adopt a comprehensive water plan that meets the requirements of this chapter;

- (b) Review and approve water plans, capital improvement programs, and controls submitted by local units of government to assure consistency with the comprehensive water plan; and

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(c) Exercise the powers necessary to assure implementation of comprehensive water plans.

(2) Water Plan Requirements. The comprehensive water plan must cover the entire area within a county; must address identified water problems in the context of watershed units and ground water systems; and must be based upon the principles of sound hydrologic management of water, effective environmental protection, and efficient management. Comprehensive water plans of counties within a single watershed or ground water system must be consistent. Existing plans and available data shall be fully utilized and no duplication of existing studies shall be required. The comprehensive water plan shall extend through the year 1995 or any later year that is evenly divisible by five.

(3) Delegation. The county is responsible for preparing, adopting and assuring implementation of the comprehensive water plan but may delegate all or part of the preparation of the plan to a local unit of government, a regional development commission, or a resource conservation and development committee.

(4) Coordination. To assure coordinated efforts during the preparation and implementation of a comprehensive water plan:

(a) Each county shall conduct meetings and may execute agreements with local governments establishing the responsibilities of each unit during the preparation of the comprehensive water plan;

(b) Each county shall coordinate its planning program with contiguous counties.

(5) Scope of Plans. Comprehensive water plans must include:

(a) A description of the existing physical environment, land use, and development in the county and expected changes to them;

(b) Available information about the surface water, groundwater, and related land resources in the county, including existing and potential distribution, availability, quality, and use;

(c) Objectives for future development, use, and conservation of water and related land resources, including water quality, quantity and related land use conditions, and a description of actions that will be taken in affected watershed units or ground water systems to achieve the objectives;

(d) A description of potential changes in state programs, policies, and requirements considered important to management of water resources in the county;

(e) A description of conflicts between the comprehensive water plan and existing plans of other local units of government;

(f) A description of possible conflicts between the comprehensive water plan and existing or proposed plans of other counties in the affected watersheds or ground water systems;

(g) An implementation program, including a capital improvement plan where projects are proposed, that is consistent with the management objectives and includes schedules for amending official controls and plans of local units of government to conform with the comprehensive water plan;

(h) A procedure for amending the comprehensive water plan.

(6) Completion. The comprehensive water plan must be submitted for review by the state within three years after the effective date of rules adopted by the Board. Existing plans and official controls shall remain in effect until amended or superseded by the comprehensive water plan.

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Section 5. Comprehensive Water Plan Review and Adoption.

(1) Local Review. Upon completion but before final adoption by the county board, the board must submit the plan for review and comment to all local units of government wholly or partly within the county and to the applicable RDC, if any. The county must submit the plan to any contiguous county or watershed management organization. In comments to the county board:

(a) A local unit that would have to amend its plans or controls to bring these into conformance shall describe necessary amendments;

(b) A county or WMO within the same watershed unit or ground water system shall describe possible conflicts with its existing or proposed comprehensive water plan and suggest measures to resolve the conflicts.

(2) Local Review Period. If a local unit has comments, they must be submitted within 60 days unless the county board extends this period.

(3) Public Hearing. The county board shall conduct a public hearing on the comprehensive water plan after the 60 day period for local review is completed but prior to submission of the plan to the state for review.

(4) State Review.

(a) After completion of review by local units but before final adoption by the county board, the county must submit its plan, all written comments it has received, a record of the public hearing, and a summary of changes incorporated as a result of the review process to the State Board for review. The Board shall determine whether the comprehensive plan is consistent with state law and rules;

(b) The Board may disapprove all or part of a comprehensive water plan that it determines is not consistent with state laws or rules. A disapproved comprehensive water plan must be revised by the county board and resubmitted for approval by the Board within 120 days.

(5) Adoption; Implementation. The county board shall adopt and initiate implementation of its comprehensive water plan within 120 days.

(6) Amendments. Amendments to a comprehensive water plan must be submitted to local units of government and to the Board in the same manner as a comprehensive water plan.

Section 6. Planning Grants to Counties.

(1) The Board shall make grants to counties. Grants may be used to employ staff or to contract with other local units of government to develop, evaluate, and update comprehensive water plans or to assist local units in revising existing plans or controls.

(2) Funds to Local Units. Counties that receive grants shall make funds directly available to local units that are required to make substantial amendments to local plans and controls, or that are employed to assist the county in preparation of the comprehensive water plan.

(3) Local Match. Grants may not exceed 50 percent of the cost of the comprehensive water planning program. A county may provide its portion of the cost through in-kind services and may include in-kind services of other local units of government if the local units receive direct financial assistance.

Section 7. Authority Under Approved Comprehensive Water Plans. Upon adoption of an approved plan:

(1) The county may regulate the use and development of water

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resources within incorporated areas and use the authority of a watershed district under Chapter 112 to regulate the use and development of land in a municipality in the specific case where ^{one or more of} the following conditions exist:

(a) The municipality does not have a local water plan or official controls consistent with the comprehensive water plan;

(b) A municipal action on a permit would require a variance from the comprehensive water plan;

(c) The municipality has authorized the county to require permits for the use and development of water and related land resources;

(d) A state agency has delegated the administration of a state permit program to the county.

(2) A county may:

(a) Exercise the right of eminent domain as necessary to implement an approved comprehensive water plan;

(b) Assess benefitted properties under the definition of 112.501;

(c) Petition the Water Resources Board to terminate or consolidate watershed districts when the petition is signed by all affected counties and each has an approved comprehensive water plan;

(d) Charge users for services provided by the county in connection with the plan.

(e) Adopt permit programs and other regulatory procedures necessary to properly manage water and related land resources in the county.

(f) Utilize the bond and tax provisions of section 473.882 for financing capital improvements under this chapter.

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Section 8. Consistency of Local Plans and Controls with the Comprehensive Water Plan.

(1) Requirement. Local units must amend existing water and related land resources plans, capital improvement programs, official controls, and other water management measures as necessary to make local water management conform with the comprehensive water plan.

(2) Procedure. Within 90 days after notification of the adoption of a comprehensive water plan, or an amendment to one, local units exercising water and related land resources planning and regulatory responsibility shall submit existing plans, capital improvement programs, official controls, or other water management measures to the county board for review. The county board must identify inconsistencies with the comprehensive water plan and describe the amendments necessary.

(3) Revision; Implementation. Local units shall make the revisions necessary to conform with recommendations of the county board and shall initiate implementation of revisions within 90 days after receiving the recommendations of the county board.

(4) Appeals. A local unit may, within 45 days after receiving the recommendation of the county board, appeal for a hearing on a disputed matter as provided in section 12.

(5) New Plans and Measures or Amendments to Existing Ones. New water-related plans, capital improvement programs, official controls, and other water management measures proposed by local units of government, or amendments of existing ones, must be submitted to the county board for review and recommendation under this section.

Section 9. Watershed District and Intercounty Joint Powers Board Plans and Rules. A county must incorporate into its comprehensive water plan

any existing plans and rules adopted by a watershed district or inter-county joint powers board within, or partly within, the county. A county may change the plans and rules it incorporates if it demonstrates in its comprehensive water plan why the changes are necessary.

Section 10. Exemption From Levy Limit. A levy to pay the costs of implementing this chapter shall be exempt from levy limits.

Section 11. Public Drainage. Projects that are intended substantially for the purpose of improving drainage of wet lands shall be established, maintained and improved under chapter 106 and not sections 1-14.

Section 12. Duties of the State Board.

(1) Duties. The Board shall:

(a) Adopt comprehensive water plan guidelines;

(b) Establish a program of coordinated state agency assistance to counties and other local units involved in preparation of comprehensive water plans;

(c) Establish a process for review of comprehensive water plans that assures the plans are consistent with state law and rules;

(d) Establish a procedure for resolving conflicts about comprehensive water plans or their implementation, including provisions for the use of mediation and binding arbitration;

(e) Prepare draft model agreements for use by counties and local units of government under section 4.

(2) Rulemaking Authority. The Board shall adopt rules necessary to implement this chapter.

(3) Contested Cases. The decision of the Board to disapprove a

comprehensive water plan may be contested by the affected county through a hearing conducted by the state office of administrative hearings.

(4) Conflict Resolution. The Board shall hear and resolve a conflict upon petition according to the procedures and authorities of sections 105.75-105.79 where:

(a) The interpretation and implementation of a comprehensive water plan within the county is challenged;

(b) Two or more counties disagree about the apportionment of the cost of an improvement; or

(c) A county and a local unit of government disagree about a change in a local plan.

(5) Mediation. The Board shall facilitate the use of an independent mediation service to resolve conflicts where:

(a) The proposed comprehensive water plans of two or more counties in a watershed or ground water system are not consistent; or

(b) A condition identified in section 12(4) exists.

(6) Binding Arbitration. The parties to a dispute of the kind identified in section 12(5) may elect to participate in binding arbitration to obtain resolution of the conflict.

(a) This option shall not be available to parties to a dispute in which the Board has held a formal conflict resolution hearing under section 12(4).

(b) Binding arbitration shall be initiated by a request to the Board signed by the parties to a dispute. Where resolution of a conflict identified in section 12(4) is involved, the request for binding arbitration shall follow or accompany the petition required in section 105.75 and the proceeding over which the conflict exists shall

be suspended in the same manner as with conflicts heard by the Board.

(c) The Board shall provide a listing of individuals qualified to arbitrate conflicts under this section as an aid to the parties involved. The Board shall select the arbitrator upon request of the parties or where the parties are unable to reach agreement on an arbitrator within 30 days of the receipt of the request for binding arbitration.

Section 13. Application.

(1) In the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, this chapter applies only in the portions of the counties not subject to the requirements of sections 473.875 to 473.883; and

(2) If a local governmental unit in a portion of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott or Washington county not subject to the requirements of sections 473.875 to 473.883 has formed a joint powers watershed management organization with local units of government subject to the requirements of sections 473.875 to 473.883 before December 31, 1985, this chapter does not apply to that local governmental unit.

Section 14. Appropriations.

APPENDIX D

LCMR Proposals and the 1983-85 Priority Recommendations
of the Water Planning Board

In February 1983, the Minnesota Water Planning Board recommended an 11-point program to the Governor and the Legislature to continue implementation of the strategy developed in the state framework water and related land plan (and supporting documents) for preserving and protecting the water and related land resources of Minnesota. While these recommendations were focused on the F.Y. 84-85 biennium, the basic directions remain appropriate for the coming biennium.

Each of the 11 major points are listed below. For each, associated LCMR proposals are identified. High priority proposals are identified first, followed by other projects addressing the recommendation. Where no priority projects are identified, activities to implement the recommendation are noted. Projects not focused on a priority recommendation are noted at the end. (Assignments to categories involve subjective decisions in some cases.)

Recommendation 1. Study of questions relating to further financing of water and related land resources development, management, research, and planning activities.

High Priority LCMR Proposals: None

Implementation Activities:

1. State Planning Agency Infrastructure Study
2. Wastewater Treatment Program and Financing Study (Governor's Issue Team)

Recommendation 2. Establish a permanent "water resources coordinating body" at the state level.

High Priority LCMR Projects: None

Implementation Activities:

1. 1983 legislation assigned the coordinating body duties to the Environmental Quality Board.

Recommendation 3: Enact statewide "Comprehensive Local Water Management Act."

High Priority LCMR Projects: None (although information system proposals will assist this effort).

Implementation Activities:

1. Legislation introduced, but not adopted, in 1983.

Recommendation 4: Develop education and technical assistance programs addressing water conservation.

High Priority LCMR Projects: None (although water allocation and management proposals will assist this effort).

Implementation Activities:

1. Ongoing within DNR Division of Waters.

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Recommendation 5: Continued development of Systems for Water Information Management (SWIM).

High Priority LCMR Projects:

W-35. Accelerated Water Data Automation (DNR, \$483,000).

W-36. Stream Information Development (SPA, \$100,000).

Other LCMR Projects:

W-32. Computer Modeling of Contaminant Spreading (CME, \$345,000).

W-33. Computerization of Wetlands Inventory (SPA, \$525,200).

W-34. Groundwater Quality Data Coordination (SPA, \$90,000).

Recommendation 6: Further development of ground-water strategy proposed to the LCMR.

High Priority LCMR Projects:

W-14/W-20 (combine). Groundwater Education (SPA, \$100,000).

W-15/W-17/W-18 (coordinated). Karst Watershed Projects in Lanesboro Watershed (Agri, Forestry & Ag. Exp., and MGS, total of \$538,152).

W-16. Garvin Brook Monitoring (MPCA, \$60,000).

W-19. Age, Residence Times, and Recharge Rates of Groundwater (Geology and Geophysics, \$113,596).

W-23/W-24/W-25 (combine). Volatile and Synthetic Organics Surveys (including ag chemicals in groundwater). (Health and Agriculture, \$650,000).

W-26. Study of Septic Tank/Drainfield Systems. (MPCA and Health, \$297,730).

W-30. Leaking Underground Storage Tank Study. (MPCA, \$703,210).

W-31. New Approaches to Groundwater Investigation. (DNR, \$580,000).

Other LCMR Proposals:

W-21. Training and Information on Drinking Water Supplies. (Health, \$109,515).

W-22. Water Well Code Local Program. (Health, \$208,700).

W-27. County Atlas Project (MGS, \$330,000.) This project should be strongly supported in general fund budget.

W-28. Development of Analytic Methods. (Health, \$78,825). This project should be strongly supported in general fund budget.

W-29. Groundwater Monitoring Techniques. (PCA, \$290,710).

Recommendation 7. Surface water data analysis acceleration to develop an accurate picture of present and future water use and changes in total available supplies.

High Priority LCMR Projects:

W-2. Water Allocation and Management Program. (DNR, \$1,400,000). (Also relates to ground water.)

Other LCMR Projects:

W-1. Water Resources Management System. (WRRC, \$830,000).

W-8. Determination of Groundwater Components in Lake Budgets. (Geology and Geophysics, \$102,100).

Recommendation 8. Statewide program of cost-sharing assistance for structural and non-structural components of flood plain management.

High Priority LCMR Projects: None.

Implementation Activities:

1. DNR proposed Departmental legislation in 1983 but not introduced in 1984 session. (Bill drafted for discussion earlier.) May be proposed for consideration in 1985.

Other LCMR Projects:

W-12. Computer Models for Flood and Aquifer Problems. (SAFHL, \$115,000). (Also groundwater relationship.)

Recommendation 9: Expansion of soil and water conservation cost-sharing program to stimulate more adequate protective measures on lands.

High Priority LCMR Projects: None. (However, see projects under land issue area.)

Implementation Activities:

1. Legislative initiatives adopted in 1983 and 1984.

Other LCMR Projects:

W-4. Non-Point Source Control Program. (MPCA, \$775,000).

Recommendation 10: Continued study of critical management questions related to threats from acid precipitation.

High Priority LCMR Projects:

W-3. Soil and Watershed Acidification. (MPCA, \$200,000).

Recommendation 11: Adoption of state "superfund bill."

High Priority LCMR Projects: None.

Implementation Activities:

1. Adopted.

Projects Not Focused on Priority Recommendations

W-5. Lake Improvement Grant Program. (MPCA, \$1,298,897).

W-6. Development of Biological Approaches to Lake Restoration. (Limno. Res. Center, \$190,840).

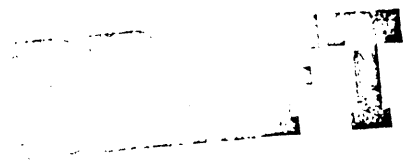
W-7. Effects of Copper Sulfate Treatment on Lakes. (Freshwater Inst., \$176,799).

W-9. Lake Carrying Capacity. (DNR, \$409,700).

W-10. Comprehensive Mississippi River System Management. (DNR, \$180,000).

W-11. Research on River and Lake Management. (SAFHL, \$290,000).

W-13. Biological Monitoring of Water Quality in Streams. (Forestry and Ag. Exp., \$110,391).



LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES RECOMMENDATIONS:
F.Y. 1986-87

DEPARTMENT OF NATURAL RESOURCES

1. Water Allocation and Management	\$ 1,600,000
2. Lake Carrying Capacity	100,000
3. Ground-Water Investigations and Data Automation	800,000
4. Glacial Drift Geochemistry	<u>200,000</u>
Subtotal	\$ 2,700,000

POLLUTION CONTROL AGENCY

1. Soil and Watershed Acidification	\$ 160,000
2. Lake Improvement Grant Program	70,000
3. Study of Septic Tank/Drainfield Systems	190,000
4. Ground-Water Monitoring Techniques	150,000
5. Leaking Underground Storage Tank Study	<u>200,000</u>
Subtotal	\$ 770,000

UNIVERSITY OF MINNESOTA

1. Biological Approaches to Lake Restoration	\$ 140,000
2. Effects of Copper Sulfate Treatment on Lakes	75,000
3. Research on River and Lake Management	190,000
4. Laneboro Watershed Management Techniques	255,000
5. Age, Residence Times and Recharge Rates of Ground-Water	100,000
6. Computer Modeling of Contaminant Spreading	200,000
7. Landfill Abatement Technology	<u>200,000</u>
Subtotal	\$ 1,160,000

DEPARTMENT OF HEALTH

1. Organic Chemicals Surveys	\$ <u>700,000</u>
Subtotal	\$ 700,000

TOTAL \$ 5,330,000

APPENDIX E

SUBJECT : State Water Management Organizational Options

The issue of state-level water organization has arisen in the context of the Governor's goals for the structure and operation of government. It has also arisen in the context of (1) the local water planning initiative which this Division strongly advocates, (2) discussions of citizen organizations (e.g., the League of Women Voters), and (3) the work of the Southern Minnesota River Basin Council (attached). The attached memorandum prepared by John Wells describes five options for addressing the organization of state government to manage its water resources.

The options which we believe are viable are:

1. Maintaining the status quo. This option would continue the agencies with water management responsibilities, including five boards and one council. While this system is called confusing by many, it is also recognized as providing effective resource protection. Under this option, the Environmental Quality Board would retain and strengthen its efforts to assure the management efforts of the multiple agencies are coordinated. The Water Resources Board would be assigned state plan approval duties under the local water planning initiative. The option does not address the Administration goal of reducing the number of agencies reporting to the Governor, but is workable for the local planning initiative and has a track record of some success.
2. Incremental change. Two specific approaches might be considered.

Modifying the Water Resources Board. This option would bring the WRB into the State Planning Agency. It would add five county commissioners to the current composition of the WRB (five citizen members) and provide for a chairperson appointed by the Governor. The Board's staff would become members of the SPA Environmental Division. The WRB chairperson would be added to the membership of the EQB.

The Southern Minnesota River Basin Council would be sunsetted and no statewide advisory committee (an option currently being studied by the SMRBC) would be appointed. This option would be a modest effort to begin addressing Administration goals. It would be a significant improvement over the first option for dealing with the local water management initiative. However, it would create two boards within the SPA with somewhat overlapping responsibilities and would almost certainly be opposed by supporters of the WRB.

Modifying the Environmental Quality Board. This option would merge the WRB into the EQB. In addition, the Minnesota-Wisconsin Boundary Area Commission would become linked to the Board. While the SMRBC would be sunsetted, a statewide water advisory council would be formed to advise the EQB on water resources issues. This option would provide a more significant step toward achieving Administration goals and results in only one board under the

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SPA. It would have about the same effect on the local water planning initiative as modifying the WRB, although it may bring along some of the negative feelings toward the EQB in the local plan approval role which surfaced last session. This opposition would likely be strongly opposed by the supporters of the WRB and the MN/WI Boundary Area Commission. (This option could also be influenced by the work of the Mulligan Task Force.)

3. Major reorganization of water management agencies. This approach might also take two forms.

Creation of a Department of Water Resource Protection. This option would merge the Pollution Control Agency, Department of Natural Resources/Division of Waters, Department of Health/Division of Environmental Health Water Supply and General Engineering section, EQB, WRB, SMRBC, and Soil and Water Conservation Board. The MN/WI Boundary Area Commission would report to the Department. The new Department might function either under a commissioner or a citizen board and executive director, although the latter approach is preferable to replace the PCA Board. This option is a major initiative in response to the Governor's goals. It may be seen as a positive step in increasing understanding the state's management system. It could accommodate the local planning initiative. However, this approach would raise concerns over the loss of "advocates" for special concerns and of the checks and balances of the current system. The specter of a "water czar" would be raised. It could be difficult to achieve consensus within the Administration on this initiative.

Creation of a state Environmental Protection Agency. This option would be structured similar to the above approach, but with the addition of the remaining functions of the Department of Health Division of Environmental Health, the water supply testing and pesticides regulation functions of the Department of Agriculture, and the aquatic nuisance control program of the Department of Natural Resources. The supportive and opposition arguments would also be similar.

While we have not studied the fiscal impacts of these options, it is our view that none will provide either large-scale savings or impose great additional costs. Savings may occur in the reduction of some duplicative administrative positions. If in no other way, costs will arise from the expense of physical moves. While non-quantifiable, the potential effects on employee morale and performance should be considered.

In summary, each option has some merit. Each can be expected to meet some opposition. Each warrants consideration as we seek to improve the manner in which water is managed in Minnesota.