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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **1198**

02/14/2019 Authored by Poppe, Sundin, Ecklund, Heintzeman, Lueck and others
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 natural resources; modifying certain conditions on water appropriations
- 1.3 and wells; amending Minnesota Statutes 2018, sections 103G.271, subdivision 7,
- 1.4 by adding a subdivision; 103G.287, subdivisions 4, 5; 103G.289.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2018, section 103G.271, subdivision 7, is amended to read:
- 1.7 Subd. 7. **Transferring permit.** A water-use permit may be transferred to a successive
- 1.8 owner of real property if the permittee conveys the real property where the source of water
- 1.9 is located. The new owner must notify the commissioner immediately after the conveyance
- 1.10 and request transfer of the permit. The commissioner must not deny the transfer of a permit
- 1.11 if the permittee is in compliance with all permit conditions and the permit meets the
- 1.12 requirements of sections 103G.255 to 103G.301. The commissioner must not require
- 1.13 additional conditions on the permit, reduce the appropriation, or require any testing when
- 1.14 transferring a permit.
- 1.15 Sec. 2. Minnesota Statutes 2018, section 103G.271, is amended by adding a subdivision
- 1.16 to read:
- 1.17 Subd. 8. **Management plans; economic impacts.** Before a management plan for
- 1.18 appropriating water is prepared, the commissioner must provide estimates of the economic
- 1.19 impact of any new restriction or policy on existing and future groundwater users and local
- 1.20 governments in the affected area. Strategies to address economic impacts must be included
- 1.21 in the plan.

2.1 Sec. 3. Minnesota Statutes 2018, section 103G.287, subdivision 4, is amended to read:

2.2 Subd. 4. **Groundwater management areas.** (a) The commissioner may designate
2.3 groundwater management areas and limit total annual water appropriations and uses within
2.4 a designated area to ensure sustainable use of groundwater that protects ecosystems, water
2.5 quality, and the ability of future generations to meet their own needs. Water appropriations
2.6 and uses within a designated management area must be consistent with a groundwater
2.7 management area plan approved by the commissioner that addresses water conservation
2.8 requirements and water allocation priorities established in section 103G.261. Until the
2.9 commissioner approves the groundwater management area plan, the commissioner and
2.10 employees and agents of the Department of Natural Resources must not disseminate any
2.11 information regarding details of the plan or underlying expectations or speculations regarding
2.12 the plan. At least 30 days prior to implementing or modifying a groundwater management
2.13 area plan under this subdivision, the commissioner shall consult with the advisory team
2.14 established in paragraph (c). If the commissioner does not complete all action items identified
2.15 in the groundwater management area plan within three years of establishing a groundwater
2.16 management team for the groundwater management area, the groundwater management
2.17 area is abandoned. An abandoned groundwater management area may not be designated as
2.18 a groundwater management area for five years after the date of abandonment.

2.19 (b) Notwithstanding section 103G.271, subdivision 1, paragraph (b), and Minnesota
2.20 Rules, within designated groundwater management areas, the commissioner may require
2.21 general permits as specified in section 103G.271, subdivision 1, paragraph (c), for water
2.22 users using less than 10,000 gallons per day or 1,000,000 gallons per year and water suppliers
2.23 serving less than 25 persons for domestic purposes. The commissioner may waive the
2.24 requirements under section 103G.281 for general permits issued under this paragraph, and
2.25 the fee specified in section 103G.301, subdivision 2, paragraph (c), does not apply to general
2.26 permits issued under this paragraph.

2.27 (c) When designating a groundwater management area, the commissioner shall assemble
2.28 an advisory team to assist in developing a groundwater management area plan for the area.
2.29 The advisory team members shall be selected from public and private entities that have an
2.30 interest in the water resources affected by the groundwater management area. A majority
2.31 of the advisory team members shall be public and private entities that currently hold water-use
2.32 permits for water appropriations from the affected water resources. The commissioner shall
2.33 consult with the League of Minnesota Cities, the Association of Minnesota Counties, the
2.34 Minnesota Association of Watershed Districts, and the Minnesota Association of Townships
2.35 in appointing the local government representatives to the advisory team. The advisory team

may also include representatives from the University of Minnesota, the Minnesota State Colleges and Universities, other institutions of higher learning in Minnesota, political subdivisions with jurisdiction over water issues, nonprofits with expertise in water, and federal agencies.

(d) Before designating a groundwater management area, the commissioner must provide estimates of the economic effect of any new restriction or policy on existing and future groundwater users and local governments in the affected area. Strategies to address economic impacts must be included in any plan.

Sec. 4. Minnesota Statutes 2018, section 103G.287, subdivision 5, is amended to read:

Subd. 5. **Sustainability standard.** (a) The commissioner may issue water-use permits for appropriation from groundwater only if the commissioner determines that the groundwater use is sustainable to supply the needs of future generations and the proposed use will not harm ecosystems, degrade water, or reduce water levels beyond the reach of public water supply and private domestic wells constructed according to Minnesota Rules, chapter 4725.

(b) For the purposes of this subdivision and subdivision 4, "sustainable" means a change in hydrologic regime of 20 percent or less relative to the August median stream flow.

Sec. 5. Minnesota Statutes 2018, section 103G.289, is amended to read:

**103G.289 WELL INTERFERENCE; ~~WELL SEALING~~ VALIDATION;
CONTESTED CASE.**

(a) The commissioner shall not validate a claim for well interference ~~claim~~ if the affected well has been sealed prior to the completion of the commissioner's investigation of the complaint. If the well is sealed prior to completion of the investigation, the commissioner must dismiss the complaint.

(b) When validating a claim for well interference, the commissioner must take into account the age and condition of the affected well and subtract appropriate depreciation from the claim at 2-1/2 percent per year since the construction of the affected well.

(c) Within 30 days after the commissioner's decision on a claim for well interference, a party ordered by the commissioner to contribute to an affected well owner may petition for a contested case hearing under sections 14.57 to 14.62. The commissioner must grant the petitioner a contested case hearing on the commissioner's decision.