



Legislative Water Commission

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Representative David Bly
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Senate

Senator Charles Wiger, Co-chair
Senator Paul Anderson
Senator Rich Draheim
Senator Kent Eken
Senator Jason Isaacson
Senator Bill Weber

DATE: March 14, 2018

TO: Members of the Minnesota Senate and House of Representatives

FROM: Representative Paul Torkelson and Senator Charles Wiger, co-chairs, Legislative Water Commission

RE: 2018 Legislative Recommendations—Legislative Water Commission

Background. The Legislative Water Commission (Commission) conducts in-depth reviews of water-policy issues confronting Minnesota's policy makers. During the last interim, the Commission held a number of hearings with stakeholders to examine Minnesota's wastewater treatment infrastructure. Meeting agendas, participants and materials are available at: https://www.lcc.leg.mn/lwc/Meetings_2017.html

Recommendations. After reviewing its interim work, the Commission makes the following recommendations to the 2018 Legislature:

1). Independent, quantified, cost-effectiveness reviews of best-management practices at wastewater facilities: The societal benefits of cleaner water, resulting from improvements in wastewater treatment, are difficult to measure directly because they are qualitative. Therefore, we need to move toward infrastructure-improvement decisions that are based on cost-effectiveness reviews that examine feasible alternatives to meet required pollutant reduction relative to the cost.

Recommend that wastewater facilities undergo an "alternatives reviews" process that includes estimated pollutant reduction for various improvements to best-management practices. These would be cost-effectiveness evaluations rather than a cost-benefit evaluations. An LCCMR grant to the Minnesota Pollution Control Agency (MPCA) currently is included in the ML 2018 Environment and Natural Resources Trust Fund Bill ([HF 3352/SF 2934](#)). If funded, the project proposes to determine how mechanical and pond wastewater treatments can be optimized to operate more effectively as well as meet new effluent limits (ENRTF ID: 035-B). As the grant proceeds, it should support the alternative reviews. This review process should assist Local Governmental Units (LGUs) in identifying options for achieving pollutant-load reductions, as outlined in their Total Maximum Daily Load (TMDL) requirements, as well as effluent limits from permits where TMDL requirements have not yet been established. This process also would help permittees evaluate whether trading options are viable, compared to new, or improved, facilities. Storm-water quality credit trading is proposed to be examined through an LCCMR grant to the Shell Rock River Watershed District that also is included in the ML 2018 Environment and Natural Resources Trust Fund Bill. This could inform trading evaluations proposed s part of the alternatives reviews. Finally, the proposed alternative reviews could help identify

areas where water infiltration and inflow to sewer lines is excessive. In those areas, corrective actions could be made to reduce the treatment of infiltration and inflow.

2). Independent peer review of wastewater standards: Incorporate the Minnesota Pollution Control (MPCA) Commissioner's order into statute. This recommendation would support MPCA efforts to provide additional scientific and public review of new and revised water-quality standards, and would ensure that the process continues on under future administrations.

Background: A Minnesota Pollution Control (MPCA) Commissioner's Order (Order) was issued in July 2017 to address ongoing confusion about MPCA's reliance on independent, scientific peer review in the development of water quality standards. The Order establishes a transparent process for peer review of the scientific basis for proposed water quality standards, and allows for public comment on both the scientific information and the peer review. The Order applies to only new, or revised, numeric water-quality standards that differ from U.S. Environmental Protection Agency's (EPA) criteria that have been through peer review.

The MPCA peer-review process identified in the Order is based on the EPA's Peer Review Handbook (4th Edition, 2015). A technical-support document (TSD) is developed to document the scientific basis for a proposed standard and under the Order each TSD must undergo external, scientific peer review. A draft TSD is released for public comment prior to peer review. The MPCA takes public comments on questions to pose to the peer reviewers. The TSD is then revised in response to public comments, and peer review, and becomes the basis for the water-quality standard rulemaking effort. The MPCA's Web site identifies water-quality standards under development, the lead agency scientist for each development effort, and opportunities for public input. The full Commissioner's Order: (115.035) is available from the MPCA.

3). Identify efficiencies for regional wastewater administration, operation and maintenance: Small towns and cities struggle with costs associated with maintaining and upgrading waste-supply and wastewater-treatment facilities. Alternative approaches are needed meet the needs of towns and cities that struggle to maintain, or grow, their population and economic bases.

Encourage, and provide funding for stakeholders including representatives from local governments, state agencies, state colleges and universities, and consulting engineers, to explore and identify alternative approaches and opportunities to address the challenges small cities and towns face in meeting their water supply and wastewater treatment needs. Consideration should be given to exploring ways to encourage regionalization, promote asset management, coordinate administrative and operational activities, recruit and share wastewater operators, and when appropriate, consider how decentralization of utility services might be accomplished.

4). Support the Governor's Public Facilities Authority (PFA) Bonding Request of \$167 Million per biennium.

The PFA provides state matching funds for loans and grants to cities for wastewater, drinking water and storm water infrastructure projects. The Commission supports the PFA bonding target to \$167 million per biennium and has agreed to prepare a letter describing the need and timeframe for this commitment.

We encourage our colleagues to consider these recommendations as we act on policy, appropriations and bonding bills related to our most precious natural resource, water.

Please contact any of our members if you would like background or more information.