

**Potential Legislative Water Commission (LWC) Action Items for the 2018 Session
LWC Meeting- February 26, 2018**

Overriding Issue:

Finding solutions to fund aging wastewater infrastructure upgrades. Control rising costs.

We seek your decisions on moving forward, with one or more of these issues [there was discussion about having members prioritize these]:

- 1. Independent, quantified, cost-effectiveness analysis of wastewater-permit requirements**
- 2. Independent peer review of wastewater standards**
- 3. Pilot watershed-scale trading program that involves stakeholders**
- 4. Identify efficiencies for regional wastewater administration, operation and maintenance**
- 5. Change flushable wipes labels on personal-care wipes**
- 6. Continue or increase Public Facilities Authority loan and grant funding**
- 7. Provide inflow and infiltration funding for public and private sewer lines**
- 8. New funding sources (such as the Chesapeake Bay model)**
- 9. Streamline regulatory process**

Action item: Decision on moving forward

Brief detail and background on each of these issues follow for your information:

1) Independent, quantified, cost-effectiveness analysis of wastewater-permit requirements:

- Wastewater pollutant reduction benefits are difficult to quantify. Consider recommending that wastewater facilities undergo alternative reviews that consider the estimated cost per pound of pollutant reduction for each improvement to best-management practices. This would be a cost-effectiveness evaluation, rather than a cost-benefit evaluation. This would assist Local Governmental Units (LGUs) in identifying options for achieving pollutant-load reductions outlined in their Total Maximum Daily Load (TMDL) requirements as well as effluent limits from permits where TMDL requirements have not yet been established. Metrics would help permittees evaluate whether trading options are viable compared to new, or improved, facilities. As the LCCMR optimization grant proceeds, it might identify which internal operations, or retrofits, could reduce costs of pollutants removed.

2) Independent peer review of wastewater standards:

- Incorporate the contents of the Minnesota Pollution Control's (MPCA) Commissioner's order into statute. Ask the MPCA to prepare a draft bill.

3) Pilot watershed-scale trading program that involves stakeholders:

- A pilot program is needed to develop an adaptive approach for pollutant trading or pollutant banking, at a watershed scale. Possibly find a third-party broker to facilitate. The approach should include the agricultural community in the planning process, possibly using the Oregon model. A contractor could be used to facilitate planning because stakeholders would include many participants. Interested partners may include: MPCA, Minnesota Department of Health (MDH), Board of Water and Soil Resources (BWSR), Chambers of Commerce, League of Minnesota Cities, Minnesota Environmental Science and Economic Review Board, Minnesota Environmental Partnership, Metropolitan Council, and the Minnesota Storm Water Coalition. Ideas for brokers: BWSR, Minnesota Technical Assistance Program,

the Environmental Initiative, or a new organization. The Minnesota River Basin may be ideal for a pilot because there is a wealth of phosphorus and chloride data. There also is an opportunity to incentivize more storage in the Minnesota River basin using non-point source trades. Consider funds for the MPCA to develop basin-wide data that shows where “potential to emit” conditions exist that would necessitate facility upgrades (they’ve already done this for phosphorus and chloride in the MN River Basin). Relate these data to impairments, possible trading areas, and to watershed boundaries, to determine where opportunities are greatest for successful point source to point source or point source to nonpoint-source trades.

4) Identify efficiencies for regional wastewater administration, operation and maintenance:

- Fund an analysis to determine whether there are more opportunities to cost-effectively regionalize facilities for towns under 5,000. Establish community criteria that Public Facilities Authority (PFA), and the legislature, can use to determine whether continued infrastructure investment is warranted or if it is cheaper to switch homes and businesses to community or individual septic systems. A Minnesota Department of Employment and Economic Development (DEED) grant is doing something along these lines in Southeast Minnesota. This grant may provide a model. Where multiple communities within a watershed are facing challenges, PFA technical assistance funds may be able to be issued to jointly evaluate options. Working through state colleges and universities, establish programs to complete a digital-asset inventory for small towns. Provide for educational loan forgiveness incentive for people training to become wastewater operators. Establish collaborative pilot areas and fund trial job training, job sharing, and job pools. Prepare model contracts to do this. Modify the licensure requirement so this can happen.

5) Change flushable wipes labels on personal care wipes:

- Get the language Lake Crystal used to ban flushable wipes and modify, or advance, one of the bills already introduced in 2017

6) Continue and increase PFA loan and grant funding (at least \$121 M/biennium):

- If there is consensus to sustain the \$121M bonding target, or to increase it, prepare a Legislative Water Commission letter describing the need and a timeframe for continued commitment. Members could share this letter with the leadership and with members of each caucus.

7) Provide inflow and infiltration (I/I) funding for public and private sewer lines:

- Define the level of I/I that is considered excessive--above which corrective action should be funded. Amend MN Stat 473 to allow the Metropolitan Council to use revenues for this purpose.

8) New funding source (such as the Chesapeake Bay model):

- Review the funding recommendations from the G16 and Minnesota Environmental Partnership report to see if there is majority interest in pursuing any of them.

9) Streamline regulatory process

- The MPCA could assign permitting staff by watersheds, or by receiving water, so that communities within a watershed are getting the same direction. Additionally, they could issue permits within a watershed on the same timeframe so communities, related by receiving water restrictions, could work better together.