

1.1 moves to amend H.F. No. 1596 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2010, section 103B.101, subdivision 2, is amended to
1.4 read:

1.5 Subd. 2. **Voting members.** (a) The members are:

1.6 (1) three county commissioners;

1.7 (2) three soil and water conservation district supervisors;

1.8 (3) three watershed district or watershed management organization representatives;

1.9 (4) three citizens who are not employed by, or the appointed or elected officials of, a
1.10 state governmental office, board, or agency;

1.11 (5) one township officer;

1.12 (6) two elected city officials, one of whom must be from a city located in the
1.13 metropolitan area, as defined under section 473.121, subdivision 2;

1.14 (7) the commissioner of agriculture;

1.15 (8) the commissioner of health;

1.16 (9) the commissioner of natural resources;

1.17 (10) the commissioner of the Pollution Control Agency; and

1.18 (11) the director of the University of Minnesota Extension Service.

1.19 (b) Members in paragraph (a), clauses (1) to (6), must be distributed across the state
1.20 with at least four members but not more than six members from the metropolitan area,
1.21 as defined by section 473.121, subdivision 2; ~~and one from each of the current soil and~~
1.22 ~~water conservation administrative regions.~~

1.23 (c) Members in paragraph (a), clauses (1) to (6), are appointed by the governor.

1.24 In making the appointments, the governor may consider persons recommended by

1.25 the Association of Minnesota Counties, the Minnesota Association of Townships, the

1.26 League of Minnesota Cities, the Minnesota Association of Soil and Water Conservation

2.1 Districts, and the Minnesota Association of Watershed Districts. The list submitted by an
2.2 association must contain at least three nominees for each position to be filled.

2.3 (d) The membership terms, compensation, removal of members and filling of
2.4 vacancies on the board for members in paragraph (a), clauses (1) to (6), are as provided
2.5 in section 15.0575.

2.6 Sec. 2. Minnesota Statutes 2010, section 103B.101, subdivision 7, is amended to read:

2.7 Subd. 7. **Hearings, orders, and rulemaking.** The board may hold public hearings
2.8 and adopt rules and orders necessary to execute its duties.

2.9 Sec. 3. Minnesota Statutes 2010, section 103B.101, is amended by adding a
2.10 subdivision to read:

2.11 Subd. 8a. **Bylaws and conflict of interest.** The board shall adopt bylaws that
2.12 include provisions to prevent or address conflict of interest.

2.13 Sec. 4. Minnesota Statutes 2010, section 103B.101, subdivision 10, is amended to read:

2.14 Subd. 10. **Committee for dispute resolution.** A committee of the board is
2.15 established to hear and resolve disputes, appeals, and interventions under sections
2.16 103A.301 to 103A.341; 103B.101; 103B.231; 103B.345; 103D.535; 103D.537; and
2.17 103G.2242, subdivision 9. ~~The committee consists of two of the three citizen members;~~
2.18 ~~one county commissioner member; one soil and water conservation district supervisor~~
2.19 ~~member; and one watershed district or watershed management organization representative~~
2.20 ~~member.~~ The committee is appointed by the board chair. The board shall adopt bylaws
2.21 governing committee membership and duties.

2.22 Sec. 5. Minnesota Statutes 2010, section 103B.101, is amended by adding a
2.23 subdivision to read:

2.24 Subd. 14. **Local water management coordination.** (a) The board may adopt
2.25 resolutions, policies, or orders that allow a comprehensive plan, local water management
2.26 plan, or watershed management plan, developed or amended, approved and adopted,
2.27 according to chapter 103B, 103C, or 103D to serve as substitutes for one another or be
2.28 replaced with a comprehensive watershed management plan. The board may also develop
2.29 criteria for incorporating or coordinating the elements of metropolitan county groundwater
2.30 plans in accordance with section 103B.255. The board shall, to the extent practicable,
2.31 incorporate a watershed approach when adopting the resolutions, policies, or orders, and

3.1 shall establish a suggested watershed boundary framework for development, approval,
3.2 adoption, and coordination of plans.

3.3 (b) The board shall work with local government stakeholders and others to foster
3.4 mutual understanding and develop recommendations for local water management and
3.5 related state water management policy and programs. The board may convene informal
3.6 working groups or work teams to develop information, education, and recommendations.
3.7 Local government units may develop and carry out TMDL implementation plans, or their
3.8 equivalent, as provided in chapter 114D, as part of the local water management plans and
3.9 responsibilities under chapters 103B, 103C, and 103D.

3.10 Sec. 6. Minnesota Statutes 2010, section 103B.101, is amended by adding a
3.11 subdivision to read:

3.12 **Subd. 15. Local water management boundary and plan determinations and**
3.13 **appeals.** (a) Local government units may either submit a request for a plan boundary
3.14 determination as part of a plan approval request or apply separately for a plan boundary
3.15 determination from the board before requesting plan approval. Local government units
3.16 must provide written documentation of the rationale and justification for the proposed
3.17 boundary. The board may request additional information needed to make a plan boundary
3.18 determination.

3.19 (b) Local government units may appeal a board decision to deny approval of a plan
3.20 or the establishment of a plan boundary. An appeal of a board decision may be taken to the
3.21 state Court of Appeals and must be considered an appeal from a contested case decision
3.22 for purposes of judicial review under sections 14.63 to 14.69. Local government units
3.23 may request the board's dispute resolution committee or executive director to hear and
3.24 make recommendations to resolve boundary and plan implementation disputes.

3.25 Sec. 7. Minnesota Statutes 2010, section 103B.311, subdivision 4, is amended to read:

3.26 **Subd. 4. Water plan requirements.** (a) A local water management plan must:

3.27 (1) cover the entire area within a county;

3.28 (2) address water problems in the context of watershed units and groundwater
3.29 systems;

3.30 (3) be based upon principles of sound hydrologic management of water, effective
3.31 environmental protection, and efficient management;

3.32 (4) be consistent with local water management plans prepared by counties and
3.33 watershed management organizations wholly or partially within a single watershed unit or
3.34 groundwater system; and

4.1 (5) the local water management plan must specify the period covered by the local
4.2 water management plan and must extend at least five years but no more than ten years from
4.3 the date the board approves the local water management plan. Local water management
4.4 plans that contain revision dates inconsistent with this section must comply with that date,
4.5 provided it is not more than ten years beyond the date of board approval. ~~A two-year~~
4.6 ~~extension of the revision date of a local water management plan may be granted by the~~
4.7 ~~board, provided no projects are ordered or commenced during the period of the extension.~~

4.8 (b) Existing water and related land resources plans, including plans related to
4.9 agricultural land preservation programs developed pursuant to chapter 40A, must be
4.10 fully utilized in preparing the local water management plan. Duplication of the existing
4.11 plans is not required.

4.12 Sec. 8. Minnesota Statutes 2010, section 103B.3363, is amended by adding a
4.13 subdivision to read:

4.14 Subd. 6. **Comprehensive watershed management plan.** "Comprehensive
4.15 watershed management plan" means a plan to manage the water and related natural
4.16 resources of a watershed that consists of the plans listed in subdivision 3 or a separate
4.17 plan that has been approved as a substitute by the board and adopted by local units
4.18 of government for the same or additional purposes. The comprehensive watershed
4.19 management plan shall be consistent with the goals of section 103A.212 and may address
4.20 the goals in sections 103A.201 to 103A.211, and chapter 114D.

4.21 Sec. 9. **[103B.3367] WATER PLAN EXTENSIONS.**

4.22 The board may grant extensions with or without conditions of the revision date of a
4.23 comprehensive local water management plan or a comprehensive watershed management
4.24 plan.

4.25 Sec. 10. Minnesota Statutes 2010, section 103B.3369, is amended to read:

4.26 **103B.3369 LOCAL WATER RESOURCES RESTORATION, PROTECTION,**
4.27 **AND MANAGEMENT PROGRAM.**

4.28 Subdivision 1. **Assistance priorities.** State agencies may give priority to local
4.29 government unit requests that are part of or responsive to a comprehensive plan, local
4.30 water management plan, watershed management plan, or comprehensive watershed
4.31 management plan, developed or amended, approved and adopted, according to chapter
4.32 103B, 103C, 103D, or 114D, when administering programs for water-related financial
4.33 and technical assistance.

5.1 Subd. 2. **Establishment.** A local water resources restoration, protection, and
5.2 management program is established. The board may provide financial assistance to local
5.3 units of government for activities that restore, protect, or manage water and related land
5.4 quality. The activities include planning, zoning, official controls, best management
5.5 practices, capital projects, and other activities to implement a comprehensive plan, local
5.6 water management plans plan, or watershed management plan, developed or amended,
5.7 adopted and approved, according to chapter 103B, 103C, or 103D.

5.8 Subd. 4. **Contracts.** A local unit of government may contract to implement
5.9 programs. An explanation of the program responsibilities proposed to be contracted must
5.10 accompany grant requests. A local unit of government that contracts is responsible for
5.11 ensuring that state funds are properly expended and for providing an annual report to the
5.12 board describing expenditures of funds and program accomplishments.

5.13 Subd. 5. **Financial assistance.** A base grant may be awarded to a county that
5.14 provides a match utilizing a water implementation tax or other local source. A water
5.15 implementation tax that a county intends to use as a match to the base grant must be levied
5.16 at a rate determined by the board. ~~The minimum amount of the water implementation tax~~
5.17 ~~shall be a tax rate times the adjusted net tax capacity of the county for the preceding year.~~
5.18 ~~The rate shall be the rate, rounded to the nearest .001 of a percent, that, when applied~~
5.19 ~~to the adjusted net tax capacity for all counties, raises the amount of \$1,500,000. The~~
5.20 ~~base grant will be in an amount equal to \$37,500 less the amount raised by the local~~
5.21 ~~match. If the amount necessary to implement the local water plan for the county is less~~
5.22 ~~than \$37,500, the amount of the base grant shall be the amount that, when added to the~~
5.23 ~~match amount, equals the amount required to implement the plan. For counties where~~
5.24 ~~the tax rate generates an amount equal to or greater than \$18,750, the base grant shall~~
5.25 ~~be in an amount equal to \$18,750.~~ The board may award performance-based grants to
5.26 local units of government that are responsible for implementing elements of applicable
5.27 portions of watershed management plans, comprehensive plans, local water management
5.28 plans, or comprehensive watershed management plans, developed or amended, adopted
5.29 and approved, according to chapter 103B, 103C, or 103D. Upon request by a local
5.30 government unit, the board may also award performance-based grants to local units of
5.31 government to carry out TMDL implementation plans as provided in chapter 114D, if the
5.32 TMDL implementation plan has been incorporated into the local water management plan
5.33 according to the procedures for approving comprehensive plans, watershed management
5.34 plans, local water management plans, or comprehensive watershed management plans
5.35 under chapter 103B, 103C, or 103D, or if the TMDL implementation plan has undergone

6.1 a public review process. Notwithstanding section 16A.41, the board may award
 6.2 performance-based grants on an advanced basis.

6.3 Subd. 6. ~~Limitations~~ Conditions. (a) Grants provided to implement programs
 6.4 under this section must be reviewed by the state agency having statutory program authority
 6.5 to assure compliance with minimum state standards. At the request of the state agency
 6.6 commissioner, the board shall revoke the portion of a grant used to support a program
 6.7 not in compliance.

6.8 (b) Grants may be provided to develop or revise, amend, or implement, local water
 6.9 management plans may not be awarded for a time longer than two years, comprehensive
 6.10 plans, watershed management plans, or comprehensive watershed management plans,
 6.11 approved and adopted, according to chapter 103B, 103C, 103D, or chapter 114D.

6.12 (c) A local unit of government may not request or be awarded grants for project
 6.13 implementation unless a comprehensive plan, local water management water plan has
 6.14 been adopted, watershed management plan, or comprehensive watershed management
 6.15 plan has been developed or amended, adopted and approved, according to chapter 103B,
 6.16 103C, or 103D.

6.17 Subd. 7. Performance criteria. The board shall develop and utilize
 6.18 performance-based criteria for local water resources restoration, protection, and
 6.19 management programs and projects. The criteria may include, but are not limited to,
 6.20 science-based assessments, organizational capacity, priority resource issues, community
 6.21 outreach and support, partnership potential, potential for multiple benefits, and program
 6.22 and project delivery efficiency and effectiveness.

6.23 Sec. 11. Minnesota Statutes 2010, section 103B.355, is amended to read:

6.24 **103B.355 APPLICATION.**

6.25 Sections 103B.301 to 103B.335 and 103B.341 to 103B.355 do not apply in areas
 6.26 subject to the requirements of sections 103B.201 to 103B.255 under section 103B.231,
 6.27 subdivision 1, and in areas covered by an agreement under section 103B.231, subdivision
 6.28 2, except as otherwise provided in section 103B.311, subdivision 4, clause (4)."

6.29 Delete the title and insert:

6.30 "A bill for an act
 6.31 relating to natural resources; modifying local water management; amending
 6.32 Minnesota Statutes 2010, sections 103B.101, subdivisions 2, 7, 10, by adding
 6.33 subdivisions; 103B.311, subdivision 4; 103B.3363, by adding a subdivision;
 6.34 103B.3369; 103B.355; proposing coding for new law in Minnesota Statutes,
 6.35 chapter 103B."