



WATER MANAGEMENT DISTRICTS

Guidelines for Watershed Districts Creating and Implementing Water Management Districts

Purpose

Create Water Management Districts within Watershed District Watershed Management Plans to provide an equitable mechanism for funding targeted and specific watershed “Projects” addressing local resource concerns and priorities.

How Water Management Districts Work

Fee and funding mechanism is developed on the basis of benefitor contribution as it relates to a particular pollution characteristic or to a particular water resource issue. For example, the fee can be based on land contribution of water volume if it is a flooding or water storage issue or it can be based on phosphorus contribution if it is a water quality issue that is being addressed in the “Project”.

Principles/Clarifications:

- Water Management Districts and their charge systems must be established under M.S. § 103D.729.
- Water Management District charges may only be used to pay the costs of “Projects” initiated under M.S. §§ 103B.231, 103D.601, 103D.605, or 103D.611.
- Stormwater “Projects” under M.S. § 103D.730 must be initiated and ordered to be implemented through formal hearing and adoption processes.
- The mechanisms and principles of M.S. § 444.075 must be followed for the development of Water Management District charges established through M.S. § 103D.729.
- For Water Management Districts established in perpetuity, Watershed Districts must establish a local appeal process and evaluate the Water Management District in each ten-year plan amendment.

Water Management Districts *must:*

- Be established only for “Projects” that are **initiated and ordered to be implemented** through formal hearing and adoption processes.

Water Management Districts *should:*

- Be closely tied to hydrologic boundaries, but may consider ecological, economic, social, geopolitical and land use factors for creation purposes.
- Be defined by an area of “Project” need or benefit.

Water Management Districts *should not:*

- Contain more area than is reasonably related to the need, purpose, benefit or outcome of the “Project” for which it is established.
- Overlap or cover the entire watershed district, except in unique circumstances.

Water Management District Charges *should:*

- Be considered as an option to fund “Projects” that are initiated and ordered to be implemented through formal hearing and adoption processes.
- Utilize a contribution basis as the mechanism for fee structures.
- Define the total “Project” amount to be raised, or define the annual cap of charges to be collected.
- Be of defined duration.

Water Management District Charges *should not:*

- Resemble an ad valorem tax or be based on property values.
- Be collected in anticipation of “Projects” that ‘might happen’ or for “Projects” not formally established and ordered by the WD managers.

Implementing Water Management Districts and Water Management District Charge Systems - M.S. § 103D.729

Step 1 Amend Watershed District Plan to create a water management district.

Amendment must include:

- A description of area to be in the water management district.
- The amount to be raised by charges (total amount is necessary if fixed time for water management district to be in force, otherwise annual maximum (cap) amount if water management district is established in perpetuity).
- The method that will be used to determine the charges.
- The length of time the water management district will be in force (perpetuity is acceptable).

Step 2 Approval of Plan amendment under M.S. § 103D.411 or as part of a revised Plan under M.S. § 103D.405.

- Revised Plan, or petition and amendment, sent to BWSR.
- BWSR gives legal notice, and holds hearing if necessary.
- BWSR approves plan or amendment.
- BWSR notifies Watershed District managers, counties, cities and SWCDs.
- Watershed District maintains file of all properties within the water management district.

Step 3 Watershed District establishes project(s) in the water management district.

- Projects implemented must be ordered by the Watershed District managers.
- Order for "Project" must specify funding method(s).
- Watershed District must notify counties, cities and towns within the affected area at least 10 days prior to a hearing or decision on "Projects" implemented under this section of statute.

Step 4 Watershed District refines methodology for computing charges based on final "Project" scope.

Step 5 Watershed District determines and sets charges for all properties within the water management district after identifying scope of "Project" and deciding method(s) of funding "Project".

Step 6 Watershed District develops collection mechanism.

- Request county to collect.
- Contract with private vendor (e.g. electric cooperative).
- Billing and collection by Watershed District.

Step 7 Watershed District establishes a separate revenue fund for proceeds collected from the fee or stormwater utility charges.

Step 8 Resolution of Disputes. Local governments may request BWSR to resolve disputes pursuant to M.S. § 103D.729, Subd. 4, except a local appeal process must be completed first for disputes involving water management districts established in perpetuity.

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This document is available on the BWSR website and may be revised periodically. Check the website for the most current version.

www.bwsr.state.mn.us/planning

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