

February 12, 2015

An open letter to the citizens of the North and East Metro area:

You may have heard that the Minnesota Department of Natural Resources (DNR) and others recently agreed to settle a lawsuit over low water levels on White Bear Lake. I'd like to take this opportunity to answer some of the questions you may have about that settlement and talk about a goal I know the state, local communities, and individual citizens all share -abundant, high quality water for future generations.

First of all, let me provide a little background. Water in Minnesota is not owned by individuals, but rather is held in trust by the state for the benefit of all citizens. The DNR implements the state's water use permitting program and is responsible for ensuring that Minnesota's surface and groundwater will not be depleted. Through this program, communities obtain permits from the DNR to use groundwater, lakes, and rivers to provide citizens and businesses with water.

The plaintiffs in the White Bear Lake case claim that the DNR has allowed communities in the North and East Metro area to use too much groundwater and that this in turn has caused declining water levels on White Bear Lake. While we disagree that overuse is the primary cause of low water levels on White Bear Lake, the DNR and other parties in this case worked diligently throughout 2014 to settle the case through negotiation. The settlement means we now can engage with all of those affected, including area communities and legislators, in seeking solutions, rather than trying the case with the plaintiffs and awaiting the court's ruling.

I understand that this settlement came as a surprise to the communities that were not participating in the lawsuit, and many of you have questions and concerns. We need much more conversation, but I'd like to address a few of the most common questions we've heard:

"What does the settlement do?" The settlement calls for: 1) developing a water supply from the Mississippi River for some area communities, 2) increasing water conservation efforts, and 3) undertaking other water sustainability measures. The proposed change in water supply will require careful evaluation, broad community engagement, and significant state funding. For this reason, the settlement includes a three-year hold on the lawsuit. During this time, all parties to the settlement will work with communities, legislators, and others to see whether a broader agreement and funding package are possible. In short, the settlement is our chance to engage with the people of the North and East Metro to craft a solution that the plaintiffs will find acceptable *and* that will also address the communities' concerns and needs.

"Who signed this settlement agreement?" In addition to the DNR, the two plaintiff organizations (White Bear Lake Restoration Association and White Bear Lake Homeowners Association), the City of White Bear Lake, and White Bear Township signed the agreement. It is binding only on those who signed it.

"What cities are potentially affected?" The settlement agreement calls for shifting the communities of Mahtomedi, North St. Paul, Shoreview, Vadnais Heights, White Bear Lake, and White Bear Township from groundwater to surface water for home and business use. Longer term, it also contemplates a similar shift for seven additional communities in the area (Centerville, Circle Pines, Columbus, Forest Lake, Hugo, Lexington, and Lino Lakes), but resolving the lawsuit

does not require shifting those communities. The agreement also calls on the DNR to work with all 13 communities, as well as industry and private well owners, on water conservation.

"The DNR says it doesn't believe that shifting communities to surface water will improve water levels on White Bear Lake, so why do it?" The relationship between White Bear Lake and the groundwater underneath it is complex and is not yet thoroughly understood. The DNR believes that low precipitation in White Bear's relatively small watershed is the primary cause of low lake levels in recent years. However, an ongoing study by the US Geological Survey, due to be completed in the fall of 2016, should provide additional insight. Regardless of the factors driving White Bear Lake levels, we are concerned that over-reliance on groundwater could threaten the region's aquifers, the surface waters that are connected to them, and the communities' economic vitality sometime in

the future. By starting to work now on conservation and a more sustainable mix of water sources, we have the time to work with communities and the legislature to advance our collective goal of a reliable, long-term source of water for this vital part of the state.

"How can the DNR and the plaintiffs force us to change our water system?" Simply put, we can't. We will need substantial concurrence from the communities, and that is why the settlement includes a three-year stay in the lawsuit. Since not all of the affected communities were parties to the lawsuit and settlement, the DNR was very careful to ensure that the agreement did not presume action by anyone who didn't sign it. We know that we are not the water system experts, and that every community has many factors that must be considered and addressed before embarking on a major change in how water is provided to its citizens and businesses. You can be assured that your leaders are being thoughtful and thorough in their approach to this issue.

"I like my water. Will it taste 'fishy' if we switch?" The settlement agreement specifically states that the communities should be able to mix surface and groundwater in the treatment process in order to address any taste issues, as well as to manage other water quality-related concerns. The St. Paul Regional Water Services does this same thing in its system, and it has proven to be very effective in addressing seasonal taste issues that are sometimes encountered with surface water supplies.

"This sounds very expensive. Who is going to pay?" Yes, initial estimates to shift the six communities from surface water range between \$160 million and \$230 million. Clearly, these communities would need financial assistance, and state funds will be a top priority. While the DNR and the other parties can't force anyone to implement the terms of the settlement, some key concepts were included in the settlement agreement. The agreement outlined that the design and construction of a new system would rely on state funding through the MN legislature. Also of importance, the operating costs of any new system need to be distributed equitably across all communities in the north and east metro and should not put the communities making the switch at a competitive disadvantage with their neighbors. It's also important to remember that these are initial estimates. It's possible that a more cost-effective option exists. In evaluating costs another factor to keep in mind is that the cities will incur some cost to rehabilitate and maintain their current systems even with no change in source water. "Why not just pump water into White Bear Lake?" There are several reasons that transferring water directly into White Bear Lake would not be a good idea. Practically speaking, there is no guarantee that the lake would achieve and maintain the "desired" level. The lake was augmented for many years in the past and that didn't insulate it from significant water level fluctuations. Moreover, transferring water from the Mississippi River (or other source) to White Bear Lake would pose potential water quality and aquatic invasive species threats. Quite simply, in a world of finite resources, the water and money that would be needed to augment White Bear Lake could be better used to advance long-term water sustainability in the region. And finally, augmenting White Bear Lake could create expectations that the state will pay to augment other lakes where residents and others are concerned with water levels.

"So what's next?" We are now working with the affected communities and the legislature to see if there is a way to implement the settlement and meet important community needs. Since signing the agreement, the DNR has met with many community leaders. We understand that the communities that were not part of developing the agreement have important questions and vital perspectives. We further believe an essential next step is for the DNR, the communities, the Metropolitan Council, the plaintiffs, and others to share their data and insights about the water challenges facing the North and East Metro and the options for addressing them. Together, we can build a more complete picture and answer key questions about the best path forward. The legislature will require no less, and we demand this of ourselves.

The DNR takes its mission to manage the state's waters very seriously. We also know that we can't be successful alone. We are committed to working with you and your community leaders to address these challenging issues. If you'd like more information on the settlement and the DNR's work in the North and East Metro, please visit the <u>DNR website</u>.

Sincerely,

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Tom Landwehr Commissioner Minnesota DNR