**Policy Committee Meeting Agenda**
Clean Water Council
February 27, 2026
9:30 a.m. – 12:00 p.m.
WebEx Only

*Policy Committee: John Barten, Rich Biske (Chair), Gail Cederberg, Kelly Gribauval-Hite, Chris Meyer, Peter Schwagerl, and Jessica Wilson*

**9:30 Regular Business**

- Introductions
- Approve today's agenda and previous meeting minutes
- Chair update
- Staff update

**9:45 Public Comment**

Members of the public who would like to provide comment about something not on the agenda are welcome to do so at this time.

**10:00 (ACTION ITEM) Committee chair and vice chair**

With the roster finalized at the Council meeting, the Committee should elect its Chair and Vice Chair. Nominations can be made at the meeting, and you are welcome to let Jen know in advance as well.

**10:05 (INFORMATION ITEM) Low Income Household Water Assistance Program (LIHWAP)**

Freshwater is building a coalition to support a state Low Income Household Water Assistance Program (LIHWAP). They sent over a draft of the proposed program and are interested in feedback from the Council. Initial support has been received from a couple of agencies as well as rural, urban, democratic and republican legislators, and are considering introducing a bill next year. Please review the proposal in advance.

**10:45 Break**

**11:00 (DISCUSSION ITEM) Large-volume water users policy statement**

Following feedback from the Clean Water Council and suggested revisions that came in after the meeting, the policy statement has again been updated. Please review in advance as you are able.

**12:00 Adjourn**

**Policy Committee Meeting Summary**
**Clean Water Council (Council)**
**December 19, 2025, 9:30 a.m. to 12:00 p.m.**

**Committee Members present:** John Barten, Rich Biske (Chair), Gail Cederberg, Kelly Gribauval-Hite, Chris Meyer, Peter Schwagerl, Marcie Weinandt (Vice Chair), and Jessica Wilson.
**No members absent.**

*To watch the Webex video recording of this meeting, please go to https://www.pca.state.mn.us/clean-water-council/policy-ad-hoc-committee, or contact Brianna Frisch.*

Regular Business

- Introductions
- Approval of the December 19th meeting agenda and November 21st meeting summary, motion by John Barten, seconded by Gail Cederberg. Motion carries unanimously.
- Chair update
  - Related to large volume water users, I spoke with someone who talked with a rancher near a proposed development, and there was already irrigation drawing water down from his ranch. Now, with the proposed development he is envisioning a future without water on his ranch, thinking about the viability of his entire operation. We don't want to overlook the service we provide other states, by providing these draft examples polices, for others to consider to make an easier path, to protect resources.
  - The Environmental Quality Board (EQB) has work developing intent and rules for gas extraction in Minnesota (helium and hydrogen lately). There is interim guidance but no state statute for gas extraction, which is evolving quickly. It is something to keep an eye on, as the agencies move towards rulemaking, as well as draft Legislation. This relates to impacts to water resources, primarily groundwater. It is new to Minnesota, so we want to help have the protections in place as everything moves forward.
- Staff update
  - Jen Kader met with a few folks in the state agencies, as they are gathering their information for the upcoming presentations for the Council's budget process. The proposals are due January 16th.

**No public comment** *(Webex 00:16:45)*

**Large-volume Water Users Policy Statement** *(Webex 00:17:00)*

- This is a review of the recent changes made to the policy statement.
- Overview of changes include:
  - The paragraph talking about businesses and industry, and what encourages them to pursue businesses with a large volume water user, which communities are checking or not checking. There is a change to talk about the actual challenges that are in place. So, the re-write shifts the tone on the challenge, rather than assumptions. Additionally, things are moving fast, and some things have already started happening. We have tools and information, which we can continue to build on, but right not we may need to focus on leveraging and connecting with groups, working together, to continue the work.
  - Another change, *"Proposals can be too early in design to contain sufficient information about water need, and nondisclosure agreements can limit transparency.",* and then have available data about current conditions added in.
    - Jason Moeckel, Minnesota Department of Natural Resources (DNR): We don't want people to think we know nothing, we have good data, but this sounds like we struggle with it.
    - Jen Kader: Let's take out "*whether that is because it is out of date*", so it becomes "*not available at a useful scale, or reflective of only what is built rather than what has been planned*." I think that still gets at the concerns people have but removes the ambiguous "out of date" language.
    - Jason Moeckel, DNR: I think the idea being articulated, is that evaluating these project proposals is challenging because the details and final designs are not known. We are focusing on the water here.
    - Jen Kader: It would be worth noting a water quality component in here too.

        - *Reply from Tannie Eshenaur, Minnesota Department of Health (MDH):* I would refer to water quality baseline conditions, because it is unknown and challenging. We hope it doesn't become a big issue.
        - *Rich Biske:* Perhaps we can include examples of insufficient data, so it provide more detail to what is being asked?
        - *Jason Moeckel, DNR:* Yes, that could be helpful. It is a good solution.
        - *Jessica Wilson:* Could we also say what would be needed (data at a good scale, data that is current) because it is essential for making a good decision.
        - *Jason Moeckel, DNR:* That is a great solution.
        - *Rich Biske:* This has evolved at a fast pace. A year form now we will know so much more. We should take some comfort and give ourselves grace. We can come back to it as more is known and the landscape changes.
    - The new section includes items that we now have as tools at our disposal (page 2), which has a few added. This points out the work of the Clean Water Funds (CWFs) in these areas.
        - Jessica Wilson: This helps demonstrate that we have been thinking about, and working on, this issue as a group for a while. I also think the Environmental Quality Board (EQB) Groundwater Report in 2025 should be included too.
        - Jason Moeckel, DNR: I think that is fine to include.
    - The change to review is under the recommendations part. Some things were removed because they were no longer relevant.
        - Peter Schwagerl: Regarding *"Collaborate with neighboring states, Tribal Governments, and Canada to more fully reflect conditions along borders*.", are there any specific ones to list here? I understand the Dakotas have been having some issues with this, where people will just go over the property lines and build there instead.
        - Jen Kader: You may want to add "and manage groundwater" before conditions along boarders in the sentence. The other side of the boarder may impact Minnesota as well.
        - Jason Moeckel, DNR: What conditions are we talking about here? The political landscape, permitting conditions, resource conditions, aquifer conditions? We may want to be clearer.
        - Jessica Wilson: When you say boarder, perhaps we should say boundary instead?
        - Final edits reveal: *"Collaborate with neighboring states, Tribal governments, and Canada to more fully reflect and manage water conditions where activities have the potential to impact water quantity and quality in Minnesota."*
    - Another change is to remove the "*Require large-volume water users on and off municipal supply track and report their water use to better inform local decision-making for the future development inquiries and land use plans"* because this is already being tracked. The annual data gets reported to the DNR on February 15th. It becomes available online around spring.
    - The non-disclosure agreement part can be moved to the policy section.
        - It is also changed to *"Require proposers of a new large-volume water user publicly disclose anticipated water use as part of environmental review".* It will be number four, with no subparts underneath it.
    - Jessica Wilson: Irrigation is a large threat to groundwater, and we are focusing hard on this topic because it is a hot topic. We should not be blind to this other large threat, so it should be acknowledged. *Response:* We can include it in the introduction, "*Users below that threshold, such as irrigators and water suppliers, can also impact local groundwater levels, but they are not the focus for this policy statement, though could be influenced still by the recommendations."*, added on page 1.
        - Jason Moeckel, DNR: Agricultural irrigations is one component, but there is a lot of irrigation that goes on for things other than agriculture.
- *Motion to move this policy to the full Council for review and approval, by Gail Cederberg, seconded by Jessica Wilson. Motion approves unanimously.*

**Adjournment** *(Webex 01:35:03)*

# Low Income Household Water Assistance Program (LIHWAP) for Minnesota

**Proposed Program**
Aid for high water costs for struggling families in Minnesota. A statewide low-income household water assistance program (LIHWAP) administered through the Minnesota Department of Commerce and existing Community Action Agencies.

**Key structural features of this program:**
- Statewide pilot program
- Restarting the Department of Commerce procedures that were used for a Federal LIHWAP in FY2022-2023 which mirrors the existing state Low Income Household Energy Assistance Program (LIHEAP) program and qualification procedures.
- Household-focused
- Administered through existing human-services networks (Community Action Agencies)
- Applicable to both large urban systems and small utilities.
- Would not interact with state infrastructure finance programs.
- Utilities would collect and remit the funds to a state-managed affordability account.
- Funds would be redistributed for household assistance and overdue bills, not retained for utility operations.

**Proposed funding sources**
- Requesting a total of $5M per year, at a minimum.
- Increase to the drinking water service connection fee
    - The 2025 Minnesota State Legislature passed a bill raising the safe drinking water fee from $9.72 to $15.22 per water service connection, effective January 1, 2026.
    - MDH would pass to Commerce via interagency transfer
- XX (MPCA would pass to Commerce)
- Wastewater funding source=?
- Appropriation Bonds?
- General Fund appropriation?
- 10-15% Department of Commerce admin costs.

**Background information**
- There are 731 municipal water supply systems and over 800 wastewater systems in the state of Minnesota.
- There is a federal Low Income Home Energy Assistance Program (LIHEAP) for household energy costs that was created in 1981.
- A temporary federal Low-Income Household Water Assistance Program (LIHWAP) was created in 2020 and was administered by the U.S. Department of Health and Human Services (HHS) through its Office of Community Services. It provided direct household

assistance for drinking water and wastewater bills, including arrears and shutoff prevention. The federal LIHWAP program ended in 2024 and has not been reauthorized.
    - Minnesota was granted $14.6M in total allocations over FY2022 and FY2023 for LIHWAP.
    - Nearly 600 water service providers participated, and this program helped over 13,000 households each year.
- Data on household affordability statewide. Pending MRWA and AE2S map.
- Data on statewide water and sewer utility rates. Average rates, rate increases, highs and lows, geographic distribution.
- Data on projected water and sewer funding and infrastructure needs.

Case studies:
- ??

Attached: Statewide map of water and wastewater rates, along with Intended Use Plan projects.

# Large-volume water users

## Problem Statement

Minnesota is a water rich state. However, water is not an unlimited resource. Large increases in water use can impact individuals, businesses, communities and ecosystems. Of particular concern are potential increases in the presence of large water volume users in Minnesota, or those using more than 100 million gallons of water per year or one million gallons per day. Much attention has been directed towards the siting of new hyperscale data centers that can withdraw up to 1-5 million gallons of water per day - the equivalent of a small city[1]. Quality can also be impacted, as pumping of large volumes of water can change groundwater chemistry through changing flow patterns and mobilizing contaminants such as arsenic, manganese, and others. Private well interference and quality changes can create hardship for users and financial risks for municipalities. Additionally, accessing and transporting large volumes of water to support new facilities and managing the subsequent wastewater streams can create challenges for local infrastructure capacity, leading to additional financial and planning implications for a community. The addition of multiple large-volume water users within a single community (or adjacent communities) can therefore create significant impacts on local and regional groundwater sustainability, local water quality, groundwater-dependent waters, ecosystems, and future availability of groundwater.

Water for domestic consumption is considered by the State of Minnesota as the highest priority use (Minn. Stat. §103G.261). The prioritization of uses is an important safeguard, ensuring that water is available for domestic consumption (public and private), especially in the event of an emergency. Water appropriation requests from proposers of new data centers have caused concern that this statute could be circumvented, that or water suppliers could feel pressure to continue to provide supply in the event of an emergency longer than they should.

Municipalities and communities also may not have access to sufficient information to comprehensively evaluate proposals. In order to understand potential risks, reviewers need to be able to be able to know how much water would be needed to supply the proposed large volume water user, what that volume of pumping would mean for local groundwater or surface water quantity and quality, how climate trends or changes could influence availability for all users, what the cumulative impact could be, and more. Unfortunately, this information is often not available or not available at the scale necessary, do not include planned-but-not-built developments, or are not made available in a way to support informed decision making and a prioritization of water in considering proposals. Higher resolution models and more accessible and appropriate risk-assessment tools are needed.

[1] (Include reference to Freshwater data centers fact sheet, McKinsey & Company Report, and MCEA documents)

Proposals can also be too early in design to contain sufficient information about water need, and nondisclosure agreements can limit transparency. Even if higher resolution models and tools are available, lacking this information makes it hard for any evaluation to be relevant.

Communities and the State need data that are at a relevant scale, include planned developments, incorporate understanding of water quality conditions and impacts of changes in groundwater flow, considers an uncertain future, and more.

Given the resources listed above and more, we have information and tools available to enhance decision making. While we can build on top of that, much of the work can simply be leveraged. For instance, some groundwater models exist for the metro region and other parts of Minnesota at greater risk of over withdrawal. These models and other tools can inform safe water yield thresholds. However, as a state, we do not yet have a good way to understand the cumulative impact of large-volume water users everywhere or assurances that this information is consistently leveraged between plans and jurisdictions.

## Audience and Purpose

The Clean Water Council has a statutory role to foster coordination and cooperation as part of the Clean Water Legacy Act. The Council is interested in protecting groundwater across jurisdictional boundaries and for future generations. The Council encourages improved data sharing, local government capacity building, and broader intergovernmental collaboration. The Clean Water Council is interested in understanding risks associated with overuse or contamination of water from large-volume water users, and in addressing the potential gaps in the statewide, regional and local decision-making processes.

The purpose of this memo is to identify policy recommendations and investments that address potential environmental and social problems associated with large-volume water users in Minnesota, including those already permitted and operational. We acknowledge that large volume water users also raise concerns related to energy, air pollution, long-term economic development, and other issues. However, the Council within its charge is interested predominantly in the implications specific to water.

Fortunately, work in recent years has better equipped Minnesota to respond to the influx of interest from large-volume water users. The following tools or resources have been developed as a result of Clean Water Fund investments, and can be leveraged and expanded upon to meet the challenge:

- Groundwater Restoration and Protection Strategies have built on statewide monitoring information to identify strategies to protect and restore groundwater quality and quantity
- One Watershed, One Plan has elevated groundwater as an issue on regional scales across the state, drawing attention to need for protection and restoration
- The DNR has engaged in aquifer monitoring for water supply planning across the state, with specific attention to areas of concern
- Modeling and planning for Little Rock Creek Area Water Use Conflict
- Planning and technical support for the three Groundwater Management Areas

- Staff in the Twin Cities metropolitan region have been researching and planning around water sustainability and have worked to cultivate intergovernmental relationships:
    - Metro Model 3 (Metro Model 4 in the works)
    - Multi-community Wellhead Protection Plan pilot
    - Subregional water planning collaboratives
    - Metropolitan Council commissioned research paper on large-volume water users, due in early 2026, that will have a checklist guide for cities to use

The Environmental Quality Board also developed a new Groundwater Report in 2025 that provides great detail and content.

The Council also recognizes the need for legislative and policy action to address the challenge of large-scale water users. As such, the memo includes recommendations for agencies, legislators, and other elected officials who oversee policies, procedures, permitting, and resource allocation as they relate to water resources and potential threats to water quality and quantity.

Water in aquifers, like water on the surface, does not adhere to jurisdictional boundaries. Decisions in one community impact the communities around it, and vice versa. As demonstrated above, large-volume water users impact both groundwater quantity and quality. Whether we look at individual proposals or cumulatively, we do not have the tools to fully understand regional impact. Regional planning support for cities and intergovernmental collaboration is needed to help manage for regional impact.

At the end of the 2025 legislative session, the State Legislature set new expectations for pre-application and early coordination with the Department of Natural Resources for any new data centers. This provides an opportunity to discuss the regulatory framework, but also do an assessment of possible locations under consideration and share resource concerns, trends, other wells, etc. While this can help to address some siting concerns and support private industry and communities in making early informed decisions regarding data centers, additional action with regard to all large-volume water users is needed to safeguard water availability for today and the future.

## Recommendations

In response to a recent increase in interest from prospective large-volume water users and demonstration of clear need for a coordinated response, the Clean Water Council recommends the following actions to protect groundwater across jurisdictional boundaries and for future generations:

1. **Enhance regional models .**
    a. Fund the development of regional groundwater models in order to better understand current conditions, the influence of new proposals, and cumulative impacts on water supply, aquifers, and groundwater dependent surface waters and

ecosystems. Ensure these regional models factor in forecasted population growth and climate change.

b. Modernize the Statewide Drought Plan to incorporate extreme weather threats and address triggers for groundwater conservation based on risks to groundwater supply.

c. Collaborate with neighboring states, Tribal governments, and Canada to more fully reflect and manage water conditions where activities have the potential to impact water quantity and quality in Minnesota.

2. **Increase intention around siting and design of new facilities with regard to water supply.**

   a. Coordinate with the Minnesota Department of Employment and Economic Development and the Minnesota Department of Natural Resources (and the Met Council, where appropriate) on the siting of new facilities from a groundwater availability and water supply perspective.
   b. Coordinate with the Minnesota Department of Health from a chemistry and water quality perspective.
   c. Develop a framework or tool to aid the public and private sector in better evaluating water risk and/or more strategically site or design large-volume water use industries.
   d. Encourage co-location of large-volume water uses with wastewater treatment facilities or other beneficial industries, and consider opportunities for recharge of treated discharge.
   e. Incentivize closed loop geothermal systems and water reuse systems.
   f. Require proposers of a new large-volume water user publicly disclose anticipated water use as a part of environmental review.

3. **Incorporate large-volume water users as considerations in existing state, regional, and local plans.**
   a. Include large-volume water users as considerations in Groundwater Restoration and Protection Strategies (GRAPS) and the development or amendment of comprehensive watershed management plans (One Watershed One Plan or other approved plans). Groundwater use and discharges to surface waters from data centers should be of particular interest. Encourage amendments for comprehensive watershed management plans in areas which have recently seen an increased interest from developers.
   b. Include large-volume water users as considerations for municipal planning efforts, more closely aligning land use decisions with water supply and protection plans, including local and regional Wellhead Protection Plans, Water Supply Plans (including emergency preparedness plans), Local Water Plans, and Local Comprehensive Plans in the metro area.

c. Integrate groundwater risk assessment models into coordinated emergency response plans to address the concern of over-allocation of water to particular uses.
d. When new land use decisions allowing for large-volume water users are proposed, the DNR should review impacts on high-priority current and future water use; MDH should be engaged for review of Drinking Water Supply Management Areas, water chemistry and private well considerations; and, in the metro area, the Metropolitan Council should review whether impacts to water availability will require a change to population forecasts or service availability. These local planning resources should be informed by statewide risk management plans including the Statewide Drought Plan.
e. Develop a framework or tool that local communities could use to ensure they have full access to needed information to evaluate proposals and understand risks to water availability and infrastructure capacity. The resources ought to include models and examples for hosting community conversations around this topic to give Minnesotans a seat at the table in planning in advance of a proposal and ideas for tying land use decisions to water supply and resource protection goals more directly.
f. The Metropolitan Council, Department of Natural Resources, and Department of Health should the League of Minnesota Cities, and the Coalition of Greater Minnesota Cities, Minnesota Association of Townships, and other interested entities for proactive outreach and training opportunities.