



Chicago Metropolitan Agency for Planning

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MEMORANDUM

To: CMAP Board

From: CMAP Staff

Date: November 7, 2012

Re: Re-Establishing State/Regional Water Supply Planning and Management

Staff is seeking CMAP Board support to partner with the Metropolitan Planning Council (MPC) to pursue strategies to restore state/regional water supply planning and management with new, sustainable funding options.

MPC is convening a stakeholder group in a series of discussions on improved coordination of water supply management policy. The initial goal is to build support for implementation of *Water 2050*, northeastern Illinois' regional water supply plan, which will in turn lead to improved management practices. Through these discussions it will be determined whether consensus on major priorities can be reached amongst a broad constituency of public, private, and non-profit partners, and if so, then coordinate and collaborate on policy advocacy and implementation at the state, regional and local levels.

BACKGROUND AND THE WATER 2050 PROCESS

Adopted in January 2010, *Water 2050* was a partnership between our region and the State of Illinois. By executive order in 2006, the Illinois Department of Natural Resources (IDNR) Office of Water Resources established an overall framework for water supply planning. The Illinois State Water Survey and Illinois State Geological Survey provided a rigorous scientific basis for *Water 2050*'s eventual conclusions.¹

Our regional *Water 2050* planning process successfully resulted in science-based policy recommendations, brought stakeholders together, and increased public awareness during the plan's three-year development phase. The plan noted something that has become all too apparent with the drought of 2012: Even in a state blessed with abundant water, shortages are a real concern. For example, the deep-bedrock aquifer provides half of the groundwater used in the Chicago area, yet

¹ Another plan based on a similar arrangement between the state and a regional group was developed in the Mahomet Aquifer area.

water from that source is being withdrawn much faster than it is being replenished. Ninety-six percent of the water supply available from Lake Michigan is now allocated.

Funding to support the development of *Water 2050s* was problematic, and today there is no funding to support its implementation. While the *Water 2050* process began with adequate State funding for the first two years, in the third year funding was cut from the State's general revenue fund. A year later, support for the third year was partially restored with funds from a one-time source (environmental compliance settlements). CMAP and its partners contributed significant funding to cover the remainder of the plan's development cost, including funding to conclude the scientific work conducted by the State Water Surveys. The plan was completed, but no ongoing State of Illinois revenue has been identified to support the regional water-supply plans whose development IDNR encouraged, including *Water 2050*. Exacerbating the situation, the State also eliminated its Comprehensive Regional Planning Fund, a key source of CMAP's funding that had supported this and other non-transportation planning efforts.

STRATEGIES FOR MOVING FORWARD

The ongoing 2012 drought reaffirms the need for collaborative regional solutions to water supply management. Future policy changes will require informed input and participation from a diverse constituency; IDNR, Ill. Environmental Protection Agency, and Ill. Dept. of Public Health are all considering substantial policy changes that will affect regional and local decisions and investment in water resources. Additionally, the Organisation for Economic Co-operation and Development's (OECD) recent report on building stronger tri-state ties on economic development between Illinois, Indiana, and Wisconsin, identified water resources as a major opportunity area, which could galvanize the private sector to take a more pro-active stance on regional water supply policy issues.

While many of these are positive steps, northeastern Illinois and the state as a whole will benefit from building a broader base of support for advancing common water resources policies consistent with regional priorities for economic productivity, environmental sustainability, and social equity. In an effort to move this issue forward regionally, staff recommends that CMAP partner with MPC to convene a water supply management policy coordination group to establish common priorities. Through sustained discussion, the group will first work toward a proactive statement of policy objectives, then develop the means to achieve them, including legislative initiatives to be pursued collaboratively. The group will include a balanced mix of municipal, county, state, private utility, council of government, agriculture, industry, recreational, environmental, and civic stakeholders from throughout the region.

The following policy goals stemming from *Water 2050* are suggested as a starting point for discussion:

- Establish stakeholder-driven regional water supply planning as the norm throughout Illinois, with a sustained, dedicated revenue stream to support planning and targeted implementation.
- Establish sufficient funding for the Illinois State Water Survey and other relevant institutions to provide timely, necessary research on all of Illinois'

water resources and to fulfill statutory obligations related to water use reporting.

- Modernize the Lake Michigan permit conditions to better facilitate sustainable water resources management, fulfill Illinois' obligations under the Great Lakes Compact and other agreements, and collect more reliable data on northeastern Illinois' water consumption trends.
- Ensure Illinois's limited capital investment assistance for water resources management is deployed as effectively as possible in the service of sustainable water resources management.
- Remove policy barriers to large-scale and widespread reuse of non-potable water.
- Establish full-cost pricing as the norm for utilities throughout Illinois.
- Improve coordination and integration of water resource management activities between units of government, water resource managers, and other stakeholders.
- Provide appropriate incentives within state tax policy to encourage sustainable water resources management and growth in water-dependent economic activity.

Staff is recommending that the CMAP Board support this effort to move this issue forward with the intention of securing sustainable funding for our regional water supply and management work.

ACTION REQUESTED: Discussion and guidance to staff

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