

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

CASE TYPE: PERSONAL INJURY

State of Minnesota *ex. rel.*, Minnesota Center
for Environmental Advocacy, CURE, Friends
of the Minnesota Valley, Minnesota Division
of the Izaak Walton League of America, and
Minnesota Valley Chapter of the Izaak
Walton League of America C.K.,

62-CV-26-1403

Judge: Leonardo Castro

Plaintiffs,

**ORDER
GRANTING DEFENDANT'S
MOTION TO DISMISS**

v.

Minnesota Pollution Control Agency,

Defendant,

and

Minnesota Corn Growers Association,
Minnesota Soybean Growers Association,
Minnesota Farm Bureau Federation,
Minnesota Association of Wheat Growers,
and Red River Valley Sugarbeet Growers
Association,

Intervenors-Defendants¹.

The above-entitled matter came before the Honorable Leonardo Castro, Judge of District Court, on June 12, 2026, upon Defendant's Motion to Dismiss. Jay Eidsness, *Esq.*, appeared for and on behalf of Plaintiffs. Chrstina Carolan, Assistant Minnesota Attorney General, appeared for and on behalf of Defendant. Dean Zimmerman, *Esq.*, appeared for and on behalf of Intervenors,

¹ On April 1, 2026, the Industrial Ag Intervenors filed a Notice of Intervention under Minnesota Rule of Civil Procedure 24 along with an "Intervention Pleading" stating their interests in the matter. Rule 24 provides that a proposed intervenor is granted party status automatically after 30 days unless a party objects. Minn. R. Civ. P. 24.03. Because neither Plaintiffs nor MPCA objected, the Industrial Ag Intervenors became defendants to this action on May 1, 2026.

Minnesota Corn Growers Association and other farming organizations from around the state. All other appearances were noted on the record.

Based on the submissions of the parties, the arguments of counsel, and on all the files and proceedings in this case:

IT IS HEREBY ORDERED:

1. Defendant's Motion to Dismiss is **GRANTED, in its entirety.**
2. This matter is **DISMISSED WITH PREJUDICE.**
3. The attached memorandum is incorporated by reference.

LET JUDGMENT BE ENTERED ACCORDINGLY.

BY THE COURT:



Castro, Leonardo (Judge)
Aug 19, 2026 3:18 PM

Dated: August 19, 2026

I certify the above order constitutes the Judgment of the Court.

Court Administrator

08/19/2026 04:08 pm

By:



The Honorable Leonardo Castro
Judge of the District Court

MEMORANDUM

Introduction

Plaintiffs, on behalf of the State of Minnesota, bring this action against the Minnesota Pollution Control Agency (MPCA or Defendant) alleging that the MPCA has failed to protect Minnesota's streams, rivers, and lakes from the adverse impacts of agricultural drainage, violating Minnesota water laws, and leading to pollution, impairment, and destruction of the state's natural resources in violation of the Minnesota Environmental Rights Act (MERA), Minn. Stat. § 116B.03; Compl., ¶ 1. Plaintiffs allege that public drainage systems in the Minnesota River Basin are disposal systems because they dispose of excess water from agricultural fields that "may pollute or tend to pollute the waters of the state." Compl., ¶ 34.

Additionally, Plaintiffs allege that public drainage systems are disposal systems because they are "treatment works." "Treatment works" is defined to include a "constructed drainage ditch or surface water intercepting ditch ... installed for the purpose of ... disposing of sewage, industrial wastes or other wastes." Minn. Stat. § 115.01, subd. 21. Compl., ¶ 35.

Plaintiffs allege that under the Water Pollution Control Act, the MPCA is mandated to prohibit the discharge of pollutants, absent a permit, from public drainage systems whose discharges pollute the waters of the state. Compl., ¶ 36. Further alleging that the MPCA has failed to execute this duty, which has caused and continues to cause pollution, impairment, and destruction of the state's water resources, especially in the Minnesota River Basin. *Id.*

Plaintiffs assert public drainage systems, established and administered by drainage authorities, encompass approximately 19,150 miles of ditches statewide, and are widely used to dispose of excess water from tiled agricultural fields to receiving waters. *Id.*, ¶ 44. Plaintiffs allege these drainage systems increase streamflow and "flashiness," contribute to erosion and turbidity,

transport nitrate and phosphorus, and drive numerous impairments and downstream effects including impacts to Lake Pepin and municipal drinking water management in Mankato. *Id.*, ¶¶ 47, 58, 59.

Plaintiffs seek declarations that public drainage systems are “disposal systems” or “treatment works” requiring State Disposal System (SDS) permits, and MERA relief compelling MPCA to regulate such systems and to impose protective conditions. MPCA moved to dismiss, arguing that drainage systems are “waters of the state,” not disposal systems, that MPCA lacks statutory authority to permit drainage systems as disposal systems, and that the Water Law assigns drainage regulation to other authorities. Farmer intervenors support dismissal, contending the Water Pollution Control Act (WPCA) has never been applied to regulate agricultural drainage as disposal systems, that the Drainage Code vests primary oversight in the Department of Natural Resources (DNR) and drainage authorities, and that Plaintiffs lack standing because they assert a generalized grievance.

Standard of Review

Minnesota Rule of Civil Procedure 12.02(e) permits dismissal for “failure to state a claim upon which relief can be granted.” In deciding a motion under the rule, the Court accepts the facts alleged in the complaint as true and draws reasonable inferences in the nonmoving party’s favor. *Hansen v. U.S. Bank National Ass’n*, 934 N.W.2d 319, 325 (Minn. 2019). The Court does not, however, accept legal conclusions pleaded as facts. *Walsh v. U.S. Bank, N.A.*, 851 N.W.2d 598, 603 (Minn. 2014).

A claim is legally sufficient if it is possible, on any evidence which might be produced, consistent with the pleader’s theory, to grant the relief demanded. *Abel v. Abbott Nw. Hosp.*, 947 N.W.2d 58, 68 (Minn. 2020). Absolute specificity in pleading is not required, but a complaint is

properly dismissed if it appears to a certainty that no facts, consistent with the pleading, exist which would support granting the relief demanded. *Hoskin v. Krsnak*, 25 N.W.3d 398, 405 (Minn. 2025). Although Minnesota courts accept factual allegations as true, they are not bound by legal conclusions stated in a complaint when determining whether the complaint survives a motion to dismiss. *Walsh v. U.S. Bank, N.A.*, 851 N.W.2d 598, 603 (Minn. 2014).

Conclusions of Law

The legislature has tasked the MPCA with protecting waters of the state from pollution and regulating the installation and operation of disposal systems. Minn. Stat. § 115.03, subd. 1(a)(1)-(5). “Waters of the state” include “all streams, lakes, ponds, marshes, watercourses, waterways, wells, springs, reservoirs, aquifers, irrigation systems, [and] *drainage systems*.” *Id.* at § 115.01, subd. 22 (emphasis added). “Drainage systems” utilize “ditch or tile, or both, to drain property ... [and are] established and constructed by a drainage authority.” *Id.* § 103E.005, subd. 12; Compl., ¶¶ 3, 23. “Disposal systems,” on the other hand, are “systems[] for disposing of sewage, industrial waste and other wastes, and includes sewer systems and treatment works.” Minn. Stat. § 115.01, subd. 5. “Treatment works” are “any plant, disposal field, lagoon, dam, pumping station, constructed drainage ditch or surface water intercepting ditch . . . installed for the purpose of treating, stabilizing or disposing of sewage [and] waste[s].” *Id.*, at § 115.01, subd. 21.

Minnesota statutes recognize “drainage systems” and “disposal systems” as two legally distinct entities with separate regulatory authorities. The State’s drainage code and well-established case law acknowledges drainage systems are not disposal systems, but a method for draining excess water and from waterlogged land. *See Keystone Twp. v. Red Lake Watershed Dist.*, 989 N.W.2d 897, 902 (Minn. Ct. App. 2023) (Minnesota’s water is regulated by, in part, the drainage code, which is “devoted to the creation and management of drainage systems[.]”).

Ditches are merely a component or conveyance method that each system may use and serve a very different purpose depending on the system. For example, the Water Pollution Control Act defines a ditch used in a disposal system as a point source “from which pollutants are or may be discharged.” Minn. Stat. § 115.01, subd. 5. Under the Drainage Code, however, a ditch used in a drainage system is “an open channel to conduct the flow of water.” *Id.* at § 103E.005, subd. 8. Therefore, the use of a ditch has no bearing on whether something is a drainage system or a disposal system under state law.

Plaintiffs conflate a “public drainage ditch” (Plaintiffs’ term for a “drainage system”) under Chapter 103E with a “drainage ditch” used as part of a disposal system under Chapter 115. But state law is clear that ditches under both chapters serve very different purposes and cannot be used interchangeably.

The MPCA is a “creature[] of statute and they have only those powers given to them by the legislature.” *In re Hubbard*, 778 N.W.2d 313, 318 (Minn. 2010). “An agency’s authority may be stated either expressly in statute or implied from the express powers given to the [agency] by the Legislature.” *In re Application of Otter Tail Power Co.*, 942 N.W.2d 175, 179 (Minn. 2020). Plaintiffs assert, and MPCA agrees, that the legislature delegated the agency authority to issue SDS permits for the installation and operation of disposal systems. Compl., ¶¶ 11 28, 30; Minn. Stat. § 115.03, subd. 1(a)(5). However, because drainage systems are waters of the state, not disposal systems, they fall outside MPCA’s SDS permitting authority. Rather, drainage systems are state waters that fall under the purview of Minnesota’s Water Law. There, drainage authorities control their establishment, construction, maintenance, and operation, as well as address their possible environmental impacts. Minn. Stat. § 103E.011. Local watershed districts enforce applicable buffer requirements. *Id.*, § 103F.48, subd. 3(a)(2). The DNR approves any drainage

system projects that raise, lower, or drain public waters. *Id.*, § 103E.011, subd. 3. Simply put, MPCA lacks authority to issue SDS permits for drainage systems. Nor does the Water Pollution Control Act expressly state or imply that the legislature intended to divest drainage authorities, watershed districts, or DNR of their authority over drainage systems.

The Minnesota’s Water Pollution Control Act prohibits waterbodies from being both waters of the state and disposal systems. First, pollutants may be discharged either “to the waters of the state or to any disposal system.” *See* Minn. Stat. § 115.01, subds. 4 (defining “discharge”), and 12 (defining “pollutant” to mean “any sewage, industrial waste, or other wastes ... discharged into a disposal system or to waters of the state”). The use of the word “or” in both definitions means a pollutant cannot be discharged to something that is both a water of the state and a disposal system. *See Broadway Child Care Ctr., Inc. v. Minn. Dep’t. of Hum. Servs.*, 955 N.W.2d 626, 634 (Minn. Ct. App. 2021) (Courts “normally interpret ‘or’ as disjunctive, rather than conjunctive.”). Indeed, interpretations of a statute that require changing “or” to “and” are “unreasonable on [their] face.” *See Nash v. Comm’r of Pub. Safety*, 4 N.W.3d 812, 818 n.7 (Minn. 2024). Second, Chapter 115’s definition of “disposal system” focuses on the purpose of the system, which is to dispose of sewage and wastes. Minn. Stat. § 115.01, subd. 5. For example, the legislature explicitly stated that disposal systems “include[] sewer systems and treatment works.” *Id.* Sewer systems “conduct[] sewage ... or other wastes to a point of ultimate disposal.” *Id.*, § 115.01. subd. 18. Similarly, treatment works are “installed for the purpose of treating, stabilizing or disposing of sewage . . . or other wastes.” *Id.* § 115.01, subd. 21. Unlike disposal systems, public drainage systems are installed for the purpose of draining excess water from land – not for disposing of wastes. *See id.*, § 103E.005, subd. 12 (“drainage systems” used to “drain property”). This distinction is further recognized in Minnesota’s water quality rules, which plainly state that

disposal systems, including treatment works, are not protected by water quality standards applicable to all waters of the state. *See* Minn. R. 7050.0130, subp. 2.

In Count III, Plaintiffs allege the MPCA fails to apply state water quality rules that prohibit the discharge of sewage and wastes into waters of the state in amounts that (1) cause pollution; (2) cause nuisance conditions; and (3) impair waters used as a source of drinking water. Compl., ¶¶ 85-91 (citing Minn. R. 7050.0210, 7050.0221, and 7053.0205). However, Plaintiffs omit “from point or nonpoint sources” from these citations because drainage systems, as waters of the state, are not point or nonpoint sources for purposes of the water quality rules above. *See* Minn. State. § 115.01, subd. 11 (point sources definition) and Minn. R. 7050.0130, subp. 5 (nonpoint source definition). Rather, they are the thing – a water of the state – that the cited water quality rules protect. *See, e.g.*, Minn. R. 7050.0110 (“Parts 7050.0130 to 7050.0227 apply to all waters of the state, both surface and underground. This chapter includes . . . provisions to protect the physical, chemical, and biological integrity of waters of the state.”). Treating “waters of the state” as point and nonpoint sources subject to the cited rules would render MPCA’s water quality regulations meaningless and impossible to enforce. The Court cannot grant the relief sought because drainage systems, as waters of the state, are not point or nonpoint sources that may cause pollution, nuisance conditions, or impair waters used for drinking. Therefore, Count III must be dismissed.

In Count IV, Plaintiffs assert that MPCA has failed to exercise its regulatory authority in a way that “prevent[s] or mitigate[s] the discharge of pollution from public drainage systems into the Minnesota River Basin.” Compl., ¶ 97. As relief, Plaintiffs request the Court impose unnamed “conditions on the MPCA necessary to protect the Minnesota River Basin and downstream waters. *Id.*, at ¶ 98.

As previously noted, the MPCA’s regulatory authority is limited to those powers given to

it by the legislature. *In re Hubbard*, 778 N.W.2d at 318. In the complaint, Plaintiffs allege that MPCA may regulate drainage systems in two ways: (1) through its SDS permitting program and (2) the cited water quality regulations. As explained above, however, MPCA lacks authority to regulate drainage systems using either of those powers and the Court cannot impose conditions that require MPCA to exercise regulatory authority it does not have. *See In re Qwest's Wholesale Serv. Quality Standards*, 702 N.W.2d 246, 259 (Minn. 2005) (“Neither an agency nor the courts may enlarge the agency’s powers beyond that which was contemplated by the legislative body.”) (cleaned up); *see also State, by Spannaus v. Lloyd A. Fry Roofing Co.*, 246 N.W.2d 696, 700 n.6 (Minn. 1976) (“Courts cannot properly aid [an] agency by construing [a] statute to confer upon it implicit authority, when to do so would contravene the legislature’s apparently deliberate failure to explicitly grant such authority.”).

Because Plaintiffs fail to allege any viable regulatory authority the Court may use to impose “conditions” on MPCA, Count IV also fails. Indeed, if Plaintiffs want to expand MPCA’s authority, they must do so with the legislature. *See, e.g., State, by Spannaus*, 246 N.W.2d at 700 n.6 (“If the PCA needs such authority to carry out its function regarding [water] pollution, the proper place for it to seek such authority is the legislative body which created the agency and specified its powers.”).²

Conclusions

Drainage systems under Chapter 103E are waters of the state, not disposal systems, and MPCA lacks authority to require SDS permits for such systems; therefore, Counts I and II must be

² In 2026, the Minnesota Legislature considered HF 3466 which would have required the Environmental Quality Board to amend its rules to mandate an Environmental Assessment Worksheet ("EAW") for certain drainage projects, including projects with drainage areas of five square miles or more in specified Minnesota River Basin watersheds and projects affecting designated public waters, outstanding resource value waters, or trout waters. Legislators recognized that creating new mandatory environmental review requirements for drainage projects is a substantive policy decision that must be made through the legislative process. The legislation did not pass.

dismissed. As for Count III, the cited rules regulate discharges from point and nonpoint sources; drainage systems are waters of the state and not such sources; therefore, Count III must be dismissed. Finally, because Plaintiffs identify no lawful MPCA authority for the conditions they seek and courts cannot expand agency power to create a new permitting scheme for drainage systems, Count IV must be dismissed.³

LC

³ Having found that Plaintiffs do have a cause of action upon which relief may be granted, this Court does not address the jurisdictional defects raised in Intervenor's memorandum.