



WATER QUALITY AND INFRASTRUCTURE

Governor Walz and Lt. Governor Flanagan propose investing \$300 million in water quality and infrastructure projects to fix aging water infrastructure and help ensure every Minnesotan has access to clean, safe drinking water. This funding will help cities and other local governments construct wastewater and drinking water infrastructure projects, which range from replacing aging infrastructure to upgrading treatment facilities to meet regulatory requirements, as well as invest in projects that improve water quality throughout the state. These water infrastructure systems are essential to protecting public health and the environment and sustaining the economic vitality of communities. This funding includes \$293 million in General Obligation Bonds.

Public Facilities Authority

State Match for Water Infrastructure Federal Grants

The Governor recommends \$25 million to match an estimated \$125 million in federal funds for water infrastructure grants, and to increase lending capacity in the Clean Water and Drinking Water Revolving Funds. State and federal funds are used with loan repayments and Public Facilities Authority revenue bonds to provide low interest loans to communities for clean water and drinking water infrastructure projects across Minnesota. Eligible projects are prioritized based on environmental and public health criteria.

Water Infrastructure Funding Program

The Governor recommends \$100 million for the Water Infrastructure Funding (WIF) program, which provides supplemental assistance grants to communities that meet affordability criteria and receive Public Facilities Authority loans or water financing from the U.S. Department of Agriculture's Rural Development program. These grants help communities build clean water and drinking water infrastructure projects, while keeping costs affordable for residents.

Point Source Implementation Grants Program

The Governor recommends \$75 million for the Point Source Implementation Grants (PSIG) program, which provides grants to communities to help pay for water treatment plant upgrades to address water quality restoration and protection goals. These grants help communities construct wastewater, storm water, and drinking water treatment projects when the Minnesota Pollution Control Agency (MPCA) determines that higher levels of treatment are necessary to meet water quality goals.

Funding is not awarded until all technical and financial reviews are complete and construction is ready to begin. Communities that could potentially benefit from the Governor's recommendation from Public Facilities Authority are listed at the bottom of this document.

Minnesota Pollution Control Agency

Sustainable Communities and Climate Resiliency

The Governor recommends \$15 million for grants to municipalities to build sustainable and resilient stormwater infrastructure, with a focus on managing extreme weather events. Preference would be given to projects that demonstrate a connection to local climate goals, improving water quality, or minimizing the risks from extreme weather events.

Esko Groundwater Contamination Superfund Site

The Governor recommends \$1.2 million for cleanup of groundwater contamination at the Esko superfund site as part of MPCA's program to address legacy contaminants. This will fund predesign, design, the excavation of contaminated soil, and the treatment of contaminated groundwater.

Removal of PAH-Contamination Stormwater from Pond Sediments

The Governor recommends \$2 million for financial support to communities for removal of sediment contaminated by polyaromatic hydrocarbon from stormwater ponds. Municipalities dredge ponds and dispose of the sediment to restore capacity and improve the effectiveness of treatments.

Precision Plating State Superfund Site

The Governor recommends \$6 million for cleanup of contaminants at the Precision Plating State superfund site as part of MPCA's program to address legacy contaminants. This funding includes the predesign and design, and demolishes the existing site building to access and excavate the contaminated soil, which will require acquiring a property interest. It also uses a groundwater treatment injection technology.

Metropolitan Council

Inflow and Infiltration Grant Program

The Governor recommends \$5 million for grants to municipalities for public infrastructure improvements to reduce inflow and infiltration into local and regional wastewater collection systems.

Water and Soil Resources Board

Conservation Reserve Enhancement Program

The Governor recommends \$16.5 million for the Minnesota Conservation Reserve Enhancement Program (CREP) to acquire permanent easements in ecologically sensitive areas, which will help improve water quality and wildlife habitat. The federal government will provide a two-to-one match for this appropriation.

Iron Range Resources and Rehabilitation Board

Water Line Replacement

The Governor recommends \$8.646 million to upgrade, construct, and support a new infrastructure system for the snow making process at Giants Ridge. The current piping at Giants Ridge is 30-years-old – beyond its expected useful life. Failure of the lines due to the system's age would have a negative impact on Giants Ridge and the communities in the Iron Range that depend on the tourism economy from ski visitors. The project will increase efficiency, restore failing underground infrastructure, and enhance safety on the hill during snow making operations.

Local Government Projects

Lake City: Hok-Si-La Park Water and Sewer Extension

The Governor recommends \$587,000 for a grant to the City of Lake City for the Hok-Si-La Park Water and Sewer Extension project. This funding includes design and construction costs to extend a water and sewer connection to Hok-Si-La Park, a regional park in Lake City. The total project cost is \$1.175 million.

Mankato: Valley Opportunities

The Governor recommends \$12.385 million for a grant to the City of Mankato for the Valley Opportunities project to fund predesign, design, project management, and construction costs for improvements along the Minnesota River, Minnesota River Trail, Riverfront Park, and Indian Creek in Mankato. The improvements include riverbank stabilization along the Minnesota River, in-channel improvements along Indian Creek, connections and improvements to the Minnesota River Trail, and the construction and installation of improvements at Riverfront Park, such as a canopy and supporting structures. The total project cost is \$16.157 million.

Mankato: Water Quality Mitigation

The Governor recommends \$4.15 million for a grant to the City of Mankato for the Water Quality Mitigation project to fund property acquisition, predesign, design, project management, and construction costs for improvements that reduce erosion and improve water quality in the Minnesota River-Mankato watershed, specifically by restoring wetlands. The total project cost is \$8.3 million.

Minneapolis: Central City Storm Tunnel

The Governor recommends \$19 million for a grant to the City of Minneapolis for the Central City Storm Tunnel project to fund design and construction costs for additional hydraulic capacity in the tunnel which is necessary to reduce pressurization, reduce risks of tunnel failure, reduce tunnel repair costs, and address challenges such as surface flooding and blowing manhole covers. The total project cost is \$38 million.

Wayzata: Lake Effect Boardwalk Project

The Governor recommends \$10 million for a grant to the City of Wayzata for the Wayzata Lake Effect Boardwalk Project to fund construction costs for a boardwalk to restore the lake edge on Lake Minnetonka in downtown Wayzata. The total project cost is \$20 million.

List of Public Facilities Authority Projects			
City	County	Type	Total Est. Project Cost (loan and grant)
Foley	Benton	Wastewater	\$19,400,000
Vernon Center	Blue Earth	Drinking Water	\$2,764,300
Vernon Center	Blue Earth	Wastewater	\$3,300,000
Cologne	Carver	Wastewater	\$12,000,000
Watertown	Carver	Wastewater	\$10,430,000
Walker	Cass	Wastewater	\$1,962,736
Cuyuna	Crow Wing	Drinking Water	\$459,300
Ironton	Crow Wing	Drinking Water	\$3,800,000
Wells	Faribault	Wastewater	\$6,458,811
Lanesboro	Fillmore	Wastewater	\$585,000
Lanesboro	Fillmore	Wastewater	\$495,000
Elbow Lake	Grant	Drinking Water	\$3,996,250
Loretto	Hennepin	Wastewater	\$1,496,000
Houston	Houston	Drinking Water	\$858,000
Houston	Houston	Wastewater	\$952,000
Deer River	Itasca	Wastewater	\$3,725,988
Keewatin	Itasca	Wastewater	\$2,536,000
Nashwauk	Itasca	Wastewater	\$6,943,000
Lakefield	Jackson	Wastewater	\$11,008,000
Ogilvie	Kanabec	Wastewater	\$3,718,000
Ogilvie	Kanabec	Wastewater	\$3,718,000

Lake Lillian	Kandiyohi	Drinking Water	\$260,000
Lake Lillian	Kandiyohi	Drinking Water	\$504,000
Lake Lillian	Kandiyohi	Drinking Water	\$1,101,000
Lake Lillian	Kandiyohi	Drinking Water	\$4,804,000
Lake Lillian	Kandiyohi	Wastewater	\$4,235,000
Dawson	Lac qui Parle	Drinking Water	\$752,900
Dawson	Lac qui Parle	Drinking Water	\$1,263,500
Dawson	Lac qui Parle	Drinking Water	\$13,712,700
Dawson	Lac qui Parle	Drinking Water	\$542,625
Dawson	Lac qui Parle	Wastewater	\$11,526,900
Silver Creek Township	Lake	Wastewater	\$18,080,400
Two Harbors	Lake	Wastewater	\$20,010,983
Russell	Lyon	Drinking Water	\$4,976,000
Russell	Lyon	Wastewater	\$4,428,000
Tracy	Lyon	Wastewater	\$4,200,938
Onamia	Mille Lacs	Drinking Water	\$3,080,000
Onamia	Mille Lacs	Drinking Water	\$340,000
Wahkon	Mille Lacs	Wastewater	\$1,800,000
Borup	Norman	Wastewater	\$2,230,000
Cascade Township	Olmsted	Wastewater	\$3,082,872
Askov	Pine	Drinking Water	\$2,900,000
Trosky	Pipestone	Wastewater	\$2,000,000
Sacred Heart	Renville	Wastewater	\$2,509,000
Greenbush	Roseau	Drinking Water	\$779,163
Babbitt	St. Louis	Wastewater	\$11,000,000
Hoyt Lakes	St. Louis	Wastewater	\$12,000,000
Tower	St. Louis	Drinking Water	\$4,500,000
Murdock	Swift	Drinking Water	\$230,000
Murdock	Swift	Drinking Water	\$1,958,000
Murdock	Swift	Drinking Water	\$618,000
Eagle Bend	Todd	Drinking Water	\$312,100
Eagle Bend	Todd	Wastewater	\$413,500
Zumbro Township	Wabasha	Wastewater	\$6,610,468
Waldorf	Waseca	Wastewater	\$5,490,000
Annandale	Wright	Wastewater	\$1,157,352
Cokato	Wright	Wastewater	\$2,882,211
Otsego	Wright	Wastewater	\$14,935,000
Waverly	Wright	Wastewater	\$2,280,500
Clarkfield	Yellow Medicine	Drinking Water	\$2,700,000
Hanley Falls	Yellow Medicine	Drinking Water	\$2,625,000
Hanley Falls	Yellow Medicine	Wastewater	\$2,708,000
Wood Lake	Yellow Medicine	Drinking Water	\$279,000
Wood Lake	Yellow Medicine	Drinking Water	\$1,346,000
Wood Lake	Yellow Medicine	Wastewater	\$5,221,000
<i>Total exceeds PFA's \$200M request because a portion of the General Obligation bond funding leverages additional federal money.</i>			