

# Minnesota's water infrastructure

Minnesota communities need an estimated \$11 billion over the next 20 years for new water infrastructure projects to replace aging wastewater and drinking water systems, upgrade treatment facilities to meet higher standards, and expand systems to accommodate growth.

## Why it matters

Managing wastewater, stormwater, and drinking water supplies is important for our health and safety. It also critical for ensuring the economic vitality and future competitiveness of a community. Minnesota communities — both rural and metro — face serious challenges to making these improvements to their water infrastructures.

## Listening sessions

To better understand these challenges, state representatives — Molly Pederson, senior policy advisor to Governor Dayton, along with the John Stine, commissioner of the Minnesota Pollution Control Agency, Dr. Ed Ehlinger, commissioner of the Department of Health, and Jeff Freeman, executive director of the Public Facilities Authority — held meetings in Detroit Lakes, Willmar, Worthington, Hibbing, Rochester, Pine City, Golden Valley, and Hastings to find out the specific concerns of more than 80 communities.

## Community concerns

Many communities share the same concerns, which can be grouped into four main categories.

### Cost-related problems

1. Debt service and tax base issue make grants, not loans, the best option for many communities.

Debt service can be 25% to 44% of a community's annual water departmental budget. Even low-interest loans are not always helpful, especially for smaller towns. Provide more grants, and make them easier to obtain.

2. The local tax base is limited or declining.

In some areas the population is declining. For example, the town of Gilbert lost 12 homes in last 5 years. In other areas, a substantial portion of the population are senior citizens on fixed incomes or people living below the federal poverty level. Even a \$10 per month increase is significant for them.

3. Operations and maintenance of existing systems is expensive.

Calumet: Even with using a neighboring town's WWTF (Marble, MN), we cannot sustain operating expenses. Wakefield Township: Mechanical plant costs are >\$200,000 for town of 1,700 people.

## Workforce issues

1. Many communities can't recruit or retain qualified water professionals.

Willmar: Difficult to find enough Class A operators in rural communities.

2. Older water professionals are retiring.

Owatonna: 65% of city water professionals will retire over the next 4 years. We will find replacements by turning to surrounding smaller communities' water utilities.

3. The job of operating these facilities has become highly technical.

Sauk Center/Cold Spring: These plants are becoming more complicated.

## Creativity/flexibility needed

1. Communities want to add trading to their toolbox of options.

For example, Redwood Falls wants to buy credits, but can't find partners with credits to sell. Northfield has phosphorous credits to trade but doesn't have partners who want to buy.

2. Cities need help creating asset management plans for future work.

Pelican Rapids: "It's just me and my Excel spreadsheet."

Central Iron Range SS District: Asset management is costly – GIS, modeling, inspections, etc.

3. Comprehensive approach to include drinking water, wastewater, and stormwater.

Faribault: The state needs to address all three at once.

Little Falls, Madison, Hibbing: Think comprehensively to connect projects. It's all linked.

## Policy changes

1. Look at nonpoint sources.

Olivia: Point sources have been picked on for 30 years. Now that everyone has invested and upgraded, it's time to look at the agriculture industry.

2. Reconsider the reuse of wastewater.

Hutchinson: Interested in water reuse, and have to convince people that it's good, healthy, safe.

3. Ban "flushable" personal care wipes in Minnesota.

Sauk Center/Cold Spring: Suing the flushable wipes companies, in class-action lawsuit along with 10 other Minnesota cities, because when flushed these wipes cause big, costly problems at wastewater facilities.

4. Public education is needed about the relationship between water bills and water service, water supply, water conservation, etc.

Hutchinson: Environmental education is a key component.

5. Allow municipalities to raise rates slowly, in ongoing incremental basis.

Hibbing: Maybe we just need a kickstart. Couple it with education for ratepayers, ratchet up rates slowly on incremental basis.

