

**Recommendation #3**  
**Not in priority order**

**2019 Legislative Recommendations**  
**Legislative Water Commission**  
**Wastewater, Storm Water and Drinking Water Infrastructure**  
**Revised on Oct 25**

**Issue: Wastewater, Storm Water and Drinking Water Infrastructure**  
**Action: Legislative budget support for MPCA, MDH and PFA**

*A 2) Minnesota's water-related infrastructure is aging and presents threats to our economy and to public health, particularly for small towns and cities. Legislative support is needed to increase the Public Facilities Authority's (PFA) General Obligation Bond appropriation, on a continuing basis, to address aging water infrastructure. This would provide additional support for upgrading and finding efficiencies at wastewater, storm water and drinking-water infrastructure. Support and accelerate PFA's cost-effectiveness reviews for treatment-alternative research to optimize operations. Support increased in MPCA and MDH efforts to encourage alternative best-management practices at drinking water, wastewater and storm-water facilities. This could involve accelerated technical assistance for facility efficiencies through training, tools and technical support. Support increased agency resources to conduct asset management reviews and to assess, encourage and implement efficient infrastructure alternatives based on pilot study results currently underway. These could include regionalization and administrative and staff cooperation among willing communities Provide implementation support for market-based water-quality trading options (storm water and waste water) among willing municipalities. For example, consider implementing storm water-quality credit trading options based on work being conducted through a LCCMR grant to the Shell Rock River Watershed District. Increase support to that address risks to public health, such as lead service-line replacements. Accelerate programs that address the worst of our leaking septic system problem areas.*

**Background: Minnesota's Water Infrastructure:** Well-maintained and properly functioning wastewater, storm water and drinking-water infrastructure is important because they protect public health and encourage economic development. Many communities have difficulty keeping up with staffing, training, reporting, rules, required upgrades and new regulations. Others have problems with infiltration and inflow are the result of broken or cracked pipes, sump-pump connections, extreme rain events, and lack of overflow capacity. For still other communities, funding is a major problem. For a variety of reasons, small towns face particularly difficult problems in meeting wastewater treatment demands.

Wastewater treatment facilities and drinking water facilities typically have a design life of 40 years. After that, replacement and repairs are required. In addition, older treatment systems are commonly located in rural areas with higher sewer bills and limited municipal funding for upgrades. Most WWTFs were built with the assistance of federal and state funding. Federal

funds for Minnesota water infrastructure has tapered off significantly. Barr Engineering conducted a state-wide assessment of wastewater infrastructure costs resulting from new and changing water-quality standards and infrastructure requirements. Total state needs for drinking water were estimated to be in excess of \$150 million dollars per year. Costs needed for wastewater and storm water treatment system upgrades also were made for six example cities (Albert Lea, Austin, Fairmont, Grand Rapids, Hibbing and Rochester). The costs for wastewater and storm-water upgrades have the potential to add significant cost to cities' financial burdens of these cities.

Wastewater and storm water improvements in Minnesota are financed by loans or grants from a variety of public funding programs. Loans typically provide more favorable repayment conditions than municipal bonds. Grants can be used to decrease the required loan amount making repayment of capital costs more affordable. A gap exists, however, between requested and available funding for storm water and wastewater needs. However, it is anticipated that continued funding will be able to address most of the expected need into the future of current programs continue to be funded at needed levels.

Drinking water is one of the most critical, responsibilities of government. Safe drinking water has been key in some of the greatest public health achievements of the last half-century, including the dramatic reductions in disease and improvements in longevity. The value of our water resources goes beyond human health and the health of our environment. Jobs and economic development depend on communities having a reliable source of clean and safe water. The U. S Environmental Protection agency (EPA) estimates that, as a nation, we need to invest \$473 billion in the next 20 years for drinking water infrastructure. Investments in water systems not only provide assurances of continued delivery of safe drinking water, they are key to local economies. The Department of Commerce estimates that for each dollar of investment in the water and sewer industry, the increase in revenue that occurs in all industries is \$2.62 per year. Barr Engineering conducted a state-wide assessment of water infrastructure needs resulting from new and changing water-quality standards and infrastructure requirements. Total state needs for drinking water were estimated to be in excess of \$150 million dollars per year. The study also found that adding one water job creates nearly four jobs to the economy. In 2015, the EPA found that the national need for infrastructure upgrades had increased by 10 percent since 2011.

The Minnesota Department of Health (MDH) has delegated authority from the EPA to regulate approximately 6,900 public water-supply systems. That includes 961 community systems. Community systems include 729 municipal systems (towns or cities) and 232 systems that provide water to manufactured home parks, nursing homes, and treatment or correctional facilities. In addition, MDH regulates about 6,000 non-community systems that provide water to people in schools, lodging facilities, and businesses not connected to community systems.

These recommendations apply to the maintenance and operation of adequate wastewater, storm water and drinking water infrastructure with the goal of sufficient and clean water for the future.

## **Wastewater and Storm water Infrastructure**

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