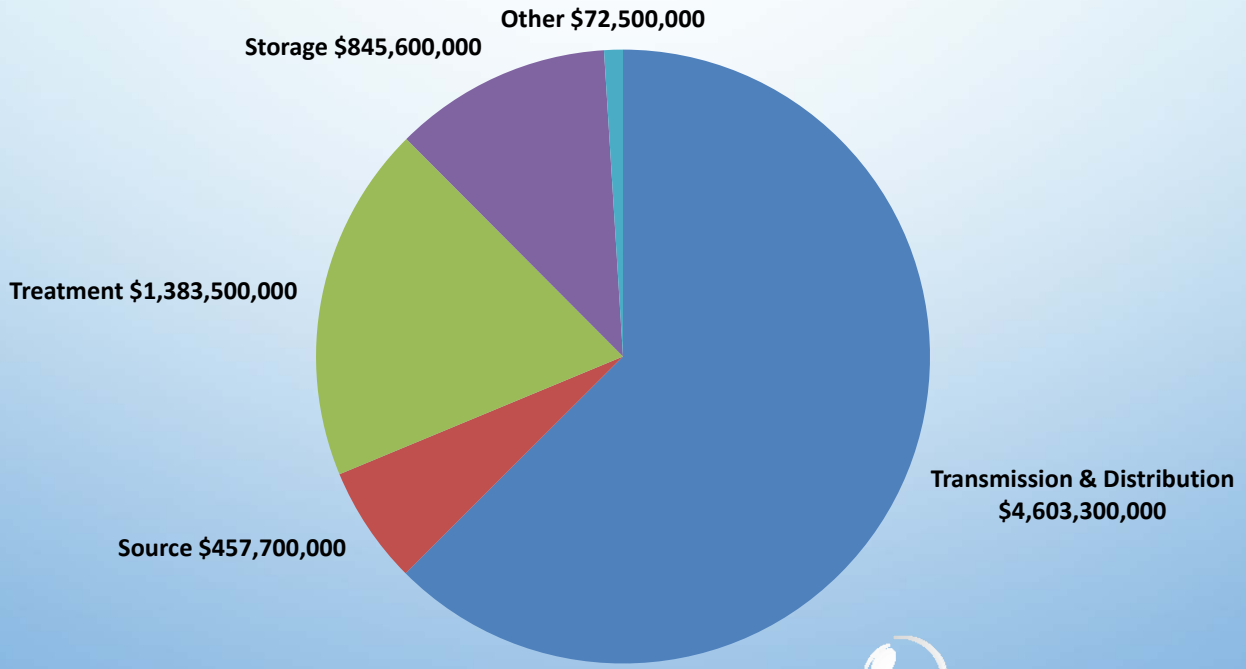
WATER & WASTEWATER INFRASTRUCTURE BREAKOUT SESSION

FEBRUARY 27, 2016

JEFF FREEMAN, MINNESOTA PUBLIC FACILITIES AUTHORITY

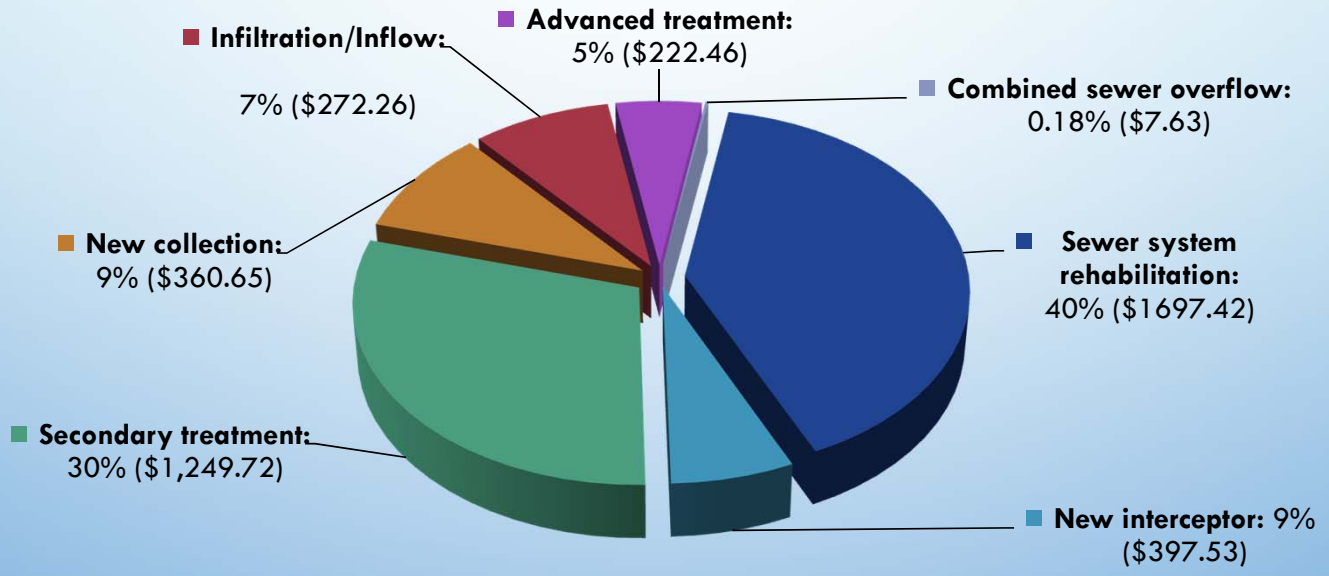
CURRENT DRINKING WATER INFRASTRUCTURE NEEDS

20 Year Drinking Water Infrastructure Needs for Minnesota by Project Type
Total Need - $7,362,600,000
(Based on 2011 Drinking Water Infrastructure Needs Survey and Assessment)



CURRENT WASTEWATER INFRASTRUCTURE NEEDS

20 Year Wastewater Infrastructure Needs for Minnesota by Project Type
Total Need - $4,200,000,000
(Based on 2016 Wastewater Infrastructure Needs Survey)



In millions of dollars

CURRENT WATER & WASTEWATER DEMANDS

- Funding requests for projects over the next 5 years

- Drinking Water Revolving Fund Project Priority List
  - 271 projects totaling $393 million

- Clean Water Revolving Fund Project Priority List
  - 293 project totaling $1.4 billion

CURRENT FUNDING OPTIONS

- Federal
  - USDA Rural Development grants and loans
- State – Public Facilities Authority
  - Clean Water & Drinking Water State Revolving Funds
    - Low interest loans
  - Wastewater Infrastructure Fund (WIF)
    - Affordability Grants
  - Point Source Implementation Grants (PSIG)
    - Grants for treatment plant upgrades to meet new requirements
- Local
  - Pay as you go through system revenues
  - Market rate financing

CURRENT & PROPOSED REGULATIONS

- SAFE DRINKING WATER ACT & MINNESOTA HEALTH BASED GUIDELINES
  - PURPOSE - PROVIDE SAFE DRINKING WATER
    - LEAD & COPPER, MICROCYSTIN (ALGAL BLOOMS)
    - NITRATE, CONTAMINANTS OF EMERGING CONCERN
- CLEAN WATER ACT & WATER QUALITY STANDARDS
  - PURPOSE - PROTECT AND RESTORE WATERS OF THE STATE
    - PHOSPHORUS, CHLORIDE, NITROGEN

SUSTAINABLE UTILITIES

- Local responsibilities
  - Water and wastewater systems are owned, built, operated and maintained by local governments
  - What are the challenges that local governments face?
    - Operational Issues
    - Level of Service
    - Rate Setting
    - Equipment maintenance and replacement
    - Capital Improvements
  - Asset Management
    - What tools do utilities use to track the condition, useful life, criticality and replacement schedules of system components?
    - What can the state do to assist?