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April 6, 2022

Senator Tom Bakk
328 Capitol
75 Rev. Martin Luther King Blvd.
Saint Paul, MN 55155

Dear Senator Bakk and members of the Senate Capital Investment Committee,

As a coalition of organizations representing workers, businesses, environmental interests, and cities across Minnesota, we are writing to encourage you to include a substantial investment in Minnesota's water infrastructure as you assemble your 2022 Capital Budget bill.

Minnesota is "the land of 10,000 lakes" and Minnesotans value clean lakes and rivers, along with safe drinking water. Communities across our state require up-to-date and efficient water infrastructure to attract and retain businesses and residents, but Minnesota has fallen behind. Recent reports by the Minnesota Pollution Control Agency (MPCA) and Minnesota Department of Health (MDH) have estimated more than \$12.3 billion in future wastewater and drinking water infrastructure investment needs. This threatens the resilience of our communities, the health of our environment, and the safety of Minnesotans. We also have significant work to do when it comes to removing lead service lines—an important health issue for Minnesotans across the state.

The federal Bipartisan Infrastructure Act is a good start, and it will lead to additional federal assistance for water infrastructure over the next five years. However, it only covers a fraction of the outstanding costs. Without meaningful state investment, our water systems will continue to fall into disrepair, adding to the financial burden on ratepayers and small communities, while jeopardizing our health and water resources. With a projected surplus of more than \$9.2 billion and historically low borrowing rates, now is the time for Minnesota to make a transformational investment in our water infrastructure.

We fully support the governor's funding recommendations for the Public Facility Authority (PFA) you are reviewing, but we believe the amounts set forth are a floor, not a ceiling. To address the clean water needs of our communities and citizens, we believe an even larger investment will be necessary.

As a coalition, we support the provisions of SF3545 (Lang) and SF4121 (Senjem). SF3545 makes a one-time \$299 million investment in PFA programs, along with \$37.5 million annually in ongoing funding for the point source implementation grant (PSIG) program. It also modifies the PSIG program by removing the \$7 million grant cap on project funding. The bill also creates a technical planning grant program to support small communities in developing long-term plans for their wastewater and drinking water infrastructure. SF3545 invests \$30 million per year over 10 years into the removal and replacement of lead service lines. In addition to these bills, our coalition supports the direct funding of water infrastructure projects for which existing PFA programs are insufficient.

Additionally, we urge you to include funding for other important water related priorities proposed by the governor, such as stormwater construction grants and metropolitan inflow and infiltration grants.

A substantial investment in Minnesota's water infrastructure will:

- Support communities across the state by providing the water infrastructure maintenance and upgrades needed to attract and retain residents and businesses
- Keep water bill costs low for residents and businesses
- Protect Minnesota's lakes and rivers from pollutants by ensuring our wastewater treatment systems are up to date
- Ensure all Minnesotan residents and their families have access to safe drinking water
- Create good-paying jobs for Minnesota workers

As a coalition representing a broad array of interests, we look forward to continuing to work with the committee and other stakeholders throughout the legislative session on advancing a capital investment bill that provides a transformational investment in the state's water infrastructure – one that benefits all Minnesotans.

Thank you for your ongoing efforts to support workers, the environment, and communities across the state.

Sincerely,



Tim Worke, CEO
Associated General Contractors of MN



John Pollard, Legislative Director
IUOE Local 49



Pat Baustian, Mayor of Luverne
Coalition of Greater Minnesota Cities President



Joel Smith, President and Business Manager
LIUNA Minnesota and North Dakota



Paul Austin, Executive Director
Conservation Minnesota

cc: Senate Majority Leader Jeremy Miller
Senate Minority Leader Melisa Lopez Franzen
Senator Sandy Pappas
Nathan Jesson, Policy Advisor