



May 7, 2025

Dear Chair Pappas, Minority Lead Housley, and members of the Senate Capital Investment Committee,

Minnesota is facing a plethora of infrastructure needs that require passage of a bonding bill this year, but there may be few as pressing as the need for policy changes and funding for the Public Facilities Authority (PFA), found in S.F. 862. Our diverse coalition of two trades unions, an environmental group, and an organization of more than 115 cities outside the metropolitan area recognize the need to pass a bonding bill with significant funding for the PFA. We have partnered with Senator Ann Johnson-Stewart and other stakeholders to support this effort and urge the Committee to include these requests in your bonding bill.

Over the next 20 years, Minnesota's drinking water and wastewater infrastructure needs are estimated to exceed \$16.7 billion. Although local governments will pay a significant portion of the costs, they cannot afford to do this alone. They will need assistance from the PFA with both loans and grants, which is why it is essential that we pass a bonding bill investing heavily in PFA programs.

Additionally, this bill increases outdated grant limits on the PFA Point Source Implementation Grant (PSIG) program and Water Infrastructure Fund (WIF). This change is supported by our coalition, the governor's bonding proposal, and multiple other stakeholders. This bill also establishes the Emerging Contaminants Grants, which provides funding to local governments that must upgrade their system to address the presence of emerging contaminants, such as PFAS and manganese. This new program will provide much-needed assistance to cities in the metropolitan area and Greater Minnesota.

Failure to pass a bonding bill without these investments and changes could have significant consequences. Potential drinking water and other environmental concerns will not be addressed as quickly as possible. Sewer and water rates will skyrocket as cities struggle to pay for these projects. Construction costs will continue to escalate as projects are delayed. Making these investments in the PFA programs will help alleviate those concerns and boost our economy by creating thousands of construction jobs across the state.

We strongly support S.F. 862 and the passage of a bonding bill. We ask that you do the same.

Thank you for your leadership.

A handwritten signature in black ink, appearing to read "Bradley Peterson".

Bradley Peterson, Executive Director
Coalition of Greater Minnesota Cities

A handwritten signature in black ink, appearing to read "Joel A. Smith".

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

A handwritten signature in black ink, appearing to read "John Pollard".

John Pollard, Legislative Director
IUOE Local 49

A handwritten signature in black ink, appearing to read "Paul Austin".

Paul Austin, Executive Director
Conservation Minnesota