



Metropolitan Area Water Supply Advisory Committee

Workshop Recap and Regional Assistance

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Workshop Purpose



Should the region consider supporting or providing funding for water supply system expansions beyond existing funding mechanisms?

Recommendation to the Legislature, 2007 report



RECOMMENDATION #2: Upon the request of local governmental units support an appropriate level of state funding for interconnections and other physical water system improvements to **ensure water supply reliability, natural resource protection, and/or safety and security, including economic security**, of the region and state.

Consistent with this recommendation, support an appropriate level of state funding for the proposed Minneapolis and St. Paul water supply systems interconnection.

Forms of Regional Assistance



- Water supply demand and availability data/analysis
- Regional monitoring plan
- Water conservation resources
- Water supply infrastructure cost information
- Engineering planning assistance
- Provide funding for capital expenditures

Example Infrastructure Costs



**Municipal well with
pumphouse**

\$480,000 – 730,000*

**Radium-removal TP for
one well**

\$1,150,000 – 2,010,000*

**Radium-removal TP for
several wells**

\$2,420,000–11,000,000*

Ramsey Treatment Plant

\$18,000,000 - \$22,000,000

***Estimates taken from 2006-2008 Drinking Water Revolving Fund**

Workshop Overview (1 of 2)



- **Advisory Committee**

- **Stakeholders**

- 41 participants



- City representatives, consultants, state agencies, county representatives

Workshop Overview (2 of 2)



- What are the benefits and challenges of multi-community water supply development and expansion?
- Are there instances when the region should provide communities with financial assistance?



Challenges of Multi-Community Planning



- Maintain local control
- Balance local development priorities/pressures
- Overcome varying levels of water supply service
- Realize “true” water supply infrastructure cost
- Share costs

Benefits of Multi-Community Planning



- Efficient use of water
- Economies of scale
- Redundant supplies
- Protect water-dependent natural resources
- Greater understanding of regional supply and demand

Master Water Supply Plan



- Roles and responsibilities
- Water resource evaluation tools
- Recommendations



Planning Process



Roles and Responsibilities



DNR, MDH and
Metropolitan Council

Local communities

Master Water Supply Plan

**Clarify and simplify the planning and
decision-making process**

Water Availability Evaluation



Communities plan their water supply systems in such a way that is in best interest of the region and themselves

Regional Funding Assistance (1 of 3)



Are there instances when the region should provide some level of financial assistance to help communities meet their water demands?

Regional Funding Assistance (2 of 3)



Concerns with providing funding

- Developed communities may not benefit
- Communities should evaluate and plan for their own financial needs prior to growth
- Communities should incorporate long-term financing needs into customer costs

Regional Funding Assistance (3 of 3)



Rationale for providing funding

- Water supplies are not distributed equally throughout metropolitan region
- State restrictions may limit some communities' supplies
- Growth is driven by a number of factors that may not realize the cost to supply water

Existing Funding Options



- State Drinking Revolving Fund (MDH)
- State bonding requests
- Contamination assistance (i.e. Superfund)
- USDA Rural Development Loans

Drinking Water Revolving Fund



Summary of metro projects (1999-2007)

Applications submitted	30
Projects accepted	18
Example projects	Replace/upgrade wells, treatment plants, water towers or distribution systems
Range of funding	\$0.3 to \$27 million

State Bonding



Eligible projects

- Capital expenditures for water supply system development and expansion

Sample projects

- Burnsville quarry \$5.5 million
- Minneapolis/St. Paul interconnection No funding

Contamination Assistance



Assistance is event specific

- Superfund
- Polluter pays
- FEMA

USDA Rural Development Loans



Eligible communities

- Serving 10,000 people or less
- Median household income \$46,000 or less

Eligible projects

- Capital expenditures for water supply system development and expansion

Issues with Current Funding



- **Restrictions** (*planning and population*)
- **Unpredictability** (*variable state budget*)
- **Limited resources** (*competing with statewide projects*)
- **Event specific** (*contamination*)

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