

LEVELS OF REGIONAL INVOLVEMENT AND FUNDING NEEDS

Increasing risk and costs



	Water Supply Options	Regional Involvement	Funding Needs
1	Continue using same aquifer	Ongoing assessment and monitoring	Ongoing regional analysis and assistance (\$600,000 to \$800,000 per year)
2	Different aquifer, move wells Interconnection with another community to supplement source Increased treatment Aggressive conservation	Ongoing assessment and monitoring Identify and evaluate water supply options	
3	Different aquifer, more wells Interconnection with another community to supplement source Increased treatment Aggressive conservation Surface water, multi-community approach etc. Reclaimed water for non-potable uses	Ongoing assessment and monitoring Evaluate and identify water supply options Feasibility/engineering planning assistance	Ongoing regional analysis and assistance (\$600,000 to \$800,000 per year) Regional funding (<i>varies by project</i>)
4	Different aquifer, more wells Interconnection with another community to supplement source Increased treatment Aggressive conservation Surface water, multi-community approach Reclaimed water for non-potable uses Local Government Unit request for assistance Water appropriation is restricted after new well is put in service	Ongoing assessment and monitoring Evaluate and identify water supply options Feasibility/engineering planning assistance Consider funding for capital expenditures	

CAPITAL FUNDING ASSISTANCE OPTIONS

In the report to the 2007 legislature, the Council and Advisory Committee recommended, upon request of local governmental units, the legislature fund certain water supply projects. The Council heard from stakeholders and Advisory Committee members at recent workshops that if the region were to provide/support financial assistance, communities requesting the funding must meet certain criteria, such as:

- Community's water supply plan must contain required elements consistent with the master plan
- Community is unable to use traditional source(s) due to restrictions
- Community's proposed water supply project has demonstrative economic, social and environmental benefit to the regional

Regional Funding Options	Implementation	Comments
Credit enhancement	Legislative action to allow the Metropolitan Council provide backup financial guarantees or revenue pledges to qualify projects. Program could be designed to include letters of credit, insurance, or capitalized interest funding to reduce project finance risks.	Council has a AAA credit score, only a few communities have a credit score that high
State bonding	Region recommends legislature provide funding for project	Variable funding availability
Drinking water revolving fund	Add criteria to existing Minnesota Department of Health scoring to give consideration to metro growth projects	Currently, projects that plan for significant growth may not get funding, Must have EPA approval Additional funding may be necessary
Regional loan	New program would be developed similar to DWRF with criteria based on addressing water supply projects within the metropolitan area	Need funding source Would require many projects and predictable timing
Regional grant	New grant program for water supply projects in the metropolitan area	Need funding source May not be equitable among all communities Would require many projects and predictable timing

(NOTE: The funding options in the table are not mutually exclusive.)