



Dedicated to a Strong Greater Minnesota

## **HF 3332/SF 3075**

*A bill to provide additional state funding for wastewater infrastructure in Greater Minnesota*

### **Summary of HF 3332/SF 3075**

This bill provides a supplemental grant from state bonding money to local governments in Greater Minnesota to:

1. Limit the amount paid by local governments for wastewater treatment to 50% of the total project costs, and
2. Limit the annual cost for wastewater treatment to twice the annual cost in the Twin Cities metro area.

### **Why limit local government ratepayers to pay no more than 50% of wastewater project costs?**

- Clean water is a state and local responsibility. Minnesota's waters have been polluted by many sources and for many years. In many cases, city businesses and residents did not cause the pollution. It is fairer to use state money to clean the water than to have this burden fall so heavily onto local residents and businesses.
- Whether or not water quality regulations imposed by the MPCA are truly necessary, the fact remains that the cost of infrastructure upgrades is huge. Since the state is imposing new mandates that require costly facility upgrades, it should play a larger role in paying for them.

### **Why should ratepayers in Greater Minnesota be limited to pay no more than twice what ratepayers in the metro area pay\*?**

- It will cost billions of dollars statewide to replace aging wastewater infrastructure and meet new MPCA mandates. For an individual community, the cost can be devastating.
- Due to their close proximity, cities in the metro area are able to keep rates down because they can consolidate resources and share facilities. This is not an option for most rural cities.
- The Point Source Implementation Grant Program and Water Infrastructure Fund are good state programs, but because of funding caps and other limitations they do not always provide enough money to keep a city's water rates at a reasonable amount.
- Extremely high rates on businesses and residents can choke economic growth in Greater Minnesota cities.

\*The 2016 average annual charge per household in the metro area was \$274.