

**SENATE  
STATE OF MINNESOTA  
EIGHTY-NINTH SESSION**

**S.F. No. 3409**

(SENATE AUTHORS: KOENEN)

| DATE       | D-PG | OFFICIAL STATUS  |
|------------|------|--|
| 04/01/2016 |      | Introduction and first reading<br>Referred to Environment and Energy |

1.1 A bill for an act  
 1.2 relating to environment; appropriating money to assess state water infrastructure  
 1.3 needs and funding sources; requiring reports.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **WASTEWATER RATES AND INFRASTRUCTURE ASSESSMENT;**  
 1.6 **APPROPRIATION.**

1.7 \$..... in fiscal year 2017 is appropriated from the general fund to the commissioner  
 1.8 of the Pollution Control Agency to improve survey tools and data collection related to  
 1.9 statewide wastewater and sanitary sewer rates and the assessment of current and future  
 1.10 wastewater infrastructure needs throughout the state. The commissioner must consult with  
 1.11 the Public Facilities Authority and may hire consultants with expertise in evaluating and  
 1.12 implementing environmental finance survey tools. At a minimum, the commissioner must:

1.13 (1) review data from the wastewater infrastructure needs survey conducted by the  
 1.14 Pollution Control Agency;

1.15 (2) identify gaps in existing survey data for statewide wastewater and sanitary sewer  
 1.16 rates and recommend how to improve collection of rates data to facilitate the comparison  
 1.17 of wastewater rates between jurisdictions;

1.18 (3) identify gaps in existing survey data on the age of statewide wastewater  
 1.19 and sanitary sewer infrastructure and recommend how to improve collection of the  
 1.20 infrastructure data, including information on the age and design of wastewater treatment  
 1.21 facilities;

1.22 (4) identify gaps in existing survey data related to current and future wastewater and  
 1.23 sanitary sewer infrastructure needs and projections and evaluate options for improving  
 1.24 data and data collection on current and future infrastructure needs;

2.1 (5) identify gaps in existing survey data related to current operation and maintenance  
 2.2 costs and debt service costs for public wastewater and sanitary sewer systems and evaluate  
 2.3 options for improving the data;

2.4 (6) implement a best practices survey tool or system for collecting wastewater and  
 2.5 sanitary sewer rate and infrastructure data, as well as data on future infrastructure need  
 2.6 projections, and make the information available on a biennial basis; and

2.7 (7) submit a report to the chairs of the legislative committees with jurisdiction  
 2.8 over environment finance by January 1, 2018, describing the results of the work under  
 2.9 clauses (1) to (6).

2.10 **Sec. 2. DRINKING WATER RATES AND INFRASTRUCTURE ASSESSMENT;**  
 2.11 **APPROPRIATION.**

2.12 \$..... in fiscal year 2017 is appropriated from the general fund to the commissioner  
 2.13 of health to improve survey tools and data collection related to statewide drinking  
 2.14 water rates and the assessment of current and future drinking water infrastructure needs  
 2.15 throughout the state. The commissioner must consult with the Public Facilities Authority  
 2.16 and may hire consultants with expertise in evaluating and implementing environmental  
 2.17 finance survey tools. The commissioner must cooperate with the United States  
 2.18 Environmental Protection Agency as required by law to ensure continued participation in  
 2.19 the drinking water state revolving fund program. At a minimum, the commissioner must:

2.20 (1) review data from the United States Environmental Protection Agency's drinking  
 2.21 water and infrastructure needs survey and any other Minnesota-specific drinking water  
 2.22 data related to rates and infrastructure needs;

2.23 (2) identify gaps in existing survey data for statewide water rates and recommend  
 2.24 how to improve collection of rates data to facilitate the comparison of water rates between  
 2.25 jurisdictions;

2.26 (3) identify gaps in existing survey data on the age of statewide drinking water  
 2.27 infrastructure and recommend how to improve collection of drinking water infrastructure  
 2.28 data, including information on the age and design of drinking water treatment facilities  
 2.29 and drinking water infrastructure;

2.30 (4) identify gaps in existing survey data related to current and future drinking water  
 2.31 infrastructure needs and projections and evaluate options for improving data and data  
 2.32 collection on current and future infrastructure needs;

2.33 (5) identify gaps in existing survey data related to current operation and maintenance  
 2.34 costs and debt service costs for public drinking water systems and evaluate options for  
 2.35 improving the data;

3.1 (6) implement a best practices survey tool or system for collecting drinking water  
3.2 rate and infrastructure data, as well as data on future infrastructure need projections, and  
3.3 make this information available on a biennial basis; and

3.4 (7) submit a report to the chairs of the legislative committees with jurisdiction  
3.5 over environment finance by January 1, 2018, describing the results of the work under  
3.6 clauses (1) to (6).

3.7 Sec. 3. **PROJECTED WASTEWATER AND DRINKING WATER**  
3.8 **INFRASTRUCTURE NEEDS; APPROPRIATION.**

3.9 (a) \$..... in fiscal year 2017 is appropriated from the general fund to the Public  
3.10 Facilities Authority to perform, in consultation with the commissioners of health and the  
3.11 Pollution Control Agency, a detailed study and analysis of total wastewater, sanitary  
3.12 sewer, and drinking water infrastructure needs for the state based on available data. At  
3.13 a minimum, the authority must:

3.14 (1) project the ability of local governments to fund water and wastewater  
3.15 infrastructure projects, based on an analysis of trends in local government debt, revenues,  
3.16 rates, and collection rates;

3.17 (2) project the ability of market rate financing mechanisms and subsidized funding  
3.18 by state and federal sources to fund local water and wastewater infrastructure projects; and

3.19 (3) assess the gap between infrastructure needs and the ability of available funding  
3.20 sources to pay for them over the next ten years.

3.21 (b) The Public Facilities Authority must submit the results of the assessment  
3.22 under paragraph (a) to the chairs of the legislative committees with jurisdiction over  
3.23 environment finance by January 1, 2018.