

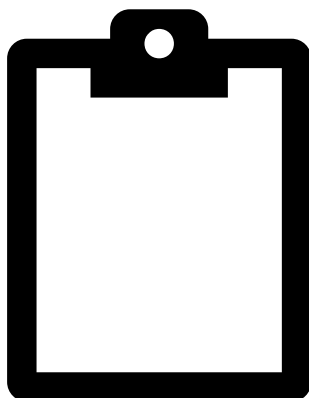
Invest in resilient water systems to address aging infrastructure and new demands and challenges

Our water supply is in danger of being compromised because of old, failing infrastructure. Many of our existing systems are nearing or have surpassed the end of their useful life, with some being built over 100 years ago [L1](#). In addition to aging, these systems also face rising costs related to required treatment upgrades, climate resilience, cybersecurity threats, and changing water demands.

Infrastructure challenges do not affect all communities equally. Some communities face higher treatment costs or limited funding capacity as compared to others. Infrastructure planning and funding strategies should consider how costs and benefits are distributed across households, businesses, utilities, and communities. Smaller systems and communities may need additional technical assistance, planning support, or funding to maintain long term affordability and reliability.

When the water supply fails, it halts development and stalls economic growth, threatens public health, and impacts emergency response. It is necessary to properly fund our public water suppliers for them to maintain a highly trained workforce, and proactively rehabilitate the vast networks of pipes, wells, pumps, and treatment facilities to keep our water safe.

State of water supply infrastructure in the Twin Cities metro region



Investing in infrastructure helps Minnesota communities thrive.

CURRENT CONTEXT

Public water suppliers in the Twin Cities metro region serve more than half of Minnesota's residents.

Public water suppliers are facing multiple threats:

- Aging infrastructure in need of costly maintenance, rehabilitation, or replacement.
- Increasing costs related to treating emerging contaminants, climate resilience, and cybersecurity needs.
- Replacing an aging workforce.

Public water suppliers across Minnesota have extended more than \$3.6B in funding requests over five years, far exceeding available resources (MN Society of Civil Engineers 2026 Infrastructure Report Card).

Opportunities for action

Provide reliable funding and support for water infrastructure rate tools

Provide stable, long-term funding for proactive infrastructure renewal, including asset management and replacement of aging systems. Give communities greater flexibility to use water rates to fund conservation and reuse, as well as establish funding tools that support long term resource management, like groundwater appropriation fees that cover the cost for groundwater management.

Plan and invest in connected, resilient water systems that meet increasing future water demand

Plan water supply, wastewater, groundwater, conservation, and reuse as connected systems. Support regional projects such as emergency interconnections, shared treatment facilities, and water reuse (including public/private partnerships, where feasible) that can improve reliability and reduce infrastructure costs. Encourage development planning that accounts for projected population growth, changing industrial water demands, water efficiency, and water reuse so infrastructure investments are appropriately sized, cost-effective, and sustainable over time.

Build the capacity to manage lasting water systems

Strengthen our local capacity through technical assistance, workforce development, and support for long-term capital and infrastructure planning. Expand access to asset management, condition assessments, and cost-of-service tools that help communities make informed investments and maintain financially sustainable water systems.

Provide cybersecurity assistance

Public water systems in the region need additional support and expertise to verify and ensure that their systems are safe and not vulnerable to cyber-attacks. This could be accomplished by funding a cybersecurity expert(s) who can consult with and advise on public water systems.

Current funding tools are critical resources:

To keep water supply systems running reliably and safely requires significant investments. Public water systems are mostly paid for by local communities and rate payers, or the customers who consume the water. Although more is needed, the following funding mechanisms are available in Minnesota and can help support some water supply infrastructure needs¹⁻³.



Drinking Water State Revolving Fund (DWRF): Managed by the Minnesota Department of Health and the Public Facilities Authority (PFA), provides below market-rate loans for public water system upgrades and treatment facilities.



Water Infrastructure Fund (WIF): Administered by the PFA, providing supplemental matching grants based on community affordability criteria alongside PFA loans or USDA Rural Development financing.



Green Project Reserve (GPR): Offers principal loan forgiveness of up to 25% (capped at \$1 million) for projects incorporating water efficiency, green infrastructure, or energy-saving innovations.



State Bonding & Legislative Appropriations: Periodic state capital investment bills (such as recent legislative packages) allocate direct funding for pressing needs like lead service line replacements and regional water resiliency.

To see the full report: [LINK/QR code to website where full report is posted](#)