

**Testimony of Tariq Al-Rifai
City Administrator and Economic Development Director
City of Paynesville
Before the Capital Investment Committee
Minnesota House of Representatives
Minnesota State Capitol Room G3
75 Rev. Dr. Martin Luther King Jr. Blvd, St. Paul, MN**

Madam Chair and Members of the Committee,

Thank you for the opportunity to speak with you today about an important infrastructure project for the City of Paynesville and for the broader rural economy in central Minnesota.

The City of Paynesville is requesting state support to construct a new wastewater pretreatment facility, a system that removes pollutants from industrial wastewater before it enters our municipal treatment plant. This project is necessary to meet state environmental standards, protect existing jobs, and ensure we have the capacity needed for future economic growth in our community.

The total cost of the project is \$14.16 million. The City of Paynesville and Associated Milk Producers Inc., or AMPI, have already committed \$5 million in local funding, and we are requesting \$9.16 million in state support to complete the project.

This facility will be owned and operated by the City and will ensure compliance with discharge standards established by the Minnesota Pollution Control Agency, the state agency responsible for protecting water quality. The system will include a large equalization tank to manage sudden surges in wastewater and advanced filtration equipment designed to remove pollutants before they reach the City's treatment plant.

This investment directly supports one of our largest employers and a key part of Minnesota's agricultural economy. With this facility in place, AMPI's Paynesville plant will be able to increase production capacity by approximately 1 million pounds of milk per day, moving from about 2.9 million pounds to 3.8 million pounds processed daily.

That increase represents growth for family farms across the region and helps strengthen a major rural employer that supports more than 100 skilled jobs in our community. It also addresses a very real challenge facing Minnesota agriculture today; limited processing capacity. When capacity is constrained, farmers face higher costs and fewer opportunities to grow.

But this project is not only about supporting one employer. It is also about preparing our community for the future. Wastewater capacity is one of the most critical pieces of infrastructure for economic development. Without adequate capacity, communities cannot attract new businesses, expand industrial parks, or support job creation. This project removes that constraint and positions Paynesville for long-term growth.

In short, this investment serves two clear purposes:

- First, it supports the continued growth of AMPI and the family farms that depend on it.
- Second, it creates the infrastructure necessary for the City of Paynesville to attract new businesses, expand our tax base, and support future job creation.

The City and our private-sector partner recognize that reliable infrastructure is the foundation of economic growth. State partnership will allow us to build this system now before capacity becomes a barrier to jobs, investment, and opportunity in our community.

Thank you for your time and consideration, and I respectfully ask for your support.