



DEDICATED TO A STRONG GREATER MINNESOTA

April 29, 2024

Dear Senator Pappas, Representative Lee, and members of the Senate and House Capital Investment Committees,

On behalf of the Coalition of Greater Minnesota Cities (CGMC), I am writing to express our extreme dissatisfaction with the Capital Investment bill being discussed in committee this week. The CGMC is a group of more than 100 cities located outside the Metropolitan Area. Our members are dedicated to a stronger Greater Minnesota and are focused on developing viable, progressive communities for families and businesses through good local government and strong economic growth. The bill either fails to fund or dramatically underfunds key programs that Greater Minnesota communities rely on.

In the area of water and wastewater infrastructure, the omission of the Point Source Implementation Grant (PSIG) program is inexcusable. The PSIG program is extremely important for communities that are upgrading their wastewater plants to comply with MPCA regulations related to pollutants. The state has historically partnered with cities to pay for these costly upgrades, and every bonding bill in recent memory has funded this program.

Not only does this program help cities pay for the cost of this infrastructure, but it also protects the environment for all Minnesotans.

We would also note that Governor Walz's Capital Budget requested \$18.5 million for the PSIG program.

In addition to the absence of funding for the PSIG program, this bill generally neglects clean water and wastewater needs by underfunding the Water Infrastructure Fund (WIF). This program provides grants and loans for lower-income communities across the state and is relied on by many small cities to fund water and wastewater projects. While this bill does allocate \$8 million to WIF, we would note that this is, again, less than the Governor's recommendation of \$23.5 million.

In fact, the \$8 million proposed for WIF—one of the state's most important clean water programs—is less than the amount allocated for tree planting (\$12 million) in the Metro area.

We are also surprised to see that there appears to be no plan to follow up on the state's historic investment in lead service line removal from last session. While significant, last year's funding was just a down payment on the state's goal of removing and replacing all lead service lines within ten years. In order to be successful, the state needs to continue to allocate dollars to this every year for the near future.

Moving to economic development, our organization has long supported the Business Development Public Infrastructure (BDPI) program. This program assists communities with building out the public infrastructure needed to support business attraction and expansion in Greater Minnesota. It is one of DEED's most successful programs and enjoys significant popularity amongst Greater Minnesota cities. While the program is funded at \$2 million, this is well below what is necessary to ensure that funding is available to meet the demand for this popular program.

Finally, we object to the exclusion of the Parks and Trails Local and Regional Grant Program under the Department of Natural Resources (DNR). This DNR program assists local governments around the state with the acquisition and development of local and regional parks and trails. Compare the lack of funding for this statewide program again to the amount of \$8 million provided to the Met Council for parks and trails. This is on top of the already generous amount that the Met Council gets through Legacy funds.

In conclusion, this bill inadequately funds water and wastewater infrastructure critical to protecting our environment. Moreover, this bill is unbalanced in its treatment of Greater Minnesota versus the Metro. While we understand that there is a long way to go before passage of a bill through both bodies and signature by the Governor, we are dismayed by how this process has started out.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Rick Schultz". The signature is written in a cursive, slightly slanted style.

Rick Schultz, Mayor of St. Joseph  
President, Coalition of Greater Minnesota Cities