

Project Title	Agency Priority	Funding Source	Agency Request			Governor's Rec	Governor's Planning Estimates	
			2006	2008	2010	2006	2008	2010
Minneapolis/St. Paul Interconnection	1	GO	\$10,000	\$0	\$0	\$0	\$0	\$0
Project Total			\$10,000	\$0	\$0	\$0	\$0	\$0
General Obligation Bonding (GO)			\$10,000	\$0	\$0	\$0	\$0	\$0

Funding Sources:	GF = General Fund	THF = Trunk Highway Fund	OTH = Other Funding Sources
	GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Financed Bonding

Agency Profile At A Glance

The Minnesota Department of Health (MDH) is one of the top state health departments in the country.

MDH has earned an international reputation for being on the cutting edge of disease detection and control, and developing new public health methods.

MDH workforce of 1,300 includes many MD's, PhD's, nurses, health educators, biologists, chemists, epidemiologists, and engineers.

MDH program resources are deployed in the Twin Cities and seven regional offices statewide, to better serve the state population.

Agency Purpose

The statutory mission of the Minnesota Department of Health (MDH) is to protect, maintain, and improve the health of all Minnesotans.

MDH is the state's lead public health agency and works with local public health agencies, federal health agencies, and other organizations to operate programs that protect and improve the health of entire communities, and programs that promote clean water, safe food, quality health care, and healthy personal choices.

Together, these programs are contributing to longer, healthier lives. As a result, Minnesota is consistently ranked one of the healthiest states in the country.

Core Functions

While MDH is perhaps best known for responding to disease outbreaks, the department's core functions are very diverse and far-reaching, and focus on preventing health problems in the first place.

⇒ Preventing Diseases: MDH detects and investigates disease outbreaks, controls the spread of disease, encourages immunizations, and seeks to

prevent chronic and infectious diseases, including HIV/AIDS, Tuberculosis, and cancer. The department's public health laboratories analyze some of the most complex and dangerous biological, chemical, and radiological substances known, employing techniques not available privately or from other government agencies.

- ⇒ Reducing Health Hazards: MDH identifies and evaluates potential health hazards in the environment, from simple sanitation to risks associated with toxic waste sites and nuclear power plants. The department protects the safety of public water supplies and the quality of the food eaten in restaurants. It also works to safeguard the air inside public places.
- ⇒ Protecting Health Care Consumers: MDH safeguards the quality of health care in the state by regulating many people and institutions that provide care, including HMOs and nursing homes. Minnesota has pioneered improvements in the health care system, including the development of policies that assure access to affordable, high-quality care which are models for the nation. The department monitors trends in costs, quality, and access in order to inform future policy decisions.
- ⇒ Promoting Good Health: MDH provides information and services that help people make healthy choices. The department protects the health of mothers and children through the supplemental nutrition program Women, Infants and Children (WIC) and services for children with special health needs. Minnesota was one of the first states to regulate smoking in public places, and has developed tobacco prevention strategies used nationwide. MDH programs also address mental health, occupational safety, and violence.
- ⇒ Achieving Success Through Partnership: Minnesota has a nationally renowned public health system built on well-articulated state and local government roles. MDH provides both technical and financial assistance to local public health agencies so they can provide programs and services meeting the unique needs of their communities.

Operations

Many core public health functions are carried out directly by MDH staff. Examples include:

- ◆ the scientists and epidemiologists who work in the laboratories and the cities and neighborhoods of the state to identify the nature, sources and means of treatment of disease outbreaks and food borne illness;

- ◆ the nursing home inspectors who make sure that elderly citizens are provided with safe and appropriate health care, and treated with respect and dignity;
- ◆ the environmental engineers who work with cities and towns to assure that municipal water systems provide water that is safe for families to drink;
- ◆ the laboratory scientists who conduct sophisticated tests to detect treatable metabolic errors in all newborn babies; and
- ◆ the scientists and policy experts who collect, and evaluate information about environmental trends, the health status of the public, quality of health services, and other emerging issues, and carry out public health improvement programs.

MDH provides technical and financial assistance to local public health agencies, public and private care providers, non-governmental organizations, and teaching institutions. Technical assistance provides the department's partners access to current scientific knowledge and is commonly in the form of direct consultation, formal reports, and training.

Budget

MDH receives 84% of its funding from non-general fund resources—the federal government, dedicated cigarette taxes, fees, the health care access fund, and other revenues. The general fund accounts for the remaining 16% of the budget. Approximately 60% of the budget is “passed through” to local governments, nonprofit organizations, community hospitals and teaching institutions in the form of grants; 23% represents the cost of the professional and technical staff that carry out the department's core functions; and 17% is for other operating costs, primarily for technology, and space.

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Agency Overview (detailed):
<http://www.health.state.mn.us/divs/opa/overview03.html>

Agency Performance Measures:
<http://www.departmentresults.state.mn.us/health/index.html>

At A Glance: Agency Long-Range Strategic Goals

The Minnesota Department of Health (MDH) Strategic Plan defines the department's vision, mission, goals, and major strategies to achieve the state's vision for public health. It reflects the priorities and values of the department. It provides for a direction for major activities such as budget development, Information Technology (IT) planning, an emphasis on cross-divisional efforts, the development and use of outcome measures, and a shared vision by all employees.

To achieve the MDH vision – *Keeping ALL Minnesotans Healthy* – the department has identified three goals: To ensure that:

- ◆ Minnesota is a healthy place to live
- ◆ All children get a healthy start in life
- ◆ Everyone living healthy from adolescence into old age

Protecting the quality of our drinking water is one standard by which we measure our success at achieving these goals.

Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs

There are many trends and issues that present MDH with significant public health challenges, one of which is our preparedness to respond to a disaster or emergency. Because of our increasingly global society, the United States and Minnesota face serious threats – from new and re-emerging diseases to the possible use of biological weapons by hostile nations, terrorists or criminals.

The state's ability to respond to public health threats must remain strong – because new threats, such as West Nile virus, SARS and bioterrorism can emerge at any time. MDH will continue providing leadership to ensure that communities across the state are prepared to effectively respond to public health emergencies. Thanks to grant money from the federal government, we've been able to enhance numerous parts of response system, including disease surveillance, information technology, lab capacity and communications.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets

Presently, the cities of Minneapolis and St. Paul operate separate public water systems. Between the two systems, they are in the midst of investing \$157 million in water system capital improvements.

Both Minneapolis and St. Paul can adequately supply their own service areas (18 total municipalities), but they lack the ability to utilize each other's water systems in case of emergency. Both systems rely on surface water, which is vulnerable to natural disaster, chemical contamination, and possibly subversive action or extraordinary system failure. The 9/11 and Gulf Coast incidents have increased awareness of the need to protect this basic service.

Since the 1930s, officials in both cities and water systems have recognized the value of connecting the two systems so one could provide ongoing, emergency water to the other should the need arise. Historically, the project has had only one of the two parties interested at any given time.

A 30 million gallon reservoir exists in St. Paul that could be remodeled or replaced to provide infrastructure needed to connect the two systems. While a reservoir exists, other improvements are needed such as piping to connect the Minneapolis water system to provide the needed capacity. Both the Minneapolis and St. Paul water systems are well suited to supplement the needs of the other, but simply lack the facilities necessary to transfer water.

Agency Process Used to Arrive at These Capital Requests

The proposal originated from the Governor's Clean Water Initiative. It was Goal #2 in the Twin Cities Core Sub-Regional Water Supply Plan.

Major Capital Projects Authorized in 2002 and 2003

The Laws of 2003 appropriated \$775,000 of bond proceeds to MDH for the purpose of renovating dental clinics on 2 campuses in the Minnesota State College and University System (MNSCU).

The Laws of 2005 re-directed the above appropriation to MNSCU.

Minneapolis/St. Paul Interconnection

2006 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION: Metro

Project At A Glance

This project would provide a \$10 million state grant to help fund an interconnection between the Minneapolis and St. Paul drinking water systems, providing backup water in case malicious or natural actions cause a water loss for either system.

Project Description

The Twin Cities area is the economic hub for the state, and its vitality is reliant on a secure and stable water system. Ensuring the security of each city's water system is a high priority for the entire region and for the state as well.

- ⇒ The Governor's Clean Water Cabinet has included this on their priority project list.
- ⇒ The Department of Homeland Security places a high priority on water system security.
- ⇒ The Environmental Protection Agency strongly encourages interconnections between systems.

A water system shutdown for Minneapolis or St. Paul would cause immense personal, business, and industrial consequences and would be an economic disaster for the entire state and the region. Water failures can have malicious, natural, or accidental origins.

- ⇒ Accidental or malicious origins include infrastructure destruction, spills, and contamination.
- ⇒ Natural causes include flooding, drought, and fire.

The Minneapolis and St. Paul systems are well designed and operated, but are stand-alone systems. An interconnection, which provides backup and redundancy should one of the systems become totally or partially inoperative, would consist of two large diameter transmission pipes and a pumping station, providing water circulation. They would connect to a reservoir, allowing each city to supply and withdraw water.

The idea for a water system interconnection was first suggested in the 1930s, and has been regularly discussed by Minneapolis and St. Paul during the past two decades. Historically, the project has had only one of the two parties interested at any given time, but the events of 9/11 and recent natural disasters, which have shown the devastation that occurs when a major water system is lost, have added impetus to the efforts to complete an interconnection. State leadership and partnership at this point in time could bring successful completion to this project.

A \$10 million grant from the state would leverage the additional project funds needed at the local level. The estimated total project cost, as it was designed in 2003, was approximately \$33 million. More recent estimates put the project's final cost at approximately \$40 million, but this figure could still change once the final project details are known. No follow-up state operations or maintenance costs would be incurred.

Impact on Agency Operating Budgets (Facilities Notes)

For the two water systems, there would be no impact beyond what would be managed through normal operations and maintenance.

Previous Appropriations for this Project

None.

Minneapolis/St. Paul Interconnection

Other Considerations

⇒ Minneapolis and St. Paul water systems serve 1,020,000 residents in 18 communities:

Arden Hills	Hilltop	Minneapolis
Bloomington (Partial)	Lauderdale	New Hope
Columbia Heights	Little Canada	Roseville
Crystal	Maplewood	St. Paul
Falcon Heights	Mendota	West St. Paul
Golden Valley	Mendota Heights	Edina-Morningside

- ⇒ Loss of water impacts fire protection, drinking and cooking, sewage disposal, and personal hygiene.
- ⇒ Approximately 342,000 jobs are served by the Minneapolis water system. Payroll averages approximately \$78 million/week, total economic activity \$382 million/week.
- ⇒ Approximately 290,000 jobs are served by the St. Paul water system. Payroll averages approximately \$62 million/week, total economic activity \$275 million/week.

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Governor's Recommendations

The Governor does not recommend capital funds for this project at this time. A study on drinking water use and capacity in the Twin Cities metropolitan area is being conducted by the Metropolitan Council that will be completed in January, 2007. The Governor recommends consideration of this project wait until this report is finalized.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	3,907	0	0	3,907
4. Project Management	0	3,907	0	0	3,907
5. Construction Costs	0	25,986	0	0	25,986
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	33,800	0	0	33,800

CAPITAL FUNDING SOURCES	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	10,000	0	0	10,000
State Funds Subtotal	0	10,000	0	0	10,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	23,800	0	0	23,800
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	33,800	0	0	33,800

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	10,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required
-	MS 16A.695 (2): Use Agreement Required
-	MS 16A.695 (4): Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	MS 16A.642: Project Cancellation in 2011