

(\$ in thousands)

Project Title	Rank Fund		Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2020	2022	2024	2020	2022	2024
Busway Capital Improvement Program Bus Rapid Transit	1	GO	55,000	50,000	50,000	55,000	0	0
Regional Parks and Trails Grant Program	2	GO	15,000	15,000	15,000	10,000	10,000	10,000
Inflow and Infiltration Grant Program	3	GO	9,500	9,500	9,500	5,000	5,000	5,000
Total Project Requests			79,500	74,500	74,500	70,000	15,000	15,000
General Obligation Bonds (GO) Total			79,500	74,500	74,500	70,000	15,000	15,000

metrocouncil.org/

AT A GLANCE

- 3.1 million residents in the seven-county area in 2017 (55 percent of total state population)
- 888,000 more people from 2010 to 2040 (31% increase) per Council forecasts
- 419,000 more households from 2010 to 2040 (38% increase) per Council forecasts
- 495,000 more jobs from 2010 to 2040 (32% increase) per Council forecasts
- 94.2 million transit rides in 2017
- 2.38 million rides on Metro Mobility in 2017
- 250 million gallons of wastewater treated daily
- 110 communities provided with wastewater treatment in 2018
- Nine treatment plants and 600 miles of regional sewers
- 59 million regional park visits in 2017
- 56 regional parks and park reserves totaling 55,000 acres in the seven-county metropolitan area
- 49 regional trails totaling nearly 400 miles
- 7,200 low-income households provided affordable housing by the Council's Metro HRA in 2017

PURPOSE

The Metropolitan Council is the regional policy-making body, planning agency, and provider of essential services for the Twin Cities metropolitan region. The Council's mission is to foster efficient and economic growth for a prosperous region in partnership with more than 180 communities and seven counties.

We provide cost-effective transit and wastewater services, assist households with low and moderate incomes to find affordable housing, and support communities as they plan for anticipated growth.

As our region grows and its demographics change, the Council is working in partnership with communities to ensure we are prepared to support the continued growth of our region. As the economic engine of the state, the metro region's health and vitality has a statewide impact. Through our planning activities and the provision of regional services, we contribute to the following statewide outcomes:

- A thriving economy that encourages business growth and employment opportunities
- A clean, healthy environment with sustainable uses of natural resources
- Sustainable options to safely move people, goods, services, and information
- A livable and attractive place for people of all races, ethnicities, incomes, and abilities to call home and be prosperous

STRATEGIES

Our governing body – the 17-member Metropolitan Council – plays a key convening role, bringing together communities to develop policies and a shared vision for the region. To achieve our mission, we carry out planning initiatives and provide essential services to the region.

Planning Initiatives

- Our regional plan, Thrive MSP 2040, is the overarching policy and planning document that defines the regional vision, guides the development of the region through its land use policy, and defines the high level approach outlined in each related policy plans. Development of the document included several years of engagement with residents, local governments, and other partners to create a framework for a shared vision for a prosperous, equitable, and livable region.

- Regional planning initiatives include transportation, parks, water resources, community planning, and housing.

Transportation

- We continue to look for adequate financial resources to support the transit system. As the demand for service grows and service costs increase, revenue is not keeping up. We anticipate that transit demand will increase 80 percent by 2040. At the same time, forecasted growth in motor vehicle sales tax revenues, a major source of transit funding, has not kept pace with original forecasts and is volatile.
- Our Metro Transit bus and rail systems provide more than 80 million rides every year, getting people to work, school, and services. This contributes to managing road congestion by taking single-occupancy vehicles off metropolitan highways so businesses can move their goods efficiently.
- Our Metro Mobility and Transit Link services transport people unable to use regular-route transit service.
- Our transportation planners play a key role in collaborating with local communities to create our vision for roads, airports, and transit to ensure effective and cost-efficient investments.

Parks

- We partner with 10 parks implementing agencies to plan, acquire land, and develop facilities for regional parks and trails. Our goal is to preserve natural resources and provide recreational opportunities throughout the region.

Clean water and wastewater treatment

We foster a safe and healthy environment through our award-winning and cost-effective wastewater treatment services, water supply planning, and water quality monitoring initiatives. Planning and development

- Our Livable Communities grants help fund affordable housing; clean polluted land for redevelopment; and create new models for livable, walkable, connected neighborhoods and transit-oriented developments, stimulating and leveraging private investment and increasing communities' tax base.
- We coordinate local communities' comprehensive plans, providing technical assistance and resources, to ensure coordinated, orderly, and efficient development in the region.

Housing

- Our Housing Policy Plan identifies regional housing needs and priorities, connects housing to other Council system plans, and provides guidance for local housing planning.
- Our Metro HRA provides rent assistance for more than 7,200 low-income residents in nearly 100 communities.

Minnesota Statutes, Chapter 473 (<https://www.revisor.mn.gov/statutes/?id=473>) provides the legal authority for Metropolitan Council.

AT A GLANCE

The Metropolitan Council provides regional planning and essential services for the Twin Cities seven-county metropolitan area. The Council works with local communities to provide these critical services:

- Operates most of the region's transit system
- Collects and treats wastewater
- Engages communities and the public in planning for future growth
- Provides affordable housing opportunities for low and moderate income individuals and families
- Provides planning, acquisitions, and funding for a regional system of parks and trails

Factors Impacting Facilities or Capital Programs

There are three program areas that have historically received capital funds. For 2020, Transit, Regional Parks and Environmental Services are requesting funding.

Transit: Since 1982, the number of trips taken every day in the region and the number of daily vehicle miles traveled (VMT) increased. Because of this, the region is experiencing significant congestion. The Texas Transportation Institute (TTI) estimates that 28 percent of the region's highway lane miles experience congestion during the peak in 2014, up from 19 percent in 1982.

This increase in congestion is having a significant impact on citizens and businesses. The average commuter traveling during the peak spent 47 hours in congestion in 2014. Forty-seven hours in congestion equaled \$1,035 per person in time and fuel or \$2.196 million for the region in 2014. Business impacts include higher shipping costs, reduced worker productivity, smaller areas to draw customers and employees from and reduced regional competitiveness.

Transit makes a substantial impact on reducing freeway congestion. A freeway lane can carry about 2,000 cars per lane per hour. Transit services carry 15,000 persons a day along I-35W South, the equivalent of one and a half lanes of traffic in the peak hour.

But transit's benefits are constrained by two issues:

- First, transit operating funding is lower than peer regions. This limits the amount of transit service that can be made available to citizens.
- Second, buses operate in the same congested traffic that automobiles do. The region has constructed ramp meter bypasses, bus-only shoulders and two MnPASS lanes to allow buses to bypass some of the traffic, but these do not completely free the buses from traffic.

Regional Parks: Since 1974, when the Metropolitan Regional Park System was created, the size of the regional park system has grown from 31,000 acres to over 55,000 acres today. Concurrently, use has grown from five million visits in 1974 to 58.5 million visits in 2018. This has increased the need both for rehabilitation of existing parks and for new parkland.

As the metropolitan region continues to grow, the demand for outdoor recreation facilities provided in the Metropolitan Regional Park System will be strong. Visits to regional parks are expected to continue to increase and the need to maintain existing parks and develop new, or expanded, parks will continue.

The State has had a strong commitment to regional parks. The State has appropriated more than \$325 million of bonds to the Metropolitan Council for the Metropolitan Regional Parks Capital Program and for earmarked

projects outside the Council's Capital Program since 1975. The Legislative Citizen Commission on Minnesota Resources recommended over \$44 million in Environmental and Natural Resources Trust Fund appropriations since 1992 for capital improvements and land acquisition for the Regional Park System. The Land and Legacy Amendment to the State Constitution established a Parks and Trails Fund dedicated to support parks and trails of state and regional significance. Over \$204 million has been appropriated to the Council from FY 2010 through FY 2021. The state investment has been leveraged with regional bonds issued by the Metropolitan Council.

Environmental Services: The region has seen steady recovery from the recession, allowing Environmental Services to continue on the rehabilitation of its infrastructure. Total six year spending from 2017-22 is projected at \$980 million. Environmental Services continues to enjoy attractive loan financing from the Public Facility Authority (PFA) as well as AAA-rated Council bonds.

Self-Assessment of Agency Facilities and Assets

Transit: The functionality of the highway system and local roads during peak travel times is severely compromised by congestion. Buses are often caught in this traffic experiencing Level of Service F (unsatisfactory stop-and-go traffic with traffic jams and stoppages of long duration) for more than three hours in the evening. If transit could operate in space dedicated to transit, citizens could get around the region without being impacted by congestion.

Regional Parks: Master plans for each regional park and trail unit are prepared by the regional park implementing agency that owns/manages each park. Updates to these plans are done to reflect new demand for recreation facilities and to help manage existing facilities and natural resources in the parks. With continued growth in the use of the park system, it is imperative to invest in facility rehabilitation and development. Furthermore, land acquisition for new park units needs to occur at a pace that will allow those units to be developed to meet demand and future population growth.

Environmental Services: The almost \$7 billion metropolitan disposal system for the most part is in good condition. However, rate pressures are continuously balanced against infrastructure risks of delay. A majority of near term capital investment is focused on rehabilitation, especially in the interceptor system. Further capital investments will shift somewhat to new and expanded wastewater treatment plant development.

Agency Process for Determining Capital Requests

The Metropolitan Council prepares a six-year capital improvement program (CIP) for each year as part of its annual budget process. This CIP includes funding for capital investment in the Transportation, Community Development, and Environmental Services Divisions. Transportation includes fleet, support facilities, customer facilities (including transitways and transit stations/park and rides), and equipment and technology improvements. Community Development provides for acquisition, development, and redevelopment of the regional park system. Environmental Services includes the preservation, growth, and quality improvement of the wastewater system.

Major Capital Projects Authorized in 2018 and 2019

In 2018, the Council was appropriated \$5 million for Inflow/Infiltration Grants.

In 2019, the Council was appropriated \$10 million for Regional Parks and Trails.

State bonds and the Parks and Trails Fund appropriations dedicated to land acquisition grants are matched with regional bonds on a 60% state/40% regional basis.

Busway Capital Improvement Program Bus Rapid Transit**AT A GLANCE****2020 Request Amount:** \$55,000**Priority Ranking:** 1**Project Summary:** \$55 million of state funds are requested to implement capital projects along regional busway corridors. Requested funds would be used for design, environmental work, acquisition of right-of-way interests, preliminary engineering, engineering, acquisition, and construction of projects including arterial bus rapid transit lines.**Project Description**

In fulfilling its long-range transportation planning responsibilities, the Metropolitan Council has identified a 20 year vision for building a system of transitways and expanding transit in the region. However, funding has not been identified to implement busway capital improvements that do not operate primarily in exclusive lanes.

Requested funds would advance several efforts, focusing primarily on the buildout of the arterial bus rapid transit (BRT) network. Bus rapid transit is a proven solution to significant challenges on local bus corridors. Following implementation in June 2016, the Metro Transit A Line BRT project responded to two challenges in the Snelling Avenue corridor, common to other local bus corridors proposed for BRT implementation: slow travel speeds and inadequate passenger facilities and information.

BRT improvements addressed these issues and grew local ridership over 30 percent by implementing a cost-effective BRT project. The \$27 million A Line project was constructed with \$16 million (60%) state funds including \$9 million of state GO bonds. These funds leveraged federal, local, and MnDOT funds and resulted in a successful project opening. In its first year, the A Line exceeded ridership expectations by 33% and was favorably received by customers and the travelling public. Corridor ridership also increased, generating new fare revenue to offset the operating cost of GO bond-funded improvements.

Additional lines are under development or planned, including the METRO C Line in Minneapolis and Brooklyn Center which began service on June 8, 2019. Requested funds would advance the development of three additional projects in the next two years and would aid the build-out of the BRT network before 2030. This network would link nearly 500,000 jobs and residents via transit and expand the reach of the METRO network of dedicated guideway LRT and BRT projects. Together, this vision will keep the Twin Cities region more economically competitive with peer regions in the nation and world.

In addition to arterial BRT, the Busway Capital Improvement Program will be used to fund projects to continue development, engineering, and implementation of other capital projects along corridors covering the metropolitan area. Under the Transitway Capital Improvement Plan the Council will review eligible transitway projects and make allocations of state bond proceeds among projects based

upon criteria that will include:

- consistency with the Council's long-range transportation policy plan (TPP);
- readiness of the project;
- potential use by the public (ridership) both current and forecast;
- expansion of the busway (non-guideway) system;
- availability of federal or other matching funds;
- coordination with other major projects; and
- additional criteria for priorities otherwise specified in state law, statute, rule, or regulation applicable to a bus transitway, including the state law authorizing the state bond fund appropriation for the bus transitway.

Eligible expenditures may include land and property acquisition, pre-design, design and engineering, environmental testing and mitigation, utility relocation, traffic mitigation, construction, demolition, furnishing and equipping of facilities. A portion or phase of a transitway project may be accomplished with one or more state appropriations and other funding over time.

The Council has identified more than \$55 million in transitway projects that would be eligible to receive capital funding over the next two years. Several projects are anticipated to receive funding from other sources such as federal funds. The state bond funds will be used to both match other sources of funds and advance other projects' funding opportunities.

Project Rationale

The project addresses two critical problems faced by local bus transit, which has seen ridership decline on a year-over-year basis for 48 consecutive months. In addition to rail implementation in the University Avenue corridor, local bus ridership declines have continued due to slow travel times and inadequate passenger facilities and customer information. With requested funds, reversing this trend is possible and has been proven.

Through implementing the A Line busway, Metro Transit has proven fast, frequent, and legible transit service can reverse these ridership trends in a cost-effective manner. While other local bus ridership declined in 2016, A Line corridor ridership grew over 30 percent without significant additional transit service. Comparable projects would be implemented with the requested funds in three high ridership corridors carrying over 35,000 average daily passengers, yielding faster travel times, increased ridership, and enhanced access to destinations through the metro.

Project Timeline

Corridor	2020		2021				2022	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
DLine (Chicago - Fremont)	Design		Bidding	Construction (into 2022)				
BLine (Lake-Marshall)	Planning	Env. Review and design/engineering			Bidding		Construction	
ELine (Hennepin)	Planning				Env. Review			Design
Other eligible projects	Environmental review and design of coordinated improvements and future lines for future construction.							

Other Considerations

D Line project website (maps/graphics/details): <https://www.metrotransit.org/d-line-project>

B Line project website (maps/graphics/details): <https://www.metrotransit.org/b-line-project>

E Line project website (maps/graphics/details): <https://www.metrotransit.org/e-line-project>

Impact on Agency Operating Budgets

The impact on the agency operating budget can vary depending upon which transitway capital projects are funded. The Council has established a policy requiring anticipated operating funds to be identified before capital projects proceed. The vast majority of required resources for arterial BRT operations comes from replacement of existing local bus service with more attractive, faster arterial BRT. Reduced delays allow faster speed and more efficient use of existing operating resources. Service plans include options with limited expansion of service as well as resource-neutral operating plans.

Description of Previous Appropriations

The 2014 Capital Investment bonding bill appropriated \$15 million state GO bonds to the Transit Capital Improvement program. The Metropolitan Council determined use of these funds in consultation with local partners and designated \$9 million to complete the A Line corridor, \$2 million for Orange Line BRT, \$2 million for the Gateway/Gold Line corridor, \$1 million for Red Line Cedar Grove station, and \$1 million for Bottineau LRT.

Project Contact Person

Edwin Petrie
 Finance Director
 612-349-7624
edwin.petrie@metrotransit.org

Governor's Recommendation

The Governor recommends \$55 million in general obligation bonds for this request.

(\$ in thousands)

Busway Capital Improvement Program Bus Rapid Transit

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 55,000	\$ 50,000	\$ 50,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 55,000	\$ 50,000	\$ 50,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 0	\$ 55,000	\$ 50,000	\$ 50,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 55,000	\$ 50,000	\$ 50,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 55,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Regional Parks and Trails Grant Program

AT A GLANCE**2020 Request Amount:** \$15,000**Priority Ranking:** 2**Project Summary:** The Metropolitan Council requests \$15 million in State bonds to match \$10 million of Metropolitan Council Regional Bonds to improve and expand the Metropolitan Regional Parks System.**Project Description**

The Metropolitan Regional Park System is owned, operated, and maintained by the 10 Regional Park Implementing Agencies (Agencies) defined in Minnesota Statutes 473.341, Subd. 1(a).

The Twin Cities region is home to a system of regional parks and trails that is nationally renowned for its beauty, size and variety of features. The system provides an abundance of opportunities for recreation, exercise, mental and physical health, and, of course, just plain fun. It also preserves significant green space and wildlife habitat. In 2017, there were over 58 million visits to the Regional Parks System, more than twice as many visits to the Grand Canyon, Yellowstone, and Yosemite National Parks – combined. Our parks and trails draw visitors from across the region, state, and United States.

The Council proposes to match \$15 million of state bonds with \$10 million in Regional bonds for a total Regional Parks System capital investment of \$25 million. 100% of bond funds are allocated to Implementing Agencies. The Council keeps no state funding for administrative costs.

Each agency is allocated a share of the combined state and regional bonds according to a formula set in Council policy: 70% is based on each agency's jurisdictional population, and 30% is based on the agency's relative share of non-local visits.

Note that under limited circumstances, Regional Parks Implementing Agencies may request Metropolitan Council approval to begin a capital project prior to funding being available, with reimbursement coming from their share of a future bonding cycle. These "reimbursement" grants are funded entirely with Council bonds. For this reason, some individual grants may be funded 100% by State bonds, but the proposed \$25 million total is split, with 60% paid from State bonds and 40% from Council bonds.

Project Rationale

The purpose of the Metropolitan Regional Parks program is to maintain, expand, and improve the Metropolitan Regional Parks System, which consists of more than 54,000 acres of parks and 389 miles of trails. The program funds regional parks that provide recreational services similar to those provided in state parks in Greater Minnesota.

Project Timeline

The Council would award grants in the second half of 2020 and the park implementing agencies would complete funded projects in 2021 and 2022.

Other Considerations

None

Impact on Agency Operating Budgets

There is no direct impact on State agency operating budgets since the State of Minnesota does not operate Metropolitan Regional Parks System units.

Description of Previous Appropriations

The State has appropriated \$235 million of bonds to the Metropolitan Council for the Metropolitan Regional Parks Capital Budget. The Legislative Citizen Commission on Minnesota Resources has recommended \$44.4 million of Environment and Natural Resources Trust Fund appropriations from FY 1992 to 2019 for capital improvements and land acquisition purposes for the Metropolitan Regional Park System. The Metropolitan Council matches every \$3 in Trust Fund appropriations with \$2 in regional bonding money, while retaining no funds for administrative costs.

A total of \$204 million has been appropriated to the Metropolitan Council since the inception of the Parks and Trails Fund.

Project Contact Person

Heather Aagesen-Huebner
Director Finance & Administration, Community Development
651-602-1728
heather.aagesen-huebner@metc.state.mn.us

Governor's Recommendation

The Governor recommends \$10 million in general obligation bonds for this request. Also included are budget estimates of \$10 million for each planning period for 2022 and 2024.

(\$ in thousands)

Regional Parks and Trails Grant Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 15,000	\$ 15,000	\$ 15,000
Funds Already Committed				
Pending Contributions				
Other Local Government Funds	\$ 0	\$ 10,000	\$ 10,000	\$ 10,000
TOTAL	\$ 0	\$ 25,000	\$ 25,000	\$ 25,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 0	\$ 25,000	\$ 25,000	\$ 25,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 25,000	\$ 25,000	\$ 25,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 15,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Inflow and Infiltration Grant Program

AT A GLANCE**2020 Request Amount:** \$9,500**Priority Ranking:** 3**Project Summary:** The Metropolitan Council requests \$9.5 million in State bonds to continue to provide grants to municipalities for eligible public infrastructure capital improvements to reduce inflow and infiltration (I/I) into wastewater collection systems.**Project Description**

The Metropolitan Council requests \$9.5 million in State bonds to continue to provide grants to municipalities for eligible public infrastructure capital improvements to reduce inflow and infiltration (I/I) into wastewater collection systems. In cooperation with Metro Cities, similar requests have been made in 2010, 2012, 2014, 2015, 2016 and 2017. The requested amount for 2020 represents a portion of the demonstrated need from communities for work completed under the previous programs. The program has been a successful incentive for communities to complete I/I mitigation work.

Inflow and Infiltration – or I/I – are terms that describe clear water that enters wastewater systems and consumes capacity that is intended for growth. Each has unique sources, methods of entry, and effects on the wastewater collection system. I/I from both public and private sources causes major challenges in the region.

Since 2005, the Metropolitan Council has intensified efforts to mitigate excessive I/I through partnership with regional communities. There is evidence of success through flow reduction and reduced system flow response to wet weather. However, the repairs needed to the local public wastewater collection system can be costly, and regional communities have expressed a need for consistent funding for I/I mitigation activities.

In 2010, Metro Cities championed inclusion of a \$3 million grant program in the 2010 bonding bill for providing grants to municipalities for capital improvements to public infrastructure to reduce inflow and infiltration (I/I) into the wastewater collection system. From 2010 through 2015, the total funding received by communities for I/I mitigation was \$10.5 million.

The approved bills have included the following language:

Metropolitan Cities Inflow and Infiltration Grants: For grants to municipalities within the metropolitan area, as defined in MN Statutes, Section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. To be eligible for a grant, a municipality must be identified by the Metropolitan Council as a contributor of excessive inflow and infiltration. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. The council must award grants based on applications from eligible cities and townships that identify eligible capital costs and include a timeline

for inflow and infiltration mitigation construction, pursuant to guidelines established by the Council.

Project Rationale

The purpose of the project is to assist communities served by Metropolitan Council Environmental Services in undertaking public infrastructure projects that reduce I/I into the local and regional wastewater collection systems.

Project Timeline

Grants will be made under a grants application process, with local units of government performing work funded with the grants.

Other Considerations

This grant program is tied to the Metropolitan Council's stewardship, prosperity, equity, livability, and sustainability outcomes of *Thrive MSP 2040* and supports the Metropolitan Council's principles of collaboration and accountability. This grant program will support the I/I mitigation efforts of local communities. This program protects the environment and public health, supports construction jobs, promotes infrastructure investment, and is cost-effective.

Metropolitan Council proposes to utilize existing program guidelines which have been reviewed by local government partners in the region and have been agreed to by State agencies.

Impact on Agency Operating Budgets

There is no direct impact on State agency operating budgets since the State of Minnesota does not have a similar grant program.

Description of Previous Appropriations

The following appropriations have been made for this program:

2010 - \$3 million

2012 - \$4 million

2014 - \$2 million

2015 - \$1.5 million

2017 - \$3.7 million

2018 - \$5 million

Project Contact Person

Jeannine Clancy
Assistant General Manager, MCES Technical Services
651-602-1210
jeannine.clancy@metc.state.mn.us

Governor's Recommendation

The Governor recommends \$5 million in general obligation bonds for this request. Also included are budget estimates of \$5 million for each planning period for 2022 and 2024.

(\$ in thousands)

Inflow and Infiltration Grant Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 9,500	\$ 9,500	\$ 9,500
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 9,500	\$ 9,500	\$ 9,500

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 0	\$ 9,500	\$ 9,500	\$ 9,500
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 9,500	\$ 9,500	\$ 9,500

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 9,500	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A