

# Water Supply Infrastructure: Managing Aging Infrastructure and Long-Term Investment Needs

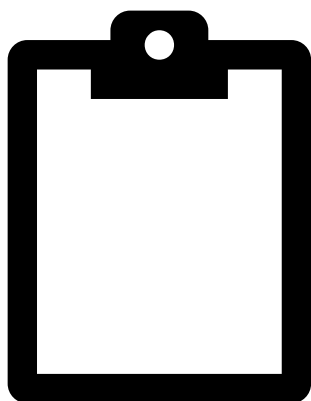
A safe, reliable water supply supports economic activity, public health, emergency response, and daily life throughout the Twin Cities metropolitan region. Supplying our communities with safe water requires systems that include thousands of miles of water main pipes, many wells, pumps, treatment facilities, storage systems, and control technologies, along with a well-trained and reliable work force.

Many of our existing systems are nearing the end of their useful life, having been built decades ago, with some being built over 100 years ago [1-1](#). These systems also face rising costs related to treatment upgrades, climate resilience, cybersecurity and changing water demands.

When these systems aren't maintained or replaced in a timely manner they break down and that disrupts the service, increases risk to the community and can halt development. That is why it is necessary to understand the state of our water supply infrastructure and to support our Public Water Suppliers (PWS) with the necessary funding for them to proactively maintain, rehabilitate, and replace parts of their systems when needed.

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.

## State of Water Supply Infrastructure in the Twin Cities



**Investing in infrastructure helps Minnesota communities thrive.**

## CURRENT CONTEXT

Public Water Suppliers in the Twin Cities metro region support around 3 million people, over half of Minnesota's residents.

Public Water Suppliers are facing multiple threats:

- Aging infrastructure that needs costly maintenance, rehabilitation, and to be replaced.
- Increase of challenges from costs related to treating emerging contaminants, climate resilience, and cybersecurity needs.
- An aging workforce.

Public Water Suppliers across Minnesota have over \$3.6B in funding requests over five years, and these needs far exceed available resources (MN Society of Civil Engineers 2026 Infrastructure Report Card).

When water supply systems break down, it increases risk to public health and impacts economic development.

## Opportunities for action:

### **Support proactive infrastructure investment**

Provide stable, long-term funding that helps communities maintain, rehabilitate, and replace aging water infrastructure before failures occur. Review funding program priorities to better support planned infrastructure renewal rather than primarily responding to regulatory violations or emergencies.

### **Strengthen long-term infrastructure planning**

Expand support for asset management, infrastructure condition assessments, long-term capital planning, and cost-of-service studies that help communities understand future infrastructure needs, establish sustainable water rates, evaluate life-cycle costs and benefits, and reduce long-term costs.

### **Improve system resilience and regional collaboration**

Support investments that improve the reliability and resilience of water systems through emergency interconnections, backup infrastructure, regional partnerships, workforce development, and cybersecurity preparedness. Encourage collaborative approaches that allow communities to share facilities, treatment, or water supplies when appropriate.

### **Support communities with limited technical and financial capacity**

Provide technical assistance and workforce support for smaller communities that may lack the staff, expertise, or financial capacity to effectively plan, operate, and maintain water infrastructure.

### **Plan infrastructure to meet future water needs**

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 the long term.

## Current funding tools are critical resources:

To keep water supply systems running reliably and safely requires significant investments. Local water supplies are mostly paid for by local communities and rate payers, or the customers who consume the water. Minnesota does have the funding mechanisms below that can help support some water supply infrastructure needs, although more is needed.



**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](#)