

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2026	2028	2030		2026	2028
Busway Capital Improvement Program Bus Rapid Transit	1	GO	75,000	75,000	75,000	0	0	0
Regional Parks and Trails Program	2	GO	15,000	15,000	15,000	1,000	1,000	1,000
Inflow and Infiltration Grant Program	3	GO	9,500	9,500	9,500	5,000	5,000	5,000
Total Project Requests			99,500	99,500	99,500	6,000	6,000	6,000
General Obligation Bonds (GO) Total			99,500	99,500	99,500	6,000	6,000	6,000

AT A GLANCE

- 3,247,921 residents in the seven-county area in 2024 (Met Council annual estimate based on 2020 Census)
- 51.9 million transit rides provided by the Met Council and regional providers in 2024
- 2.1 million rides on Metro Mobility in 2024
- 250 million gallons of wastewater treated daily
- 111 communities provided with wastewater treatment service in 2024
- Nine treatment plants and 634 miles of regional sewers
- 66 million regional park visits in 2024
- 66 regional parks, park reserves, and special recreation features; totaling 65,000 acres, plus nearly 500 miles of interconnected trails
- 7,200 low-income households provided affordable housing by the Council's Metro Housing and Redevelopment Authority (HRA) in 2024
- From 2020 to 2050 the Council forecasts the region will grow by:
 - 651,000 people
 - 324,000 households
 - 518,000 jobs

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.

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, primarily through the Imagine 2050 (<https://metrocouncil.org/Planning/Imagine-2050.aspx>) process.

The Metropolitan Council is required by M.S. 473.145 (<https://www.revisor.mn.gov/statutes/cite/473.145>) to prepare and adopt, after appropriate study and necessary policy hearings, a comprehensive development guide for the metropolitan area.

It consists of policy statements, goals, standards, programs, and maps prescribing guides for the orderly and economical development of the metropolitan area and future developments which will have an impact on the entire area. It includes but is not limited to such matters as land use, parks and open space land needs, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, and other public buildings.

Imagine 2050, the regional development guide approved in February 2025, builds on the principle that together we can tackle challenges that individual communities may not be able to take on alone.

As the seven-county metro region's long-range plan, Imagine 2050 includes a vision and goals, and sets the policy foundation for land use, housing, transportation, water resources, and regional parks. It addresses critical issues that cross policy areas: climate, equity, natural systems, and public health, safety, and well-being. The guide shapes how this region will grow in the next 30 years.

The vision statement for Imagine 2050 is: "A prosperous, equitable, and resilient region with abundant opportunities for all to live, work, play, and thrive." The statement builds off the regional values and goals set by the Council to guide our policy work.

Regional goals

Imagine 2050 is organized around five shared regional goals to achieve through our policies, practices, programs, and partnerships.

Our region is equitable and inclusive

Racial inequities and injustices experienced by historically marginalized communities have been eliminated; and all people feel welcome, included, and empowered.

Our communities are healthy and safe

All our region's residents live healthy and rewarding lives with a sense of dignity and wellbeing.

Our region is dynamic and resilient

Our region meets the opportunities and challenges faced by our communities and economy including issues of choice, access, and affordability.

We lead on addressing climate change

We have mitigated greenhouse gas emissions and have adapted to ensure our communities and systems are resilient to climate impacts.

We protect and restore natural systems

We protect, integrate, and restore natural systems to protect habitat and ensure a high quality of life for the people of our region.

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

AT A GLANCE

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

- Plan for the regional transportation system, and operate the bus and rail network
- Treat wastewater, plan for the water supply, and monitor water quality
- Fund redevelopment, model transit-oriented development, and guide land use
- Plan for and fund regional parks
- Identify housing needs and priorities, and provide affordable housing for low- and moderate-income households

Factors Impacting Facilities or Capital Programs

There are three program areas that have historically received capital funds. For 2026, our transit, regional parks and environmental services areas are requesting funding.

Transit: Considerations for the short- and long-term future

- A new three-fourths cent metro-area sales tax for transportation and transit took effect October 1, 2023. The Met Council receives 83% of the revenue. These funds create a predictable and stable funding source for transit operations, maintenance, and security.
- All-day, frequent service best matches all-purpose travel. Transit continues to serve non-office commutes, medical visits, grocery, and pharmacy runs, and other essential trips.
- A planned network of additional bus rapid transit lines will provide an improved customer experience with frequent service and faster trips in our region's busiest bus corridors.
- Arterial bus rapid transit lines have consistently shown increased ridership when faster, longer-span, frequent service replaces local bus service.

Regional parks: Since 1974, when the Metropolitan Regional Parks System was created, the size of the regional parks system has grown from 31,000 acres to more than 65,000 acres today. Concurrently, use has grown from 5 million visits in 1974 to 66 million visits in 2024. This has increased the need both for rehabilitation of existing parks and for new park land.

As the metropolitan region continues to grow, the demand for outdoor recreation facilities provided in the Metropolitan Regional Parks 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 \$344 million of bonds to the Metropolitan Council for the Metropolitan Regional Parks Capital Program and for earmarked projects outside the Met Council's Capital Program since 1975. The Legislative Citizen Commission on Minnesota Resources has recommended over \$39 million in Environmental and Natural Resources Trust Fund appropriations since 1992 for capital improvements and land acquisition for the Regional Parks System. The Land and Legacy Amendment to the Minnesota Constitution established a Parks and Trails Fund dedicated to support parks and trails of state and regional significance. More than \$357 million has been appropriated to the Metropolitan Council from fiscal year 2010 through fiscal year 2027. The state investment has been leveraged with regional bonds issued by the Metropolitan Council.

Environmental Services: Total six-year spending from 2025-2030 is projected at \$2.88 billion. The Met Council continues to enjoy attractive loan financing from the Public Facility Authority (PFA) as well as AAA-rated GO bonds.

Self-Assessment of Agency Facilities and Assets

Transit: Local bus routes are slowed by signal delays, long boarding times, and poor stop integration with roadways, and redundant stops, making their travel time less attractive than other options. Arterial bus rapid transit lines are planned in the most heavily used local bus corridors to improve on many of these factors. As of the end of 2025, five arterial bus rapid transit lines will be operational in the region, with several others in planning, development, and construction phases. Improvements like bus-only lanes, transit signal priority, stop consolidation, and faster fare payment systems speed up bus routes and make them more attractive to potential users.

Regional parks: Long-range plans for each regional park and trail unit are prepared by the regional park implementing agency that owns and manages each park. Updates to these plans reflect new demand for recreation facilities and 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 nearly \$7 billion metropolitan disposal system is generally in good condition. However, rate pressures are continuously balanced against infrastructure risks of delay. The majority of the near-term capital investment is focused on rehabilitation, especially in the interceptor (conveyance) 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 Parks System. Environmental services work includes the preservation, growth, and quality improvement of the wastewater system.

Major Capital Projects Authorized in 2024 and 2025:

In 2025, the Met Council was appropriated:

- \$15 million for inflow/infiltration grants
- \$1 million for community tree-planting grants

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.

(\$ in thousands)

Busway Capital Improvement Program Bus Rapid Transit**AT A GLANCE****2026 Request Amount:** \$75,000**Priority Ranking:** 1**Project Summary:** \$75 million in general obligation bonds is requested for development of busway capital improvement projects. Requested funding would advance arterial bus rapid transit (BRT) corridor development including, but not limited to, environmental analysis, engineering, design, right-of-way acquisition, and construction.**Project Description**

Busway corridor projects like arterial BRT improve the speed and reliability of bus service along the Twin Cities' busiest transit corridors. Project investments result in high-quality stations that enable faster and more reliable limited-stop transit service to major destinations. Busway corridors typically have stations every half-mile at major intersections. Constructing and integrating these stations into the existing roadway system is the focus of the proposed investment.

Requested funding would advance the development of the H Line (Como/Maryland, from Saint Paul to Minneapolis via the University of Minnesota) corridor.

The preliminary project budget is \$120-150 million, of which \$60 million has been secured to date through other sources. If capital investment is proposed through a state bonding recommendation, corridor fleet improvements would be separately funded through other sources, including federal and regional funds.

Partial funding is currently available for the H Line from previous state capital investment. \$16.7 million of state bonds appropriated in 2023 is currently advancing the planning and preliminary design stages of the project. Additional resources are needed to construct the H Line. Requested funds would leverage at least \$25 million in identified federal funding allocated to the H Line corridor by the Transportation Advisory Board through the Regional Solicitation. Funding through this request could also leverage a discretionary award through the federal Capital Investment Grant program, potentially leveraging up to \$60-80 million of additional federal funds to this project.

Metro Transit is also currently undertaking a planning process and seeking community feedback to identify additional arterial BRT lines such as the J, K, and L lines to be implemented between 2030 and 2035. These projects may also be funded by a portion of the requested funding, if Metro Transit is successful in securing competitive federal funding for a portion of the H Line project.

Project Rationale

Busway projects have increased the attractiveness and usage of the transit system in multiple corridors since 2016 with the launch of the A Line. Investments in BRT in strong, existing transit markets have proven successful in increasing ridership. More than 8 million rides were taken on BRT

lines in 2024, a 14% increase from 2023 compared to a systemwide increase of 6%.

By concentrating improvements in the region's most heavily traveled bus corridors, BRT maximizes ongoing operating investment in transit service by reducing delay from passenger boarding, traffic signals, and merging in and out of traffic. Reduced stop times also smooths traffic flow and enables construction of robust transit stations without need for significant property acquisition or private property displacement or relocations.

Project Timeline

2024-2026: H Line planning and preliminary design

2026-2027: H Line engineering

2028-2029: H Line planned construction (pending full funding)

2029: Planned start of H Line service (pending full funding)

Other Considerations

Busway projects are an integral part of the growing METRO network of rail and bus lines. By 2030, a planned 165-mile bus rapid transit network of 12 lines will offer fast, frequent, all-day service to many communities in the Twin Cities region. By 2030, BRT is estimated to: serve 580,000 people and 600,000 jobs with all-day, all-purpose trips. It is estimated that 44% of people served by this network identify as Black, Indigenous, or People of Color (BIPOC), and 13% of households to be served by BRT don't currently have access to a vehicle.

This network will also help households reduce their environmental footprint. Typical households near BRT emit fewer greenhouse gases than the rest of the region and are well below the national average, according to EcoDataLab data.

Affordable and high-quality public transportation reduces reliance on private automobile ownership and resulting savings can be applied to housing, education, or other personal and family expenses that benefit the state and local economy.

Impact on Agency Operating Budgets

The Council has established a policy requiring anticipated operating funds to be identified before capital projects proceed. Most 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

State funding has enabled program advancement since 2014.

- In 2014 the state capital investment bill allocated \$15 million in general obligation bonds for transitway development, \$9 million of which was used on the A Line corridor. An additional \$1 million state cash appropriation in 2014 completed A Line project funding.
- In 2020, the state capital investment bill (October 2020) allocated \$55 million in general obligation bonds to complete funding of the D Line and B Line corridors, and advance pre-construction of the E Line corridor.
- In 2021, a state general fund appropriation allocated \$57.5 million to the arterial bus rapid transit

program. The Council is using these funds to complete funding of the E Line corridor and to advance the development of the F Line corridor.

- In 2023, the state capital investment bill allocated \$72 million in general obligation bonds to the arterial bus rapid transit program. The Council is using these funds to complete funding of the F and G lines, and advance preliminary activities on the H Line.

Project Contact Person

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

Metropolitan Council

Project Detail

(\$ in thousands)

Busway Capital Improvement Program Bus Rapid Transit

PROJECT FUNDING SOURCES

Funding Source	Six Prior Years	FY 2026	FY 2028	FY 2030
<i>State Funds Appropriated and Requested</i>				
General Obligation Bonds	\$ 127,000	\$ 75,000	\$ 75,000	\$ 75,000
General Fund Cash	\$ 57,500	\$ 0	\$ 0	\$ 0
<i>State Funds Pending</i>				
<i>Non-State Funds Already Committed</i>				
<i>Non-State Funds Pending</i>				
TOTAL	\$ 184,500	\$ 75,000	\$ 75,000	\$ 75,000

TOTAL PROJECT COSTS

Cost Category	Six Prior Years	FY 2026	FY 2028	FY 2030
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	\$ 184,500	\$ 75,000	\$ 75,000	\$ 75,000
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	\$ 184,500	\$ 75,000	\$ 75,000	\$ 75,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2026	FY 2028	FY 2030
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0	0	0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 75,000	100 %

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

		Amount	Percent of Total
User Financing	\$ 0	0	0 %

STATUTORY REQUIREMENTS

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

Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the “Statutory Requirements” below and in the “Capital Budget Requirements” section of the MMB Capital Budget Instruction documents?	Yes
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)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
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, 2030?	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

(\$ in thousands)

Regional Parks and Trails Program**AT A GLANCE****2026 Request Amount:** \$15,000**Priority Ranking:** 2**Project Summary:** The Metropolitan Council requests \$15 million in general obligation bonds to match \$10 million of Metropolitan Council Regional Bonds to improve and expand the Metropolitan Regional Parks System.**Project Description**

The Metropolitan Regional Parks System is owned, operated, and maintained by the 10 Regional Park Implementing Agencies (Agencies) defined in Minnesota Statutes 473.351, 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. The regional parks system draws more than 69 million visits every year — more than the Mall of America. 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.

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 over 400 miles of interconnected trails. The program funds regional parks that provide recreational services similar to those provided in state parks that are located largely outside of the 7-county region.

This request invests critical funding directly into the regional park systems to both protect past public investments by extending the useful life of park and trail infrastructure and to expand the system. The Regional Parks System provides close-to-home opportunities for children and families in the 7-county metro area, fostering wellness and building strong communities. It also offers the opportunity for carbon free transportation and recreation, preserves natural systems that serve as carbon sinks to greenhouse gases, helps manage stormwater, and serves to cool the region during extreme heat events. Lastly and importantly, it fosters health and wellness among residents, which has a mutually beneficial overlap with support for natural resource system health.

Project Timeline

The Council would award grants in the second half of 2026 and the agencies would complete funded projects in 2026 through 2028.

Other Considerations

N/A

Impact on Agency Operating Budgets

There is no direct impact on Met Council's operating budget since the Council does not operate Metropolitan Regional Parks System units.

Description of Previous Appropriations

The state appropriated \$16.62 million of bonds to the Metropolitan Council for the Metropolitan Regional Parks Capital Budget in the 2023 bonding bill. This program also received \$5 million of bonds in the 2020 capital budget and \$10 million of bonds in the 2019 capital budget.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$1 million in general obligation bonds for this request. Also included are budget estimates of \$1 million for each planning period for 2028 and 2030.

Metropolitan Council

Project Detail

(\$ in thousands)

Regional Parks and Trails Program

PROJECT FUNDING SOURCES

Funding Source	Six Prior Years	FY 2026	FY 2028	FY 2030
<i>State Funds Appropriated and Requested</i>				
General Obligation Bonds	\$ 21,620	\$ 15,000	\$ 15,000	\$ 15,000
<i>State Funds Pending</i>				
<i>Non-State Funds Already Committed</i>				
<i>Non-State Funds Pending</i>				
TOTAL	\$ 21,620	\$ 15,000	\$ 15,000	\$ 15,000

TOTAL PROJECT COSTS

Cost Category	Six Prior Years	FY 2026	FY 2028	FY 2030
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	\$ 21,620	\$ 15,000	\$ 15,000	\$ 15,000
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	\$ 21,620	\$ 15,000	\$ 15,000	\$ 15,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2026	FY 2028	FY 2030
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	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.

Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the “Statutory Requirements” below and in the “Capital Budget Requirements” section of the MMB Capital Budget Instruction documents?	Yes
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)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
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)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2030?	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****2026 Request Amount:** \$9,500**Priority Ranking:** 3**Project Summary:** The Metropolitan Council requests \$9.5 million in general obligation 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 general obligation 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, 2017, 2018, 2020, 2023, 2024, and 2025. The requested amount for 2026 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 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.

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 once funding is secured, with local units of government performing work funded with the grants. Work typically extends into two construction

seasons (2 years).

Other Considerations

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 the Met Council's operating budget.

Description of Previous Appropriations

This is a recurring request. In 2025 \$15 million in GO bonds was appropriated for this program. As part of the 2023 bonding bill, the Council was appropriated \$12 million. This program also received \$5 million in the 2020 capital budget and \$5 million in the 2018 capital budget.

Project Contact Person

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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 2028 and 2030.

Metropolitan Council

Project Detail

(\$ in thousands)

Inflow and Infiltration Grant Program

PROJECT FUNDING SOURCES

Funding Source	Six Prior Years	FY 2026	FY 2028	FY 2030
<i>State Funds Appropriated and Requested</i>				
General Obligation Bonds	\$ 32,000	\$ 9,500	\$ 9,500	\$ 9,500
<i>State Funds Pending</i>				
<i>Non-State Funds Already Committed</i>				
<i>Non-State Funds Pending</i>				
TOTAL	\$ 32,000	\$ 9,500	\$ 9,500	\$ 9,500

TOTAL PROJECT COSTS

Cost Category	Six Prior Years	FY 2026	FY 2028	FY 2030
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	\$ 32,000	\$ 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	\$ 32,000	\$ 9,500	\$ 9,500	\$ 9,500

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2026	FY 2028	FY 2030
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	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.

Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the “Statutory Requirements” below and in the “Capital Budget Requirements” section of the MMB Capital Budget Instruction documents?	Yes
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)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
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)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2030?	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