

# PFAS, lead lines, nitrate, and a \$56B renewal bill — all landing at once.

An \$850M PFAS settlement remaking the east metro, a statewide lead service line inventory, nitrate in the southeast karst, and 20-year water and wastewater needs measured in the tens of billions. For a Minnesota utility CFO or capital lead, every one of those forces reshuffles the projects on your list. Invizion helps Minnesota utilities re-sequence a capital portfolio in a click — and defend every decision.

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| <b>\$850M<sup>1</sup></b><br><br>The 2018 3M PFAS settlement with the State of Minnesota — roughly \$720M, after costs, for east-metro drinking water and natural resources. | <b>2.8M<sup>2</sup></b><br><br>People whose wastewater the Metropolitan Council treats across 111 metro cities and townships. | <b>\$26.4B<sup>3</sup></b><br><br>Minnesota's estimated 20-year drinking-water investment need, per the 2026 ASCE Infrastructure Report Card. | <b>\$4.5B<sup>4</sup></b><br><br>Water and wastewater infrastructure financed by the Minnesota Public Facilities Authority since 1990. |
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## THE MINNESOTA LANDSCAPE

# Four forces are moving your project list at once

None of these is theoretical, and none of them waits for your next budget cycle. Together they mean the capital plan you approved last year may already be the wrong plan.

### CONTAMINATION — PFAS

#### The state that wrote the book on PFAS liability — and PFAS bans

In 2018 Minnesota settled its natural-resources case against 3M for \$850 million; after legal costs, roughly \$720 million is being invested in clean drinking water and natural-resource projects across the Twin Cities east-metro region, with the MPCA and DNR as co-trustees.<sup>1</sup>

Minnesota has since gone further than almost any state. Under “Amara’s Law,” the ban on nonessential products with intentionally added PFAS took effect January 1, 2025, a near-total ban follows January 1, 2032, and the MPCA adopted its PFAS reporting-and-fees rule in December 2025.<sup>5</sup> For utilities, PFAS is now a treatment, monitoring, and capital question that isn’t going away.

### COMPLIANCE — LEAD SERVICE LINES

#### Every community system had to find its lead — now it has to replace it

Minnesota’s exceedances are low — in 2021 only 4 of 1,441 public water systems went over EPA’s lead action level — but the state’s position is that there is no safe level of lead, and homes built before 1940 may still be connected by lead service lines.<sup>6</sup>

Every community water system had to complete a service-line inventory by October 16, 2024 under the Lead and Copper Rule Revisions, and systems that find lead now owe MDH a replacement plan.<sup>7</sup> That turns an unknown into a funded, multi-year capital line item — one that competes with everything else on the list.

## SOURCE WATER — NITRATE

### Nitrate in the southeast karst is now under a federal spotlight

In parts of Minnesota, more than 10% of private wells sampled in some townships exceed the 10 mg/L nitrate limit — a level linked to “blue baby syndrome” in infants — and the porous karst geology of the southeast makes its groundwater especially vulnerable.<sup>8</sup>

After a November 2023 EPA request, the state launched a coordinated response across eight southeast counties — Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha, and Winona — where about 7% of tested samples came back at or above 10 mg/L and free reverse-osmosis systems are being installed for affected homes.<sup>9</sup> For public systems in the region, source-water protection is a capital-planning input, not a footnote.

## RENEWAL — AGING SYSTEMS

### Tens of billions in renewal, on the same clock as new mandates

ASCE’s 2026 report card puts Minnesota’s 20-year drinking-water need at \$26.4 billion and its wastewater need at \$30.3 billion, and notes systems have already requested more than \$3.6 billion in funding over the next five years.<sup>3</sup>

PFAS, lead, and nitrate obligations don’t replace that renewal backlog — they stack on top of it. Something on the list has to move, and the sequencing between renewal and compliance is exactly what boards and councils fight over.

## WHO RUNS MINNESOTA'S WATER

# A municipal state — big city and regional systems, plus a long tail of small ones

Minnesota's water is overwhelmingly publicly owned. Large cities and one regional wastewater authority carry most of the population, while hundreds of small municipal and rural systems carry the hardest affordability math. Investor-owned water utilities are rare here.

### Large municipal & regional utilities

Rates set by city councils and regional boards · capital approved locally

**Metropolitan Council** Wastewater for 2.8M people · 111  
**Environmental Services** cities/townships · 9 plants · ~250  
 MGD<sup>2</sup>

**Saint Paul Regional Water Services** ~450,000 customers · Saint Paul + 14  
 suburbs · Mississippi River

**City of Minneapolis Water** Mississippi River source · serves the  
 city & several suburbs

**Duluth, Rochester, St. Cloud** Largest greater-Minnesota  
 municipal systems

**Bloomington, Plymouth, Brooklyn Park** Large suburban municipal providers

Metropolitan Council wastewater flows are largely consolidated:  
 nearly 70% is treated at the Metro plant in Saint Paul<sup>2</sup>

### Small systems & the funding gap

Where SRF terms and affordability rules matter most

**Hundreds of small community systems** Small-town & township utilities  
 across greater Minnesota

**Rural & regional water districts** Often the frontline for nitrate and  
 aging infrastructure

**Minimal investor-owned water** Unlike many states, private water  
 utilities are rare in Minnesota

The Public Facilities Authority's below-market loans and grants exist  
 precisely because small systems can't carry market-rate debt for  
 mandated work.<sup>11</sup>

## Every capital dollar has to be defensible

Minnesota has almost no state rate regulator for water — municipal boards and councils set rates in public. But the compliance drivers behind your capital plan come from several agencies at once.

**Minnesota Department of Health (MDH)** holds Safe Drinking Water Act primacy — lead service-line inventories and replacement plans, nitrate, and PFAS in drinking water<sup>7</sup>

**Minnesota Pollution Control Agency (MPCA)** runs Clean Water Act permitting and now implements “Amara’s Law,” the nation-leading PFAS product ban and reporting rules<sup>5</sup>

**Metropolitan Council** sets regional wastewater charges for 111 east- and west-metro communities — a rate you help pay but don’t set locally.<sup>2</sup>

**City councils & utility boards** approve municipal water and sewer rates and capital plans in public — there is no statewide PUC review for most Minnesota water rates.

**EPA Region 5** is directly engaged — its November 2023 request drove Minnesota’s eight-county southeast nitrate response and quarterly reporting.<sup>9</sup>

## The money is moving — can your plan absorb it?

Minnesota utilities have more capital funding available than in a generation. The constraint is no longer only dollars — it’s readiness: which projects are shovel-ready, which qualify, and how the timing lines up with everything else on the list.

**Public Facilities Authority (PFA)** administers Minnesota’s Clean Water and Drinking Water State Revolving Funds and has financed \$4.5 billion since 1990 — roughly \$3 billion for wastewater/stormwater and more than \$800 million for drinking water — saving communities nearly \$900 million in interest.<sup>4</sup>

**Drinking Water Revolving Fund** offers below-market loans and grants at roughly 1–3% over 20–30 years, with lead service line replacement an explicitly eligible use.<sup>11</sup>

**The 3M settlement** puts roughly \$720 million behind east-metro drinking water and natural-resource projects — a dedicated, region-specific capital pool most states don’t have.<sup>1</sup>

**PFA grant programs** — Point Source Implementation Grants, the Water Infrastructure Fund, and the Small Community Wastewater program — layer supplemental grants on top of SRF loans for eligible projects.<sup>13</sup>

**EPA’s WIFIA** low-interest federal loans remain largely untapped in Minnesota — no Minnesota borrower appears on EPA’s closed-loan list — a low-cost option for large single projects the state hasn’t yet used.<sup>12</sup>

## MINNESOTA WATER, IN BRIEF

# Questions Minnesota utility leaders are asking

Short, sourced answers — the same facts we'll dig into on a call, in the context of your system.

## What is the 3M PFAS settlement and who does it help?

In February 2018 Minnesota settled its natural-resources damages case against 3M for \$850 million. After legal costs, about \$720 million is being invested in clean drinking water and natural-resource projects in the Twin Cities east-metro region, managed by the MPCA and DNR as co-trustees. It is one of the largest state-level water pools of its kind in the country<sup>1</sup>

## What does Minnesota's PFAS ban (Amara's Law) require?

Minnesota bans products with intentionally added PFAS except for currently unavoidable uses. The prohibition on nonessential products took effect January 1, 2025, a near-total ban follows on January 1, 2032, and the MPCA adopted its PFAS reporting-and-fees rule in December 2025. It is among the most aggressive PFAS laws in the nation.<sup>5</sup>

## Does my system have to replace lead service lines?

Every community water system had to complete a service-line material inventory by October 16, 2024 under the Lead and Copper Rule Revisions, and systems that identify lead must submit a replacement plan to MDH. Minnesota's action-level exceedances are rare — 4 of 1,441 systems in 2021 — but the state treats any lead as a hazard, so replacement is a capital program regardless of current test results.<sup>7,6</sup>

## How bad is the nitrate problem in southeast Minnesota?

In some townships more than 10% of private wells exceed the 10 mg/L nitrate limit. After a November 2023 EPA request, the state opened a coordinated response across eight karst-region counties in the southeast, where about 7% of tested samples came back at or above the limit; free reverse-osmosis systems are being installed for affected homes and the state reports to EPA quarterly.<sup>9,8</sup>

## Who funds water infrastructure in Minnesota, and how much is available?

The Public Facilities Authority administers the Clean Water and Drinking Water State Revolving Funds and has financed \$4.5 billion in projects since 1990, saving communities nearly \$900 million in interest. It also layers supplemental grants — Point Source Implementation Grants, the Water Infrastructure Fund, and a small-community program — on top of below-market loans. ASCE, meanwhile, estimates tens of billions in unmet 20-year needs.<sup>3,3</sup>

## How does Invizion help Minnesota water utilities plan capital?

Invizion is scenario-based capital portfolio optimization for water utilities. It lets you model how a PFAS deadline, a lead-line replacement schedule, a nitrate mandate, or an SRF award reshuffles your whole project list, re-sequence the portfolio automatically against your constraints, and keep a defensible record of every decision for your council, the Met Council, or ratepayers. The best next step is a short first meeting to look at it against your own program.

## REFERENCES

## Sources

Every figure in this briefing is tied to a primary or authoritative source.

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9. Minnesota Department of Health, "Well Tested? Well Done SE Minnesota" — 8-county response (Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha, Winona); ~7% of samples ≥10 mg/L; EPA request Nov. 3, 2023; free RO systems, quarterly EPA reports, 2025. [health.state.mn.us](https://health.state.mn.us)
10. Saint Paul Regional Water Services — ~450,000 customers, Saint Paul + 14 suburbs, Mississippi River source, ~40 MGD average. [stpaul.gov](https://stpaul.gov)
11. Minnesota Department of Health, "Drinking Water Revolving Fund" — below-market loans & grants at ~1-3% over 20-30 years; lead service line replacement an eligible use.  
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13. Minnesota Public Facilities Authority, "Funds & Programs" — Clean Water & Drinking Water SRFs, Point Source Implementation Grants, Water Infrastructure Fund, Small Community Wastewater, Credit Enhancement. [mn.gov/deed/pfa/funds-programs](https://mn.gov/deed/pfa/funds-programs)

**ABOUT INVIZION**

## Capital program optimization for utilities

Invizion is a purpose-built capital lifecycle management platform for water and wastewater utilities. It integrates budgeting, CIP, scenario analysis, and funding-source tracking in one system — so utilities can re-sequence a capital portfolio in a click and demonstrate audit-ready, defensible decisions to regulators, boards, and rating agencies.

**See what a defensible Minnesota capital plan looks like — book a 20-minute first meeting.**

**Book your first meeting →**