<table>
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<tr>
<th>Project Title</th>
<th>2008 Agency Priority Ranking</th>
<th>2008</th>
<th>2010</th>
<th>2012</th>
<th>Total</th>
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<td>MPLS/ST Paul Interconnection</td>
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<td><strong>Total Project Requests</strong></td>
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2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION:

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 project on their priority project list.
➢ The Metropolitan Council Metropolitan Area Water Supply Advisory Committee’s 2007 Report to the Legislature recommends: “support for state funding for interconnections and other physical water system backups to ensure the reliability, natural resource protection, safety and security, including economic security, of the region and state. Consistent with this recommendation, support an appropriate level of state funding for the proposed Minneapolis and St. Paul water supply systems interconnection.”
➢ The Department of Homeland Security places a high priority on water system security.

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: large diameter pipes, pumping stations, and 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 the project. 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 is between $30 and $40 million, but this figure could 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.

Other Considerations
None.

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Governor's Recommendations (To be completed by the Department of Finance at a later date)