

**MN PUBLIC FACILITIES AUTHORITY**

BOARD MEETING – Minutes  
TEAMS Video/Tele-conference  
January 23, 2024

**MEMBERS and DELEGATES PRESENT:**

Kevin McKinnon, Chair, Department of Employment and Economic Development  
Jennifer Hassemer, Minnesota Management and Budget  
Tom Hogan, Department of Health  
Dana Vanderbosch, Pollution Control Agency  
Samuel Brown, Department of Transportation

**Also present:**

Jeff Freeman, Executive Director, MPFA  
Karin Berkholtz, Deputy Director, MPFA  
J. Adam Sorenson, Assistant Attorney General  
Paula Rindels, MHFA  
Myra Kunas, MDH  
Chad Kolstad, MDH  
Corey Mathisen, MDH  
Todd R. Johnson, MDH  
Sandeep Burman, MDH  
Bill Dunn, MPCA  
Gabe Posteuca, MPCA  
Randy Thorson, MPCA  
Pamela Foster, MPCA  
Cory McCullough, Met Council  
Kyle Colvin, Met Council  
Corey Topp, RSM US LLP  
Jeff Miller, RSM US LLP  
Steve Walter, MPFA  
Becky Sabie, MPFA  
Mary Jane Schultz, MPFA  
Anita Gallentine, MPFA  
Kathe Barrett, MPFA  
Peter Bradshaw, MPFA  
Jennie Brown, MPFA  
Melissa Ralph, MPFA  
Katelyn Kanuit, MPFA  
Drew Brooksbank, MPFA  
Amanda Sowada, MPFA

**I. CALL TO ORDER:**

Chair McKinnon called the meeting of the Public Facilities Authority to order on January 23, 2023, at 9:04am: "I now call the meeting of the Minnesota Public Facilities Authority to order as Chair. As the Chair of the Minnesota Public Facilities Authority, I determined that an in-person meeting was not practical because of the ongoing health pandemic declared under Chapter 12 of Minnesota Statutes.

As is permitted under the Open Meeting Law in these conditions, this meeting of the Minnesota Public Facilities Authority is being conducted over Audio Video Conferencing, and all votes will be counted with roll call. I will ask Amanda Sowada to call roll after every agenda item including agenda, minutes, each resolution, and adjournment.”

Roll call taken; present: DEED, MMB, MDH, MPCA, MNDOT  
Absent: MDA

A quorum was established.

## **II. APPROVAL OF AGENDA**

Chair McKinnon requested the approval of the agenda.

Roll call taken: DEED, MMB; MDH; MPCA, MNDOT  
Absent: MDA

Approval of the agenda passed unanimously.

## **III. APPROVAL OF October 9, 2023, MINUTES**

Chair McKinnon requested the approval of the minutes from the October 9, 2023, meeting.

Roll call taken: DEED, MMB; MDH; MPCA, MNDOT  
Absent: MDA

Approval of the October 9, 2023, meeting minutes passed unanimously.

## **IV. PFA REPORTS**

Karin Berkholtz reviewed the three reports the MPFA is required to submit annually to the Legislature and Governor. Karin explained the reports make no funding or policy recommendations and are presented to the Board for information and discussion.

1. The Annual Report describes FY 2023 funding activity and program descriptions for each of the MPFA programs and a discussion of water infrastructure needs and the MPFA funding process.
2. The Fee Report identifies the amount of fees collected by the MPFA, the purposes for which the fees have been spent, and the amount of remaining fee balances.
3. The Estimated Funding Needs Report covers estimated funding needs for eligible projects under the WIF and PSIG grant programs. The report also provides information on average annual residential wastewater rates for eligible projects with and without MPFA grants, and a comparison with average wastewater charges in the metropolitan area.

The Annual Report was submitted on January 12 to meet the January 15 due date and the Fee Report was submitted on January 18. The Estimated Funding Needs Report was presented to the Board in draft prior to its February 1 due date.

Roll call taken: DEED, MMB; MDH; MPCA, MNDOT

Absent: MDA

## **V. GOVERNOR'S CAPITAL BUDGET RECOMMENDATIONS AND FEDERAL FUNDING UPDATE**

Karin Berkholtz shared the Governor's 2024 Capital Budget recommendations, announced on January 16, include five MPFA funding recommendations for the State Match for Federal Grants to State Revolving Funds, Water Infrastructure Funding (WIF) Grant Program, Point Source Implementation Grants (PSIG) Program, Emerging Contaminants Grant Program, and Lead Service Line Replacement Grant Program.

Karin went on to share that the Governor's recommendations include four policy proposals: authorizing CWRP principal forgiveness grants for Clean Water Emerging Contaminants, authorizing DWRP principal forgiveness grants for projects to comply with a maximum contaminant level (MCL) as defined by the federal Safe Drinking Water Act, increasing the cap on WIF affordability-based grants to \$10 million (currently \$5 million), and the increased cap on PSIG grants to upgrade water treatment facilities to improve water quality to \$12 million (currently \$7 million).

Chair Kevin McKinnon inquired on the timeline for receiving the federal (?) funds for the Emerging Contaminants grants. Becky Sabie explained that we currently have the 2022 cap grant for IJA funds and will be applying for the 2023 portion in March, expecting the funds to be received by end of FY 2024.

Dana Vanderbosch asked if the majority of the \$39 million being asked for is state match for federal grants for the revolving fund, what happens if the bonding bill does not happen. Jeff Freeman explained that the match requested is looking ahead to federal 2025 and 2026 funds, but we are currently fully funded for this year's projects. If the bonding bill does not pass, we would be on hold to unlock the federal 2025 monies.

Roll call taken: DEED, MMB; MDH; MPCA, MNDOT

Absent: MDA

## **VI. 2023 INDEPENDENT AUDIT**

Steve Walter presented the Management's Discussion and Analysis section of the Financial Report, which included narratives and charts to explain Authority operations and financial performance. No significant or unusual issues occurred during the fiscal year.

Following Steve, Corey Topp and Jeff Miller from RSM presented their independent audit of the Authority's fiscal year 2023 financial statements and the Auditor's Report to the Board. In accordance with *Governmental Auditing Standards (GAS)* the Compliance Report presents RSM's consideration of the Authority's internal controls and legal compliance. The RSM audit identified no deficiencies in internal controls considered to be a material weakness, no instances of noncompliance or other matters required to be reported under GAS, and no findings or questioned costs in the current or prior year.

Roll call taken: DEED, MMB; MDH; MPCA, MNDOT  
Absent: MDA

**VII. NEXT MEETING**

The next board meeting will be early to mid-June. The agenda will include approval of FY 2025 administrative budgets and interagency agreements, and a discussion with Corey Topp, partner at RSM US LLP, regarding planning for the FY 2024 audit and any questions or concerns board members may have.

Roll call taken: DEED, MMB; MDH; MPCA, MNDOT  
Absent: MDA

**VIII. ADJOURN**

Chair McKinnon asked for roll call to be taken to adjourn the meeting.

Roll call taken: DEED, MMB; MDH; MPCA, MNDOT  
Absent: MDA

The meeting adjourned at approximately 9:53am.

Respectfully Submitted,



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Jeff Freeman, Executive Director  
Minnesota Public Facilities Authority