

SUBJECT

BOARD RESOLUTION NO. 23-1413

Pertaining to the acceptance of Minnesota Public Facilities Authority funding to partially finance the replacement of lead services for a value of \$15,000,000.

STRATEGIC PLAN GOALS: Quality Water

At its March 8, 2022 meeting, the Board directed staff to initiate a 10-year enhanced lead service line replacement plan (“Lead Free SPRWS”).

At its April 11, 2023 meeting, the Board directed staff to apply to the Minnesota Public Facilities Authority (“MNPFA”) for funding in an amount of up to \$15M to finance the replacement of approximately 1,100 lead services.

The Minnesota Department of Health has certified that the application meets the applicable criteria. This certification allows for a grant agreement to proceed, which will award the requested \$15M.

Minnesota Statute 446A.077 Subd. 4 (b) allows that grant funding can be used for 100% of the costs of private property replacements. Subd. 4 (c) of the same statute requires that grant money may pay for no more than 50% of the costs of the replacement of publicly owned portions of lead service lines.

Funding will be apportioned as \$10M in grant funding for private property replacements and \$5 for publicly owned portions (\$2.5M in grant funding and \$2.5M in loan financing).

This resolution will accept the funding from the MNPFA, direct staff to complete a grant agreement, and approve a 2023 budget amendment via administrative order.

RECOMMENDATION

Approval