



Legislation Text

File #: RES 26-71, **Version:** 1

Pertaining to the acceptance of Minnesota Public Finance Authority funding to partially finance the replacement of lead services for a value of \$35,000,000.

WHEREAS, at its March 8, 2022 meeting, the Board of Water Commissioners of the City of Saint Paul (the "Board") directed staff to initiate a 10-year enhanced lead service line replacement plan ("Lead Free SPRWS"); and

WHEREAS, at its March 18, 2025 meeting, the Board directed staff to apply to the Minnesota Public Facilities Authority ("MNPFA") for funding in an amount of up to \$55M to finance the replacement of approximately 3,000 lead services in the 2026 construction season; and

WHEREAS, Board staff has completed application to the Minnesota Public Facilities Authority ("MNPFA") and has been awarded funding in an amount of up to \$35M to finance the replacement of approximately 2,200 lead services in the 2026 construction season ("2026 Project Orders"); and the Minnesota Department of Health ("MDH") has determined that the application meets the applicable criteria set forth in Title XIV of the Public Health Services Act; and

WHEREAS, per Minnesota Statute 446A.077 Subd. 4. (b), grant funding can be used for 100% of private lead service replacement; and

WHEREAS, the 2026 Project Orders will include approximately \$30,606,660 in private service replacement financed via grant funds allocated by the MNPFA for MDH Project 1620026-30 and \$750,000 for MDH Project 16200-31; and

WHEREAS, the 2026 Project Orders will also include approximately \$3,443,340 for MDH Project 1620026-30 and \$200,000 for MDH Project 1620026-31 for public portion service replacement financed via a grant anticipation note from the MNPFA and such debt service is to be paid via grant from the MNPFA upon substantial completion for the 2026 Project Orders under the Master Grant and Loan Agreement between the Board and the MNPFA; and

WHEREAS, the Board adopted its 2026 budget in September 2025; and

WHEREAS, the Administrative Order No.1 will establish the project budget for Phase 5 and Urgent Phase 2 lead funding program and will result in no increase or decrease to the 2026 adopted spending budget; now, therefore, be it

RESOLVED, that the Board of Water Commissioners of the City of Saint Paul hereby accepts the funding from the MNPFA for the Lead Free SPRWS projects known as Minnesota Department of Health Project 1620026-30 and 1620026-31; and, be it

FURTHER RESOLVED, the Board directs and authorizes its Saint Paul Regional Water Services General Manager to execute agreements, amend such agreements, and take any other action as may be necessary to implement Minnesota Department of Health Project 1620026-30 and 1620026-31; and via

ADMINISTRATIVE ORDER, consistent with the authority granted to the Mayor in Section 10.07.4 of the City Charter and on request of the Board of Water Commissioners of the City of Saint Paul, establish the project budgets for Lead Free SPRWS Phase 5 and Urgent Phase 2 as specified in the attached financial analysis.