

SUBJECT

BOARD RESOLUTION NO. 24-1252

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.

STRATEGIC PLAN GOALS: Financial Stability and Water Quality

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 16, 2024 meeting, the Board directed staff to apply to the Minnesota Public Facilities Authority (“MNPFA”) for funding in an amount of up to \$35M to finance the replacement of approximately 2,500 lead services in the 2025 construction season.

The Minnesota Department of Health has determined that the application meets the applicable criteria. This allows for a Project Order under the Master Grant and Loan Agreement between the Board and the MNPFA to proceed, which will award the requested \$35M. Minnesota Statute 446A.077 Subd. 4 (b) allows that grant funding can be used for 100% of the costs of private property replacements.

Funding will be apportioned as approximately \$24,370,000 in grant funding for private property replacements and \$10,630,000 for publicly-owned portions financed via a grant anticipation note from the MNPFA, such debt service to be paid in full via a separately awarded grant from the MNPFA.

This resolution will accept the funding from the MNPFA, direct staff to complete the Phase IV Project Order under the Master Grant and Loan Agreement, and approve a 2024 budget amendment via administrative order.

RECOMMENDATION

Approval