

## SUBJECT

### **BOARD RESOLUTION NO. 24-368**

Pertaining to an application to the Minnesota Public Facilities Authority for a loan to partially finance the replacement of lead services for a value of \$35,000,000.

## **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”).

In an effort to explore financing options for Lead Free SPRWS, Board staff has been in discussion with the Minnesota Public Facilities Authority (PFA) which resulted in an opportunity to apply for a forgivable loan in an amount of up to \$35,000,000. These funds are needed to help accomplish the Board’s goal of removing all lead service lines from its system. The Board has previously applied for such a loan and was approved for \$15,000,000 which is providing significant financing for the current Lead Free SPRWS program efforts.

100% of the private side cost and 50% of the public side cost will be a forgivable loan (grant). The remaining 50% of the public side cost will be a Drinking Water Revolving Fund (DRWF) loan. The PFA will set aside grant funds which the Board may use to pay off the DWRF loan.

## RECOMMENDATION

Approval