

S.F. No. 30 – Lead drinking water service line replacement (1st Engrossment)

Author: Senator Jennifer McEwen

Prepared by: Carlon Doyle Fontaine, Senate Counsel (651/296-4395)

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S.F. 30 creates a grant program to replace lead drinking water service lines in Minnesota by 2033.

Section 1. **Authority of commissioner.** Grants the commissioner of health authority to maintain an asset management database of community public water supply systems, provide technical assistance to community systems, and ensure the lead service line inventory data is accessible to the public with relevant educational materials about health risks related to lead and ways to reduce exposure.

Section 2. **Lead service line replacement; grant program.** [446A.077] Creates a grant program to help municipalities fund the replacement of lead service lines.

Subdivision 1. **Establishment.** Requires the Public Facilities Authority (PFA) to establish a grant program for replacing lead drinking water service lines by 2033 that maximizes use of federal funds.

Subdivision 2. **Eligible recipients.** Allows the following groups to receive grants: (1) community public water suppliers of a community water system; (2) municipalities; (3) suppliers of other residential drinking water systems; and (4) anyone eligible for grants or loans under the federal Safe Drinking Water Act.

Subdivision 3. **Eligible uses.** Specifies that grant funds may be used for removing and replacing lead drinking water service lines, providing information to residents on the benefits of doing so, performing associated construction, and repaying debt incurred for any of these purposes.

Subdivision 4. **Grant priorities.** Prioritizes applications that include a plan to remove all lead service lines within a municipality. Details what must be included in a plan.

Subdivision 5. **Workforce plan.** Requires applicants who serve 15,000 service connections or more to submit as part of their application a description of how it will maximize use of registered

apprentices and populations under-represented in the construction industry in the work performed under the grant.

Subdivision 6. **Reporting.** Sets August 1 as the annual deadline for the Public Facilities Authority to report to legislature on the program. Specifies information, including cost estimates, that must be included in the annual report.

Subdivision 7. **Prevailing wage.** Requires payment of prevailing wage to laborers and mechanics hired for grant activities.

Subdivision 8. **General fund appropriation.** Appropriates specified amounts from the general fund to the program every year from fiscal year 2024 through fiscal year 2033. Sets this subdivision to expire June 30, 2033.

Subdivision 9. **Mapping and inventory costs.** Allows the PFA to spend up to ten percent of the appropriation under subdivision 8 for costs related to mapping and inventory activities. Allows the PFA to enter into interagency agreements with the Department of Health to provide technical assistance to municipalities for producing an inventory of publicly and privately owned lead service lines and associated replacement plans within their jurisdiction.

Section 3. **Lead line removal goal.** [446A.078] Declares that it is a goal of the state of Minnesota to remove all lead service lines in public drinking water systems by 2033.

Section 4. **Loan conditions.** [446A.081, subd. 8] Specifies that loans for projects to replace lead service lines, loan and grant agreements must not exceed ten years. Provides a zero percent interest rate for loans to replace lead service lines with principal payments commencing no later than 18 months after completion of the project.

Section 5. **Other uses of fund.** [446A.081, subd. 9] Allows the drinking water revolving loan fund to be used to provide principal forgiveness or grants if permitted under the federal law for 50 percent of project costs up to \$3,000,000 for projects to address emerging contaminants in drinking water.