

1.1 moves to amend H.F. No. 4115 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **[144.3805] LEAD SERVICE LINE REPLACEMENT GRANT**
1.4 **PROGRAM.**

1.5 Subdivision 1. **Establishment.** The commissioner of health must establish a program
1.6 to replace lead drinking water service lines in the state by 2032 and must provide grants to
1.7 eligible recipients for this purpose.

1.8 Subd. 2. **Eligible recipients.** The following are eligible recipients of funds in the program:

1.9 (1) community public water suppliers of a community water system as defined in Code
1.10 of Federal Regulations, title 40, section 141.2, as amended;

1.11 (2) municipalities;

1.12 (3) suppliers of other residential drinking water systems; and

1.13 (4) any applicant eligible for loans and grants under the federal Safe Drinking Water
1.14 Act.

1.15 Subd. 3. **Eligible uses.** An eligible recipient may use a grant provided under this program
1.16 for:

1.17 (1) removing and replacing lead drinking water service lines;

1.18 (2) repaying debt incurred for the purposes described in clauses (1), (3), and (4);

1.19 (3) providing information to residents on the benefits of lead service line removal; or

1.20 (4) performing necessary construction activities required for and associated with the
1.21 removal and replacement of lead service lines.

2.1 Subd. 4. **Required removal or replacement of privately owned lead service lines.** At
2.2 least 70 percent of the funds made available under the grant must be used for the purposes
2.3 of removing privately owned portions of lead drinking water service lines or installing
2.4 privately owned portions of drinking water service lines.

2.5 Subd. 5. **Grant priorities.** In prioritizing the expenditure of grant money received under
2.6 this section, the commissioner must give priority to applications that utilize the funds as
2.7 part of a plan to remove all lead service lines within a municipality or residential drinking
2.8 water system. A plan should include:

2.9 (1) a description of how the recipient will maximize the number of property owners with
2.10 privately owned portions of lead service lines that will participate in the removal and
2.11 replacement, including lower-income residents and those from other disadvantaged
2.12 communities;

2.13 (2) a description of how the recipient will coordinate the removal of the publicly owned
2.14 and privately owned portions of the lead service lines to maximize efficient use of funds;

2.15 (3) a description of how the recipient will use the funds as part of a comprehensive plan
2.16 to remove all lead service lines within its jurisdiction; and

2.17 (4) a description of how the recipient will ensure compliance with program requirements
2.18 and other applicable legal requirements.

2.19 Subd. 6. **Workforce plan.** Applicants who serve 75,000 or more customers must submit
2.20 a workforce plan as part of their application. The workforce plan must include a description
2.21 of how the applicant will promote and expand the use of registered apprentices, along with
2.22 populations under-represented in the construction industry, in the lead removal and
2.23 replacement work.

2.24 Subd. 7. **Coordination with Public Facilities Authority.** To the extent possible, the
2.25 commissioner shall coordinate with the Public Facilities Authority in administering this
2.26 program for lead service line removal through the drinking water revolving fund and to
2.27 simplify the application process.

2.28 Subd. 8. **Prevailing wage.** Laborers and mechanics performing work on a project funded
2.29 by this grant program or loans repaid through this grant program, including removal and
2.30 replacement of lead drinking water service lines and installation of replacement drinking
2.31 water service lines, must be paid the prevailing wage rate for the work as defined in section
2.32 177.42, subdivision 6. The project is subject to the requirements and enforcement provisions
2.33 of sections 177.30 and 177.41 to 177.45.

3.1 Subd. 9. **Report.** By January 31, 2024, and by each January 31 thereafter through January
3.2 31, 2033, the commissioner shall submit a report on this grant program to the chairs and
3.3 ranking minority members of the legislative committees with jurisdiction over capital
3.4 investment, health, and environment. The report must include, at a minimum, details about
3.5 awards made, applications submitted, and lead service lines removed.

3.6 Sec. 2. **[144.3807] LEAD SERVICE LINE REMOVAL GOAL.**

3.7 It shall be the goal of the state of Minnesota to remove all lead service lines in public
3.8 water systems by 2032.

3.9 Sec. 3. **LEAD SERVICE LINE INVENTORY GRANT PROGRAM.**

3.10 Subdivision 1. **Establishment.** The commissioner of health shall establish a grant
3.11 program to provide financial assistance to municipalities for producing an inventory of
3.12 publicly and privately owned lead service lines within their jurisdiction.

3.13 Subd. 2. **Eligible uses.** A municipality may use funding under this program for:

3.14 (1) planning and design for lead service line infrastructure projects;

3.15 (2) developing or updating lead service line inventories, including locating and mapping
3.16 lead service lines;

3.17 (3) providing technical assistance to small water systems undertaking lead service line
3.18 inventories or construction projects;

3.19 (4) nonroutine lead sampling conducted for reasons other than mandatory compliance
3.20 with an ordinance, law, or rule; or

3.21 (5) to fund contractors to work on lead service line education and outreach, inventory,
3.22 and other associated activities.

3.23 Sec. 4. **LEAD SERVICE LINES; INFRASTRUCTURE INVESTMENT AND JOBS**
3.24 **ACT.**

3.25 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
3.26 the meanings given them.

3.27 (b) "Lead service line" means a water supply connection that is made of or lined with a
3.28 material consisting of lead and that connects a water main to a building. A lead pigtail, lead
3.29 gooseneck, or other lead fitting shall be considered a lead service line, regardless of the

4.1 composition of the service line or other portions of piping to which the piece is attached.

4.2 A galvanized service line shall be considered a lead service line.

4.3 (c) "Service line" means any piping, tubing, or fitting connecting a water main to a
4.4 building. Service line includes the property owner side and the system side of a service line.

4.5 Subd. 2. Use of federal funds. (a) Notwithstanding any law or rule to the contrary, the
4.6 Public Facilities Authority must disburse the federal funds received by the state of Minnesota
4.7 for lead service line replacement capitalization grants administered by the United States
4.8 Environmental Protection Agency under Public Law 117-58 for lead service line replacement
4.9 in the manner described under paragraphs (b) and (c).

4.10 (b) Of the funds described in paragraph (a) that are required to be used for principal
4.11 forgiveness or grants, all of such funds must be used for the replacement of the privately
4.12 owned portions of lead service lines. In each calendar year beginning in 2022, if the requests
4.13 to the authority for principal forgiveness and grants for the replacement of the privately
4.14 owned portions of lead service lines total less than the amount of funds dedicated for such
4.15 activities by September 30, the authority may use the unspent funds for any other qualifying
4.16 lead service line replacement activity.

4.17 (c) Ten percent of the funds described in paragraph (a) that are required to be used for
4.18 principal forgiveness or grants must be used for the following activities:

4.19 (1) planning and design for lead service line infrastructure projects;

4.20 (2) developing or updating lead service line inventories, including locating and mapping
4.21 lead service lines;

4.22 (3) providing technical assistance to small water systems undertaking lead service line
4.23 inventories or construction projects;

4.24 (4) nonroutine lead sampling conducted for reasons other than mandatory compliance
4.25 with an ordinance, law, or rule; or

4.26 (5) to fund state staff and contractors to work on lead service line education and outreach,
4.27 inventory, and other associated activities.

4.28 (d) Notwithstanding any law or rule to the contrary, the Public Facilities Authority must
4.29 transfer ten percent of the federal funds received by the state of Minnesota under the federal
4.30 Safe Drinking Water Act, as amended, United States Code, title 42, section 300f et seq.,
4.31 and Public Law 117-58 that are eligible to fund lead service line inventories to the
4.32 commissioner of health for grants to develop and update lead service line inventories. In
4.33 each calendar year beginning in 2022, if the requests to the commissioner of health for

5.1 grants for lead service line inventories total less than the amount of funds dedicated for such
5.2 activities by September 30, the commissioner of health shall transfer the unspent amount
5.3 to the authority, which may use the unspent funds for any other qualifying lead service line
5.4 replacement activity.

5.5 Subd. 3. **Report.** On or before January 31, 2023, and each January 31 for four years
5.6 thereafter, the Public Facilities Authority, in collaboration with any other relevant state
5.7 agency, must submit a report to the legislature that details the disbursement of funds under
5.8 this section, including the total amount spent on each of the activities described under
5.9 subdivision 2. A copy of this report must also be sent to the chairs and ranking minority
5.10 members of the legislative committees having jurisdiction over capital investment, health
5.11 finance, and environment and natural resources finance.

5.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.13 Sec. 5. **APPROPRIATIONS; LEAD SERVICE LINE REPLACEMENT AND**
5.14 **INVENTORY.**

5.15 Subdivision 1. **Definition.** For the purposes of this section, "eligible recipients" means:

5.16 (1) community public water suppliers of a community water system as defined in Code
5.17 of Federal Regulations, title 40, section 141.2, as amended;

5.18 (2) municipalities;

5.19 (3) suppliers of other residential drinking water systems; and

5.20 (4) any applicant eligible for loans and grants under the federal Safe Drinking Water
5.21 Act.

5.22 Subd. 2. **Appropriation; bond proceeds fund.** \$..... is appropriated from the bond
5.23 proceeds fund to the Public Facilities Authority for grants to eligible recipients for lead
5.24 service line replacement activities related to publicly owned portions of drinking water lead
5.25 service lines, in accordance with the requirements of section 2, subdivision 2, of this act.

5.26 Subd. 3. **Appropriation; general fund.** \$..... in fiscal year 2023 is appropriated from
5.27 the general fund to the commissioner of health for grants to develop and update lead service
5.28 line inventories.

5.29 Subd. 4. **Bond sale.** To provide the money appropriated in this section from the bond
5.30 proceeds fund, the commissioner of management and budget shall sell and issue bonds of
5.31 the state in an amount up to \$..... in the manner, upon the terms, and with the effect

- 6.1 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
- 6.2 Constitution, article XI, sections 4 to 7.
- 6.3 **EFFECTIVE DATE.** This section is effective the day following final enactment."
- 6.4 Amend the title accordingly