

MINNESOTA LEAD SERVICE LINE REPLACEMENTS (LSLR) FUNDING OVERVIEW



2022
In 2022, the City of Saint Paul appropriated \$16.5M in American Rescue Plan funds for a LSLR pilot which covered about 800 replacements.

2023
In 2023, the MN Legislature appropriated \$240M in state bonding for LSLR.



About \$43M in federal funds from IIJA was directed toward LSLR in MN.

2024
In 2024, about \$42M in federal funds from IIJA was directed toward LSLR in MN.

2025
In 2025, about \$86M in federal funds from IIJA was directed toward LSLR in MN.

2026
There will be a proposal requesting that MN appropriate an additional \$250M in state bonding for LSLR.

2027
In 2026, MN anticipates about \$88M in federal funds from IIJA for LSLR.

2028
In 2027, MN anticipates about \$88M in federal funds from IIJA for LSLR.

No Known Funding Available in 2028

Overview of MN LSLR Need		
	LSLRs	Costs
Identified Lead Service Lines	98,000	\$1.35B
Unknowns (Assumes Replacement of 33%)	275,000 * 33% = 92,000	\$1.25B
Total Projected LSLRs	190,000	\$2.6B

Assumes Average Cost: \$13,750/LSLR

Does NOT Consider Inflationary Factors

Overview of MN LSLR Funding		
Funding Source	2023-2026	Additional Assumed IIJA in 2026/2027
State of MN	\$240M	
Federal - IIJA	\$171M	+\$176M
Total	\$411M	\$587M

Total Needed to Eliminate Lead Service Lines in MN	\$2.6	BILLION
Current Funding (w/ IIJA in 26/27)	-\$0.59	BILLION
Funding Gap	\$2.0	BILLION
EPA Timeline: Remove by end of 2037	÷ 12	YEARS
Annual Funding Need 2026-2037	= \$166	MILLION PER YEAR



While MN has received/dedicated nearly \$600M to lead replacements, the total need is estimated to be \$2.6B.

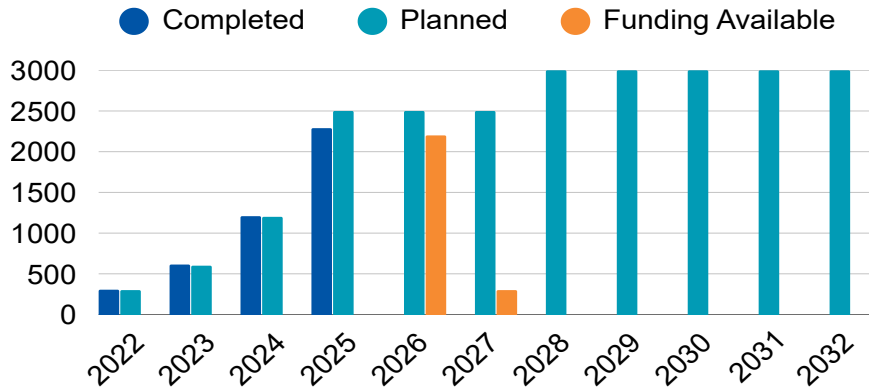
There remains a \$2B gap.

We will work to support a state bonding proposal in 2026 but additional advocacy and funding will be needed for years to come.

SPRWS FUNDING ANALYSIS



Continuing to advance the Lead-Free SPRWS initiative is one of our top priorities. This will require strong advocacy for additional funding. This project to replace all lead service lines represents a major investment in public health, environmental justice, and community trust. By eliminating lead from our system, SPRWS is working to protect future generations, uphold our commitment to water quality, and ensure every customer has safe, lead-free drinking water at the tap.




If you are interested in learning more about Lead Free SPRWS and the need for ongoing funding please reach out!

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	2022-2025	2026	2027	2027-2032
Funding	\$60.5M	\$30M	\$5M	\$250M
Anticipated Replacements	~4,500	2,200	300*	~18,100

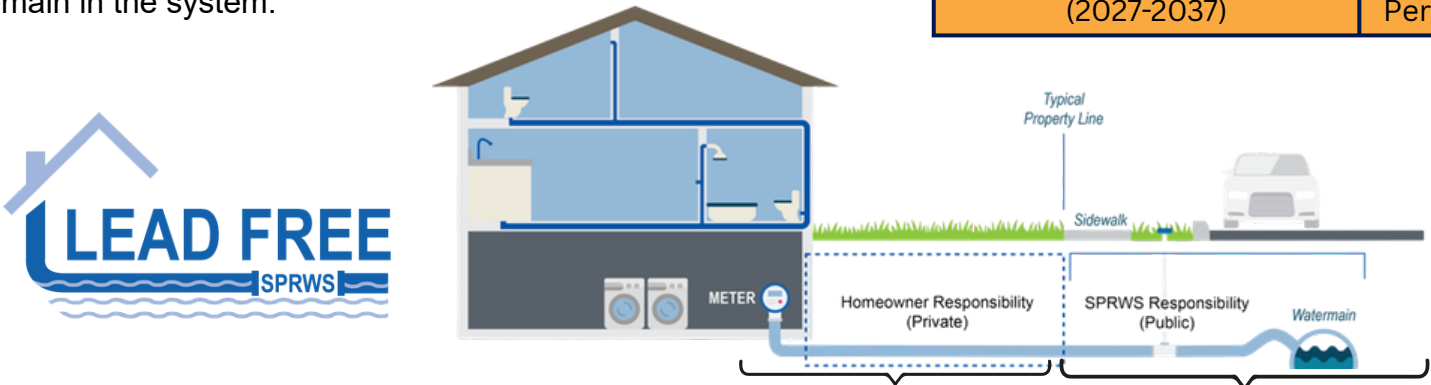
Rolling \$5M forward to ensure work for internal Lead Free SPRWS employees in 2027

SPRWS Estimated Additional Need to Remove ALL Lead

Total Projected Lead Service Lines	25,100
Total Funding Needed (\$13,750/LSLR)	\$345M
Total Funding Received	\$95.5M
Projected LSLRs Complete by 12/31/2026	6,700
Percent of Total Need Met	27%
Remaining LSLRs (End of 2026)	18,100
Remaining Need	\$250M
SPRWS Annual Need (2027-2037)	~\$23M Per Year

SUMMARY

By the end of 2025, SPRWS will have received \$95.5 million in lead funding and completed more than 6,700 replacements as part of Lead Free SPRWS. About 18,100 lead service lines will still remain in the system.



12,100 Partial Lead Services Private Lead Public Portion is NOT Lead

6,000 Full Lead Services Private Lead Public Lead

It's important to note that state law does not allow SPRWS to use ratepayer funds to replace the private-side portions of lead service lines. Lead will remain in 18,100 private owned portions without additional support.

For comparison, many other cities, including Minneapolis, do not have a split-ownership model. Their customers own the entire service line, which prevents those utilities from contributing any utility funds toward lead service line replacement. SPRWS can fund public portion if needed.