

**Subject** Lead drinking water service line replacement grants

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## Overview

This bill establishes grant programs related to the inventorying, removing, and replacing lead drinking water service lines; specifies the use of federal funds from the Infrastructure Investment and Jobs Act relating to lead service lines; and appropriates money from state general obligation bond proceeds and the general fund for lead service line replacement and inventory purposes.

## Summary

Section Description

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**1 [144.3805] Lead service line replacement grant program.**

Establishes a lead service line replacement grant program to provide grants to replace lead drinking water service lines in Minnesota by 2032.

**Subd. 1. Establishment.** Requires the commissioner of health to provide grants to eligible recipients to replace lead drinking water service lines in Minnesota by 2032.

**Subd. 2. Eligible recipients.** Lists eligible grant recipients: community public water suppliers, municipalities, other suppliers of residential drinking water, and entities eligible for loans and grants under the Safe Drinking Water Act.

**Subd. 3. Eligible uses.** Allows grant funds to be used to remove and replace lead drinking water service lines, provide information to residents, perform construction associated with lead service line removal and replacement, and repay debts incurred for these purposes.

**Subd. 4. Required removal or replacement of privately owned lead service lines.** Requires at least 70 percent of the funds available under the grant to be

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used to remove privately owned portions of lead drinking water service lines or installing privately owned portions of drinking water service lines.

**Subd. 5. Grant priorities.** Requires the commissioner to give priority in awarding grants to applicants that use the funds as part of a plan to remove all lead service lines within a municipality or residential drinking water system. Lists elements a plan should include.

**Subd. 6. Workforce plan.** Requires applicants that serve 75,000 or more customers to submit a workforce plan that must include a description of how the applicant will promote and expand the use of registered apprentices and populations underrepresented in the construction industry.

**Subd. 7. Coordination with Public Facilities Authority.** Requires the commissioner to coordinate this program with the Public Facilities Authority.

**Subd. 8. Prevailing wage.** Applies prevailing wage requirements to projects under the program.

**Subd.9. Report.** Between 2024 and 2033, requires the commissioner of health to annually report on this grant program to the chairs and ranking minority members of certain committees in the legislature, and specifies information that must be included in the reports.

2 **[144.3807] Lead service line removal goal.**

Sets a goal for the state of Minnesota to remove all lead service lines from public drinking water systems by 2032.

3 **Lead service line inventory grant program.**

Directs the commissioner of health to establish a grant program to provide financial assistance to municipalities for producing inventories of lead service lines in their jurisdiction. Allows grant funds to be used for the following activities: (1) planning and design for lead service line infrastructure projects, (2) developing or updating lead service line inventories, (3) providing technical assistance to small water systems undertaking lead service line inventories or construction projects, (4) nonroutine lead sampling, and (5) to fund contractors for certain lead service line activities.

4 **Lead service lines; Infrastructure Investment and Jobs Act.**

Uncodified section which specifies the use of federal funds from Public Law 117-58, the Infrastructure Investment and Job Act (IIJA), relating to lead service lines.

**Subd. 1. Definitions.** Defines “lead service line” and “service line” for purposes of the section.

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**Subd. 2. Use of federal funds.** Provides requirements for the distribution of lead service line replacement capitalization grants under the IJJA. Of the lead service line replacement capitalization grants required to be used for principal forgiveness and grants, all of the funds must be used for replacement of the privately owned portions of lead service lines. If the requests for such projects total less than the amount of funds dedicated for such activities by September 30 of each calendar year, the Public Facilities Authority (PFA) may use the unspent funds for any other qualifying lead service line replacement activity.

Ten percent of the principal forgiveness and grants funds described above must be used for the following activities: (1) planning and design for lead service line infrastructure projects, (2) developing or updating lead service line inventories, (3) providing technical assistance to small water systems undertaking lead service line inventories or construction projects, (4) nonroutine lead sampling, and (5) to fund staff at the state level and contractors for certain lead service line activities.

The PFA is required to transfer ten percent of the federal Safe Drinking Water Act and IJJA funds eligible to fund lead service line inventories to the commissioner of health for grants to develop and update such inventories. If the requests for such projects total less than the amount of funds dedicated for such activities by September 30 of each calendar year, the commissioner of health must transfer the unspent amount to the PFA, which may use the funds for any other qualifying lead service line replacement activity.

**Subd. 3. Report.** Requires the PFA, in collaboration with any other relevant state agency, to submit a report to the legislature on January 31 for five years, beginning in 2023, detailing the disbursement of the funds described in this section.

Effective the day following final enactment.

**5 Appropriations; lead service line replacement and inventory.**

**Subd. 1. Definition.** Defines the term “eligible recipients” for the purposes of the section.

**Subd. 2. Appropriation; bond proceeds fund.** An unstated amount of state general obligation bond proceeds is appropriated to the PFA for grants to eligible recipients for lead service line replacement activities related to the publicly owned portions of drinking water lead service lines, subject to the requirements stated in section 2, subdivision 2, of this act.

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**Subd. 3. Appropriation; general fund.** An unstated amount is appropriated in fiscal year 2023 from the general fund to the commissioner of health for grants to develop and update lead service line inventories.

**Subd. 4. Bond sale.** Provides the authority for the commissioner of management and budget to sell and issue general obligation bonds for the appropriation under subdivision 2.

Effective the day following final enactment.



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