

**Subject** Replacement of drinking water lead service lines

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## Overview

This bill modifies the list of allowable uses of money in the Drinking Water Revolving Fund, allowing money in the fund to be used for forgiveness of a loan principal or for grants for projects to replace the privately owned portion of drinking water lead service lines. It also modifies the criteria for an existing permitted use of money in the fund.

The Drinking Water Revolving Fund is jointly administered by the Minnesota Public Facilities Authority and the Health Department. It provides loans and other financial assistance authorized by the federal Safe Drinking Water Act to local units of government and other recipients for projects to improve community and noncommunity water systems. Money in the fund is provided by the EPA, state matching funds, loan repayments, and Public Facilities Authority revenue bond proceeds.

## Summary

Section	Description
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<b>1</b>	<b>Other uses of funds.</b>
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Amends § 446A.081, subd. 9. In a subdivision listing allowable uses of the drinking water revolving fund, a new clause (11) allows money in the fund to be used to provide principal forgiveness or grants for 50 percent of project costs, up to a maximum of \$250,000, for projects to replace the privately owned portion of drinking water lead service lines. (A service line is a water pipe that connects a building to a drinking water main pipe.)

Also strikes a reference in clause (8) to a rule being repealed; and modifies an existing allowable use in clause (10), to allow principal forgiveness or grants for 80 percent of project costs, up to a maximum of \$100,000, for projects to comply with national primary drinking water standards for an existing nonmunicipal community public water system. (Under current law the allowable use is principal forgiveness or

Section	Description
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	grants for 50 percent of project costs, up to a maximum of \$10,000, for projects for an existing community or noncommunity public water system.)
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2	<b>Repealer.</b>
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	Repeals Minnesota Rules, part 7380.0280. (This rule requires the public facility authority to provide supplemental assistance by reducing a loan principal of a public water supply system if the project meets disadvantaged community criteria in rule.)
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