



Council Agenda Item 26-0470R

MEETING DATE: May 26, 2026

SUBJECT/TITLE: RESOLUTION AUTHORIZING APPLICATION TO THE MINNESOTA PUBLIC FACILITIES AUTHORITY (MPFA) FOR A FORGIVABLE LOAN FROM THE DRINKING WATER REVOLVING FUND FOR CONSTRUCTION OF THE “2026 NEIGHBORHOOD LEAD SERVICE LINE REPLACEMENT” PROJECT (PFA PROJECT 1690011-31, CITY PROJECT 2324 AND 2325) AS DESCRIBED IN THE LOAN APPLICATION.

SUBMITTED BY: Jon Maruska, Senior Engineering Specialist, Public Works and Utilities, Engineering Division

RECOMMENDATION: Approve

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: N/A

PREVIOUS COUNCIL ACTION:

February 23, 2026: Council approved a contract with Hanco Utilities for construction of the “Lead Service Line Replacement – East Hillside 1” Project.

May 11, 2026: Council approve a contract with Triple E Water and Sewer for construction of the “Lead Service Line Replacement - Endion 1” Project.

BACKGROUND: The Environmental Protection Agency’s Lead and Copper Rule Improvements require water systems to replace all lead water services by the end of 2037. The State of Minnesota is distributing State and Federal funds designated for lead service replacement through the MPFA. The Federal funding requires a partial matching loan; the State funding can be used to immediately repay the required loan. Duluth is currently listed on the MPFA funding Intended Use Plan and is eligible to apply for up to \$15,525,000.

Duluth plans to replace approximately 1,250 lead water services in 2026. As part of this effort, the City will replace 474 services in the East Hillside neighborhood and 110 services in the Endion neighborhood. The City will submit an application for the amount of \$11,805,683 to fund these projects.

BUDGET/FISCAL IMPACT: An application will be submitted to the MPFA for \$11,805,683. The MPFA program for lead service line replacements offers a combination of grants and forgivable loans which will result in no cost to the City

OPTIONS: Approve or cease lead replacement projects for 2026.

NECESSARY ACTION: Approve to apply for lead service line replacement funding.

ATTACHMENTS: PFA Application 1690011-31.