

Council Agenda Item 26-0697R



MEETING DATE: August 10, 2026

SUBJECT/TITLE: RESOLUTION AUTHORIZING APPLICATION TO THE MINNESOTA PUBLIC FACILITIES AUTHORITY (MPFA) FOR A FORGIVABLE LOAN FROM THE DRINKING WATER REVOLVING FUND FOR LEAD SERVICE LINE REPLACEMENTS AS PART OF THE N 40TH AVE W RECONSTRUCTION PROJECT (PFA PROJECT 1690011-23, CITY PROJECT 1813) AS DESCRIBED IN THE LOAN APPLICATION.

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

RECOMMENDATION: Approve

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: N/A

PREVIOUS COUNCIL ACTION: N/A

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 2026 Intended Use Plan and is eligible to apply for up to \$15,525,000 in funding for lead service line replacements.

St. Louis County is beginning the reconstruction of N 40th Ave W in 2026. As part of the project, Duluth is replacing the water main and the public portions of the water services adjacent to the new water main. Additionally, private portions of lead service lines and lead services lines beyond the water main replacement extent are planned to be replaced and paid for with the MPFA funding.

BUDGET/FISCAL IMPACT: An application will be submitted to the MPFA for \$456,951, which is the as-bid construction cost for lead service line replacements plus a 10% contingency. 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 for the lead water service replacement portion of the project.

OPTIONS: Approve or fail to fund the private lead service line replacements as planned as part of this project.

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

ATTACHMENTS: PFA Application 1690011-23.