# WHERE WE'RE AT:

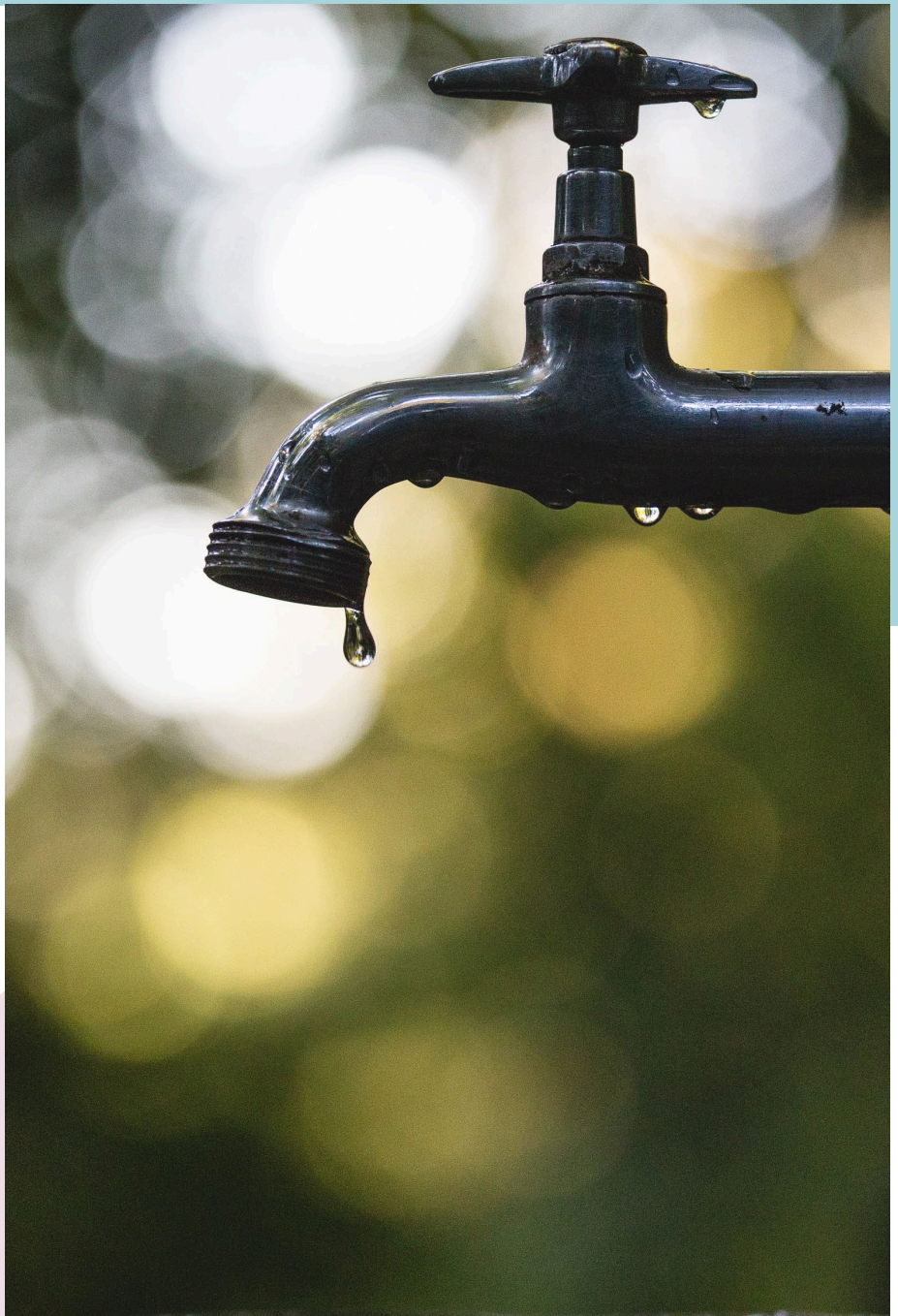
## LEAD LINE REPLACEMENT & ZONING REFORM

November 14, 2025

# EVERYTHING YOU WANTED TO KNOW ABOUT LEAD LINE REPLACEMENT

## BUT WERE AFRAID TO ASK

Elizabeth Wefel | CGMC Lobbyist





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# AGENDA

## How we got here

- Federal requirements
- State assistance

## Where are we at?

- Inventory
- Funding availability & restrictions

## What should cities be doing to move forward?

## Legislative ask



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# HOW WE GOT HERE: FEDERAL LEVEL

- 2021 revisions to Lead and Copper Rule
  - All Community Water Systems (CWS) required to perform initial line inventory by October 2024
  - All CWS required to update by October 2027
  - Complete replacement of lead lines by October 2037
- Federal funding available
  - Infrastructure Investment and Jobs Act (IIJA) provides millions in funding for replacement and inventory
  - Additional funding available from Drinking Water Revolving Fund

# HOW WE GOT HERE: STATE LEVEL

State establishes lead line replacement fund and goal

- Goal to replace all lead lines by 2033
- Fund created so that lines could be replaced at no cost to homeowners and low/no cost for cities
- 10% set aside for inventory assistance
- Initial fund $240 million
    - Additional $3 million in 2025 jobs bill

# WHERE ARE WE AT? INVENTORY

- Minnesota had one of the highest inventory response rates in nation at 100% of Community Water Systems (CWS)
- Initial reports just under 90,000 lead lines requiring replacement and additional 280,000 requiring additional information
- 2027 updated inventory will provide more complete picture of entire scale of problem
  - Initial updates of "unknown" have been promising

# WHAT DOES THIS LOOK LIKE?

## Statewide Summary

Current Status: 11/6/2025

Service Lines Replaced with State & Federal Funds

1,822

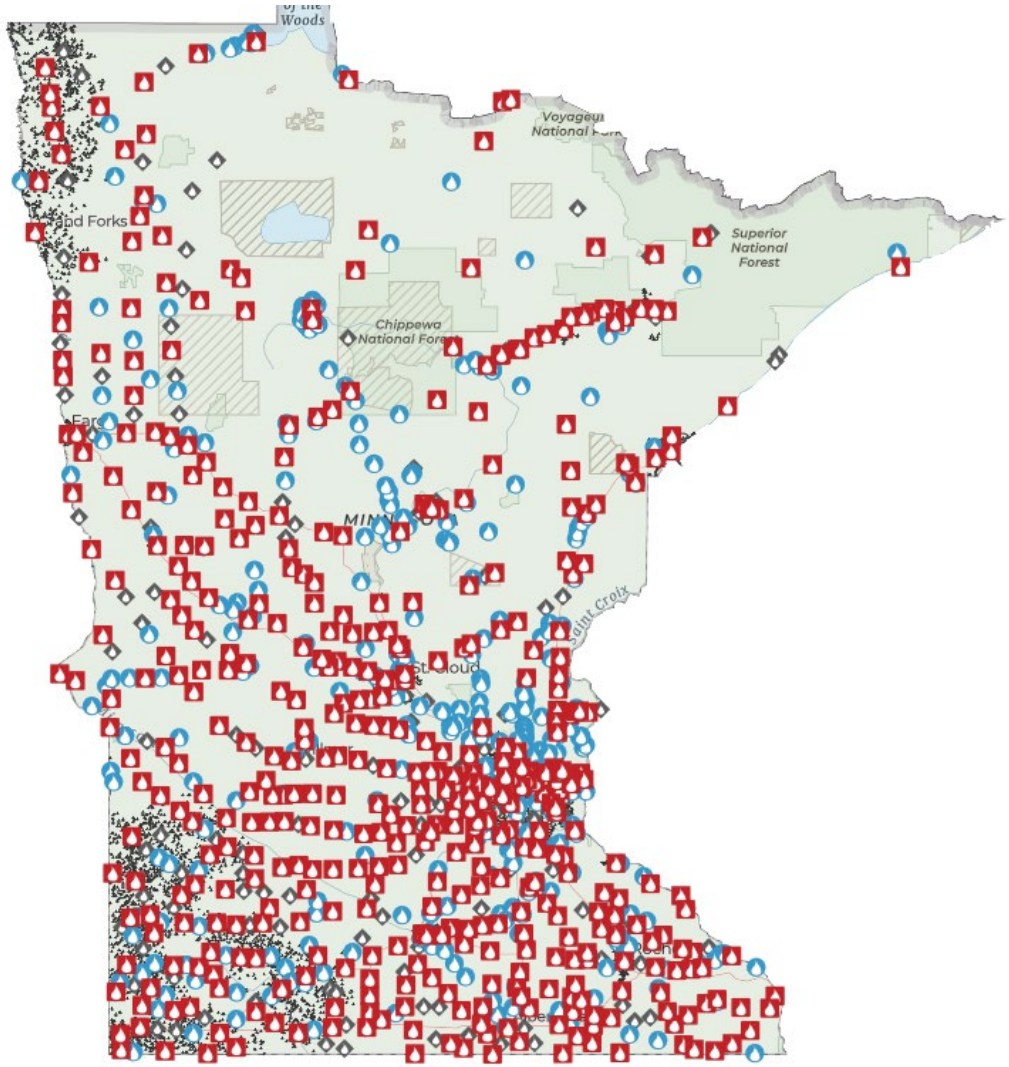
Service Lines

1,507,851
Total Service Lines

1,182,997
Non-Lead

89,268
Lead or Galvanized Requiring Replacement

235,586
Unknown



# WHERE ARE WE AT? FUNDING

- Draft Intended Use Plan to be released within the week
  - Most of the available state and federal funds will be spoken for
  - Federal funds in future fiscal years not included
- High demand - $300 million in requests
  - $174 million available
- PFA and MDH working together to stage funding
  - Initial proposal would have capped all cities at just over $2 million
  - Outcry from larger cities lead to revise formula
  - Smaller systems (40 or fewer pipes to replace) will receive entire grant
  - Larger systems (more than 40 pipes to replace) eligible for 10% per year
    - Mirror federal goal of replacing 10 % of system per year
- More money needed at state and federal level!

# WHERE ARE WE AT? SECOND INVENTORY ROUND

- October 2027 – Updated inventory and plan for replacement required by federal law
- Inventory becomes more challenging
  - Initial rounds of funding went to records research and visual inspection
  - Second round requires digging for investigation
    - State funds available for inventory grants, but limited
    - May need to adjust legislative ask for more inventory funds

# WHAT SHOULD CITIES BE DOING?

- Planning when and where you will be replacing
- Create inventory plan and apply for inventory assistance when available
- Get on the IUP in spring 2026 if you plan to start replacement soon
- Help us push your legislators for more funding!



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# LEGISLATIVE ASK

- $250 million this year
  - Partial private ownership complicates funding source
  - GO Bonds can not be used to fund private side
  - Cash, appropriation bonds, and other resources are possible
- Why so much?
  - Based on anticipated replacement rate
  - Cost in some cities exceeds $20,000 per line

# BRICK BY BRICK:

## MAKING GAINS FOR GREATER MN ON HOUSING POLICY

Bradley Peterson | CGMC Executive Dir.

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# AGENDA

## Greater MN Housing Infrastructure Program

- Federal requirements
- State assistance

## Housing Survey – Preliminary results

- Survey's goals
- Preliminary results

## Zoning & Housing Policy Preemption



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# GREATER MN HOUSING INFRASTRUCTURE GRANT

- Created by the CGMC in 2023
- $8 million
- Under the statute, at 462A.395, the program has two program eligibility requirements for funding:
  - The project is necessary to increase the sites available for housing development that will provide adequate housing stock for the current or future workforce; and
  - The increase in workforce housing will result in substantial public and private capital investment in the county or city in which the project would be located.



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# MINNESOTA HOUSING ROLL-OUT

- Despite being established in 2023, the program did not roll out until spring 2025, with first round of funding decisions finalized in October
  - Agency received 48 applications for approx. $17.3 million
  - Staff recommended 21 awards of $7.46 million

# ANALYSIS

- Awards went to 2 tribal entities and 17 cities
- Cities awarded dollars skewed small
  - Largest city by population was 6,764
  - Smallest city by population was 269
  - Average population was 2,003
- Scoring criteria did not allow for any projects that were exclusively market rate
- Scoring criteria does not fully take into account workforce needs

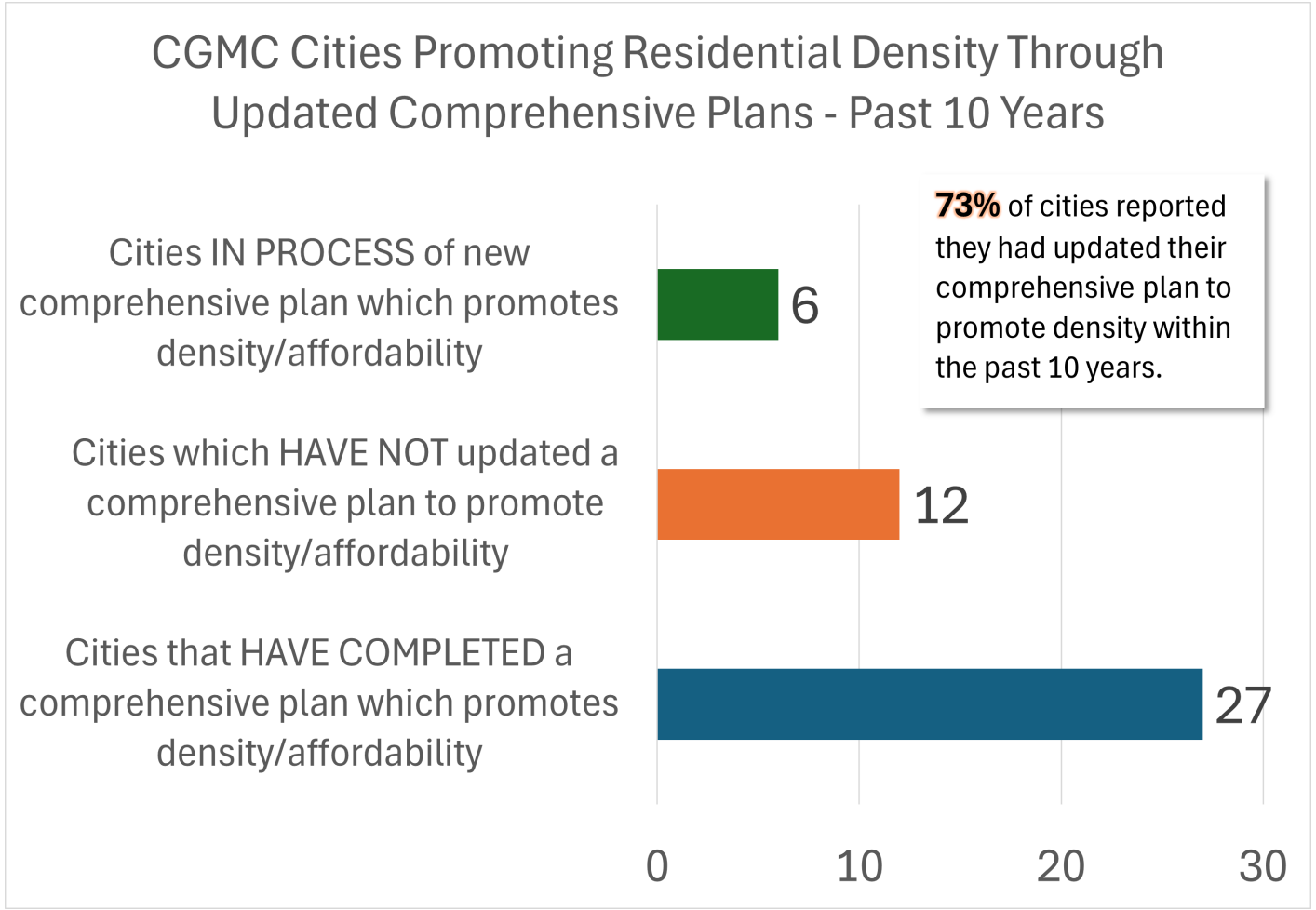
# NEXT STEPS

- Letter sent last week to MN Housing Commissioner Jennifer Ho with concerns and requesting a meeting
- Issue has been raised with legislative chairs
- Possible legislation to clarify elements of program to make it more useable for more cities
- Recommendation to MN Housing that program be run on a rolling basis like BDPI so money can be deployed to ready projects more quickly
- Push for more funding in bonding bill in 2026

# CGMC HOUSING SURVEY

- Builds on last year's survey in a more focused way
- Means to collect stories from cities to show that changes are being made but in local context without the legislature intervening
- Additional questions regarding MN Housing and rollout of infrastructure program

# PRELIMINARY RESULTS

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# PRELIMINARY RESULTS

| # OF CITIES RESPONDING | 41 |
|---|---|
| # of cities which have hired consultants to update comprehensive plan or zoning | 27 |
| # of cities which have not hired | 14 |
| Total cost paid by cities ($) | $2.23 million |
| Average cost paid by cities ($) | $106,000 |

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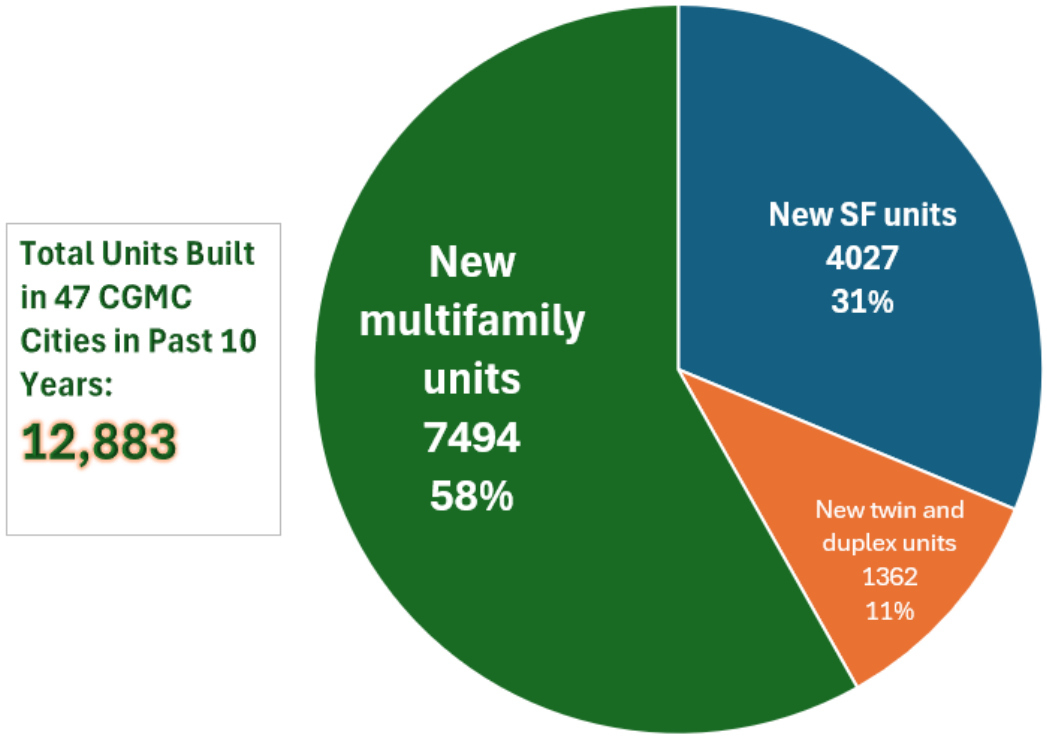
# PRELIMINARY RESULTS

#New Housing Units by Type Over Past 10 Years - CGMC Member Cities

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# HOUSING POLICY
# PRE-EMPTION... GRRR!



Held the line on pre-emption in 2025, but legislative patience running thin



End of 2025 -- there was possible universe of compromise on smaller issues such as aesthetic and material mandates but advocates and legislators on other side balked

# WHAT WE KNOW ABOUT 2026

- Reps. Patty Acomb and Ginny Klevorn have been talking with cities about compromise bill
- Housing chairs and advocates working on a bill
  - We have not seen language
  - Proposal will likely be overcomplicated and not work well
- Municipal groups continuing to work on collective approach



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# CGMC APPROACH

- Take initiative with non-controversial items that will actually help
  - Changes to housing tax credit
  - Changes to TIF
  - Clarification on Greater MN Housing Infrastructure Program
- Continue to highlight positive things cities are doing without the interference of Legislature
- Find compromise on other less controversial issues
- Break narrative that cities “only say no”

# QUESTIONS & DISCUSSION

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