

Empowering Communities to Fund Lead Service Line Replacement

NCSL Lead in Water: Financing Options Webinar
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Central challenge

- Replacing lead service lines (LSL) on private property may be considered an improvement to that property
- States may prohibit utilities from using rates paid by customers to support private improvements.
 - No grants
 - No loans
 - No labor
- Without support, property owners lack resources to replace LSLs

State approaches

- Allow rates to subsidize replacement
- Provide forgivable loans from State Revolving Loan Fund (SRF)
- Provide grants

Rationale:

- Protect public health from lead, especially from partial LSL replacement
- Cost effectiveness of replacing entire line at once

Rates to Subsidize Replacement

- Indiana – 205,000 LSLs
 - House Enrolled Act 1519 enacted in April 2017
 - Allow utility commission to approve proposals to fold cost of LSL replacement into rates paid by customers
 - Ten criteria must be addressed in proposal
- Pennsylvania – 160,000 LSLs
 - House Enrolled Act 674 enacted in October 2017
 - Allow municipal authorities to protect public health by replacing private water laterals
 - Allow use of public funds and employees
- Wisconsin (soon)

Provide forgivable loans from SRF

- Wisconsin in 2016 – 240,000 LSLs
 - \$25 million over 2 years
 - Disadvantaged municipalities
- Virginia in 2017 – 97,000 LSLs
 - \$2.5 million
 - \$5000 per service line include \$500 admin fee

Provide forgivable loans from SRF

- New Jersey in 2017 – 350,000 LSLs
 - \$30 million
 - Public or non-profit utilities serving communities with less than median household income of their county
 - 90% principal forgiveness / 10% interest-free loans
- Vermont in 2017 – 7,400 LSLs
 - \$100,000 grants
 - Community water systems for strategy other communities can model

Provide grants

- New York
 - \$20 million grants from general revenues
 - Allocate equitably among regions of state
 - Prioritize municipalities with high rates of elevated blood lead levels
 - Considering
 - Number of LSLs in need of replacement
 - Community is low income

Resources

- Lead Service Lines Replacement Collaborative - www.lslr-collaborative.org
- EDF Lead Resources - www.edf.org/lead
- EDF Health Blog - <http://blogs.edf.org/health>

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