Empowering Communities to Fund Lead Service Line Replacement

NCSL Lead in Water: Financing Options Webinar
November 17, 2017

Tom Neltner
Chemicals Policy Director
Environmental Defense Fund
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

Tom Neltner
Chemicals Policy Director
tneltner@edf.org
202-572-3263