



**American Water Works
Association**

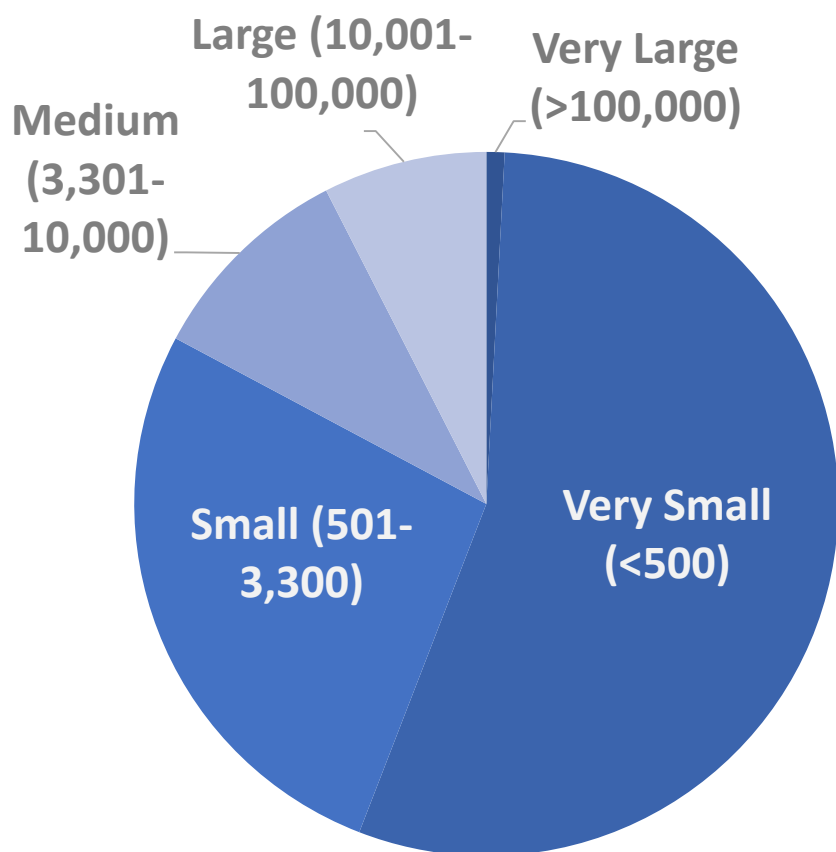
Dedicated to the World's Most Important Resource®

Funding Lead Service Line Replacement – Available Funding

Steve Via

American Water Works Association

Community Water Systems



About 51,000 CWSs all total. Approximately 10% (about 4,200 systems) serve 10,000 or more people and provide drinking water to more than 80% of the U.S. population.

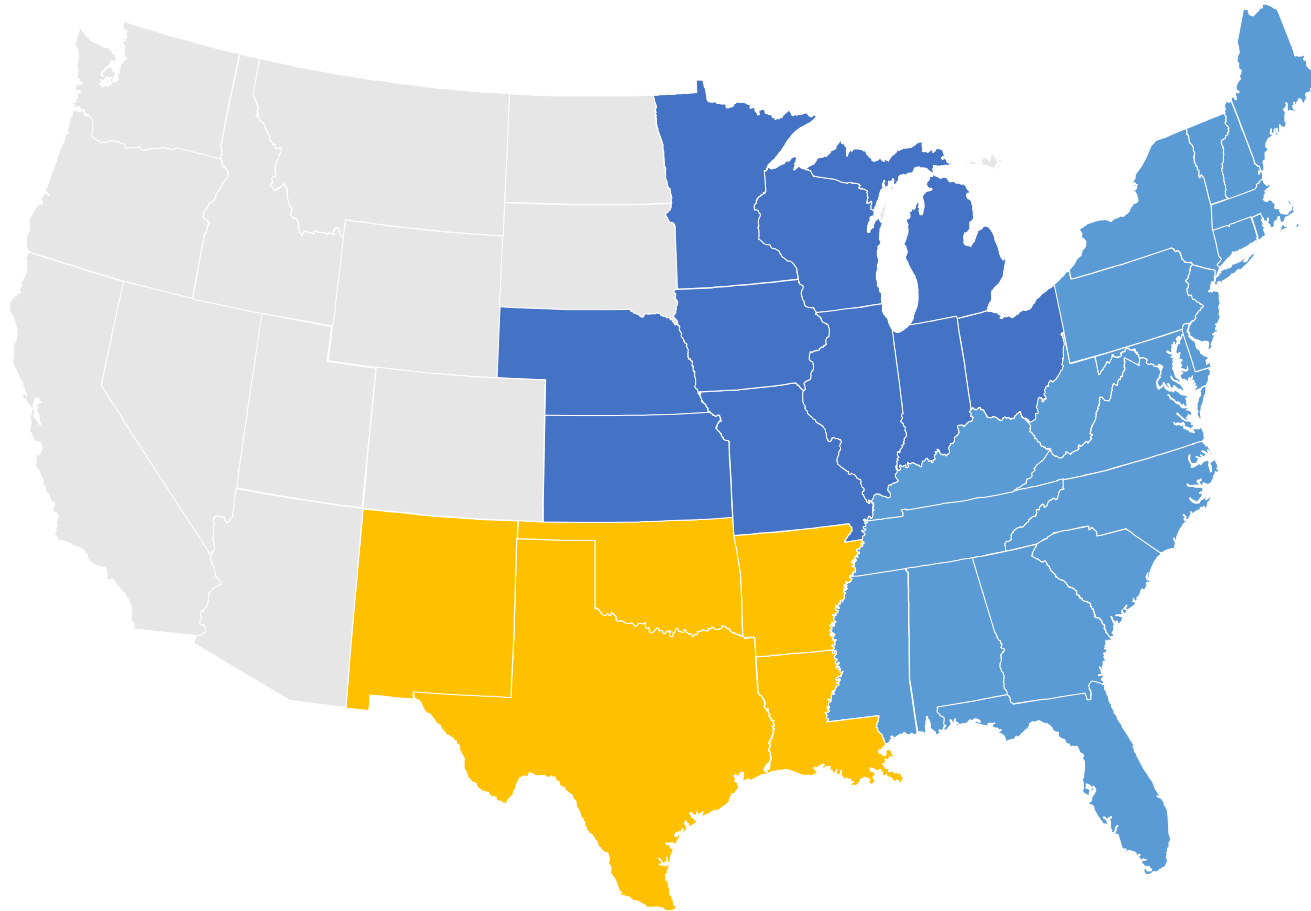


Funding Water Infrastructure

- **Local water rates and charges**
 - Pay-Go
 - Repayment of loans and interest
 - **State / Federal Programs**
 - SDWA state revolving loan funds
 - Rural Utility Service loans
 - Community Development Block Grants
 - Water Infrastructure Finance and Innovation Act
 - State Funds or Bonds
- } >90%



>\$30B to Replace Lead Service Lines



250,000 440,000 2,050,000 3,380,000

Source: Cornwell et al. (2016). National survey of lead service line occurrence. *JAWWA*, 108(4), E182-E191.



Federal Programs

Federal Program	SRF	RUS	CDBG	WIFIA
2017 Funding Level	\$0.86 B	\$0.57 B	\$3.0 B	\$20 M = \$1 B
Loan Interest Rate	1.67%	1.38 – 2.88%		2.96%
Administration	EPA / State	USDA	EPA / State	EPA
Federal Cross-cutters	Yes	Yes	Yes	Yes
Grant Funds	Targeted	Targeted	Targeted	None



Full LSLR Program Funding Strategies

Source	Private Use?	Public Use?
Drinking Water State Revolving Fund (SRF)	X	X
USEPA Water Infrastructure Finance and Innovation Act (WIFIA)	X	X
Social or Sustainability Bonds	X	X
Local Mini-Bonds	X	X
Local Lending	X	X

Source: Rebecca Slabaugh, Full Lead Service Line Replacement Strategies, WQTC, 2017.



Full LSLR Program Funding Strategies

Source	Private Use?	Public Use?
U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG)	X*	X
Municipal Service Business Units (MSBU)	X	
Private Foundations	X	X
Non-Rate Revenue	X	X
Rate Increase (with or without Customer Assistance Program)	X**	X
Special Assessment: Property Tax Assessment	X	
Special Assessment: Low-Income Deferred Payment Program	X	

Source: Rebecca Slabaugh, Full Lead Service Line Replacement Strategies, WQTC, 2017.



Approaches To-Date

- Shared cost at point-of-sale / utility construction
- Dedicated state fund
- Routine or dedicated application of SRF funds
- Use of local government general funds / non-rate revenue
- Utility water rates



Questions?

