

## Drinking Water Assistance Fund: Lead Service Line Replacement Funding

Approximately 6.1 million homes across the country receive drinking water through lead pipes, known as lead service lines (LSL)<sup>1</sup>. Since 2017, in response to concerns about lead in drinking water, Ohio EPA's Drinking Water Assistance Fund (DWAF) program has provided no interest financing for LSL replacement. For program years 2021 and 2022, eligible LSL replacement projects will receive a one-time allocation up to \$20 million in principal forgiveness funding. Principal forgiveness is grant-like funding referring to the principal portion of a loan which does not require repayment. Projects that exhibit readiness to proceed, have acceptable information regarding lead line locations, and can document having the authority to address lead lines on private property will be well-positioned for funding consideration.

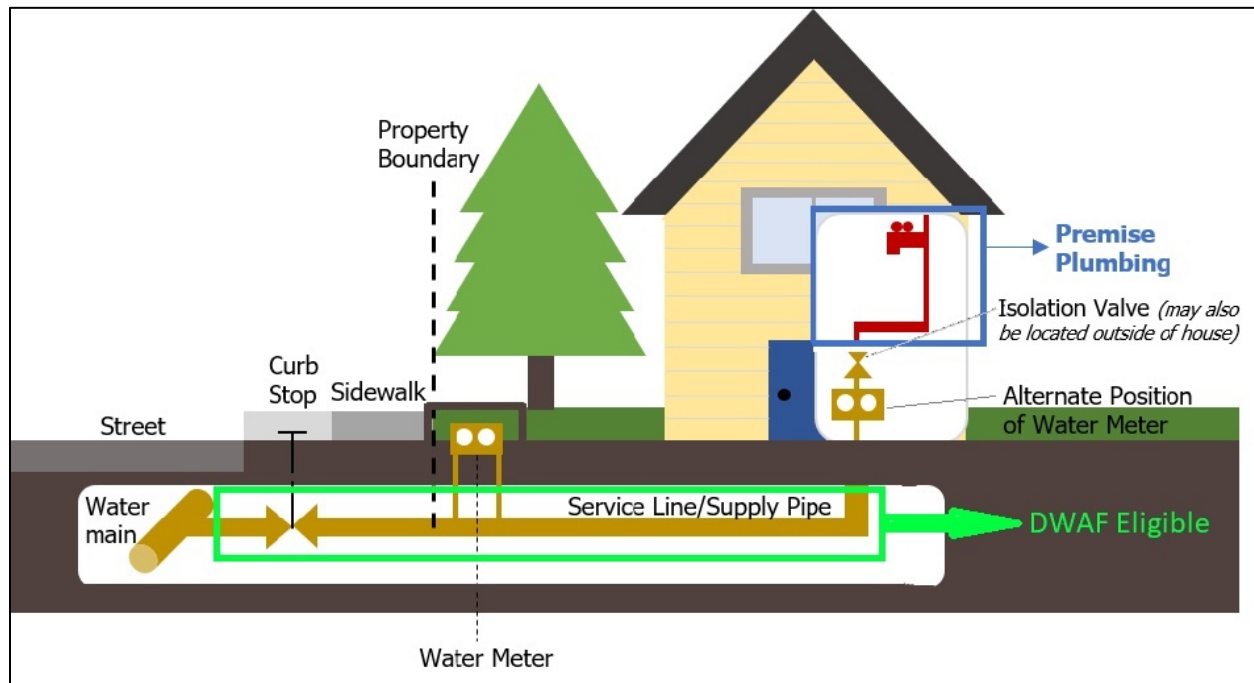
### Who is eligible?

Applicants eligible for the DWAF program are eligible for LSL principal forgiveness. Applicants are not required to meet disadvantaged community criteria for this funding. Please refer to the [DWAF Program Management Plan](#) for the definition of eligible applicants.

### What project activities are eligible for PF funding?

Public LSL replacement activities are eligible for PF funding. Additionally, costs to replace private lead service lines up to premise plumbing also are eligible. Projects with both public- and private-side lead service lines must include replacement of both lines. Figure 1 outlines the components eligible for funding (see bright green outline).

**Figure 1 – Lead Service Line Components**



### How much principal forgiveness is available per project?

Up to \$20 million of principal forgiveness will be made available during program years 2021 and 2022. Each applicant may receive up to \$1 million per year. An applicant may apply for and receive funds in both program years. If additional funding is needed for a project exceeding \$1 million, loan financing is available at no interest.

<sup>1</sup> "National Survey of Lead Service Line Occurrence," Journal - American Water Works Association, April 2016

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## How will funding be awarded?

Projects identified as eligible for funding during the annual call for nominations for program year 2021 are listed in the current *Program Management Plan*. However, additional LSL projects may be nominated for funding at any time during the program year. Projects will be evaluated on a first-come, first-served basis with a strong emphasis on readiness to proceed. Refer to the *2021 Program Management Plan* readiness to proceed criteria for more information.

## When will funding be available?

LSL funds are scheduled to be transferred to the DWAF program in October 2020, and funds should be available for award beginning December 2020. Questions can be directed to the Division of Environmental and Financial Assistance at [defamail@epa.ohio.gov](mailto:defamail@epa.ohio.gov).

## What essential documentation is necessary for funding consideration?

- The public water system (PWS) has an updated and acceptable LSL inventory and distribution map identifying areas needing replacement.
- The PWS has documented authority to access private property for replacement work (access contract, ordinance, easement, declaration of nuisance, legal opinion, etc.).
- The PWS has documented authority (legal opinion) to spend public funds on private property.
- The PWS has an outreach plan for educating customers about lead.
- The PWS has an acceptable asset management program which includes a plan to replace public and private LSL, including costs the system will incur. This information may be prepared as the project develops, then included in the asset management program (for example, updated lead maps post-construction, estimated project costs, operation and maintenance).
- The PWS will conduct or oversee the work and have a description of how this work will be done in conjunction with distribution infrastructure projects.

## Other Key Project Considerations and References

- Outline project roles and responsibilities (PWS, contractor, homeowner)  
For an example of contract items, refer to the DWAF contract checklist at [epa.ohio.gov/defa/ofa#1696510030-wsrla](http://epa.ohio.gov/defa/ofa#1696510030-wsrla).
- Two implementation scenarios are provided below for reference:
  - a) Waterline projects: LSL replacement may be performed as a component of a larger waterline project. LSLs must be identified prior to advertising for bids for the project. When private LSLs exist, participant roles and responsibilities will be a vital piece of contract negotiations between the PWS, contractor, and homeowner. Education and outreach should be readily available to homeowners (for example, information regarding contractors involved in the project and requirements for participation including property access).
  - b) Service connections: identified LSLs can be targeted for replacement in a stand-alone LSL replacement project. The project may consist of a specific area or multiple areas within the service area. When private LSLs exist, participant roles and responsibilities will be a vital piece of contract negotiations between the PWS, contractor, and homeowner. Education and outreach should be readily available to homeowners (for example, information regarding contractors involved in the project and requirements for participation including property access).
- A checklist is available for applicants as a guide for preparation of application materials:  
[epa.ohio.gov/defa/ofa#1696510030-wsrla](http://epa.ohio.gov/defa/ofa#1696510030-wsrla).