



# Addressing Lead With the Drinking Water State Revolving Fund and Bipartisan Infrastructure Law

# Welcome!



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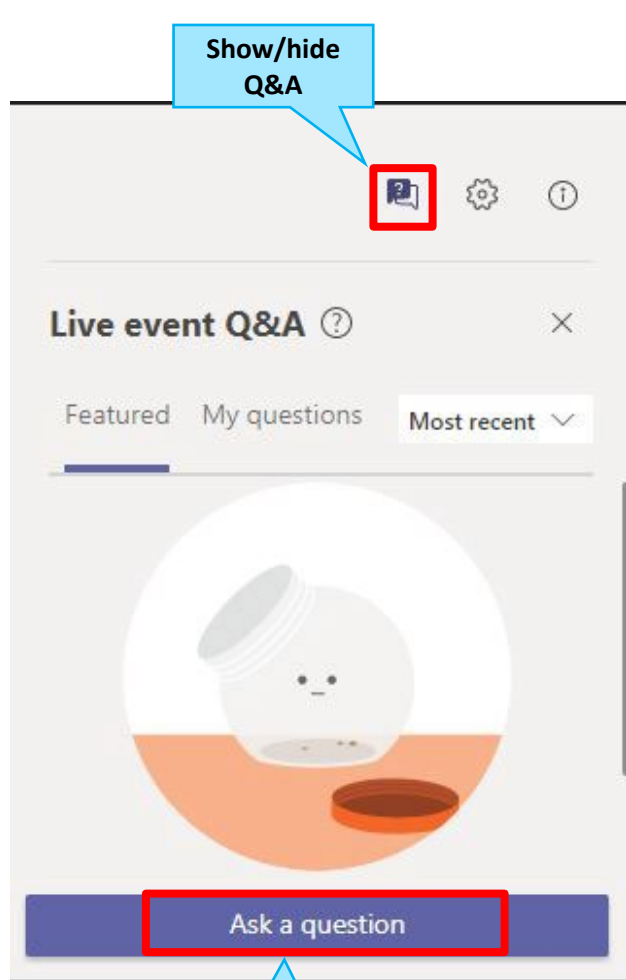


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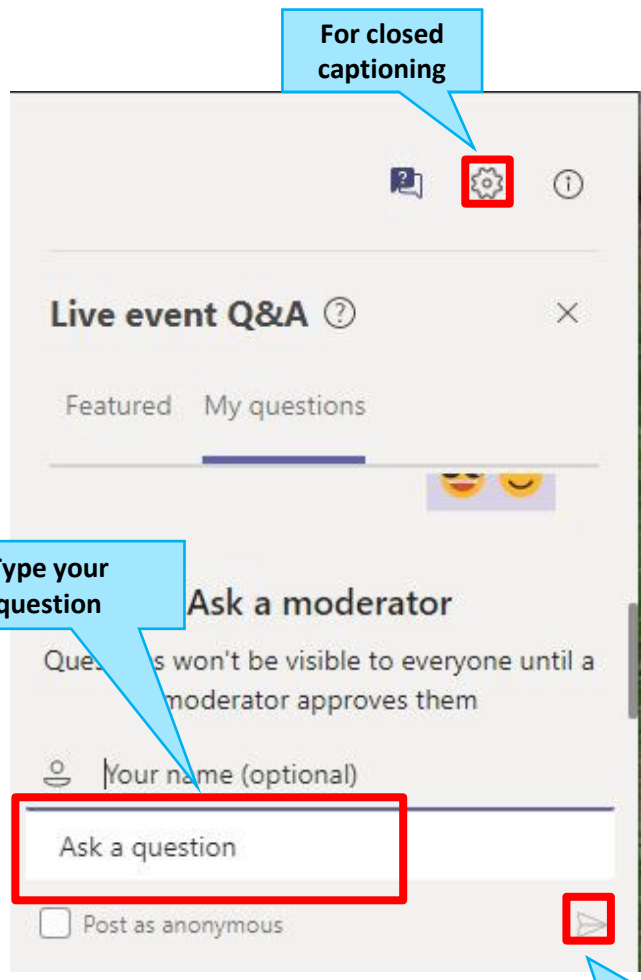


Check out <https://www.epa.gov/dwreginfo/drinking-water-training> for more drinking water webinars and trainings.

Attendees can submit Questions and Comments through the Q&A.  
Questions will be asked and answered at the end of the webinar.

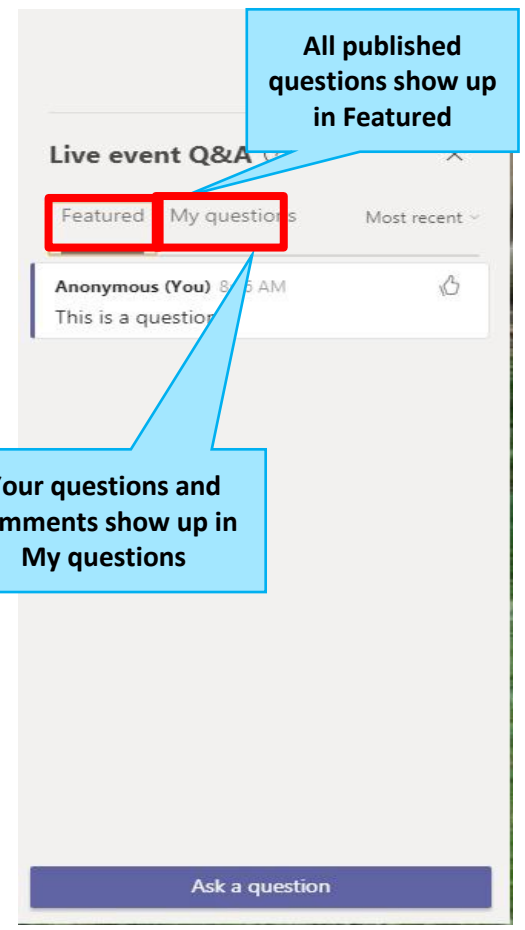


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Your questions and comments show up in My questions

# Today's Presenters

- **Dallas Shattuck, Physical Scientist, DWSRF**
- **Matt King, Environmental Protection Specialist, DWSRF**



# Drinking Water State Revolving Fund: Overview

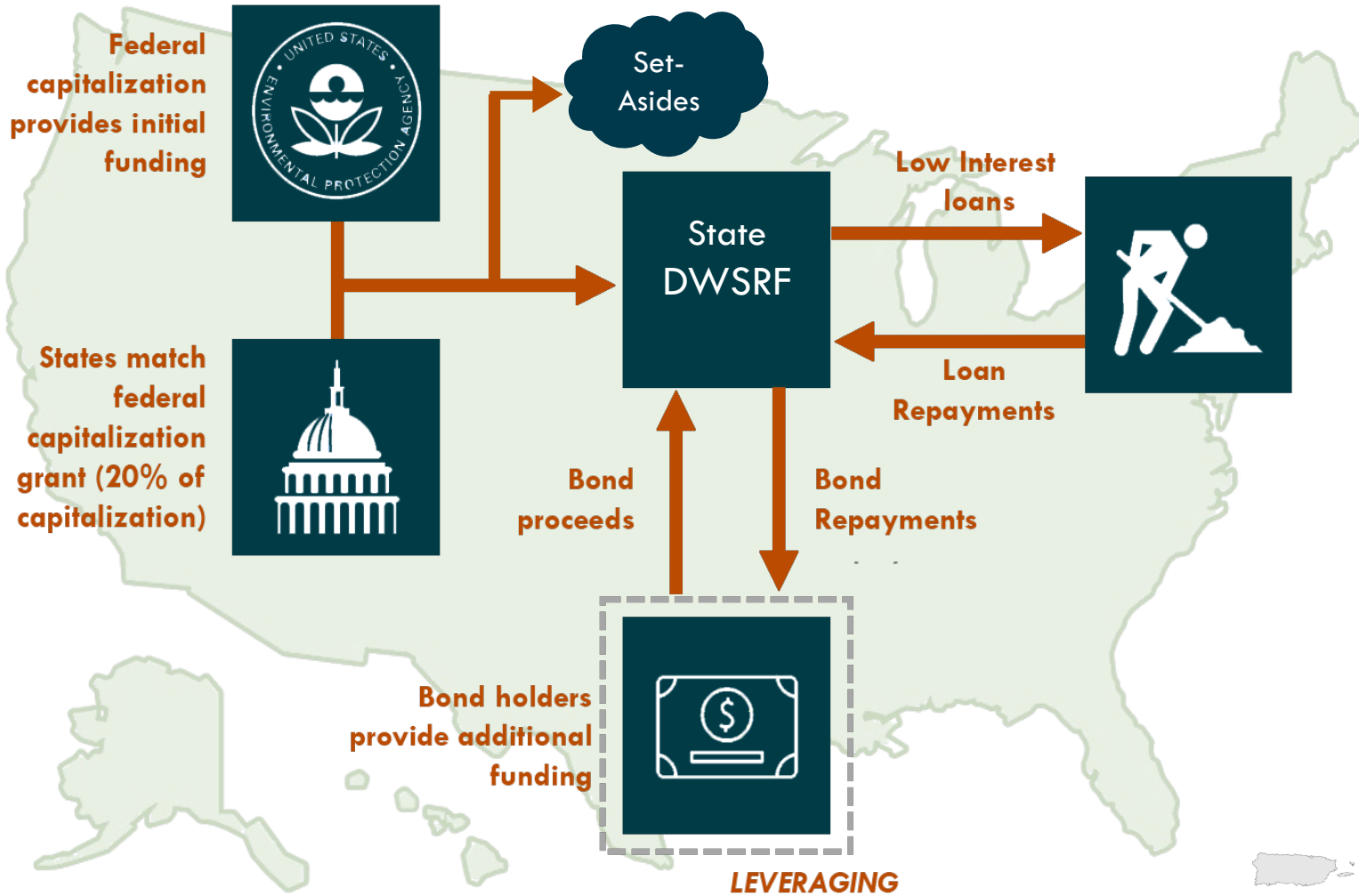
## How does the DWSRF work?

- Congress appropriates funding to EPA for the DWSRF program. EPA then awards capitalization grants (i.e., seed money) to each state.
- States may take part of their capitalization grant as set-aside funds, if desired.
- For most appropriations, each state provides a 20 percent match to those capitalization grants.
- Public water systems apply for project funding from their state's DWSRF.

# Drinking Water State Revolving Fund: Overview

## How does the DWSRF work?

- States then provide below-market rate loans and other authorized assistance to eligible public water systems for water infrastructure projects.
- States disburse DWSRF funds to those eligible assistance recipients on construction costs that are incurred.
- Assistance recipients repay their loans back into the state's DWSRF typically over 20-40 years.
- The state DWSRF programs use these “recycled” funds to make additional loans, and the “revolving” cycle continues.



# Who is Eligible to Use the DWSRF?

- **Public or private\* community water systems**
  - A water system serving at least 15 service connections used by year-round residents, or regularly serves at least 25 year-round residents
- **Nonprofit non-community water systems**
  - Some examples may include schools, publicly-owned campgrounds, parks, and churches that are not part of a community water system.

*\*Some states do not fund private systems.*



# What Type of Projects Can Be Funded by the Loan Fund?

- **Source:** Rehabilitation of wells or development of eligible sources to replace contaminated sources
- **Treatment:** Projects to install or upgrade facilities to improve drinking water quality to comply with drinking water regulations
- **Transmission and distribution:** Rehabilitation, replacement, or installation of pipes to improve water pressure to safe levels or to prevent contamination caused by leaky or broken pipes, including lead service line replacement
- **Storage:** Installation or upgrade of finished water storage tanks to prevent microbiological contamination from entering the distribution system
- **Consolidation:** Interconnecting two or more water systems
- **Creation of new systems:** Construct a new system to serve homes with contaminated individual wells or consolidate existing systems into a new regional water system
- **Planning and design:** For all project types listed above.

[https://www.epa.gov/sites/default/files/2019-10/documents/dwsrf\\_eligibility\\_handbook\\_june\\_13\\_2017\\_updated\\_508\\_versioni.pdf](https://www.epa.gov/sites/default/files/2019-10/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_versioni.pdf)

## DWSRF Set-Asides

- Set-asides provide additional tools for states to help achieve the public health protection objectives of SDWA.
  - complement infrastructure financing
  - strengthen Public Water System Supervision (PWSS) program
  - to implement “preventive” SDWA programs
    - Capacity Development – technical, managerial, and financial (TMF)
    - Operator Certification
    - Source Water Protection

# How Much Funding Can Be Set-Aside?

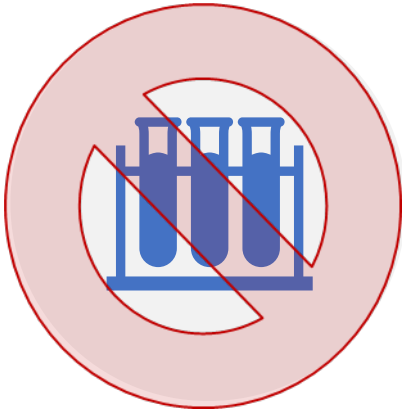
- States can take up to ~ 31% of their capitalization grant for set-aside activities

Purpose	Set-Aside Amount (up to)
Administration of DWSRF and Technical Assistance to Water Systems	<i>Greatest of: 4%, \$400k, or 1/5<sup>th</sup> of a Percent of Fund Valuation</i>
Technical Assistance to Small Water Systems (<10,000 population)	2%
<b>State Program Management</b> <ul style="list-style-type: none"> <li>• Administer Public Water System Supervision and Source Water Protection Programs</li> <li>• Implement Capacity Development Strategy and Operator Certification Program</li> </ul>	10%
<b>Local Assistance to Public Water Systems for Source Water Protection and Capacity Development</b> <ul style="list-style-type: none"> <li>• Loan to acquire land/conservation easement for Source Water Protection</li> <li>• Loan to implement voluntary Source Water Protection measures</li> <li>• Provide assistance to public water systems for Capacity Development Strategy</li> <li>• Establish/Implement Wellhead Protection Program and Source Water Protection</li> </ul>	15%

# Set-Asides Eligibilities

- Activities that facilitate compliance with National Primary Drinking Water Regulations.
- Activities that significantly further the public health protection objectives of the Safe Drinking Water Act (SDWA).
- **KEY POINT:** If an activity is eligible for funding under the loan program, it probably is not eligible for set-aside funding.
  - Exceptions:
    - Project planning and design costs.
    - Costs for restructuring a system as part of a capacity development strategy.

# DWSRF Ineligibilities



ROUTINE COMPLIANCE  
MONITORING



OPERATION AND  
MAINTENANCE





# DWSRF Lead-Related Eligibilities





# General Lead Related Eligibilities

## • Loan Fund

- Complete removal and replacement of lead service lines (public and privately owned portion) or service lines made of galvanized iron or galvanized steel (that are currently or have previously been downstream of lead components)
- Removal and replacement of lead or galvanized goosenecks, pigtails, and connectors
- LSL inventories\*
- Planning and design for LSLR construction projects\*
- Temporary pitcher filters or point-of-use (POU) devices certified by an American National Standards Institute accredited certifier to reduce lead during or for a short time period after LSLR projects
- Corrosion control studies\*/infrastructure

## • Set-asides

- Planning and design for LSLR construction projects\*
- LSL inventories\*
- LSL public outreach, education and training
- Non-routine lead sampling (if not for compliance purposes)
  - Including in schools and child-care facilities
- Corrosion control studies\*

*\*Eligible under both the loan fund and set-asides.*

# What Lead-Related Activities Are Not Eligible Under the DWSRF?

- Installation or replacement of premise piping
  - Premise piping = the pipes inside the house
- Routine, compliance-related sampling/testing of lead in drinking water
- Testing lead levels in blood
- Bottled water/trucked-in water
- Partial LSL replacement (unless other portion previously or concurrently replaced)

# Lead Service Line Replacement Eligibilities In Action

## Virginia

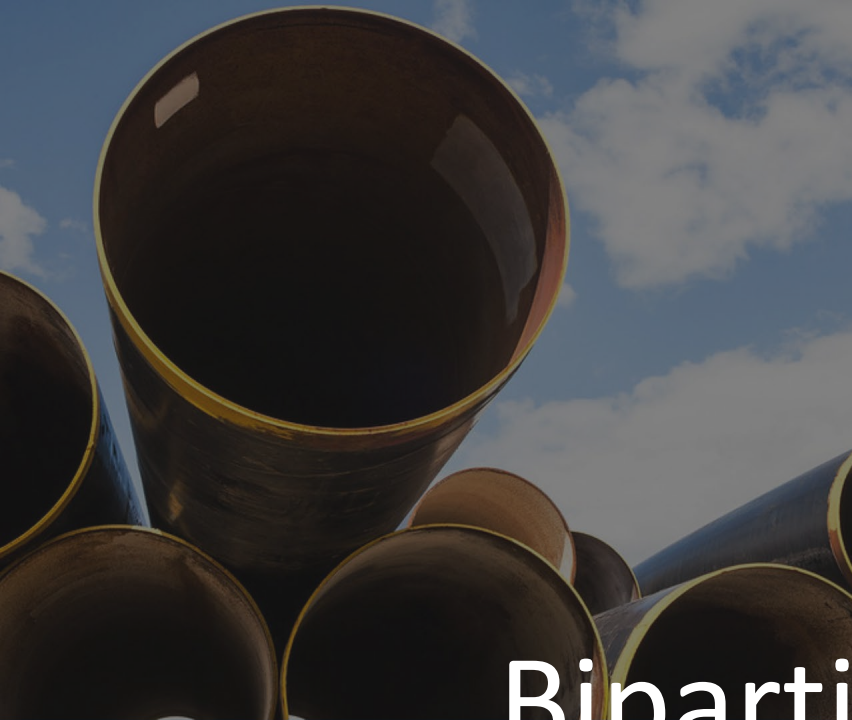
- Lead Elimination Assistance Program (LEAP) promotes full replacement of lead service lines and educates public water systems and homeowners
- Reserves \$2 million in funding from each capitalization grant specifically for:
  - LSL replacement
  - LSL inventories
  - Galvanized service lines requiring replacement
  - Cast iron service lines and drinking water mains if they contain lead solder

# Set-Asides In Action

## Vermont

- DWSRF Local Assistance Set-Aside dollars pay for the state's Lead Reduction Strategies Grant Program. Eligible activities include:
  - LSL inventories
  - Establishment of a full LSLR program
  - Public education
  - Strategic planning
- 2017: Bennington Water Department received a Lead Line Reduction Strategies Grant to develop a Lead Line Reduction Strategic Plan
- In 2020, the state allocated \$11 Million for Bennington to implement their Lead Line Reduction Strategic Plan and eliminate all the lead service lines in the water system





# Bipartisan Infrastructure Law



# Bipartisan Infrastructure Law (BIL)

- Also known as the Infrastructure Investments and Jobs Act (IIJA).
- Signed by President Biden on November 15, 2021.
- Historic investment in key programs and initiatives implemented by the U.S. Environmental Protection Agency to build safer, healthier, cleaner communities.
- Includes \$50 billion to EPA to strengthen the nation's drinking water and wastewater systems – the single largest investment in water that the federal government has ever made.
- Approximately \$30 billion of this funding through the existing DWSRF programs.



# BIL Implementation Key Priorities

- Increase investment in disadvantaged communities
- Make rapid progress on lead service line replacement
- Address PFAS and emerging contaminants
- Resilience, climate, One Water innovation
- Support American workers and renew the water workforce
- Cultivate domestic manufacturing

# Available State Revolving Fund (SRF) Funding in the BIL

Appropriation	FY 2022 (\$)	FY 2023 (\$)	FY 2024 (\$)	FY 2025 (\$)	FY 2026 (\$)	Five Year Total (\$)
<b>CWSRF General Supplemental</b>	1,902,000,000	2,202,000,000	2,403,000,000	2,603,000,000	2,603,000,000	<b>11,713,000,000</b>
<b>CWSRF Emerging Contaminants</b>	100,000,000	225,000,000	225,000,000	225,000,000	225,000,000	<b>1,000,000,000</b>
<b>DWSRF General Supplemental</b>	1,902,000,000	2,202,000,000	2,403,000,000	2,603,000,000	2,603,000,000	<b>11,713,000,000</b>
<b>DWSRF Emerging Contaminants</b>	800,000,000	800,000,000	800,000,000	800,000,000	800,000,000	<b>4,000,000,000</b>
<b>DWSRF Lead Service Line Replacement</b>	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	<b>15,000,000,000</b>

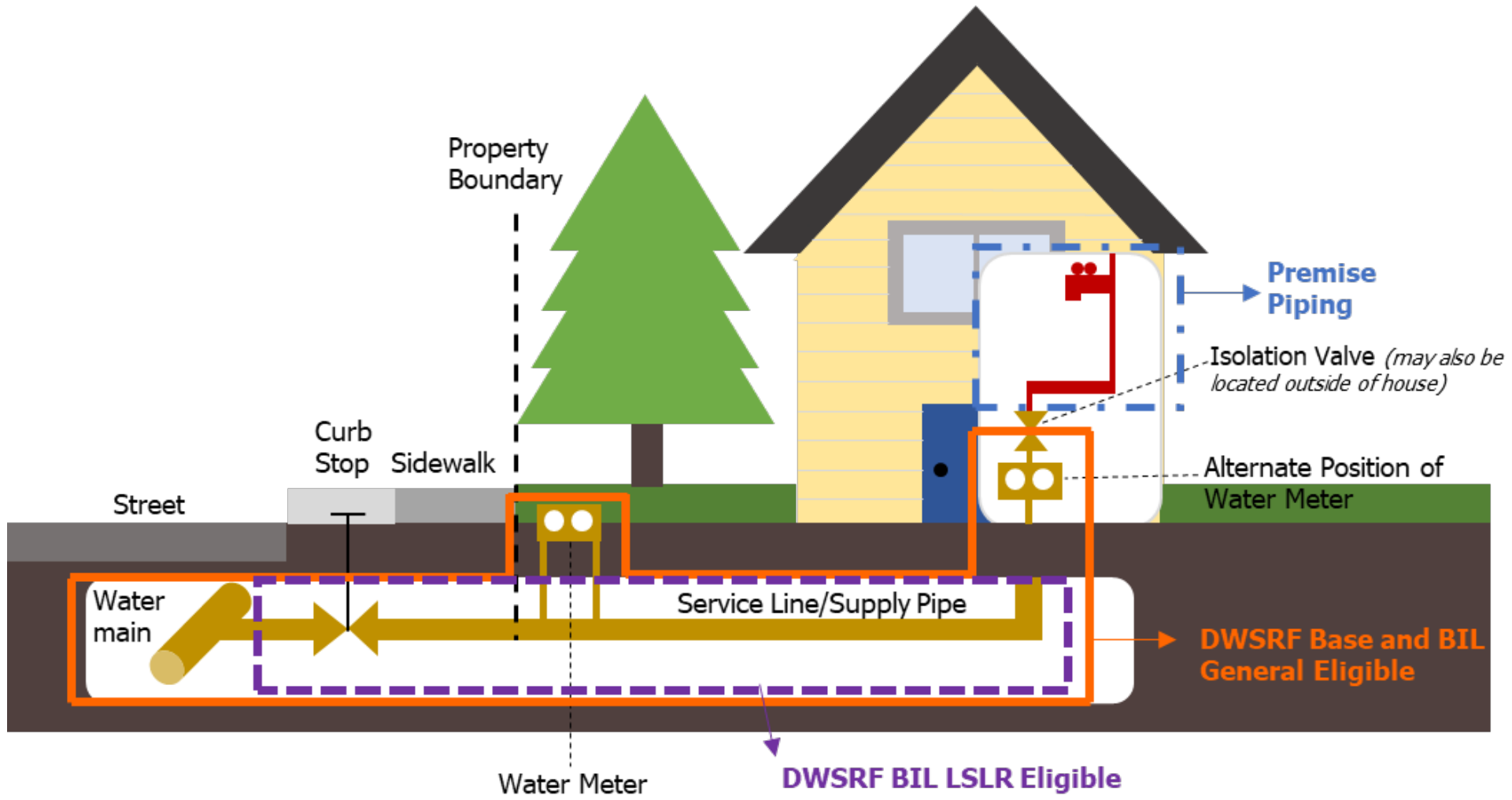
# DWSRF Funding in the BIL: Overview

- EPA is making \$30,713,000,000 in **additional** capitalization grants (i.e., seed funding) available to the state DWSRF programs over the next five years.
- Some of this money may fund any project eligible under the DWSRF; some funding is targeted towards projects focused on PFAS and “emerging contaminants;” some funding is targeted towards the identification and replacement of lead service lines.
- States have the authority to waive repayment on some of this new funding (e.g., forgive some or all of the loan’s principal or provide as grants). This is called “additional subsidy.”

# DWSRF BIL Eligibilities

## Lead Service Line Replacement Funds

- \$15 billion over 5 years. 49% of the funds that states receive from EPA must be provided as “additional subsidy.”
- Eligible: lead service line inventories; removal and replacement of lead service lines and galvanized service lines (currently or previously downstream of lead components or unknown material), lead goosenecks, pigtails, and connectors; planning and design for those infrastructure projects.
  - Any project involving the replacement of a lead service line must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.
  - ***Note: corrosion control studies, corrosion control infrastructure, water mains, backflow preventers, and water meters are not eligible under the BIL LSLR funding.***



# Set-Asides Under the BIL

- States can take set-aside from BIL capitalization grants.
  - BIL General: all set-aside eligibilities.
  - Emerging Contaminants: must be used to administer this capitalization grant or meet the statutory purpose of these funds: *“to address emerging contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances.”*
  - **Lead Service Line Replacement: must be used to either administer this capitalization grant or meet the statutory purpose of these funds: *“for lead service line replacement projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines.”***



# LSLR Set-Asides Examples Under the BIL

- Planning and design for LSLR infrastructure projects.
- Developing or updating lead service line inventories, including locating and mapping lead service lines.
- Providing technical assistance to water systems undertaking lead service line inventories or construction projects.
- Funding state staff and contractors to work on LSLR education, outreach, and planning.
- Non-routine lead sampling (not for compliance purposes).

DWSRF Account	DWSRF LSL Inventory-Related Eligibilities
<b>Infrastructure Fund</b>	Assistance agreements (potentially including additional subsidization such as loan principal forgiveness or grants) with public water systems (PWSs) to conduct LSL inventories; states may optionally roll these loans into actual LSLR construction projects at a later date.
<b>2% Small System Technical Assistance Set-Aside</b>	Issue grants to small PWSs to conduct inventories; hire contractors to conduct inventories on behalf of PWSs; provide technical assistance to small water systems considering or currently undertaking inventory development; develop and conduct LSL-related outreach and training.
<b>4% Administration &amp; Technical Assistance Set-Aside</b>	Same as the “2% set-aside” info above, but for any size public water system. State staff to administer the BIL LSL capitalization grant.
<b>10% State Program Management Set-Aside</b>	Have state employees or contractors conduct inventories on behalf of PWSs of any size; have state employees or contractors conduct state-wide inventory-related work, such as inventory database management, developing LSL outreach plans and materials, etc.
<b>15% Local Assistance Set-Aside</b>	From the 10% Capacity Development <i>portion</i> of the 15% set-aside: same as the 2% small system technical assistance set-aside above, but for any size public water system. Note that work funded under this portion of the set-aside must be a part of the state’s Capacity Development Strategy document.

# SRF and BIL Information

- **DWSRF:** <https://www.epa.gov/dwsrf>
  - [State DWSRF contacts](#)
- **EPA BIL general site:** <https://www.epa.gov/infrastructure>
- **DWSRF specific BIL site:**  
<https://www.epa.gov/dwsrf/bipartisan-infrastructure-law-srf-memorandum>

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**Thank you for attending this webinar!**

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