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Lead and Copper Rule Revisions

The Southeast Florida Utility Council (SEFLUC)

August 23, 2023

Agenda

- Lead and Copper Rule Revisions
  - Regulatory Overview
  - Service Line Inventory
  - Lead Service Line Replacement Plans
  - Lead and Copper Sampling Sites and Plans
    - Lead Trigger Level, Water Quality Parameters, Find-and-Fix, and Corrosion Control Treatment
  - Monitoring in Schools and Licensed Childcare Facilities
  - Public Education and Outreach
- Key Takeaways
- LCRR Funding and Financing Strategies
- Bipartisan Infrastructure Law (BIL) LSLR Funding
- Florida State Revolving Fund Allocations
- Case Studies

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Lead and Copper Rule Revisions

Key Aspects

The Lead and Copper Rule
A National Primary Drinking Water Standard (codified in 40 CFR 141, Subpart 1)

1986	1991	1996	2000	2007	2019	2021	2024
SDWA Banned Pb in Premise Plumbing	LCR Promulgated [56 FR 26460, 06/07/1991]	LCR Minor Revisions Proposed [60 FR 16348, 04/12/1996]	LCR Minor Revisions Final Rule [65 FR 1950, 01/12/2000]	LCR Short-Term Regulatory Revisions and Clarifications Final Rule [72 FR 57781, 10/10/2007]	LCR Long-Term Revisions Proposed [84 FR 61684, 11/13/2019]	LCR Long-Term Revisions Final Rule [86 FR 4198 01/15/2021] Effective Date 12/16/2021	LCR Compliance Date 10/16/2024

LCRI*

CFR= Code of Federal Regulations; FR = Federal Register;
LCR = Lead and Copper Rule; Pb = Lead; SDWA = Safe Drinking Water Act
LCRI = Lead and Copper Rule Improvements

**LCRI will be promulgated by October 16, 2024, and will impact requirements of the LCRR, including compliance dates and other key aspects of the rule.*

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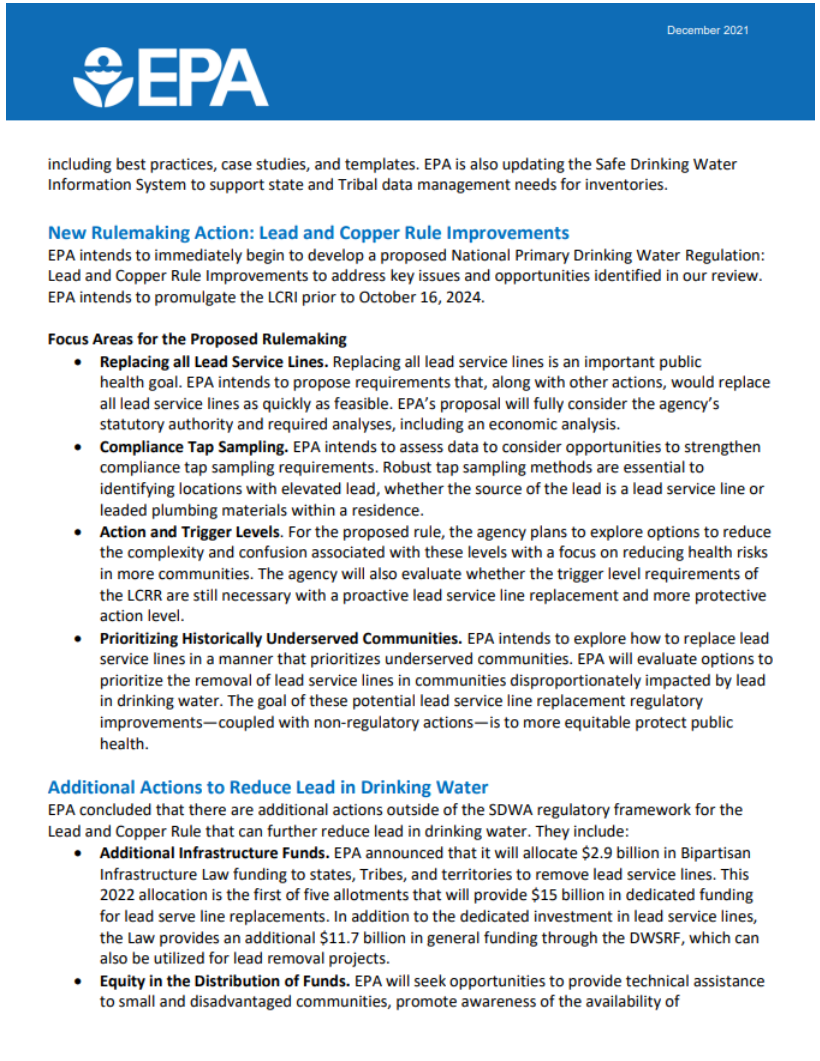
LCRI Overview



December 2021

EPA

including best practices, case studies, and templates. EPA is also updating the Safe Drinking Water Information System to support state and Tribal data management needs for inventories.

New Rulemaking Action: Lead and Copper Rule Improvements

EPA intends to immediately begin to develop a proposed National Primary Drinking Water Regulation: Lead and Copper Rule Improvements to address key issues and opportunities identified in our review. EPA intends to promulgate the LCRI prior to October 16, 2024.

Focus Areas for the Proposed Rulemaking

- **Replacing all Lead Service Lines.** Replacing all lead service lines is an important public health goal. EPA intends to propose requirements that, along with other actions, would replace all lead service lines as quickly as feasible. EPA's proposal will fully consider the agency's statutory authority and required analyses, including an economic analysis.
- **Compliance Tap Sampling.** EPA intends to assess data to consider opportunities to strengthen compliance tap sampling requirements. Robust tap sampling methods are essential to identifying locations with elevated lead, whether the source of the lead is a lead service line or leaded plumbing materials within a residence.
- **Action and Trigger Levels**. For the proposed rule, the agency plans to explore options to reduce the complexity and confusion associated with these levels with a focus on reducing health risks in more communities. The agency will also evaluate whether the trigger level requirements of the LCRR are still necessary with a proactive lead service line replacement and more protective action level.
- **Prioritizing Historically Underserved Communities.** EPA intends to explore how to replace lead service lines in a manner that prioritizes underserved communities. EPA will evaluate options to prioritize the removal of lead service lines in communities disproportionately impacted by lead in drinking water. The goal of these potential lead service line replacement regulatory improvements—coupled with non-regulatory actions—is to more equitable protect public health.

Additional Actions to Reduce Lead in Drinking Water

EPA concluded that there are additional actions outside of the SDWA regulatory framework for the Lead and Copper Rule that can further reduce lead in drinking water. They include:

- **Additional Infrastructure Funds.** EPA announced that it will allocate $2.9 billion in Bipartisan Infrastructure Law funding to states, Tribes, and territories to remove lead service lines. This 2022 allocation is the first of five allotments that will provide $15 billion in dedicated funding for lead serve line replacements. In addition to the dedicated investment in lead service lines, the Law provides an additional $11.7 billion in general funding through the DWSRF, which can also be utilized for lead removal projects.
- **Equity in the Distribution of Funds.** EPA will seek opportunities to provide technical assistance to small and disadvantaged communities, promote awareness of the availability of

- Forthcoming regulatory requirement focusing on strengthening the following key elements:
  - Replacing all Lead Service Lines (LSLs)
  - Compliance Tap Sampling
  - Action and Trigger Levels
  - Prioritizing Historically Underserved Communities
- Recent EPA developments
  - Proposed LCRI anticipated in September 2023

https://www.epa.gov/system/files/documents/2021-12/lcrr-review-fact-sheet_0.pdf

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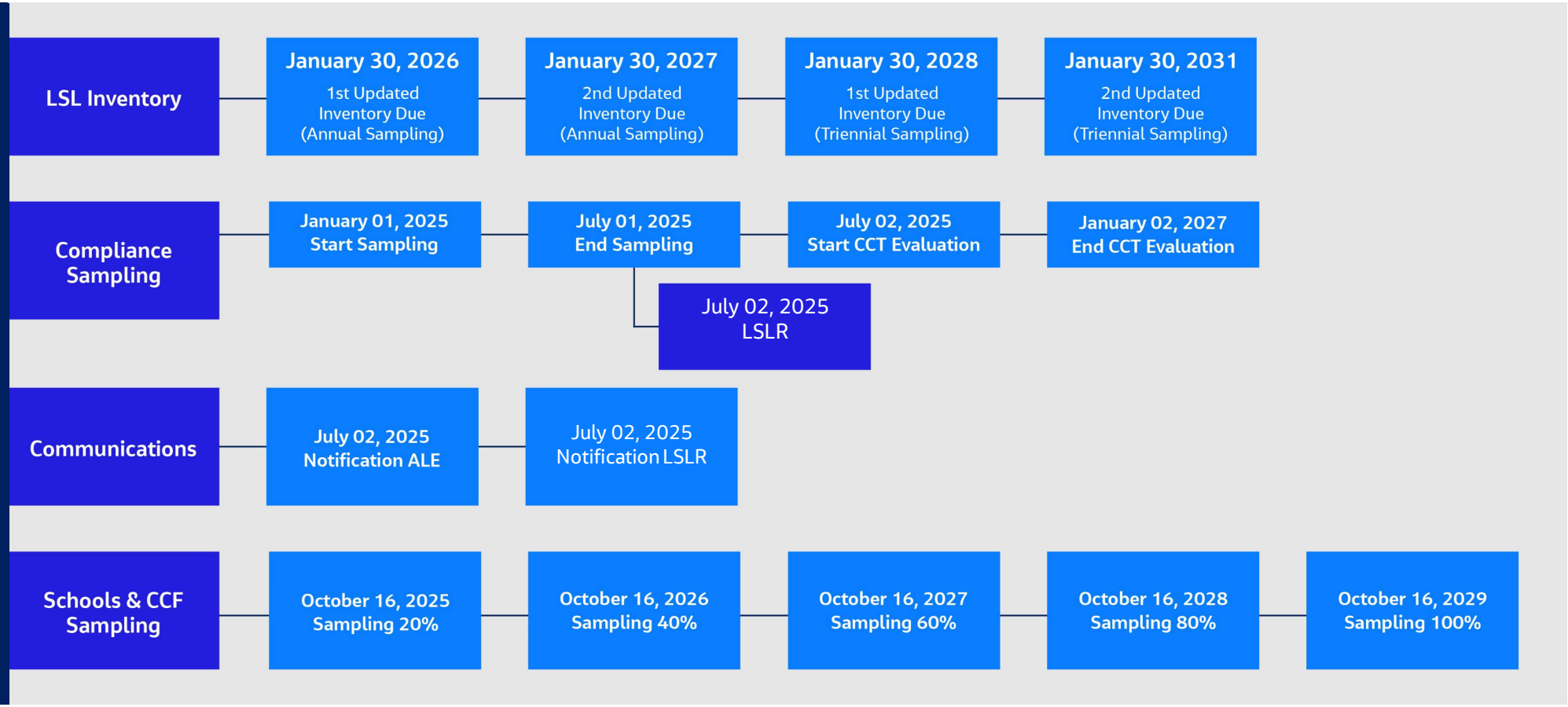
Timeline of Actions

Compliance Date:
October 16, 2024

Items Due

- ✓ LSL Inventory
- ✓ LSLR Plan
- ✓ Sampling Plans – Compliance, Schools & CCFs
- ✓ Start pitcher filter distribution
- ✓ Customer notifications



**EPA has stated the initial compliance deadline and requirements for the service line inventory will remain in any final LCRI.*

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Key Aspects of the LCRR

Service Line Inventory

LSL Replacement Plans

Compliance Sampling

Schools & Childcare Facilities Sampling

Communications

Corrosion Control Evaluation Studies

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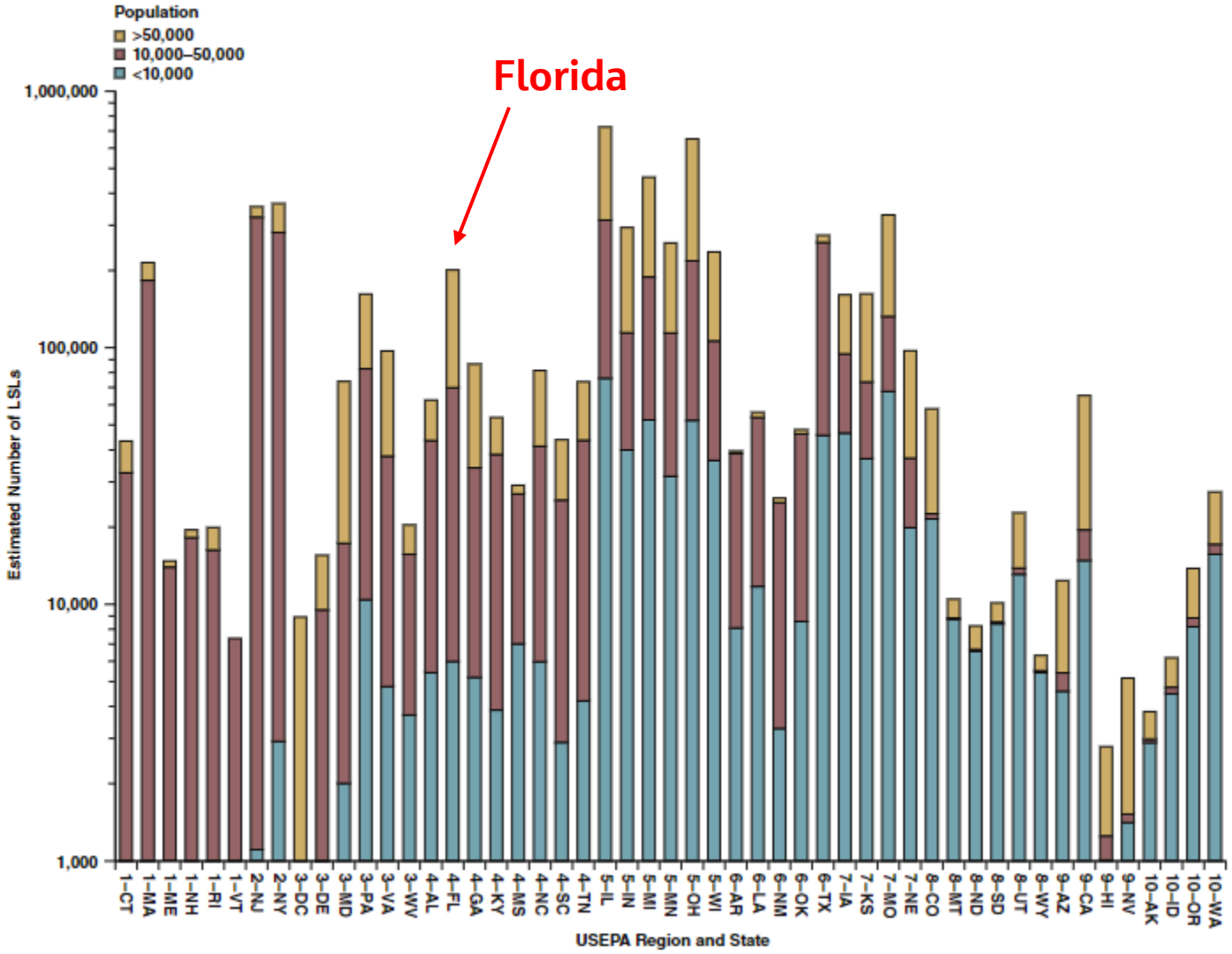
Estimated Number of Lead Service Lines by State *



 **Cornwell, D.A., Brown, R.A. and Via, S.H. (2016), National Survey of Lead Service Line Occurrence. Journal - American Water Works Association, 108: E182-E191.*

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Service Line Inventory

- All community water systems must develop a service line inventory by **Oct. 16, 2024**
- Must include both public and private portions for all service lines
- Classify as lead, galvanized requiring replacement (GRR), non-lead, or lead status unknown
- Must make publicly accessible for systems serving over 50,000 people
- Provide notification to customers with lead, GRRs, and lead status unknown service lines
- Annual or triennial update based on tap compliance results

Lead
A portion of pipe that is made of lead, which connects the water main to the building inlet

GRR
Galvanized service line that is or ever was downstream of an LSL or is currently downstream of a lead status unknown service line

Lead Status Unknown
A service line where the material is not known to be lead, GRR, or a non-lead service line

Non-Lead
A service line that is determined through an evidence-based record, method, or technique not to be lead or GRR

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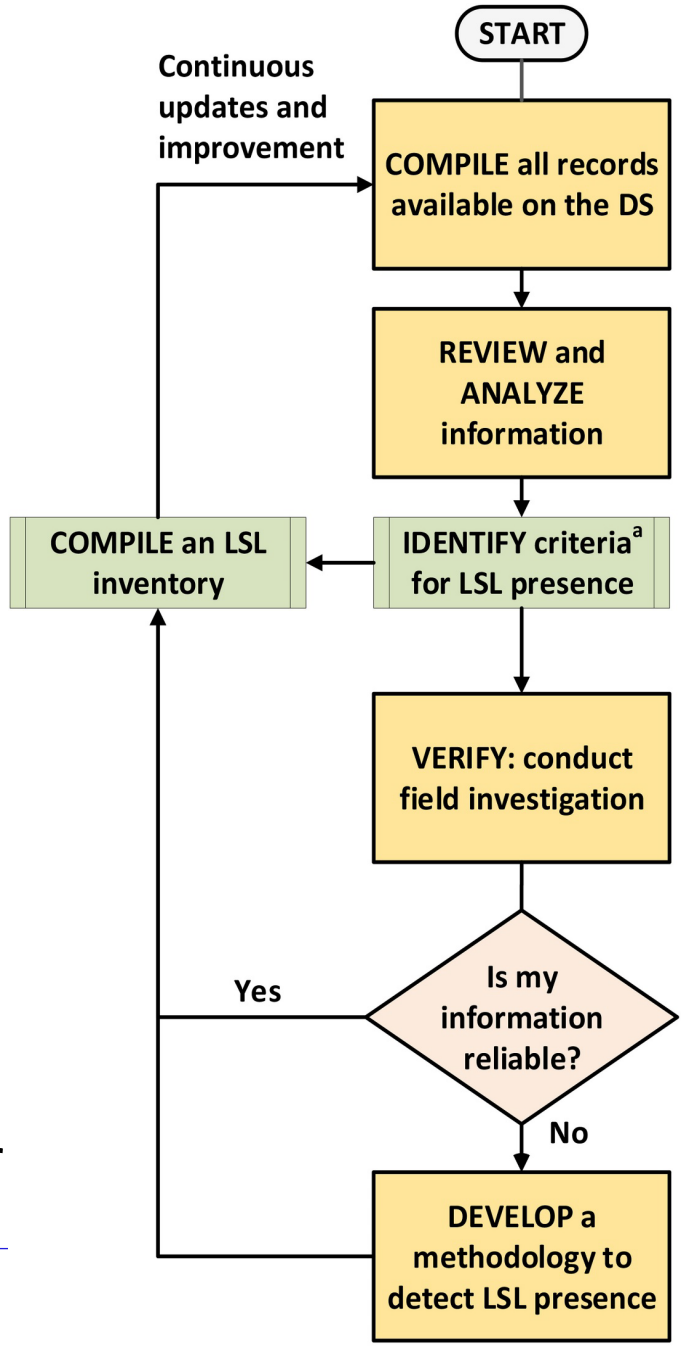
Service Line Inventory – Best Practices

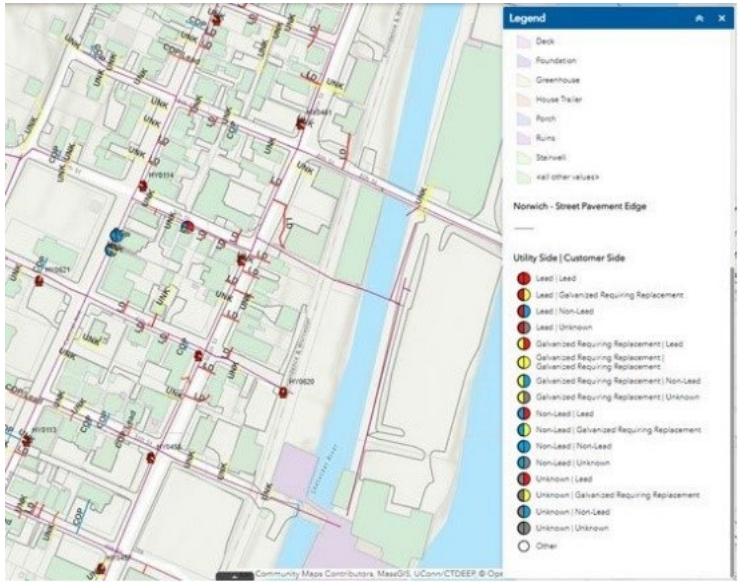
- Start with records review/desktop analysis
  - Understand the data you have and where to find it (e.g., as-builts, tap cards, installation and construction records, staff interviews)
  - Review compliance sampling records
  - Determine year of lead ban in plumbing code
  - Record all leaded components (e.g., lead goosenecks, pigtails, lead solder)
- Develop criteria to indicate probability of lead
  - Year premise was built or year service line was installed
  - Diameter of service line
  - Materials in surrounding area
  - Source of material information
- Develop plan for field identification of service line materials
- Develop workflow to identify unknown service line materials or if lead was upstream of galvanized service lines
- Implement data collection on service lines during maintenance or construction operations if not already being done



Liggett, J., et al. (2022). Identifying Service Line Material. Journal AWWA. https://doi.org/10.1002/awwa.1841

Service Line Inventory – Best Practices Cont'd

- Develop robust data management practices
- Determine inventory platform to track service line materials and verification sources (e.g. ArcGIS or other third party vendors)
- Establish how inventory information will be disseminated
- Determine and adhere to FL state requirements for inventory development and submission
  - EPA Guidance for LSL Inventory Template & guidance available



Location Information					System-Owned Portion							
Unique Service Line ID	Location Identifier		Sensitive Population? (Yes/No)	Disadvantaged Neighborhood? (Yes/No)	System-Owned Portion Service Line Material Classification	If Non-Lead in Column G, Was Material Ever Previously Lead?	Service Line Installation Date	Service Line Size	Basis of Material Classification	Was the Service Line Material Field Verified?	If "Yes" Service Line Material Was Field	
	Street Address	Other Location Identifier									Describe the Field Verification Method	Enter the Da Verific
A Unique ID is recommended for each service line.	*Water systems must track addresses of all service lines in their internal inventory. For the publicly accessible version, location identifiers are required for lead and galvanized requiring replacement. If the system does not use addresses for their location identifier, other options could include GPS coordinates, landmark, intersection, block, or other details to specify service line locations.*		*Select Yes if sensitive subpopulation, e.g., day care, school, multifamily home. If Yes-Other, describe in the Notes field.*	*Does location meet state affordability guidelines or other measures?*	*Dropdown list includes recommended subclassifications. If "Non-Lead Other", describe in Notes field*	*Select Yes, No, or Don't know. Important for determining if downstream/ customer-owned galvanized service line requires replacement*	*Date, year, or estimated date range when the service line was installed or replaced*	*Diameter in inches*	*Select option from drop down list. If "Other," describe in the Notes field*	*Select Yes or No*	*Select option from drop down list. If "Other," describe in the Notes field*	*Enter approx of field verif date that the upda*
Example 1	*1234 Test St., City, State, Zip Code*	*Intersection of Test and Elm St.*	*No*	*No*	*Non-Lead - Plastic*	*Yes*	*1997*	*2*	*Installation date after lead ban*	*Yes*	*Visual inspection at the meter pit*	*5/1/2*
Example 2	*4321 Test St., City, State, Zip Code*	*Intersection of Test and Main St.*	*No*	*No*	*Non-Lead - Plastic*	*No*	*Fall 1980*	*2*	*Installation record (e.g., tap card)*	*Yes*	*Mechanical excavation at one location*	*9/10/2*
Example 3	*16 Capital St., City, State, Zip Code*		*No*	*No*	*Non-Lead - Copper*	*Don't know*	*1985*	*1 1/2*	*Service line repair or replacement record*	*No*		
Example 4	*1 Water Avenue, City, State, Zip Code*		*No*	*No*	*Unknown - Likely Lead*		*1940's*	*2*		*No*		

LSL Replacement Plans

- LSL replacement plans due **Oct. 16, 2024**
  - Trigger level exceedance (10 µg/L): Must replace at agreed rate per year
  - Lead action level (15 µg/L) exceedance: Must replace at 3% per year based on a 2-year running average
  - If the goal is not met, community outreach must be conducted
    - If not met 2 years in a row, then 2 additional outreach activities must be conducted
    - Must continue replacement until below lead trigger level after four consecutive six-month tap sampling monitoring periods

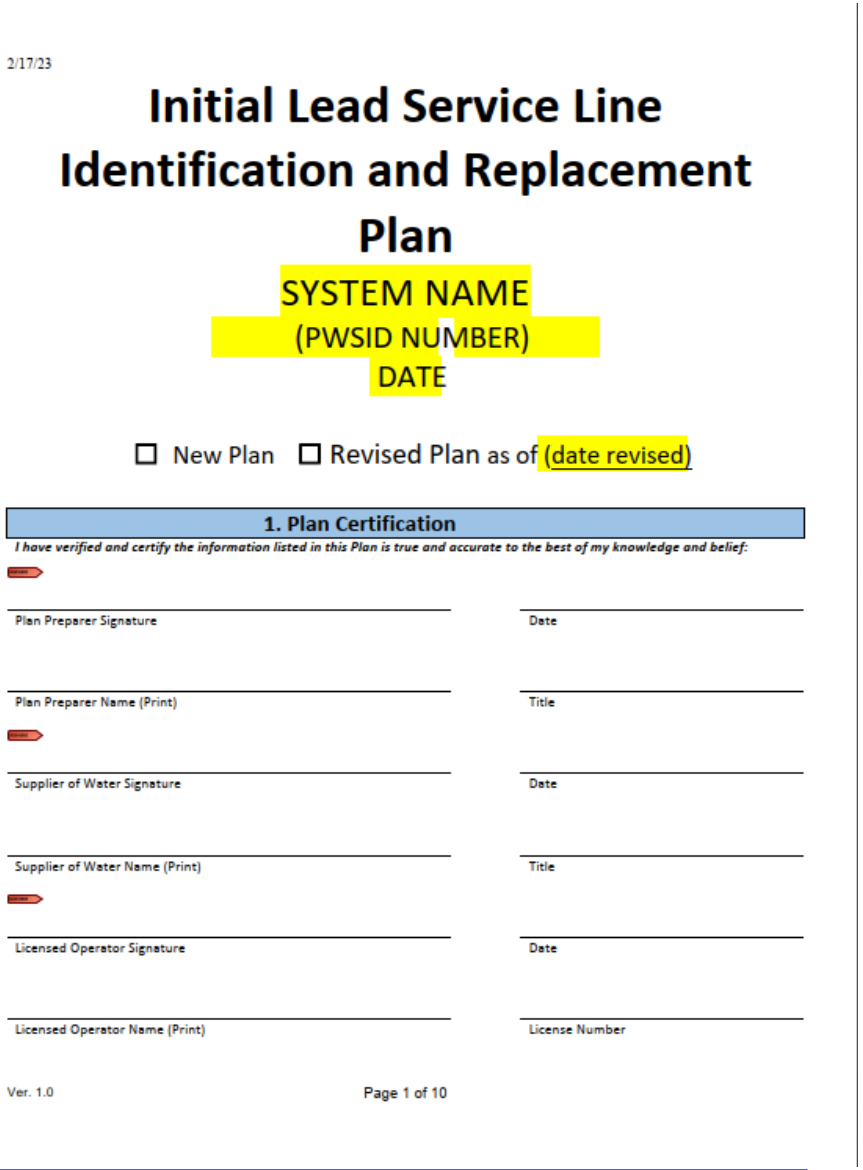
https://www.dcwater.com/new-lead-service-line-replacement-assistance-programs

https://www.cityofflint.com/2016/03/31/mayors-plan-to-replace-lead-tainted-pipes-in-flint-making-progress/

https://pittsburgh.cbslocal.com/2018/05/04/innovative-method-replace-lead-service-lines/

LSL Replacement Plans Cont'd

- LSLR Plan (draft) includes the following main components:
  - Strategy and methods for identifying unknown service lines
  - Replacement schedule development and replacement considerations such as prioritization methods; coordination with property owners, FDEP, and contractors
  - Prioritization of LSLR Map
  - Financing strategies for LSLR and setting aside funds
  - Notification requirements: public education letters, annual notifications, customer communications pre- and post-replacement
  - Annual reporting requirements to FDEP
  - Pre and post LSL replacement activities including flushing, point-of-use filter distribution. and tap sampling



2/17/23

Initial Lead Service Line Identification and Replacement Plan

SYSTEM NAME
(PWSID NUMBER)
DATE

☐ New Plan ☐ Revised Plan as of (date revised)

1. Plan Certification

I have verified and certify the information listed in this Plan is true and accurate to the best of my knowledge and belief:

Plan Preparer Signature | Date

Plan Preparer Name (Print) | Title

Supplier of Water Signature | Date

Supplier of Water Name (Print) | Title

Licensed Operator Signature | Date

Licensed Operator Name (Print) | License Number

Ver. 1.0 Page 1 of 10

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LSL Replacement Plan – Best Practices

- Consider logistics, workflow, and data management for replacement activities
  - Tracking replaced pipes
  - Tracking pitcher filter distribution
  - Tracking sampling associated with replacement
- Consider customer outreach workflows and logistics
  - Tracking customer opt-ins and refusals
  - Updating inventory with new service line materials after replacement
  - Multi-avenue approach to communications (website, mail, email, text message, social media, bill inserts)
- Determine financing options
  - Paying for full replacement
  - Providing loan or assistance programs

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Lead and Copper Sampling Sites and Plans

- Sampling plan due **Oct. 2024** & first round of compliance sampling in **Jan. 2025**
- New sampling tiers for water systems targeting LSL sites
- Reporting requirements
  - 90th Percentile from Tier 1 and Tier 2
  - If not sufficient sites, then the highest results from Tier 3 through Tier 5

TIER 1	Single family structures served by a LSL
TIER 2	Multi-family structures served by a LSL
TIER 3	Galvanized currently or previously, downstream of a LSL or lead gooseneck
TIER 4	Copper with lead solder
TIER 5	Location's representative of the distribution system

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Lead and Copper Sampling Sites and Plans Cont'd

- Standard monitoring begins in January 2025 for all water systems
- Recommend selecting 3x the amount of sampling sites
- Sample collection for homes served by a LSL will require a 5th liter sample where 1st liter collected is analyzed for copper and 5th liter is analyzed for lead
  - All other locations are similar to previous LCR, 1st draw for both lead and copper

Population Served	>100K	50,001-100K	10,001-50K	3,301-10K	501-3,300	101-500	≤100
System Category	Large		Medium		Small		
Lead and Copper Sample Sites	100	60	60	40	20	10	5
WQP Sample Sites	25	10	10	3	2	1	1
Maximum WQPs Based on Find-and-Fix	50	20	20	6	4	2	2

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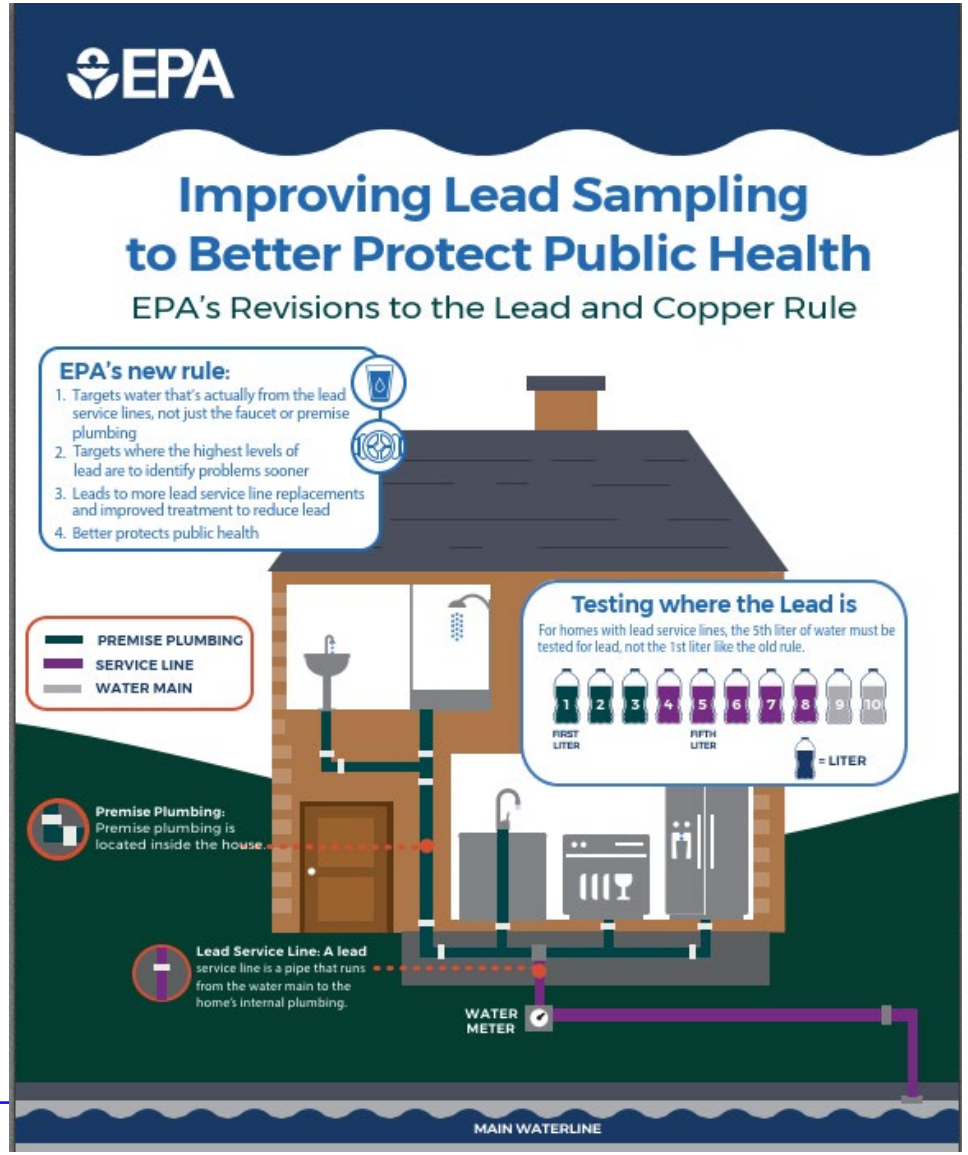
Lead and Copper Sampling Plan – Best Practices

- Ensure correct sample site selection based on new tiers
- Ensure correct sampling procedure
  - At least 6-hour stagnation
  - Use wide-mouth bottle (55 mm)
  - If LSL, collect 5th liter sample for lead
  - No pre-stagnation flushing
  - Do not remove aerator
- Determine backup sampling locations
- Coordinate with lab



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Action and Trigger Levels

- Action levels unchanged – 15 µg/L for lead and 1.3 mg/L for copper
- New 10 µg/L lead trigger level – additional planning, monitoring, treatment & LSLR requirements

90th Percentile Lead	Required Actions
>15 µg/L	▪ Semi-annual monitoring ▪ CCT implementation or re-optimization ▪ LSLR – full replacement at 3% per year ▪ 24-hr public notification
>10 to 15 µg/L	▪ Annual monitoring ▪ CCT study or re-optimization ▪ LSLR – full replacement at defined goal rate per year
≤10 µg/L	▪ Potential for reduced monitoring
≤5 µg/L	▪ Reduced monitoring

µg/L = microgram per liter; mg/L = milligram per liter; CCT = Corrosion Control Treatment

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Water Quality Parameters (WQPs) & Find-and-Fix

Removed calcium hardness as a corrosion control treatment and WQP	• Still important to prevent over precipitation
Removed triennial monitoring	• Minimum monitoring is now annually
If lead action level is exceeded, must return to six-month monitoring	• Must continue WQP monitoring until below lead and/or copper action level for two consecutive 6-month monitoring periods
Must identify appropriate number of sites for WQPs and Find-and-Fix	• Required to determine the cause of elevated lead levels at individual taps that are above the action level as well as perform additional WQP testing

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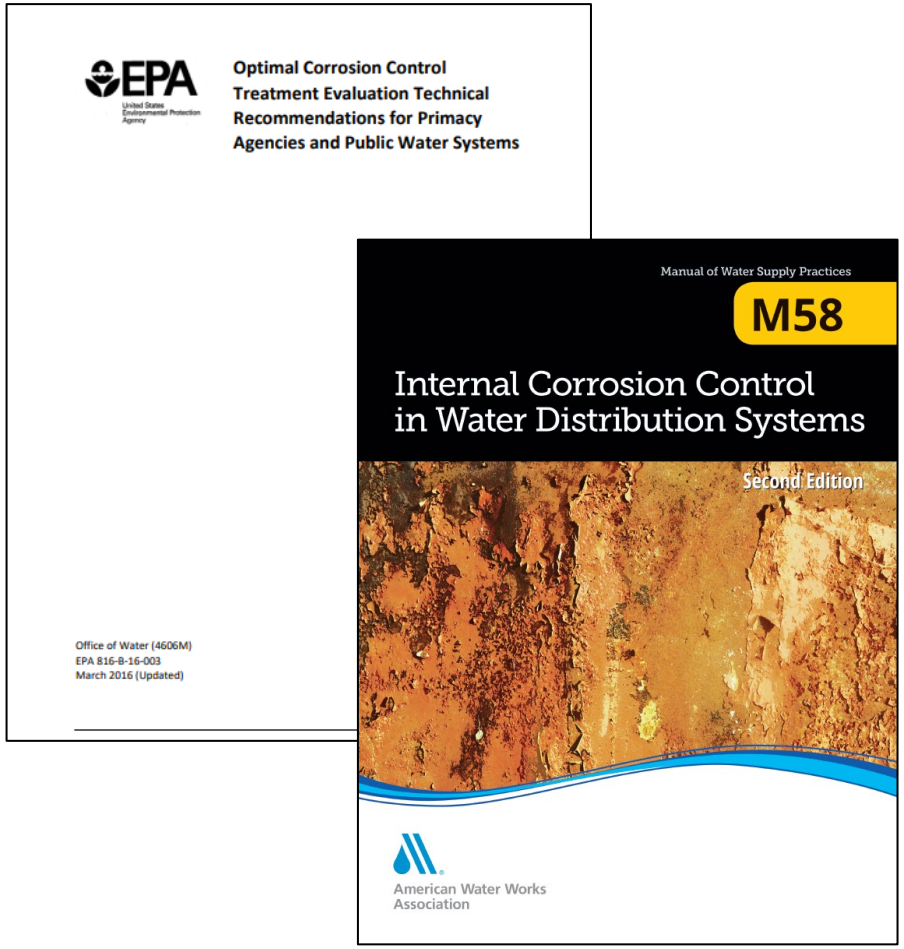
Distribution – Best Practices

- Trigger level may require initiation of CCT study, implementation and/or LSL replacement
- Pipe loop study may be required if distribution system has LSLs
  - Evaluate pH and alkalinity
  - Evaluate phosphate at 1 and 3 mg/L
  - Recommended practices in EPA OCCT Guidance
  - Forthcoming WRF guidance
- WQPs will be determined by the FDEP
  - Recommend practices following AWWA M58
  - Distribution assessment



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Monitoring in Schools and Licensed Childcare Facilities

- Sample 20% elementary schools and 20% childcare facilities per year over a 5-year period
  - Must make at least 2 attempts to contact facilities and provide documentation to the FDEP if schools/childcares facilities refuse sampling
- EPA's 3Ts:
  - 5-250 mL stagnant samples in elementary schools and 2-250 mL samples for childcare facilities
  - First draw after at least 8-hour stagnation but no more than 18-hour stagnation
- Sample once in the 5-year period and then upon request thereafter
  - Must provide public outreach to **ALL** schools and licensed childcare facilities asking if they want to be tested and the dangers of lead

Sampling plans due to FDEP on **October 16, 2024***, 20% of sampling due October 2025.

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Monitoring in Schools and Licensed Childcare Facilities

- School waived if built past 2014 and adopted lead free act
- Identify list of schools and licensed CCFs with contacts and begin communication as quickly as possible
- Waivers are possible if there are school and childcare sampling programs under FDEP/FLDOH or if there is any upcoming state legislation
  - FDEP developed Voluntary Lead Testing Program for Schools and Childcare Facilities program
- Reporting – Must report results to FDEP and DOH and local health department as part of annual reporting

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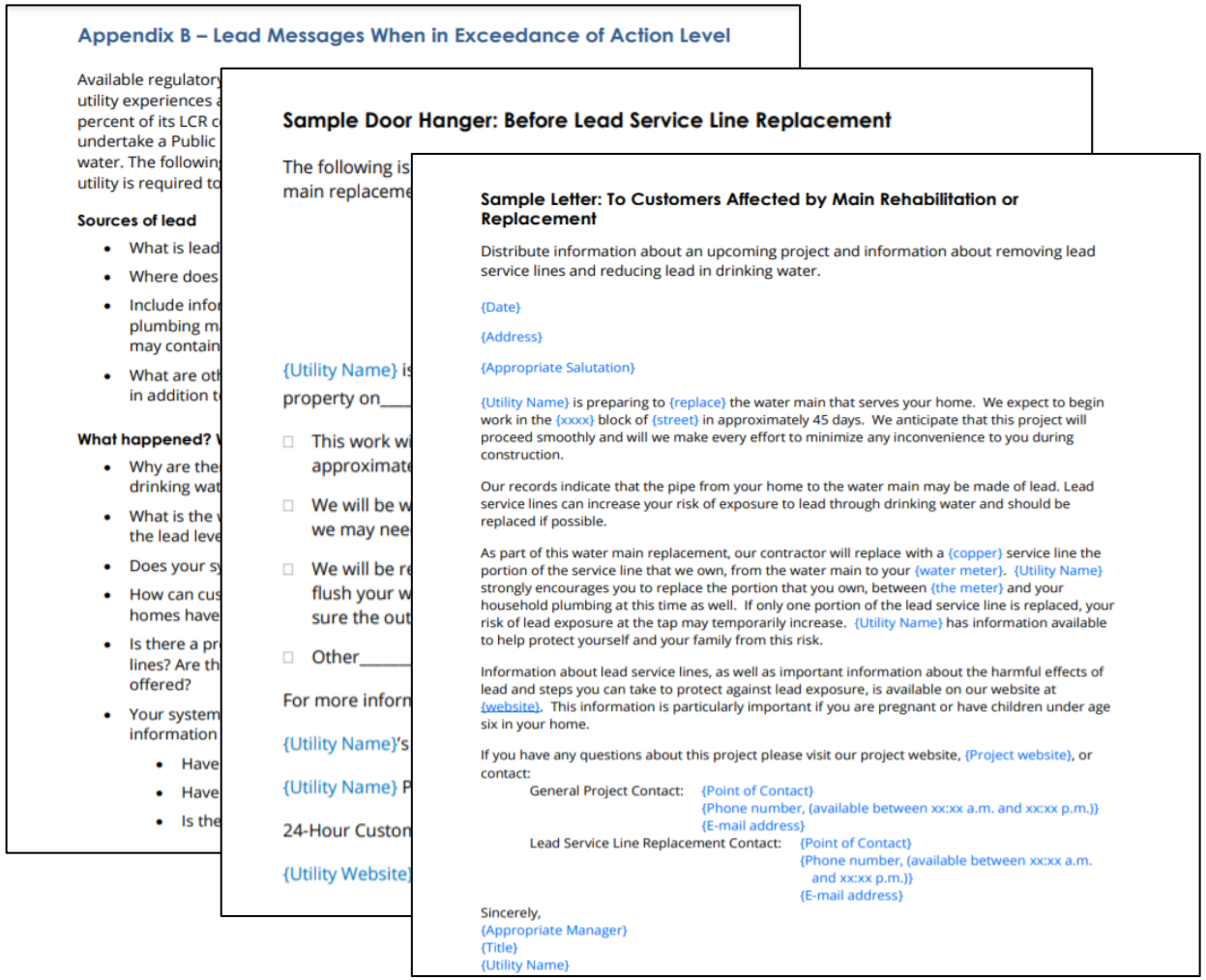
Public Education and Outreach

- Public communication is required for:
  - Service Line Inventory
  - LSL, GRR or Unknown Disturbances
  - LSL Replacement
  - Action Level or Trigger Level Exceedances
  - POU Filter Distribution and Follow-up Sampling
  - Compliance Sampling at Taps
  - Schools and Child Care Facilities



Appendix B – Lead Messages When in Exceedance of Action Level

Sample Door Hanger: Before Lead Service Line Replacement

Sample Letter: To Customers Affected by Main Rehabilitation or Replacement

Distribute information about an upcoming project and information about removing lead service lines and reducing lead in drinking water.

{Date}

{Address}

{Appropriate Salutation}

{Utility Name} is preparing to {replace} the water main that serves your home. We expect to begin work in the {xxxx} block of {street} in approximately 45 days. We anticipate that this project will proceed smoothly and will we make every effort to minimize any inconvenience to you during construction.

Our records indicate that the pipe from your home to the water main may be made of lead. Lead service lines can increase your risk of exposure to lead through drinking water and should be replaced if possible.

As part of this water main replacement, our contractor will replace with a {copper} service line the portion of the service line that we own, from the water main to your {water meter}. {Utility Name} strongly encourages you to replace the portion that you own, between {the meter} and your household plumbing at this time as well. If only one portion of the lead service line is replaced, your risk of lead exposure at the tap may temporarily increase. {Utility Name} has information available to help protect yourself and your family from this risk.

Information about lead service lines, as well as important information about the harmful effects of lead and steps you can take to protect against lead exposure, is available on our website at {website}. This information is particularly important if you are pregnant or have children under age six in your home.

If you have any questions about this project please visit our project website, {Project website}, or contact:

General Project Contact: {Point of Contact}
{Phone number, (available between xx:xx a.m. and xx:xx p.m.)}
{E-mail address}

Lead Service Line Replacement Contact: {Point of Contact}
{Phone number, (available between xx:xx a.m. and xx:xx p.m.)}
{E-mail address}

Sincerely,
{Appropriate Manager}
{Title}
{Utility Name}

Source: AWWA Lead Service Line Communications Guide
https://www.awwa.org/Portals/0/AWWA/Communications/FINALeadServiceLineCommGuide.pdf

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Public Communication and Outreach – Best Practices

- Consider multi-avenue approach
  - Town halls or engagement with community leaders
  - Email, mail, door hangers, bill stuffers, calls, and text messages
  - Social media and website
  - Translated materials to engage the community
- Develop partnerships
  - Schools
  - Health agencies
  - Grassroots and community organizations
- Be proactive
- Be transparent

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Key Takeaways

To-Do List by October 16, 2024

Service Line Inventory

- ✓ Utilize EPA's template and guidance to develop service line inventory
- ✓ Complete your historical records review
- ✓ Eliminate lead status unknown service lines as much as possible
- ✓ Review website and content for sharing your inventory online

LSL Replacement Plan

- ✓ Develop LSL Replacement Plan based on FDEP's template
- ✓ Prepare SOPs for disturbances on lead, GRR, and lead status unknown services
- ✓ Develop a pitcher filter procurement and distribution plan

Sampling Plans and Monitoring

- ✓ Update compliance tap sampling pool based on new tier structure
- ✓ Prepare sampling list and contacts for schools and licensed childcare facilities
- ✓ Revise sampling protocols based on new requirements (e.g. 5th liter sampling)
- ✓ Contract with a lab for sample analysis

Public Education and Outreach

- ✓ Develop a comprehensive public outreach and communications plan with notification templates

Funding Strategy

- ✓ Evaluate available funding options and apply early

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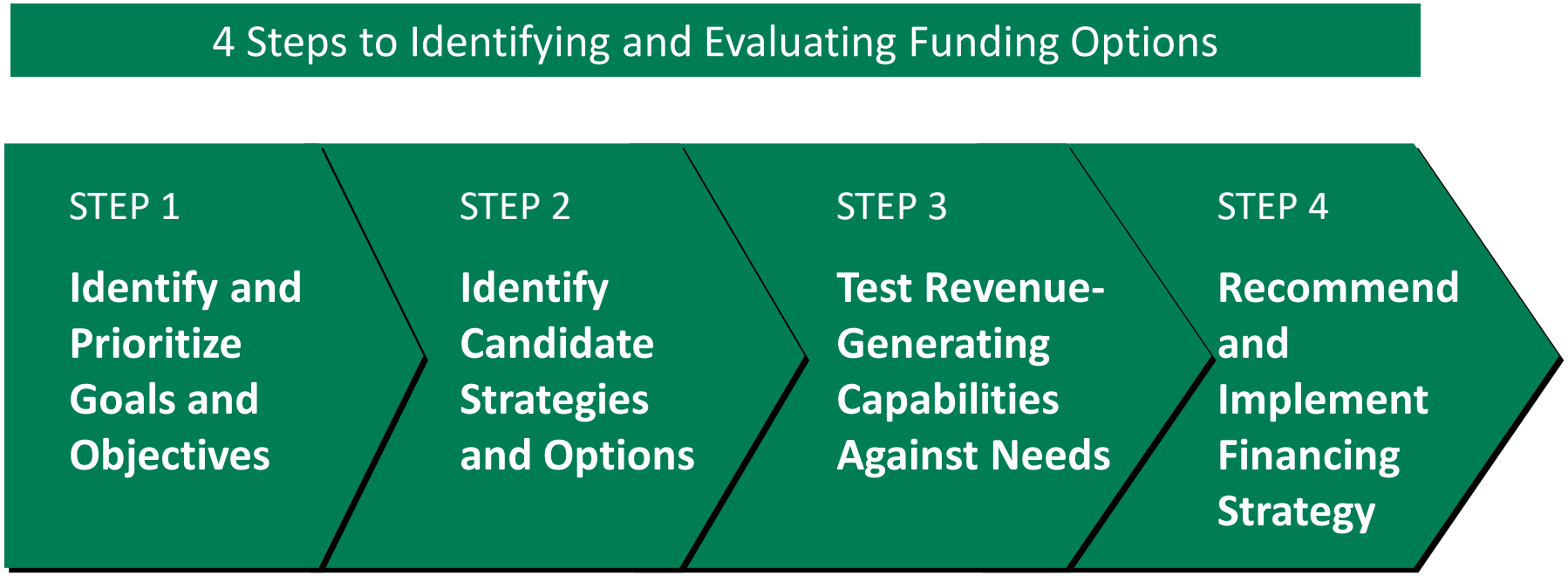
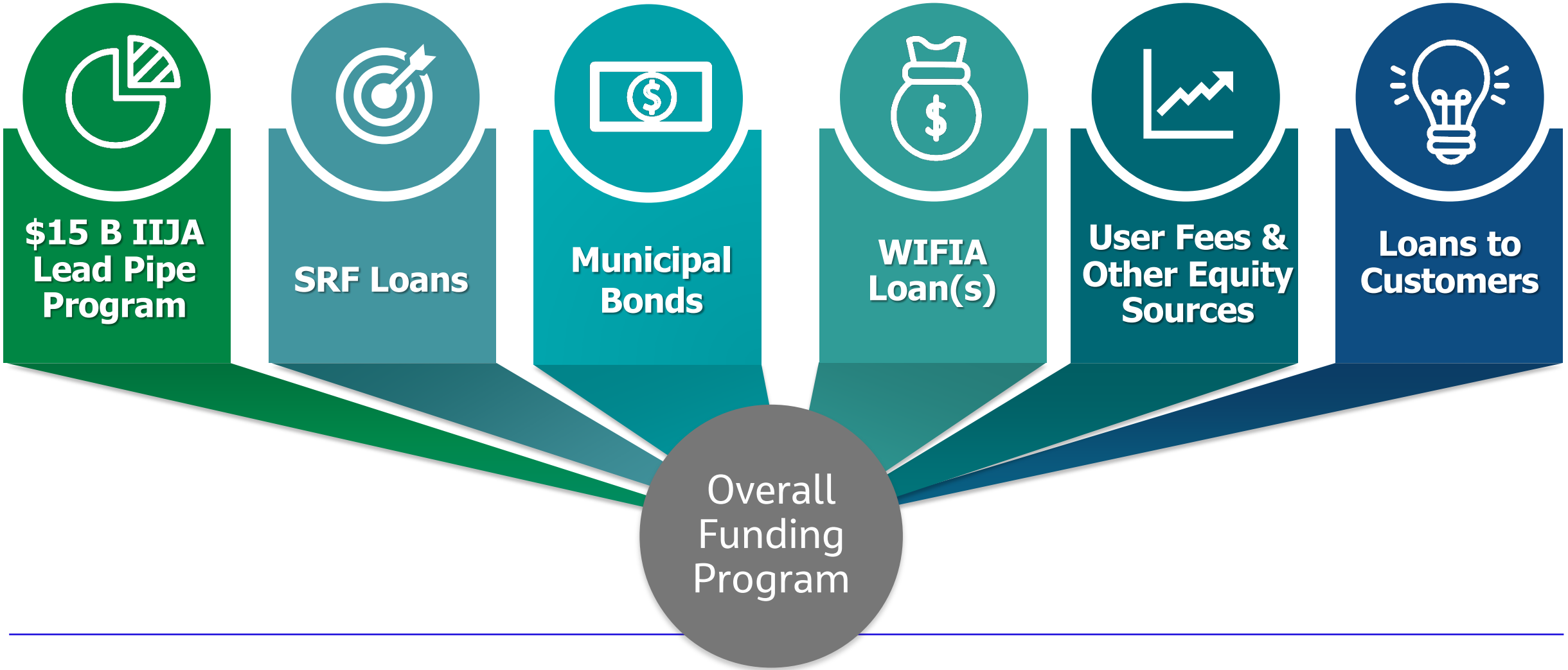
LCRR Funding and Financing Considerations

Having a systematic financial planning process is more important than ever given financial uncertainties



There are a number of promising options that can provide funding to support LSL replacement programs



Unprecedented Opportunities for Water Sector Project Funding & Financing

- Grant & Loan Programs created by the Infrastructure Investment & Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL)
  - Safe Drinking Water
  - Clean Water
  - New specialty programs
    - **Lead Service Line Replacement (LSLR)**
    - Emerging Contaminants
- Inflation Reduction Act (IRA)
- State Revolving Funds
- Direct Federal Appropriations
- EPA Water Infrastructure Finance & Innovation Act (WIFIA) Financing

Drivers for Federal Funding Programs

Longstanding Priorities

Local Share of Funding

Economic Development

State of Good Repair

Cost-Effectiveness

Regional / National Significance

Project Readiness

Partnerships

Biden Administration Priorities

Resiliency / Climate Change

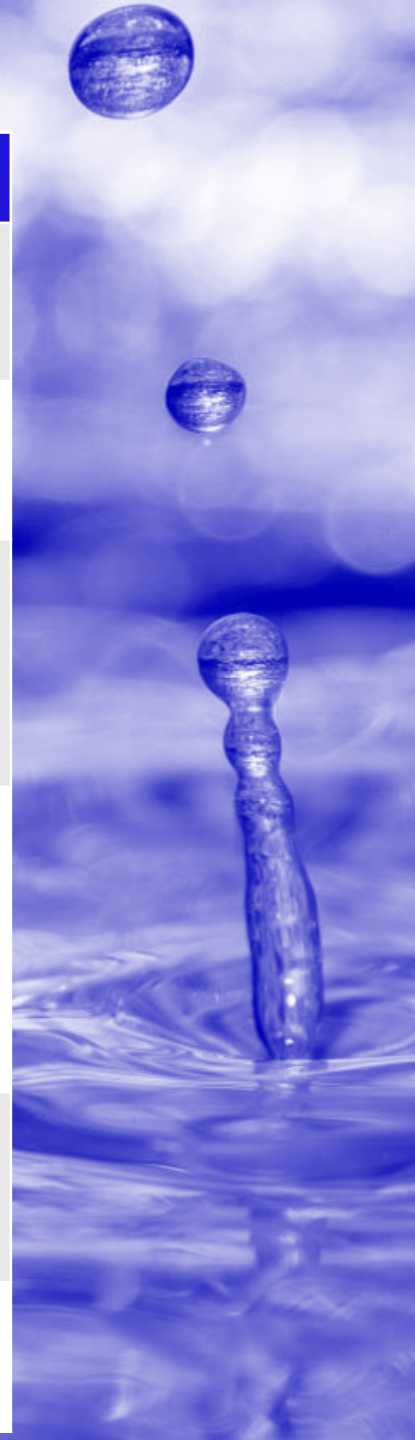
Racial Equity

Planning & Public Involvement

Water Infrastructure Programs

Funded by EPA, Administered by States

	FY22	FY23	FY24	FY25	FY26	Total
Drinking Water SRF Appropriation	1.9B	2.2B	2.4B	2.6B	2.6B	**11.7B**
Clean Water SRF Appropriation	1.9B	2.2B	2.4B	2.6B	2.6B	**11.7B**
Emerging Contaminants ($$ through DWSRF)	800M	800M	800M	800M	800M	**4B**
Emerging Contaminants ($$ through Small and Disadvantaged Program)	1B	1B	1B	1B	1B	**5B**
Emerging Contaminants ($$ through CWSRF)	100M	225M	225M	225M	225M	**1B**
Lead Pipe ($$ through DWSRF)	3B	3B	3B	3B	3B	**15B**



State Revolving Funds

New BIL DWSRF Lead Service Line ($15B)

- **49%** of funds must be provided as grants and forgivable loans to disadvantaged communities
- Waives state match requirement

DWSRF General Supp ($11.7B)

- **49%** of funds must be provided as grants and forgivable loans to disadvantaged communities
- Reduces state match from **20%** to **10%** in FY22 & FY23

For the borrowed portion of the funding, last quarter the base rate in the Florida SRF program was 2.16%

The program provides affordability-based discounts to the rate through a formula.

EPA Memorandum to States on BIL Implementation

- *Released March 8, 2022*

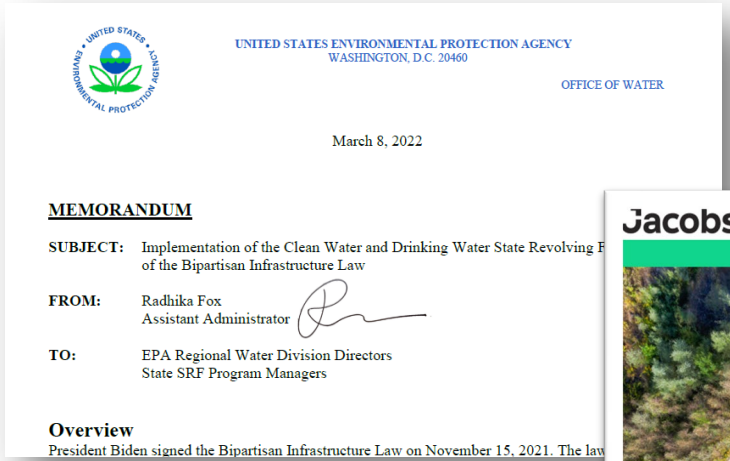
Key Findings:

- EPA has interpreted the BIL language to mean that the new, additional subsidization in the programs should be prioritized for <u>disadvantaged communities</u>, as defined by the **states**.

- States retain the right to **define** <u>affordability</u> and <u>disadvantaged communities</u>, even though EPA has provided much more guidance in this memo on aspects they should consider.

- Although strongly encouraged, the additional subsidization ***is not*** *limited just to disadvantaged communities* and in the case of the CWSRF, additional subsidy could also be provided to other applicants where the rate impacts justify providing such subsidization.

- States can define neighborhoods *within a system* as needing special attention as a basis for providing additional subsidization



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF WATER

March 8, 2022

MEMORANDUM

SUBJECT: Implementation of the Clean Water and Drinking Water State Revolving F
of the Bipartisan Infrastructure Law

FROM: Radhika Fox
Assistant Administrator

TO: EPA Regional Water Division Directors
State SRF Program Managers

Overview
President Biden signed the Bipartisan Infrastructure Law on November 15, 2021. The law

Florida LSLR Funding Context

- Disadvantaged Community eligibility for principal forgiveness funding in Florida is focused on communities that are both:
  - Small (service population 10,000 or less) AND
  - Low income or other indicators of economic/financial stress

- Florida is among the top recipients of LSLR funding

Capitalization Grant Year	FL's Allotment*	49% of Principal Forgiveness
2022	$111,601,000	$54,684,490
2023	$254,700,000	$124,803,000

*2024-2026 allotments to be determined by the EPA

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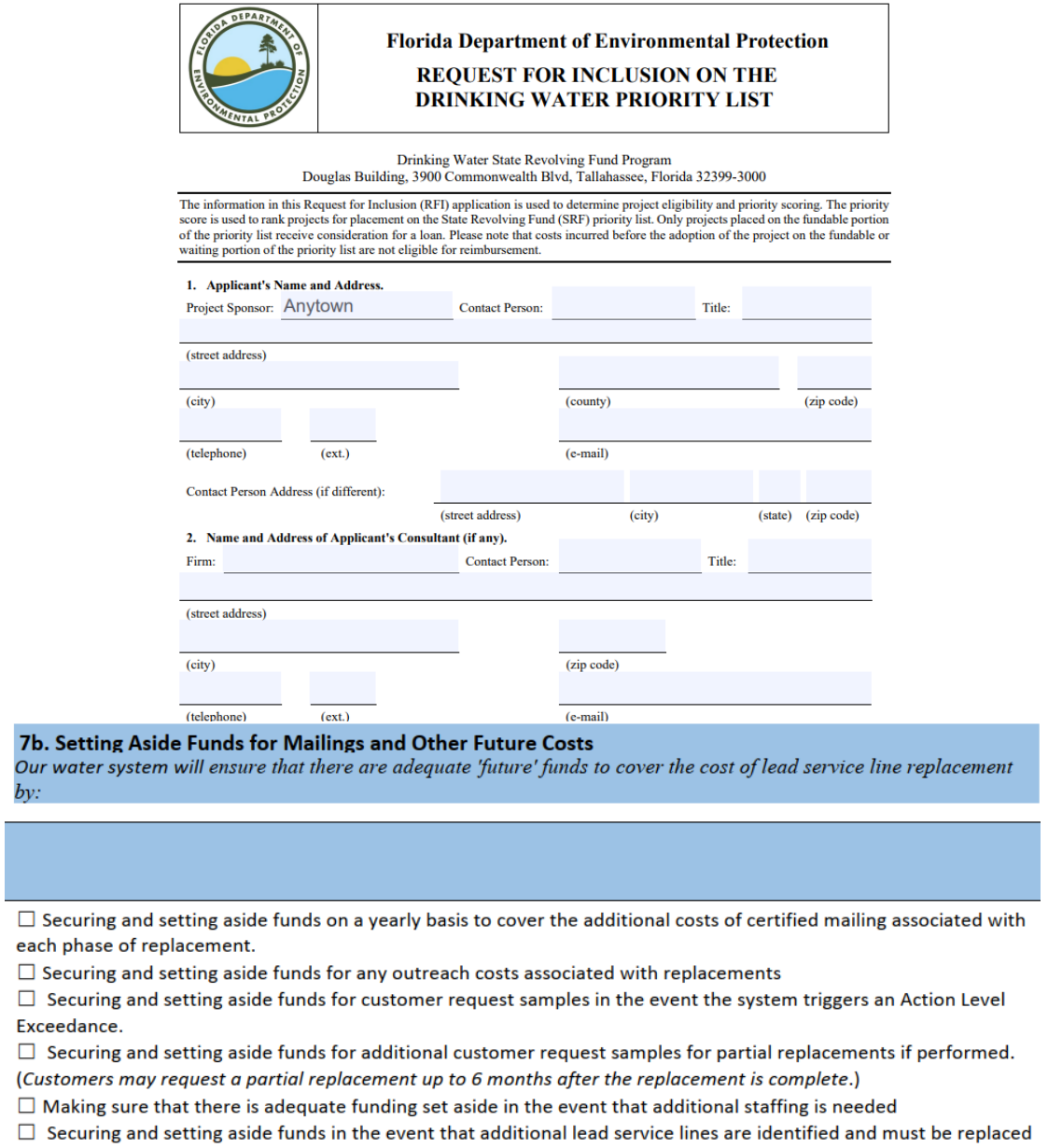
Florida BIL LSLR Funding

- Eligible projects:
  - LSLR projects or
  - Activities directly connected to the identification (inventory), planning, design, and replacement of LSLs
- Additional Drinking Water SRF available for:
  - Project addressing lead in water mains/distribution systems
  - Other non-LSLR projects
- Replacement projects must replace the entire LSL
  - Includes lead connectors (gooseneck, pigtails, etc.)
  - Includes GRRs
- Funds can't be used for in-house "premise" plumbing
  - Service line connection from the water main to building inlet only
- Projects are considered for funding each **August, November, February and May, initial application to be submitted 45 days in advance**
- FDEP SRF Priority List is updated quarterly with rankings



Florida Department of Environmental Protection

REQUEST FOR INCLUSION ON THE DRINKING WATER PRIORITY LIST

Drinking Water State Revolving Fund Program
Douglas Building, 3900 Commonwealth Blvd, Tallahassee, Florida 32399-3000

The information in this Request for Inclusion (RFI) application is used to determine project eligibility and priority scoring. The priority score is used to rank projects for placement on the State Revolving Fund (SRF) priority list. Only projects placed on the fundable portion of the priority list receive consideration for a loan. Please note that costs incurred before the adoption of the project on the fundable or waiting portion of the priority list are not eligible for reimbursement.

1. Applicant's Name and Address.

Project Sponsor: Anytown Contact Person: Title:

(street address)

(city) (county) (zip code)

(telephone) (ext.) (e-mail)

Contact Person Address (if different):

(street address) (city) (state) (zip code)

2. Name and Address of Applicant's Consultant (if any).

Firm: Contact Person: Title:

(street address)

(city) (zip code)

(telephone) (ext.) (e-mail)

7b. Setting Aside Funds for Mailings and Other Future Costs

Our water system will ensure that there are adequate 'future' funds to cover the cost of lead service line replacement by:

☐ Securing and setting aside funds on a yearly basis to cover the additional costs of certified mailing associated with each phase of replacement.

☐ Securing and setting aside funds for any outreach costs associated with replacements

☐ Securing and setting aside funds for customer request samples in the event the system triggers an Action Level Exceedance.

☐ Securing and setting aside funds for additional customer request samples for partial replacements if performed. (*Customers may request a partial replacement up to 6 months after the replacement is complete.*)

☐ Making sure that there is adequate funding set aside in the event that additional staffing is needed

☐ Securing and setting aside funds in the event that additional lead service lines are identified and must be replaced

The Florida Drinking Water SRF program offers a lower discount rate for agencies that qualify as having lower household income than the State average

DWSRF Interest Rate Formula

i = %MR(MR)

%MR = 40(MHI/SMHI) + 15

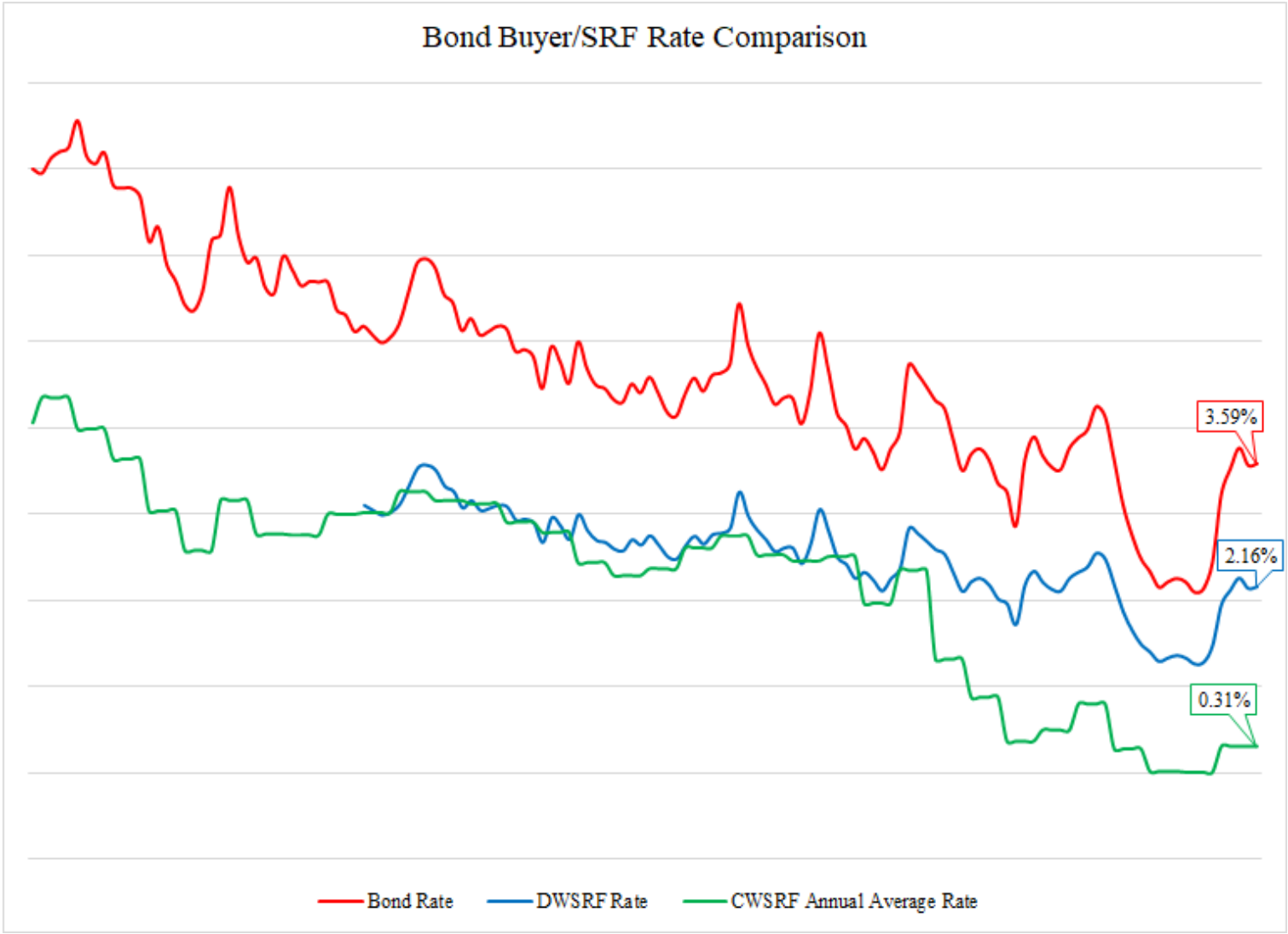
Where:

i = Interest Rate MR = Market Rate

MHI = Median Household Income of the public water system's service area

SMHI = State of Florida MHI

The most recent ‘base rate’ for Florida Drinking Water SRF loans is 2.16%



Current Florida DEP Website definition of which applicants qualify as Disadvantaged Communities for LSL program funding purposes

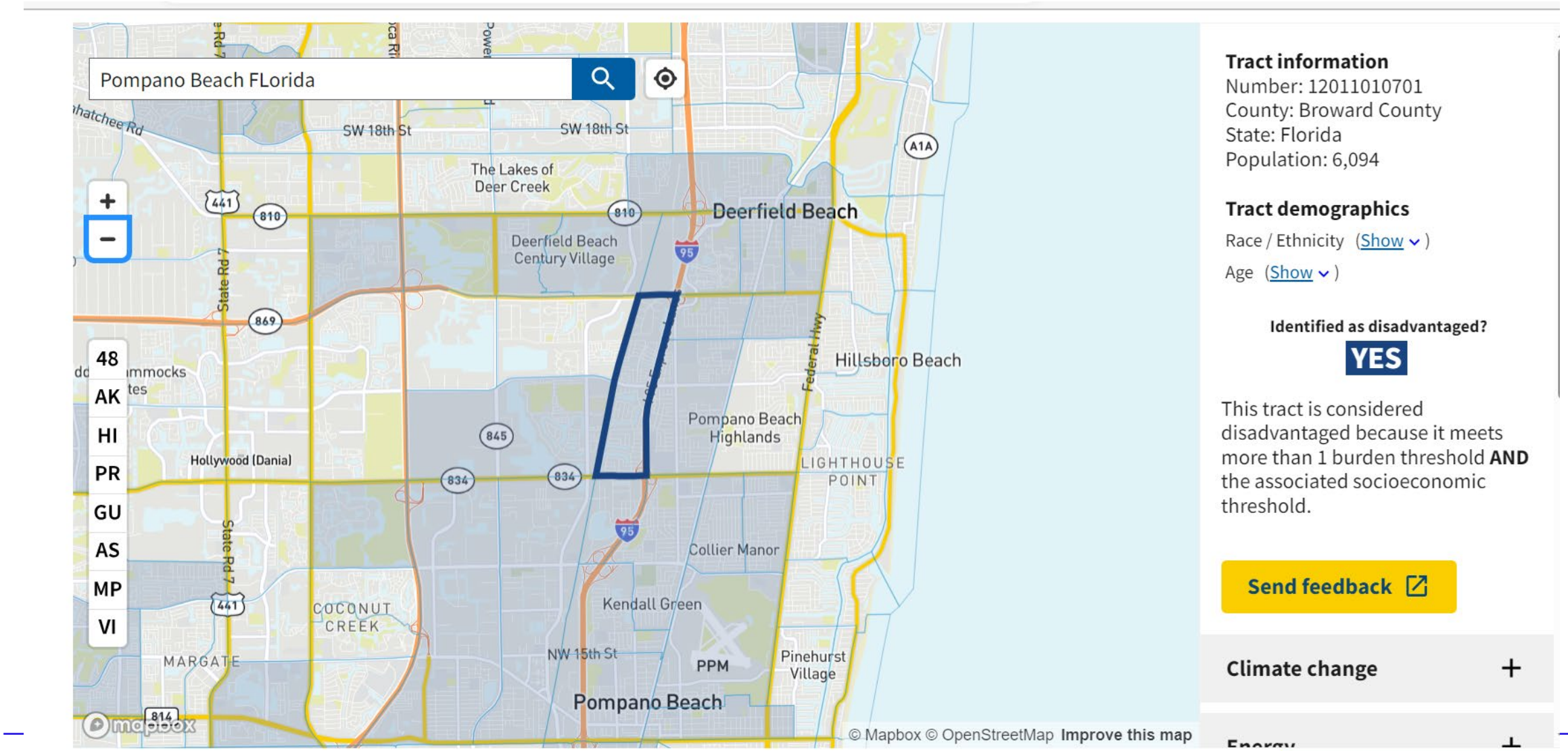
"49% of the funding will be given in the form of Principal Forgiveness to disadvantaged communities. For the purpose of the LSL funding, disadvantaged communities includes utilities that qualify as disadvantaged per Chapter 62-552, F.A.C., as well as utilities serving areas identified as disadvantaged in accordance with the Climate and Economic Justice Screening Tool." (CEJST)

https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5

From the Definitions Section of Chapter 62-552

"Financially disadvantaged community" means a municipality, county or agency (such as a county-wide department) thereof, franchised area, or other entity with a defined public water system service jurisdiction having a median household income of less than the statewide average. Verifiable documentation of the community's median household income is required to calculate the community's percentage of principal forgiveness in accordance with these rules.

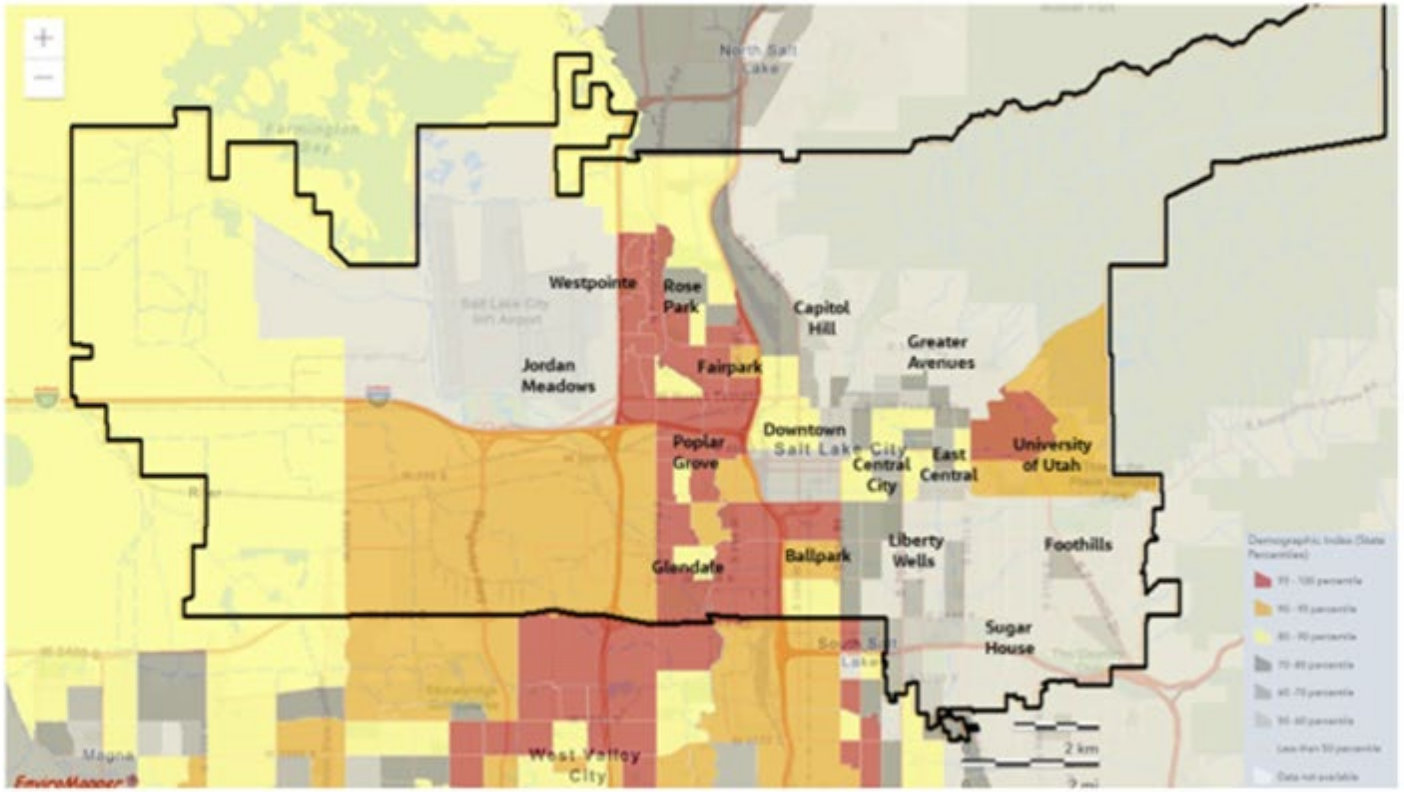
Illustration of how the CEJST tool can be used to identify disadvantaged census tracts.



Case Example: Salt Lake City

Documenting disadvantaged communities served in your service area can help in qualifying for the principal forgiveness loan/grant funding

This map shows the EJSCREEN results for the Demographic Index, which is the average of two indicators: percent low-income and percent minority.



As shown in the legend, the census block groups in Salt Lake City are shown in relation to the State of Utah percentiles.

19

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Source: *Incorporating Environmental Justice into Lead Service Line Removal*, presented by Dr. Marian Rice SLCDPU Deputy Director, at EPA-AWWA SRF-WIFIA Workshop, Portland, Oregon, September 15, 2022

Case Example: Wilmington, DE Advocacy

- Under the State of Delaware's previous definition of disadvantaged communities, Wilmington just missed the mark of qualifying for principal forgiveness loans (grants)
- Successful advocacy support made the case of why Wilmington should qualify based on significant low-income neighborhoods and secured support from City and National leadership

Infrastructure Investments Fuel the Region's Engine for Economic Prosperity and Community Vibrancy

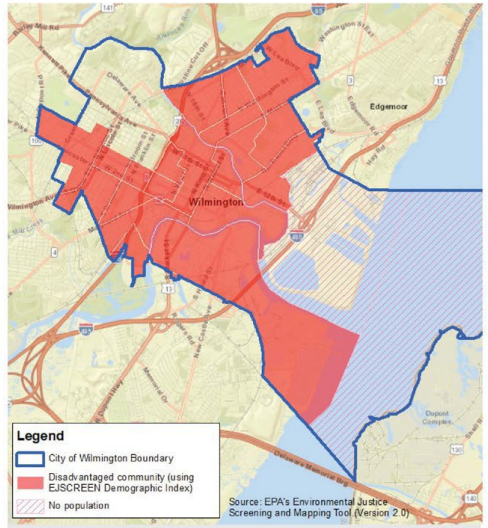
As the owner and operator of the largest public works department in Delaware, the City of Wilmington has the largest impact on the public health and economic security in the state. Being a responsible steward of the environment and minimizing impacts to disadvantaged communities that make up most of its service area are imperatives for the City. That's why Wilmington needs a partner to help it replace its aging infrastructure as well as develop a new, more resilient one.

Wilmington's disadvantaged communities are disproportionately high relative to Delaware and the nation.

- **70% of the City** is identified as a disadvantaged community.
- **47% of the City's population** is considered low income (based on EPA definition).

Despite the City's large infrastructure investments, demand outpaces the financial abilities of the community.

- The City has invested over **$200 million** in infrastructure in the last 10 years from various funding sources while maintaining reasonable rate increases to customers.
- Less than **0.5%** of State Revolving Fund loans included principal forgiveness.
- Vital infrastructure projects of over **$300 million** in the next 10 years requires a new commitment from the state and federal government (earmarks, grants, and principal forgiveness on loans).



21 out of 27 Census tracts in Wilmington (shown in red) meet EPA's definition of a disadvantaged community.

Case Example: Wilmington, DE Result

- State revised drinking water program criteria for definition of disadvantaged communities in a manner in which Wilmington now qualifies

Old Definition: Disadvantaged communities defined by state based on water charges as percent of community-level Median Household Income

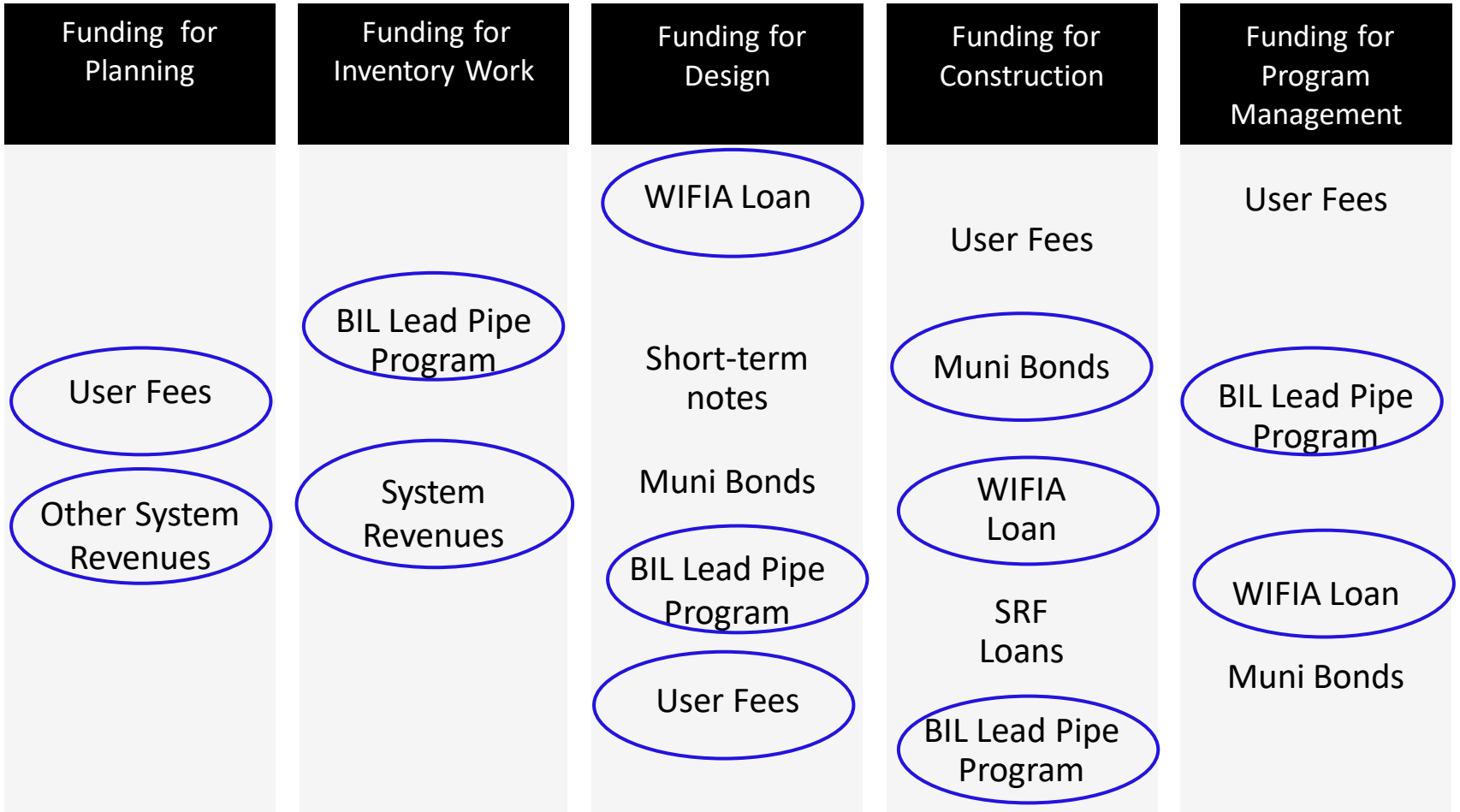
New Definition – A Disadvantaged community is one that:

- Meets the Affordability Criteria; or
- Is Identified by EPA EJSCREEN tool at 90% USA percentile or higher for Environmental Justice Indexes; or
- Is identified as disadvantaged by the White House Climate and Economic Screening Tool

- Result: Wilmington will receive $ 23.1 M in free drinking water money
  - **$12.8 M Lead Service funding (94% of the State Allocation)** and
  - $4.8 M in PFAS funding (75% of State Allocation) and
  - $5.5 M in supplemental DAC funding for Raw Water Transmission improvements. (63% of State Allocation)

Financing Strategy Example

- Some combination of funding/financing sources will likely be needed by most utilities given the magnitude of the lead service line programs and funding program restrictions



Factors that will influence the selection of a funding strategy for your community's LSLR program include:

- Characteristics of the lead service line program
  - Scope of work to be covered
  - Cost
  - Final timeline established for implementing of the program
- Availability of outside funding and extent to which your community qualifies for a portion of the Florida principal forgiveness funding through BIL
  - Small (service population 10,000 or less?)
  - Low income or other indicators of Disadvantaged Communities?
- Community goals for funding program including input from stakeholders

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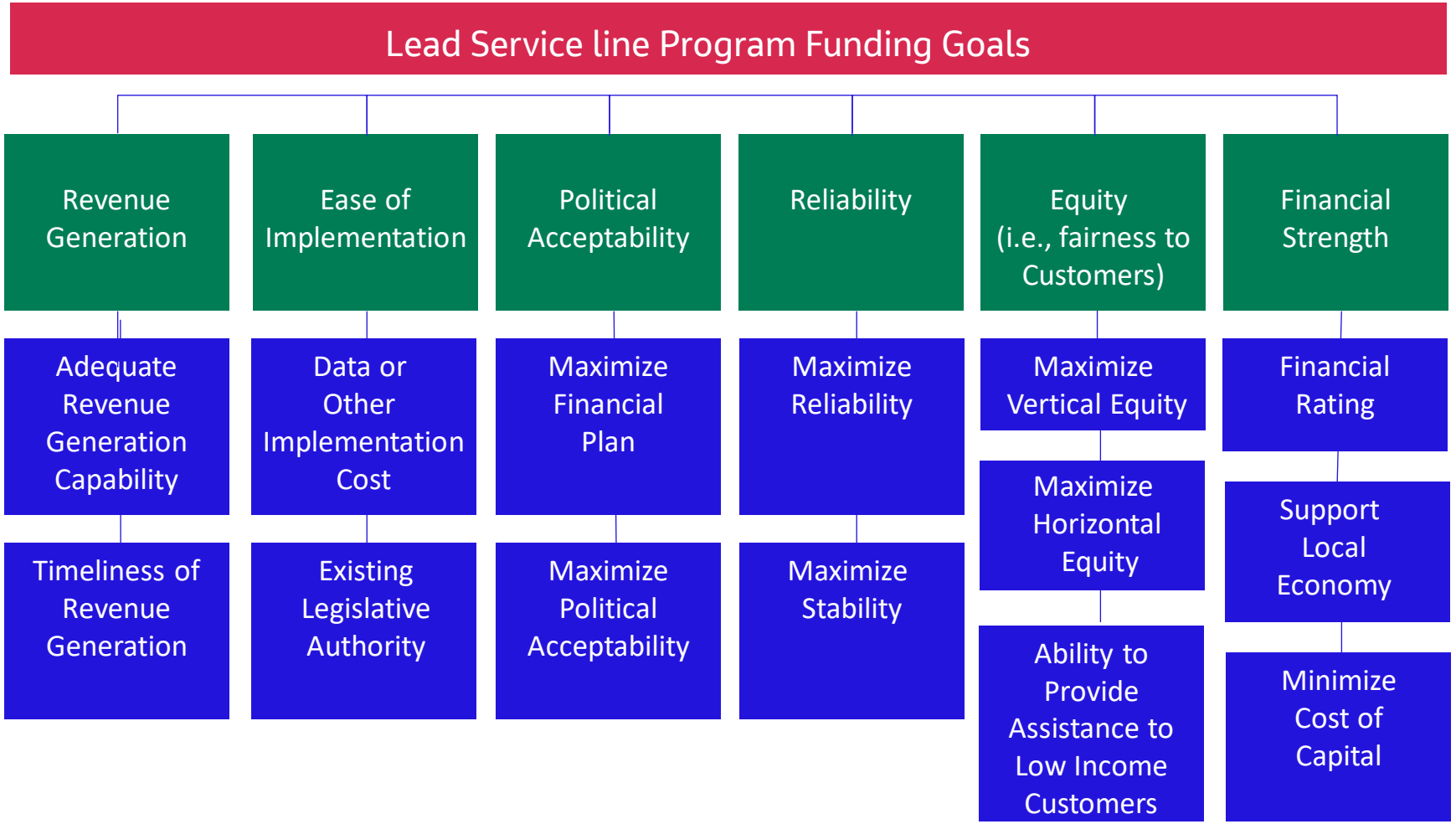
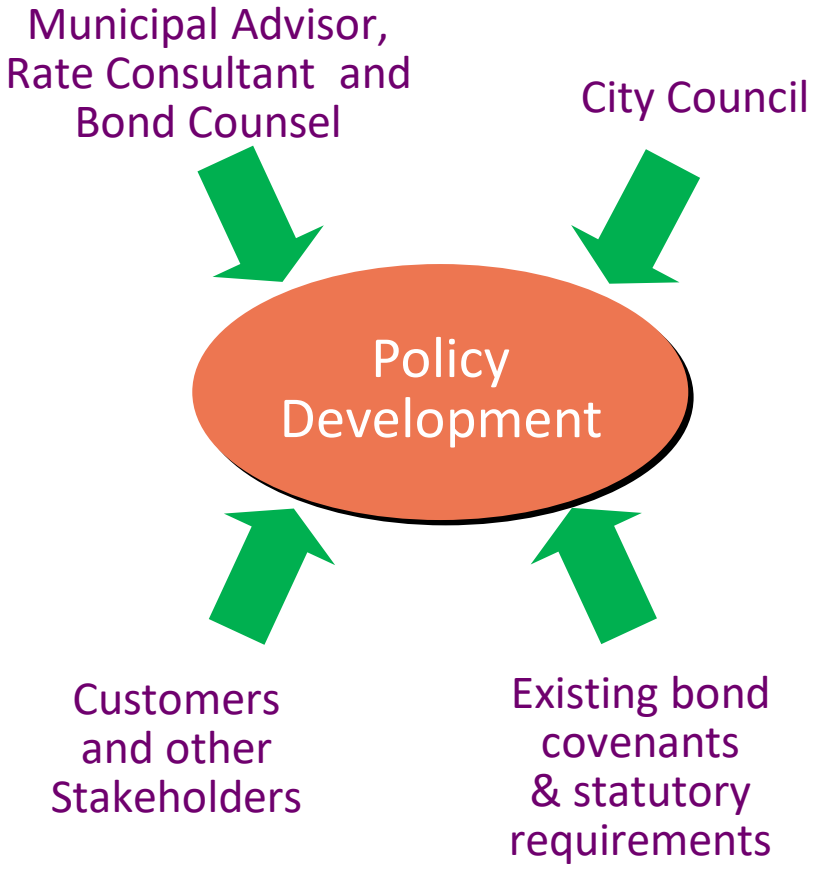
As the funding strategy is finalized, primary goals for your funding program should be identified and weighed.

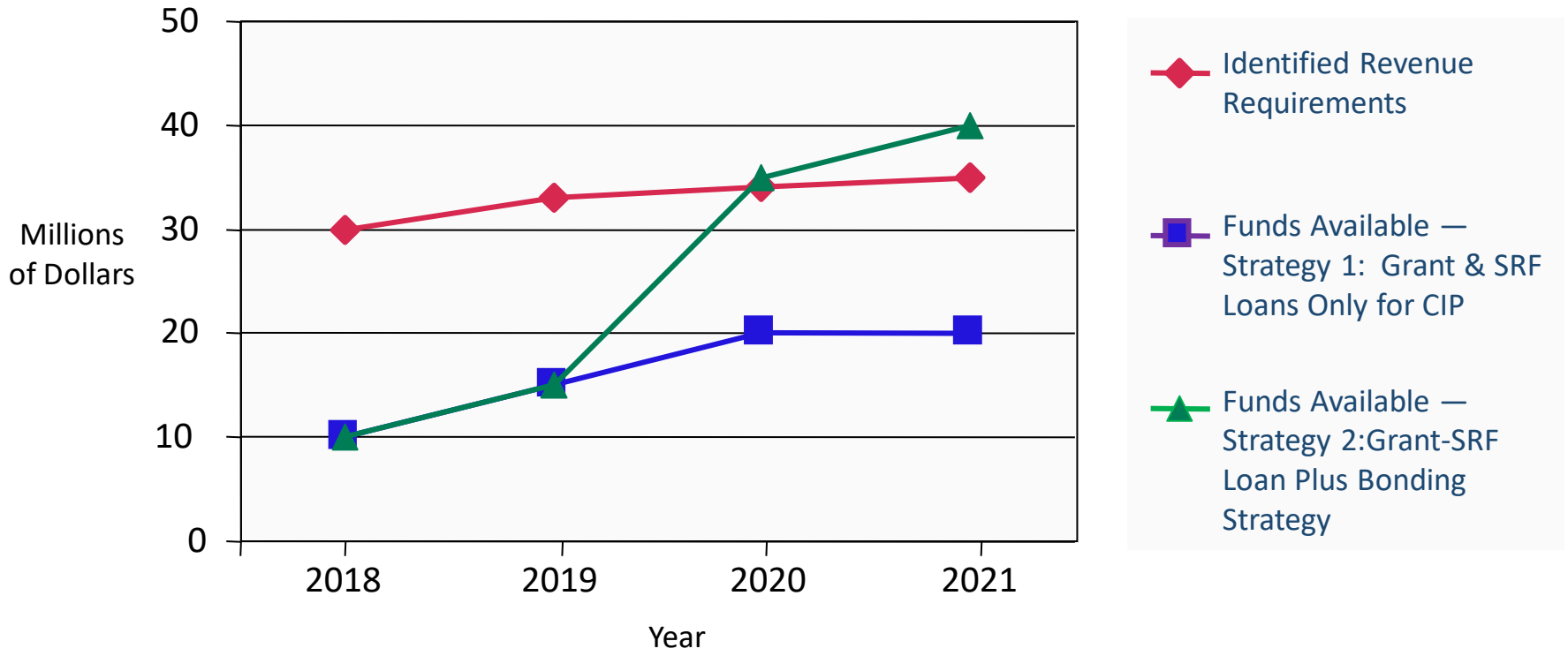


Financial policies should also be considered as your community finalizes its funding strategy

- Funding needs
  - Capital needs for other purposes
  - Contingencies
  - Reserves
  - Debt coverage levels
- Funding sources
  - Debt vs. pay-as-you-go
  - Revenue vs. General Obligation Bond
  - Rate transitioning/smoothing goals



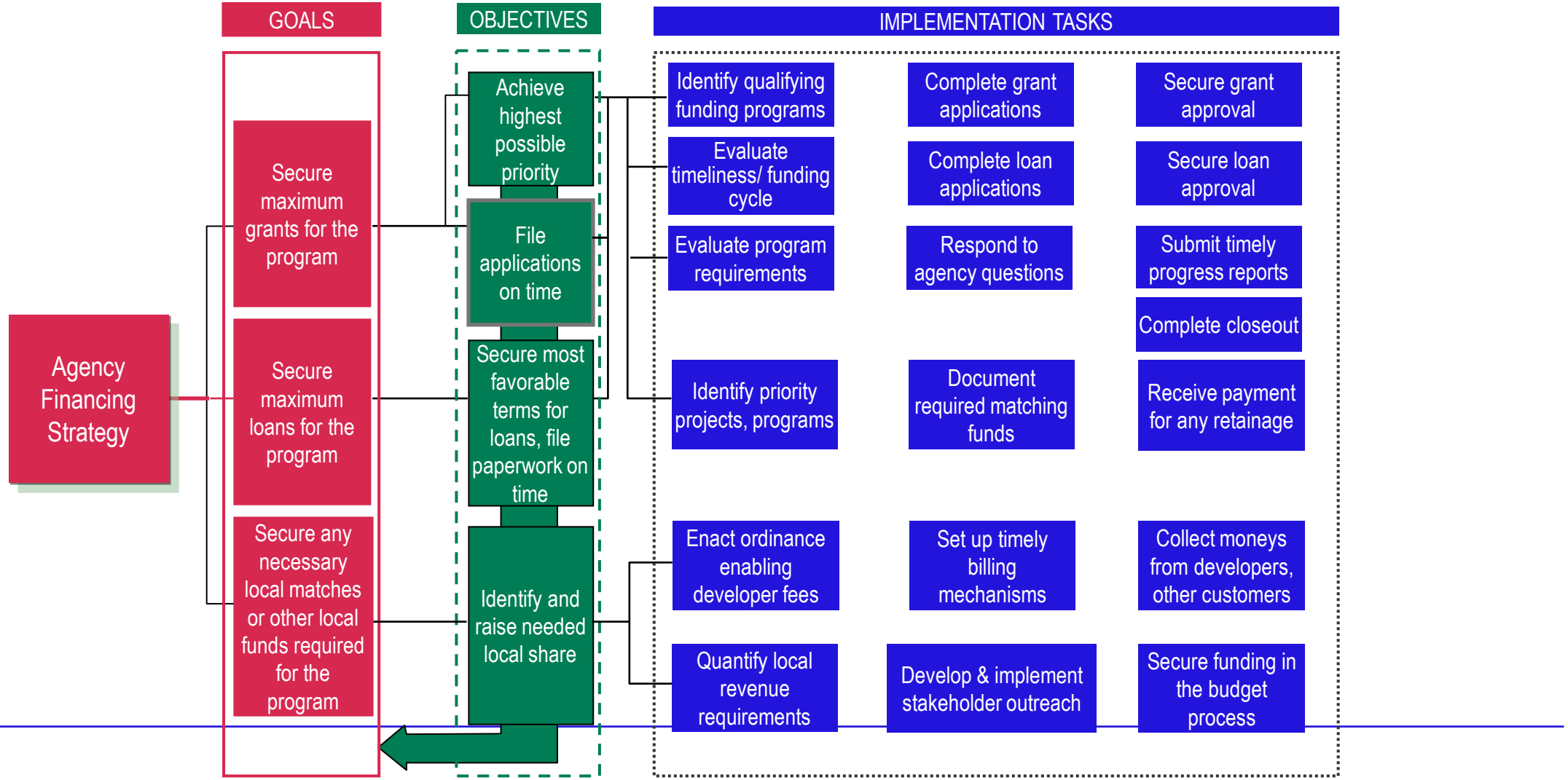
Revenue-generating capability of viable funding strategies are compared with revenue requirements



Financial models support a thorough understanding of cash flow and expenditure limits

- Risk management and decision-making for financial strategy
- Timing and magnitude of program
- Real time controls and sensitivity analysis

Developing a specific implementation plan dramatically increases the chance for success



Thank You

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Reinventing tomorrow.

DWSRF Lead Service Line Inventory & Replacement Funding

This additional fund is specifically for the replacement of lead service lines.

- Lead Service Line Inventory work is eligible as a planning loan project.
- Design and bidding for Lead Service Line replacement projects is an eligible project as a design loan project.
- Any project funded under this supplemental funding must replace entire lead service line (LSL), not just a portion, unless a portion has already been replaced.
- Galvanized Pipe and Goosenecks are only eligible if they are or have previously been downstream of known lead service lines.
- Internal (aka premise) plumbing and apparatuses are NOT currently eligible for this supplemental funding as it is not DWSRF eligible. This includes plumbing and water coolers in schools and daycares, as well as plumbing inside homes and multifamily residential buildings.
- 49% of the funding will be given in the form of Principal Forgiveness to disadvantaged communities. For the purpose of the LSL funding, disadvantaged communities includes utilities that qualify as disadvantaged per Chapter 62-552, F.A.C., as well as utilities serving areas identified as disadvantaged in accordance with the Climate and Economic Justice Screening Tool.
- This funding will be provided at a zero percent financing rate.
- Florida has set aside $3 million from this year's allotment for the purpose of assisting small Community Water Systems with meeting the requirement of the Lead and Copper Rule Revisions to create an LSL inventory of their system. Please contact Florida Rural Water Association for information.
- Required to meet Build America, Buy America (BABA) Act for construction projects.
- Download the EPA definition of LSL along with a diagram at floridadep.gov/wra/srf/documents/definition-lead-service-line.
- For more information on all types of Federal funding for LSL replacement go to EPA's website at www.epa.gov/ground-water-and-drinking-water/funding-lead-service-line-replacement.
- Example Lead Service Line Project Request for Inclusion (RFI) Submittal

Last Modified: June 28, 2023 - 2:07pm