

Lead Service Line Replacement Projects Funding and Implementation

**Ohio Conference of Community Development
October 27th, 2022**

Water and Wastewater Funding Opportunities

The Infrastructure Funding Framework

State Funding Opportunities

- **Ohio EPA – Water Supply Revolving Loan Account (WSRLA)**
- Ohio EPA – Water Pollution Control Loan Fund (WPCLF)
- Ohio Public Works Commission
- **H2Ohio Initiative**
- Ohio Water Development Authority
- Community Development Block Grants

Federal Funding Opportunities

- American Rescue Plan Act
- **Infrastructure Investment & Jobs Act**
- USDA – Rural Development
- Appalachian Regional Commission
- U.S. Army Corps of Engineers
- U.S. Environmental Protection Agency

Ohio EPA Funding for Lead Service Line Replacement

Quick check on nomenclature

- Ohio's Water Supply Revolving Loan Account (**WSRLA**), also known as the Drinking Water Assistance Fund (DWAF) = Drinking Water State Revolving Fund (SRF)
- Infrastructure Investment and Jobs Act (**IJA**) = the Bipartisan Infrastructure Law (BIL), also known as the federal infrastructure bill

Ohio EPA Funding for Lead Service Line Replacement

The Big Picture...

Program	Amount	Loan or Grant
Ohio EPA – WSRLA (2016-2019)	\$1-5 million/year*	Loans @ 0%
Ohio EPA – WSRLA (2019)	\$1 million	Grants (Principal Forgiveness)
Ohio EPA – WSRLA - WIFTA “Transfer Act” \$\$ (2020-2021)	\$20 million	Grants (Principal Forgiveness)
Ohio EPA - H2Ohio Initiative (2020 – 2022) <ul style="list-style-type: none"> • LSL Replacements – Daycares and Residential • Mini-grants for Inventory & Mapping • Technical Assistance for Inventory & Mapping 	\$8 million	Grants
Ohio EPA – WSRLA – IJJA Funds (2022 – 2027?)	\$350 million	Loans and Grants (Principal Forgiveness): Approx. \$175 million loans @ 0% Approx. \$175 million Principal Forgiveness

* These funds were not fully utilized

Ohio EPA Funding for Lead Service Line Replacement State Revolving Fund (SRF) Programs

	Water Pollution Control Loan Fund	Water Supply Revolving Loan Account
Started	1989	1998
Low-interest Loans	✓	✓
Special Discounts	✓	✓
Principal Forgiveness	✓	✓
Annual Capacity	\$700 million/year	\$170 million/year

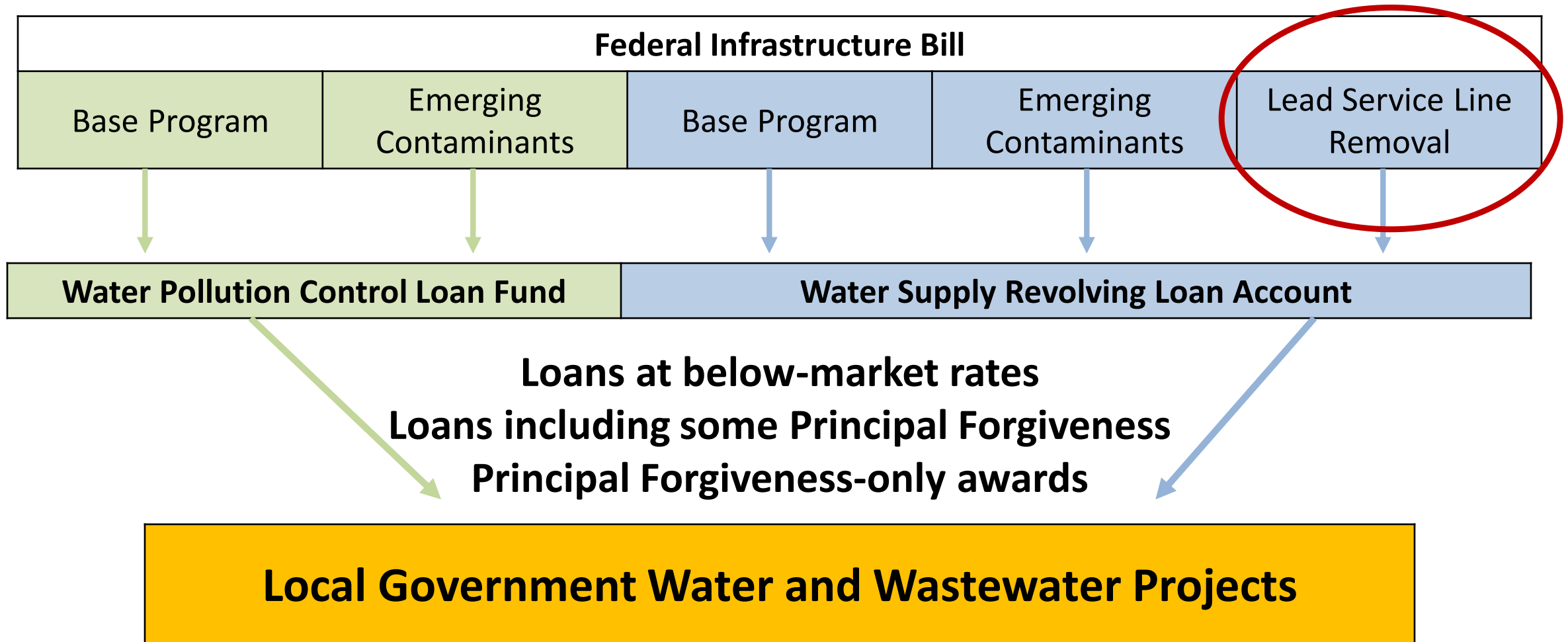
Ohio EPA Funding for Lead Service Line Replacement

WPCLF & WSRLA Funding in 2022

(January – August 2022)

	WPCLF	WSRLA
# Loans	161	57
\$ Amount	\$683 million	\$152 million
Savings to Communities	\$95 million	\$22 million

Ohio EPA Funding for Lead Service Line Replacement



Rough Estimates of Ohio's Portion of IJA Funds for the SRF Programs

Year	Ohio's CWSRF Portion for Base Program	New! Ohio's CWSRF Portion for Emerging Contaminants	Ohio's DWSRF Portion for Base Program	New! Ohio's DWSRF Portion for Emerging Contaminants	New! Ohio's DWSRF Portion for Lead	Estimated Total
2022	\$102 M	\$5 M	\$45 M	\$18 M	\$71 M	\$241 M
2023	\$118 M	\$11 M	\$52 M	\$18 M	\$71 M	\$270 M
2024	\$128 M	\$11 M	\$57 M	\$18 M	\$71 M	\$285 M
2025	\$138 M	\$11 M	\$62 M	\$18 M	\$71 M	\$300 M
2026	\$138 M	\$11 M	\$62 M	\$18 M	\$71 M	\$300 M
Total*	\$624 M	\$49 M	\$278 M	\$90 M	\$355 M	\$1.396 B

Proportion of Total that can be awarded as PF	\$303 M	\$49 M	\$134 M	\$90 M	\$175 M	\$751 M
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Ohio EPA Funding for Lead Service Line Replacement

How much grant money will be available?

Type of Project	Annual Grant Funding (2022 – 2026)
General Wastewater Projects	\$50 - \$60 million
General Drinking water Projects	\$25 - \$30 million
Drinking Water Emerging Contaminants	\$18 million
Lead Service Line Replacements	\$35 million

Ohio EPA Funding for Lead Service Line Replacement

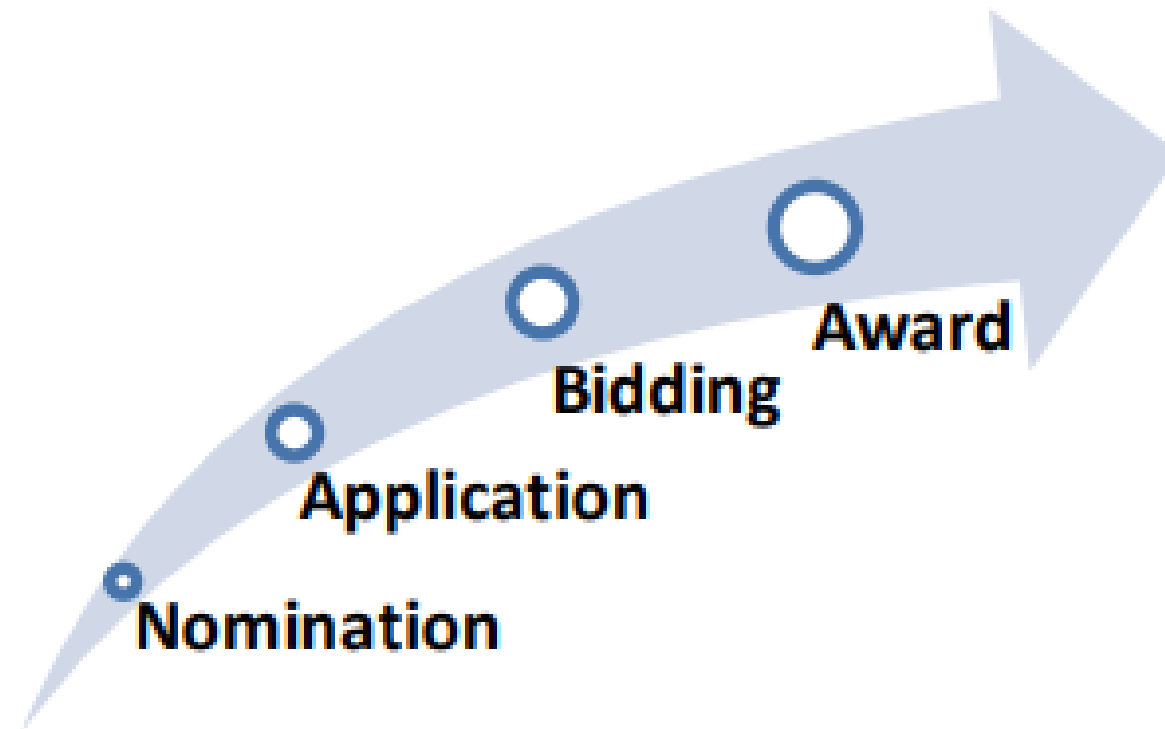
“Disadvantaged” = Potential Access to Principal Forgiveness

WSRLA Disadvantaged Criteria	
Documented human health-related factors	Present
Water and sewer rates compared to MHI	$\geq 2.5\%$
Median Household Income (MHI)	$\leq \$58,116$
Poverty Rate < 200% of Poverty Level	$\geq 30.4\%$
Unemployment Rate	$\geq 5.3\%$

3/4 Criteria

Ohio EPA Funding for Lead Service Line Replacement

WSRLA Funding Process



Ohio EPA Funding for Lead Service Line Replacement

SRF General Timelines

	WPCLF	WSRLA
Cycle	Calendar Year	State Fiscal Year
Nomination Period*	August	February
Funding Year	January – December	July - June

* Open nomination period for planning and design projects, and certain special categories (lead service lines, emerging contaminants, etc.)

Ohio EPA Funding for Lead Service Line Replacement

Bringing it all together...

- LSL replacement needs are great, but funding is available
- Federal regulatory pressure is increasing for LSL removals
- Ohio EPA has been investing in LSL replacements since 2016
- The federal infrastructure bill (IIJA) will increase funding opportunities over the next 5+ years
- Funding comes through the WSRLA (Ohio's Drinking Water SRF)
- Funding will be offered to disadvantaged communities as loans and grant-like funds (principal forgiveness)

Ohio EPA Funding for Lead Service Line Replacement

How to take action...

- Determine if your public water system has LSLs, and where they are
- Develop a plan for removal (consider implementation steps, legal issues, phasing, timing, rate increases, public participation, etc...)
- Nominate planning, design, construction projects to the WSRLA
- Develop a funding package (WSRLA funds + other grant funds?)
- Working with Ohio EPA staff, get projects ready to be bid
- WSRLA funds awarded based on as-bid costs
- Implement LSL replacement projects

Ohio EPA Funding for Lead Service Line Replacement

When you want to talk funding, let us know...

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Questions and Comments

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