Applying Principles of Asset Management to Service Line Inventories

March 27, 2023

United States Environmental Protection Agency

Office of Water

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All attendees are in listen-only mode. Please do not unmute yourself during the presentation.

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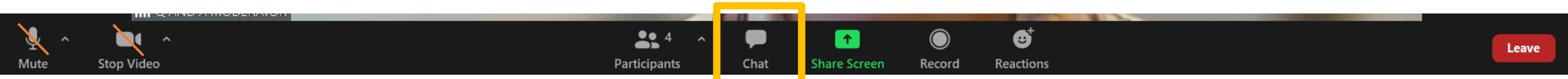
The recording and slides will be posted and a link emailed to all registered attendees 1-2 weeks after the webinar.

You many find additional drinking water webinars and resources at www.epa.gov/dwcapacity

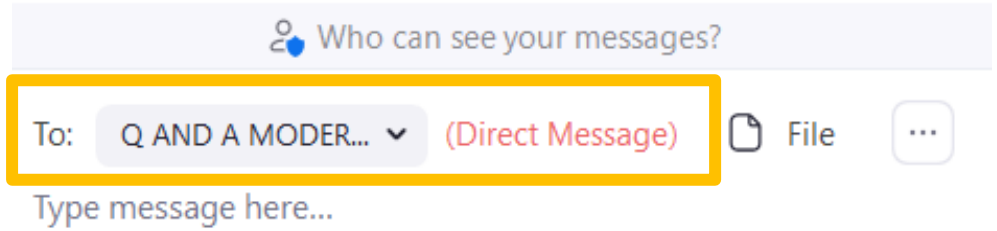
We encourage attendees to ask questions throughout the presentation by using the chat feature.

DIRECT YOUR QUESTIONS TO "Q & A MODERATOR"



Chat box will pop up.
Type in your questions at the bottom.

PLEASE DIRECT YOUR QUESTIONS TO "Q & A MODERATOR"



Guiding Questions for Today's Discussion

- What are the 5 Core Questions of the Asset Management Framework?
- What are requirements for Lead Service Line Inventories?
- How can Simple Tools for Effective Performance (STEP) Guide for asset management assist small systems with service line inventories and associated lead service line replacement activities?
- What State Revolving Fund (SRF) resources are available to support implementation efforts?

INTRODUCTION TO ASSET MANAGEMENT

Presenter:
Drew Pizzala

What are Assets?

All the physical components, buildings, land, and people needed to deliver safe and clean water.

- Physical components can be small to large, sometimes expensive, often long-lived and buried
- Essential to protect public health

Asset Management is…

"A process for maintaining a desired level of customer service at the best appropriate cost."

This includes:

Building an inventory of your assets

Scheduling and tracking maintenance tasks through work orders

Managing your budgeted and actual annual expenses and revenue

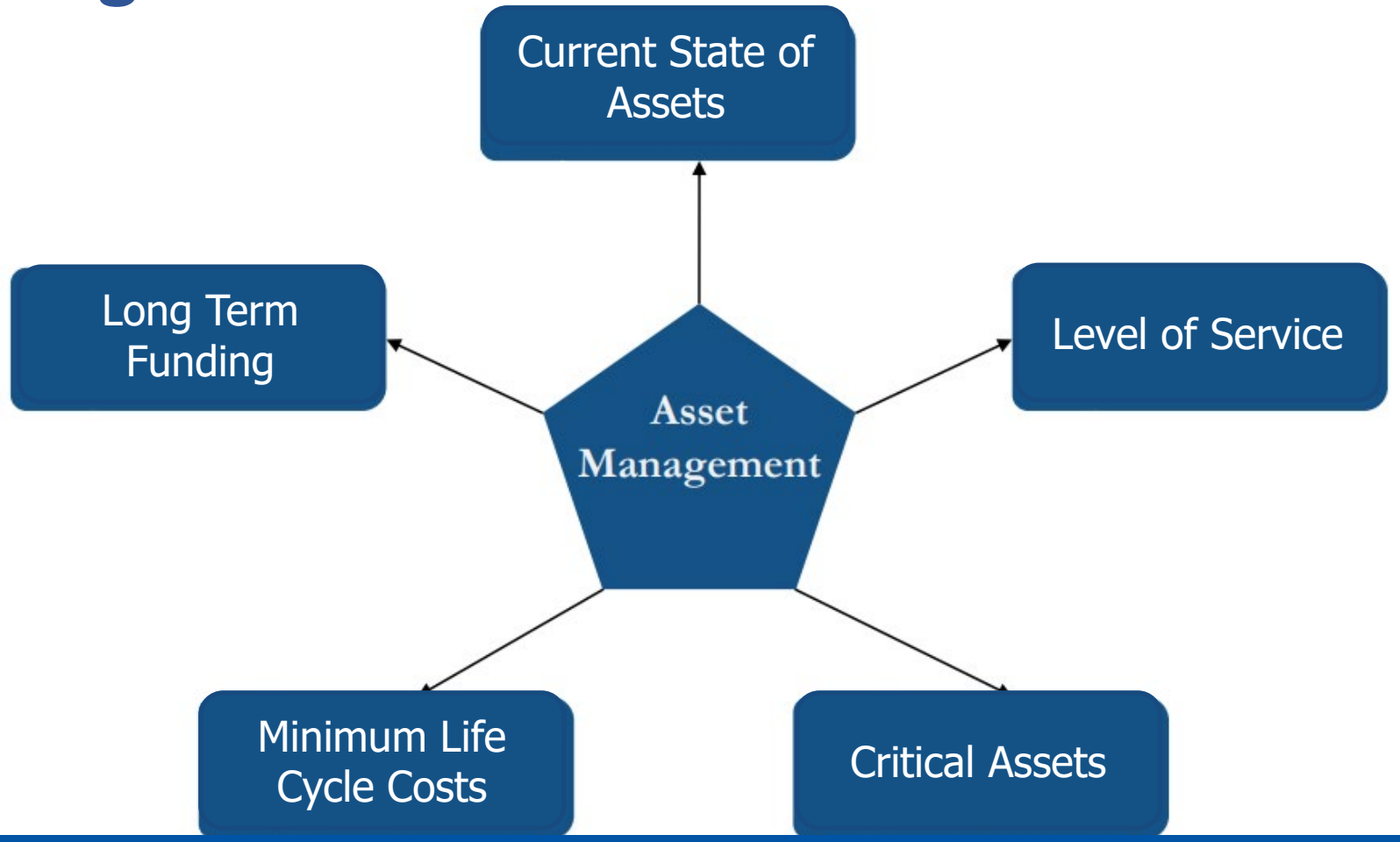
Asset Management will…

Give systems a documented understanding of:

- The assets they have
- How long assets are going to last
- How much it's going to cost to repair, rehabilitate, or replace assets
- If current rates and other revenue generating mechanisms are enough to fund maintenance and investments in assets.

Give you the basis to make good decisions!

The 5 Core Component Framework for Asset Management



Determining Level of Service

Describing the utility's short- and long-term performance goals, as well as the customer's expectations for service.

Important to communicate with customers and stakeholders to provide transparency and accountability on what is being done day to day and collaborate on how to address gaps in current service delivered.

Questions to Ask:

- What do regulators require?
- What are the utility's performance goals?
- What level of service do the customers demand?

Rusted iron water pipe

Credit: Timothy Ford, Montana State University

Taking and Inventory

Documenting where the utility's assets are and what condition they are in.

Because some of this information can be hard to determine at first, an inventory will only become more accurate as assets are replaced or rehabilitated, and staff respond to work orders and emergencies.

Questions to ask:

- What does the utility own?
- Where is it?
- What is its condition?
- What is its remaining value?
- What is its remaining useful life?

Ruptured Wooden Water Tower, March 1999

Credit: Charles Myers, Rolla, MO

Prioritizing Critical Assets

Identifying the most critical assets to a utility in order to allocate resources for rehabilitation or replacement efficiently.

Not every asset presents the same failure risk or is equally critical to a system's operations. Critical assets are those the utility decides have a high risk of failing (the asset is old or in poor condition) and major consequences if they do fail (major expense, system failure, safety concerns, etc.).

<u>Questions to ask:</u>

- How can assets fail?
- What are the likelihoods and consequences of asset failure?
- What does it cost to repair the asset?
- What are other costs that are associated with asset failure?

Leaking valve

Credit: Rural Community Assistance Corporation

Minimum Lifecycle Cost and Long-Term Funding Strategy

Understanding the full economic costs of services and future costs in order to develop a budget and make capital improvement decisions.

Capital Improvement Plans and long-term funding strategies empower utilities to make risk-based decisions by choosing the right project, at the right time, for the right reasons.

<u>Questions to ask:</u>

- What long-term funding strategies fit the organization?
- Does the utility have enough funding to maintain its assets for its required level of service?
- Is the rate structure sustainable for the utility's long-term needs?

Implementing Asset Management Plans

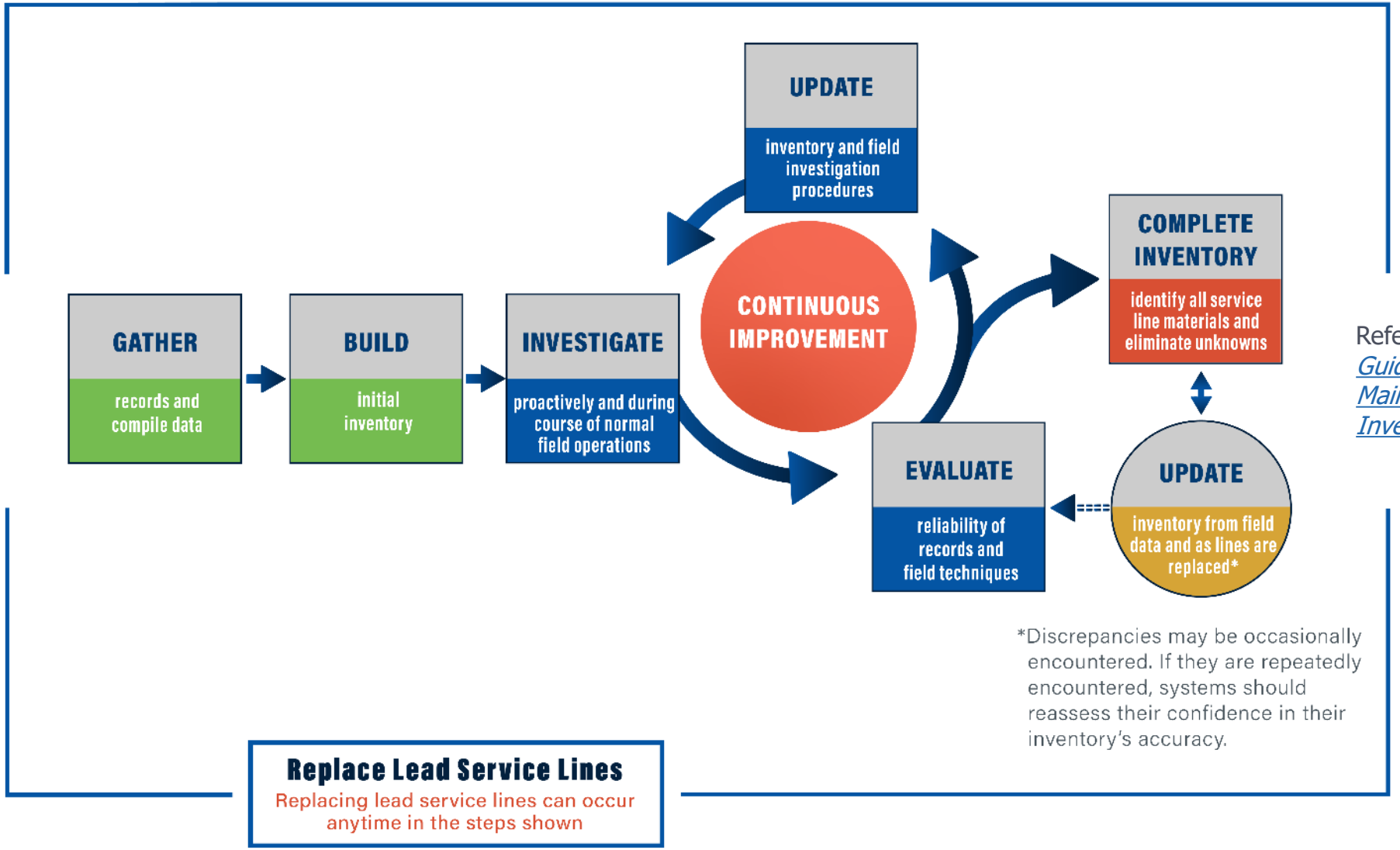
Coordinating with operating staff, decision makers, customers, and with regulators to carry out the asset management plan and ensure the technical and financial means are available to deliver safe water to the community.

Once you have developed an asset management plan, do not stick it in a drawer and forget about it! It is a flexible document that should evolve as you gain more information and as priorities shift. Starting small and growing from what you learn along the way is best.

Questions for utilities to ask themselves:

- How often to review and update the asset management plan?
- Who are the stakeholders to help implement the asset management plan and/or provide resources?

The Inventory Lifecycle example can be applied to management of other assets



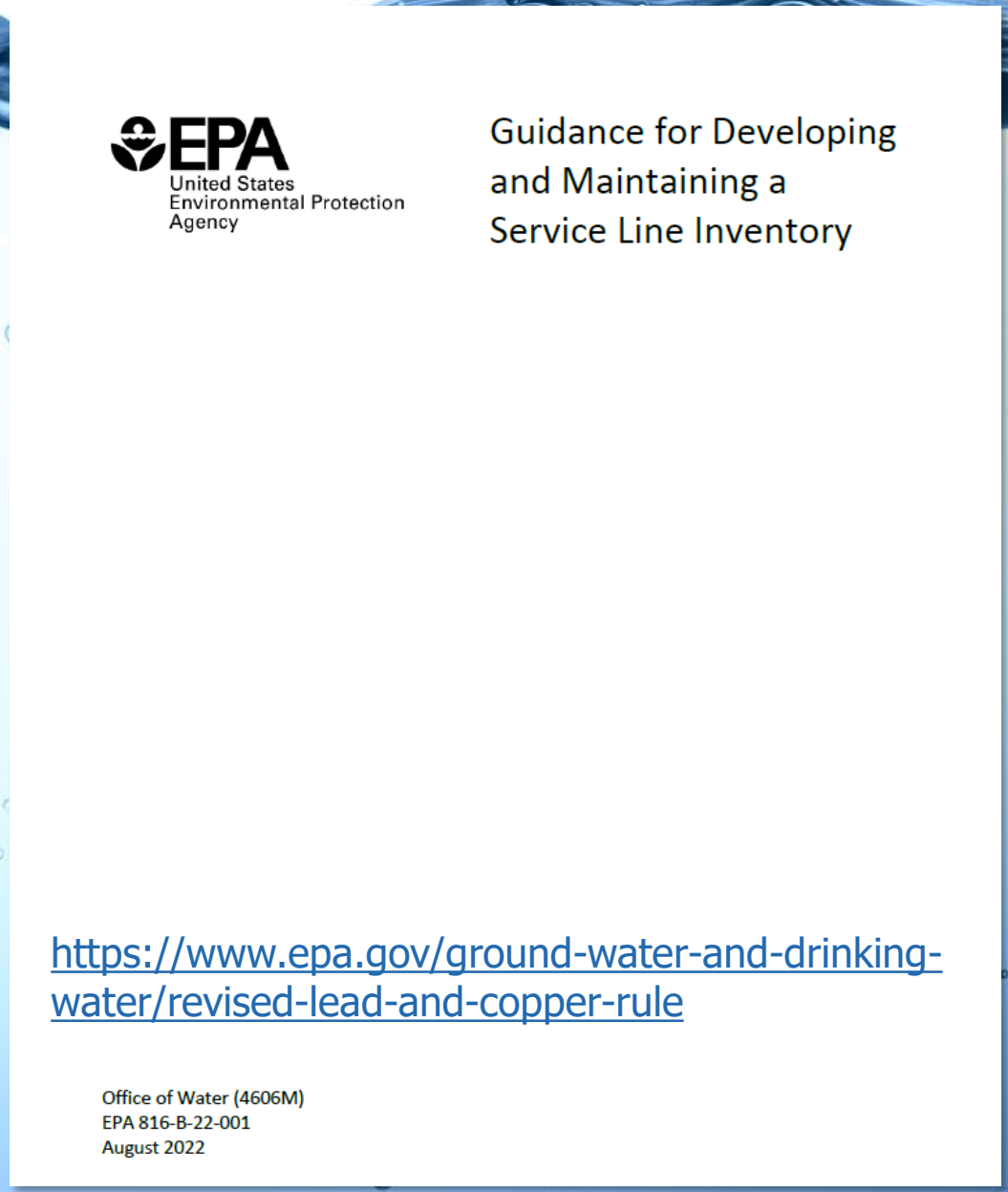
Reference page 35 in *Guidance for Developing and Maintaining a Service Line Inventory*

LEAD SERVICE LINE INVENTORIES AND REPLACEMENT AS PART OF AN ASSET MANAGEMENT PLAN

Presenter:
KIRA SMITH

2021 LEAD AND COPPER RULE REVISIONS INITIAL SERVICE LINE INVENTORIES

Presenter:
KIRA SMITH



What's in the Inventory Guidance?

Purpose and audience

- Drinking water systems of all sizes
- Primacy agencies

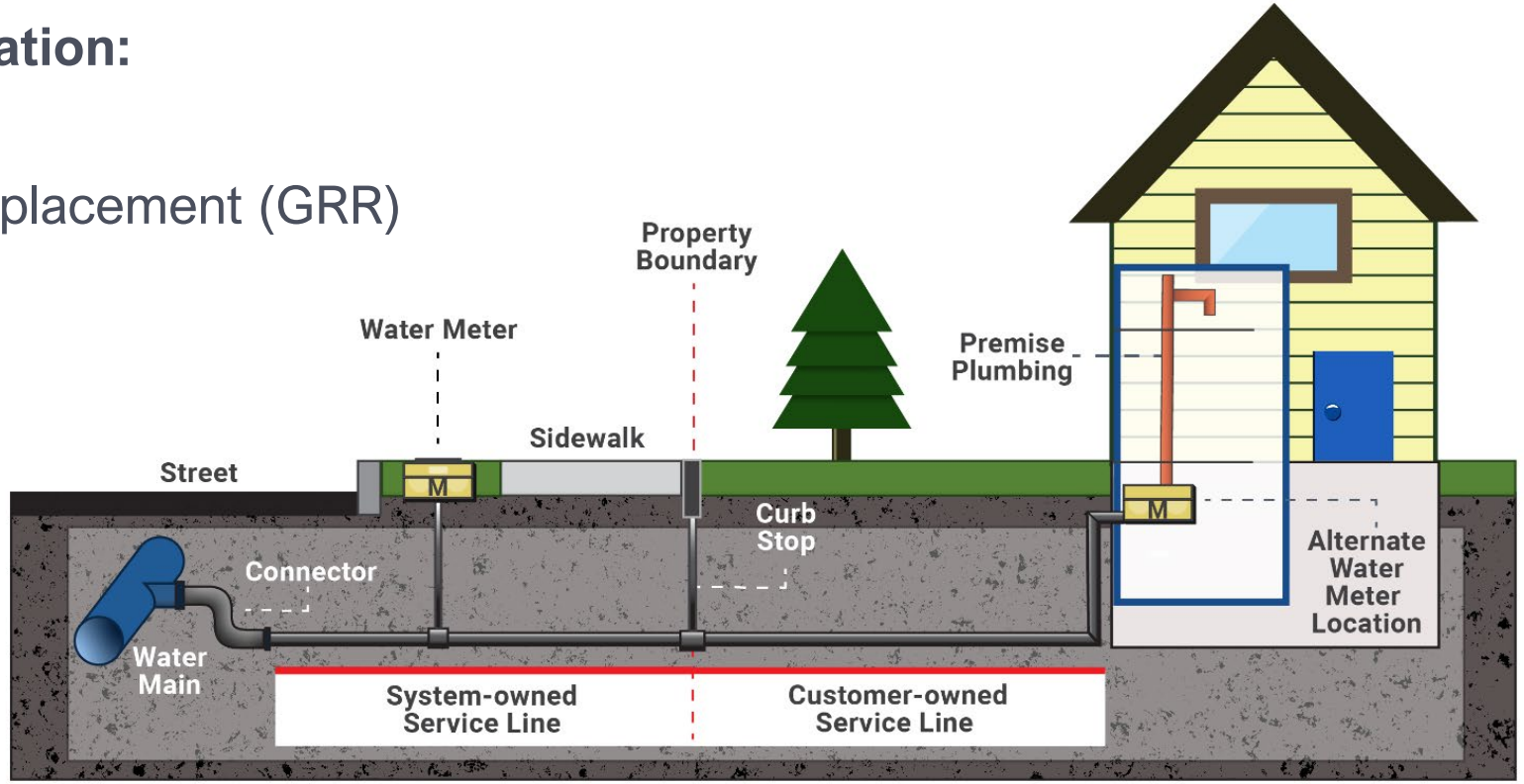
Guidance scope

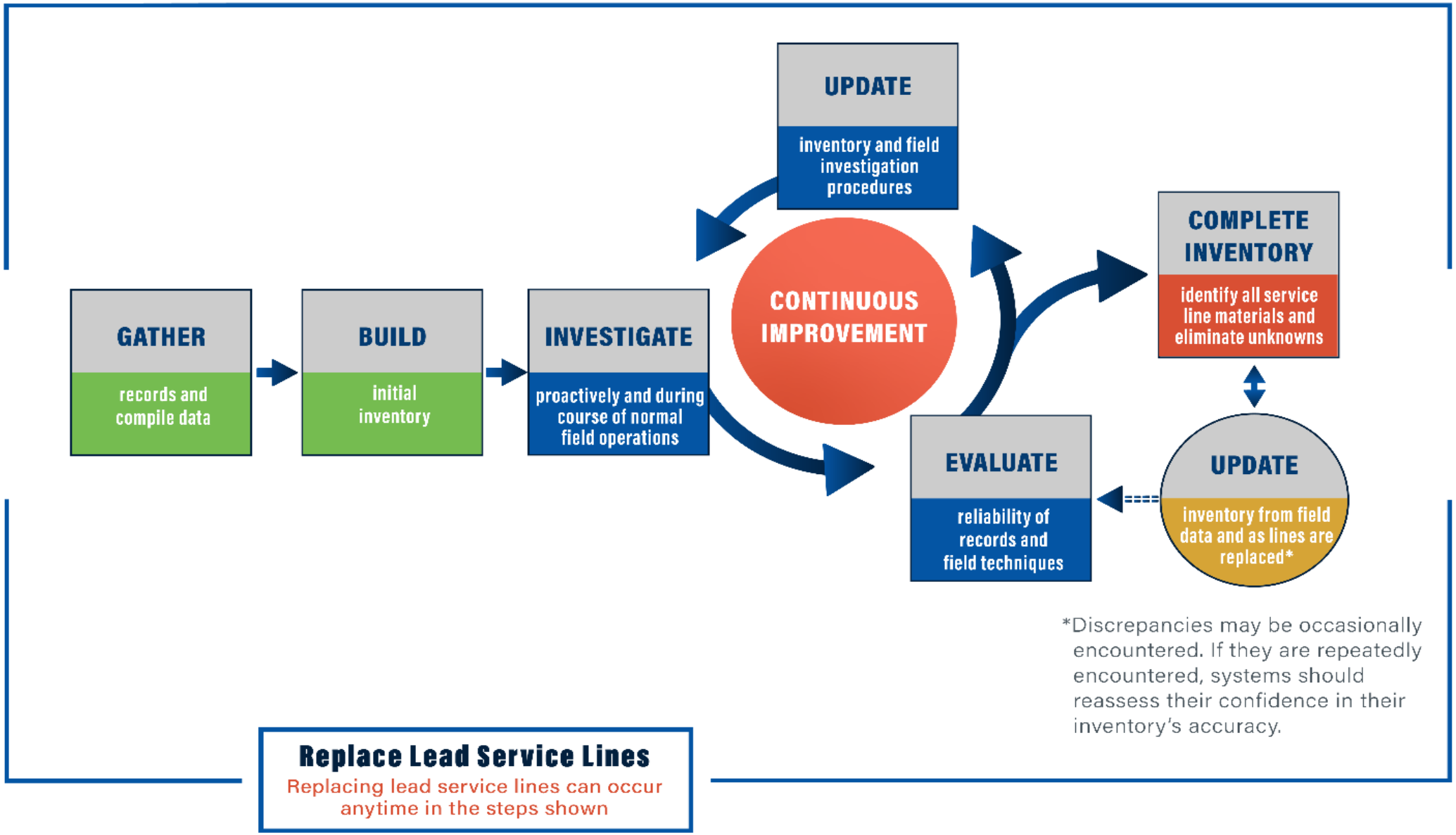
- LCRR initial inventory-related requirements
- Recommendations/best practices
- Case studies and example materials
- Inventory template

Disclaimer: *The Inventory Guidance is not a regulation itself, nor does it change or substitute for those provisions and regulations nor impose legally binding requirements on EPA, states, or the regulated community.*

Inventory Elements

- Include all service lines
- Include both the system and customer side
- **Required material classification:**
  - Lead
  - Galvanized Requiring Replacement (GRR)
  - Lead Status Unknown
  - Non-Lead
- **Recommended:**
  - Subclassifications
  - Lead Connectors
  - Age, Diameter
  - Information Source




UPDATE
inventory and field investigation procedures
GATHER
records and compile data
BUILD
initial inventory
INVESTIGATE
proactively and during course of normal field operations
CONTINUOUS IMPROVEMENT
COMPLETE INVENTORY
identify all service line materials and eliminate unknowns
EVALUATE
reliability of records and field techniques
UPDATE
inventory from field data and as lines are replaced*
*Discrepancies may be occasionally encountered. If they are repeatedly encountered, systems should reassess their confidence in their inventory's accuracy.
Replace Lead Service Lines
Replacing lead service lines can occur anytime in the steps shown

APPLYING SIMPLE TOOLS FOR LEAD SERVICE LINE ACTIVITIES

Presenter:
KIRA SMITH

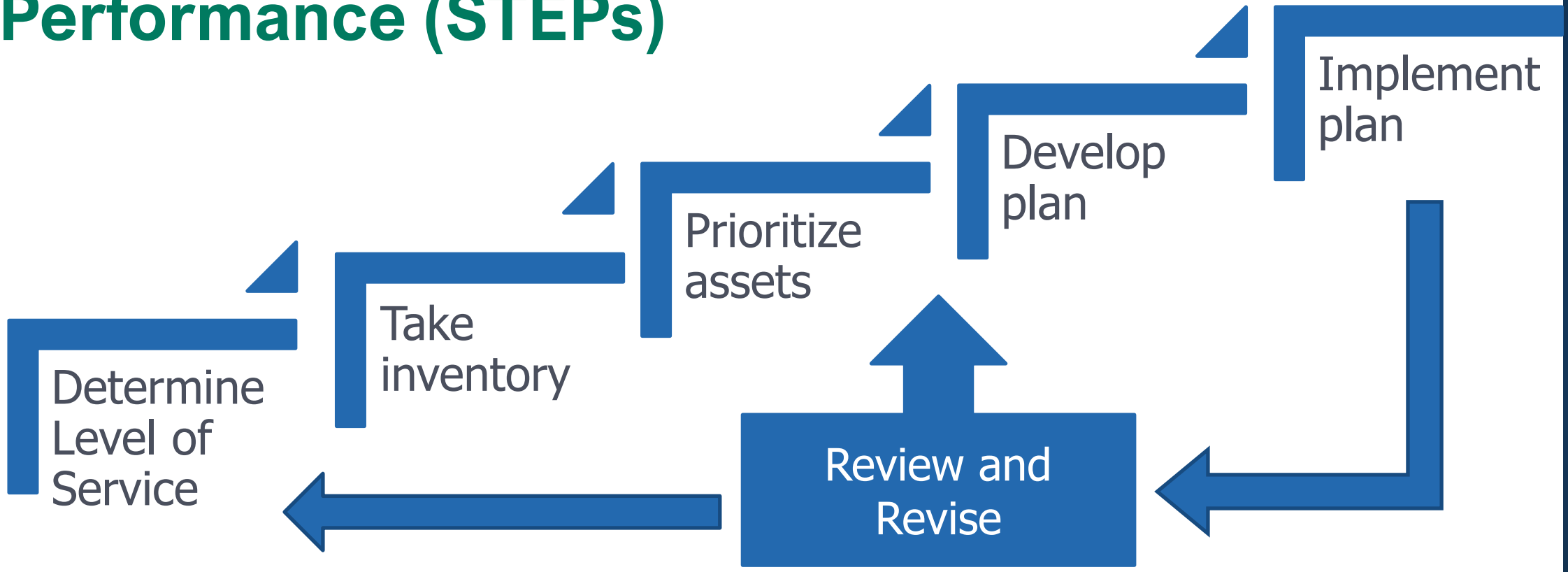
Asset Management:

A Handbook for Small Water Systems

One of the Simple Tools for Effective Performance (STEP) Guide Series

https://www.epa.gov/dwcapacity

EPA Asset Management Simple Tools for Effective Performance (STEPs)



Defining Level of Service

Level of Service goals are defined by the value and expectations of customers and employees.

Customer Values	Technical Categories
Accessibility	Operations
Reliability	Maintenance
Quality	Asset Replacements, Rehabilitation, or Repair
Efficiency and Capacity	Utility Management
Customer Service	Hazard and Risk Management
Public Health and Safety	Response
Legislative	Water Loss Control
Sustainability	Drought and/or Demand
Affordability	Water System Partnerships
Environmental Impacts	Staff and Workforce
Stakeholder and Public Engagement	Efficiency and Capacity
Other Community or Customer Specific Values	Other Internal Goals

Defining Level of Service Goals

S	M	A	R	T
Specific	Measurable	Achievable	Relevant	Time-bound
• State what you will do • Use action words	• Evaluate • Use metrics or data targets	• Possible to accomplish • Attainable	• Makes sense with values • Improves service	• State when you'll get it done • Be specific on date or timeframe

Step 1: Determining Level of Service

Value	I.D.	LOS Measure	Goals	Measurement of Data	Status or Grade
Public Health & Safety	PHS.1	Identify service line materials	100% (10%/yr)	Known/unknown service lines	
Public Health & Safety	PHS.2	Remove lead service lines	100% (7%/yr)	# of LSLs removed/total	
Public Health & Safety	PHS.3	Remove GRR service lines	100% (3%/yr)	# of GRRs removed/total	
Public Health & Safety	PHS.4	Remove lead connectors (goosenecks)	100%	# lead connectors removed	

Step 2: Conduct a Thorough Inventory

Asset Inventory

- Identify all assets
- Record the condition
- Record the service history
- Determine adjusted useful life*
- Record age
- Estimate remaining useful life

Service Line Inventory

- Include all service lines
- Identify the material
- Review historical records
- Identify and track service line materials during the course of normal operations

**EPA provides estimated useful lives for several assets in our Handbook, listing 30 – 50 years for service lines.*

Service Line Inventory

Asset	Service Line Material	Location	Year/Information (Source/s)
NL.1	Non-lead - PVC	1 Test St	1997 County property appraisal record
NL.2	PVC (public) & Galvanized (private)	2 Test St	1997 tap card
GRR.1	Copper (public) & Galvanized (private)	1 Capital St	1985 repair log and 1980 tap card
GRR.2	Unknown (public) & Galvanized (private)	1 Water Avenue	Estimate 1940 – 1950
LSL.1	Lead (public) & Galvanized (private)	2 Water Avenue	1946 tap card
UNK.1	Unknown – See LC.1	1 Children's Place	Estimate1940s
LC.1	N/A – lead gooseneck – See UNK.1	1 Children's Place	2000 repair log
LSL.2	Lead-lined galvanized	3 Price St	1955 tap card
GRR.3	Copper (public) – Galvanized (private)	1 System Ave, A	1950 design drawings
UNK.2	Copper (public) – Unknown (private)	1 System Ave, B	1950 design drawings

LSL = lead service line, GRR = galvanized requiring replacement service line, UNK = lead status unknown service line, LC = lead connector (i.e., pigtail, gooseneck, etc.)

System Inventory Worksheet

Asset	Location	Expected Useful Life	Cond	Service History	Adjusted Useful Life	Age	Remaining Useful Life
LSL.1	2 Water Avenue	30 - 50			50	77	-27
LSL.2	3 Price St	30 - 50			50	68	-18
GRR.1	1 Capital St	30 - 50		Repair 1985	45	43	2
GRR.2	1 Water Avenue	30 - 50	Likely lead		50	73 - 83	-23 to -33
GRR.3	1 System Ave, A	30 - 50			50	63 - 73	-13 to -23
LC.1	1 Children's Place	30 - 50		Repair 2000	45	73 - 83	-28 to -38
UNK.1	1 Children's Place	30 - 50			50	73 - 83	-23 to -33
UNK.2	1 System Ave, B	30 - 50	Likely GRR		50	63 - 73	-13 to -23
NL.1	1 Test St	30 - 50	PVC		50	63 - 73	-13 to -23
NL.2	2 Test St	30 - 50	PVC		50	63 - 73	-13 to -23

EXAMPLE

Step 3: Prioritizing the Rehabilitation and Replacement of Your Assets

Asset	Remaining Useful Life	Importance	Redundancy	Priority (1 is high)	Priority Basis
LSL.1	-27	Needed for service	None	1	PHC – lead, useful life
LSL.2	-18	Needed for service	None	2	PHC – lead, useful life
UNK.1 & LC.1	-23 to -38	Needed for service – serves daycare	None	3	PHC – lead, daycare, useful life
GRR.2	-23 to -33	Needed for service	None	4	PHC – GRR, useful life
GRR.3	-13 to -23	Needed for service	None	5	PHC – GRR, useful life
GRR.1	2	Needed for service	None	6	PHC – GRR, useful life
NL.1	-13 to -23	Needed for service	None	7	COM - useful life
NL.2	-13 to -23	Needed for service	None	8	COM - useful life

EXAMPLE

PHC = public health concern; COM = continued operations & maintenance

Step 4: Determine Required Reserve

Asset (list from highest to lowest priority)	Activity	Years until action needed	Cost ($)	Reserve Required current year (Cost/Yr)
LSL.1	Replace	1	$5,000	$5,000
LSL.2	Replace	2	$5,000	$2,500
UNK.1	Identify – while replacing LC.1	3	$2,500	$834
LC.1	Replace with UNK.1	3	$2,500	$834
UNK.1	Replace if lead	3	$5,000	$1,667
GRR.2	Replace	4	$5,000	$1,250
GRR.3	Replace	4	$5,000	$1,250
GRR.1	Replace	4	$5,000	$1,250
NL.1	Rehab/Replace	5	$5,000	$1,000
NL.2	Rehab/Replace	5	$5,000	$1,000
Totals:			**$45,000**	**$16,585/yr**

EXAMPLE

Step 5: Implementing the Asset Management Plan

Revenue Description	Revenue Amount ($)	Expense Description	Expense Amount ($)	Net Income (Revenue – Expense $)
Service Fees	$30,000	Salaries	($20,000)	($2,100)
Fees (late fee, connection fee)	$500	Utilities (power)	($1,000)	Annual Reserves Needed:
Secured Funding		Chemicals	($5,000)	
Interest		Monitoring and Testing	($3,000)	($16,585)
Other		Equipment& Maintenance Costs	($2,000)	Additional Annual Reserves Needed (Income-Required Reserves):
		Fees (State PWS fee)	($100)	
		Insurance	($500)	
		Billing Costs	($300)	
Total:	**$30,500**		($32,100)	($18,685)

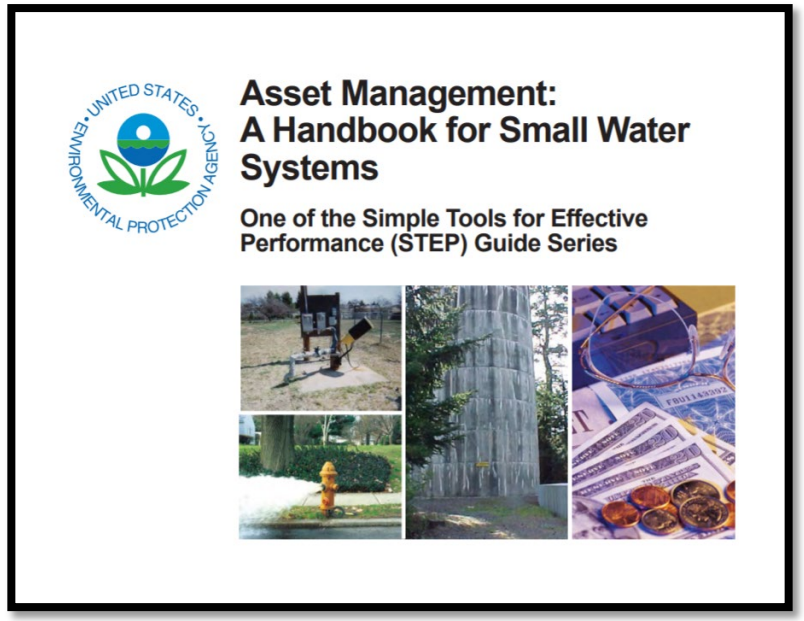
EXAMPLE

Assume 100 connections - $25/month per connection service fee

ADDITIONAL RESOURCES AND PLANNING FOR THE FUTURE

2018 State Asset Management Initiatives Document

Document that includes funding, regulatory, assistance, and internal activities that States are undertaking involving the promotion of asset management.



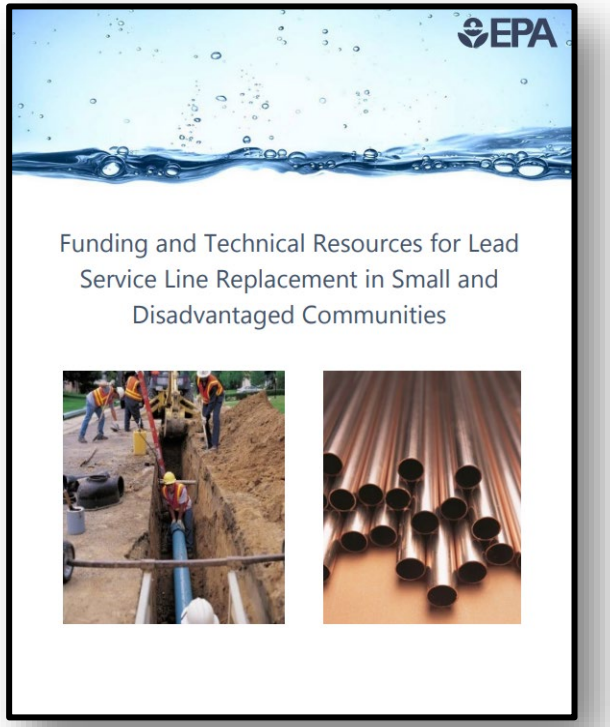
Asset Management: A Handbook for Small Water Systems (STEP Guide)

This guide for owners and operators of small community water systems (CWSs) to understand the basic concepts of asset management and provides the tools to develop an asset management plan.

Reference Guide for Asset Management Tools

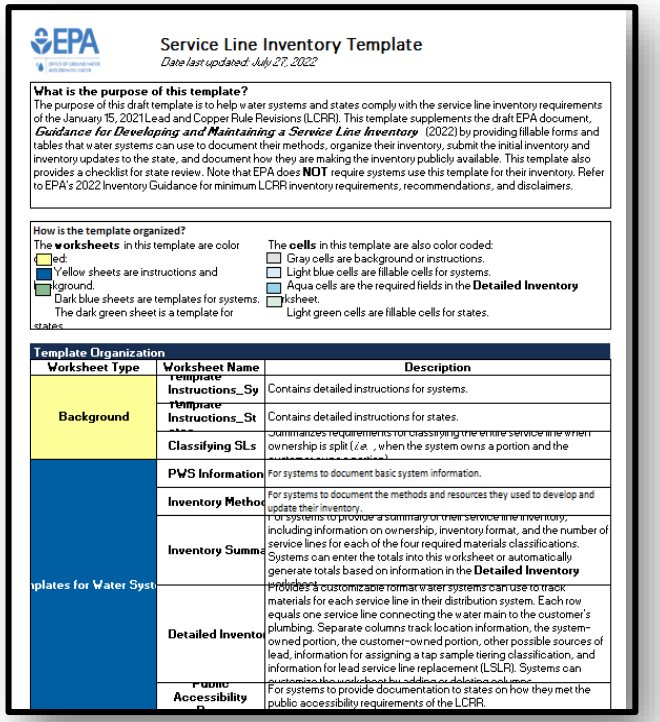
Guide for small and medium sized water and wastewater systems which includes the framework components and associated tools to implement an asset management plan.

Additional EPA Asset Management Resource: https://www.epa.gov/dwcapacity



Resources for LSLR in Small and Disadvantaged Communities

Guide for small and disadvantaged communities to identify potential federal funding and technical resources to assist with replacing lead service lines.



EPA

Service Line Inventory Template

Date last updated: July 27, 2022

What is the purpose of this template?

The purpose of this draft template is to help water systems and states comply with the service line inventory requirements of the January 15, 2021 Lead and Copper Rule Revisions (LCRR). This template supplements the draft EPA document, ***Guidance for Developing and Maintaining a Service Line Inventory*** (2022) by providing fillable forms and tables that water systems can use to document their methods, organize their inventory, submit the initial inventory and inventory updates to the state, and document how they are making the inventory publicly available. This template also provides a checklist for state review. Note that EPA does **NOT** require systems use this template for their inventory. Refer to EPA's 2022 Inventory Guidance for minimum LCRR inventory requirements, recommendations, and disclaimers.

How is the template organized?

The **worksheets** in this template are color coded:
- Yellow sheets are instructions and background.
- Dark blue sheets are templates for systems.
- The dark green sheet is a template for states.

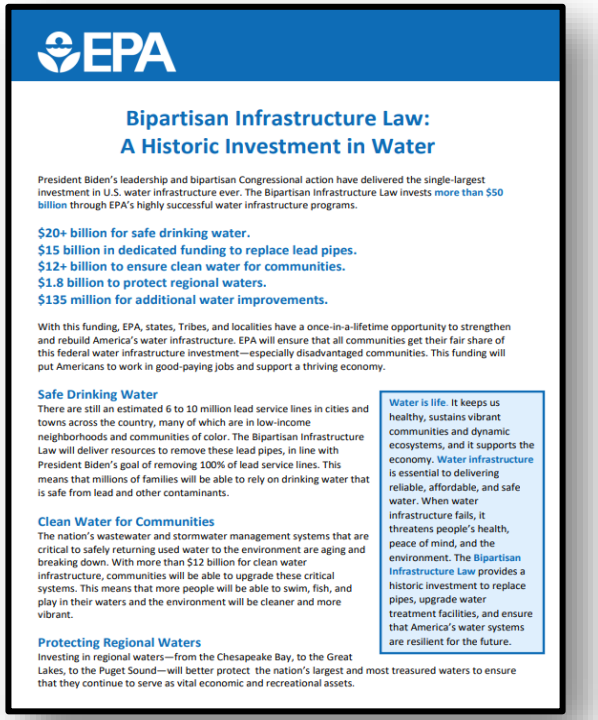
The **cells** in this template are also color coded:
- Gray cells are background or instructions.
- Light blue cells are fillable cells for systems.
- Aqua cells are the required fields in the **Detailed Inventory** worksheet.
- Light green cells are fillable cells for states.

Template Organization

Worksheet Type	Worksheet Name	Description
Background	Template Instructions_Sy	Contains detailed instructions for systems.
	Template Instructions_St	Contains detailed instructions for states.
	Classifying SLs	Summarizes requirements for classifying the entire service line when ownership is split (i.e., when the system owns a portion and the
plates for Water Syst	PWS Information	For systems to document basic system information.
	Inventory Metho	For systems to document the methods and resources they used to develop and update their inventory.
	Inventory Summa	For systems to provide a summary of their service line inventory, including information on ownership, inventory format, and the number of service lines for each of the four required materials classifications. Systems can enter the totals into this worksheet or automatically generate totals based on information in the **Detailed Inventory**
	Detailed Invento	Provides a customizable format water systems can use to track materials for each service line in their distribution system. Each row equals one service line connecting the water main to the customer's plumbing. Separate columns track location information, the system-owned portion, the customer-owned portion, other possible sources of lead, information for assigning a tap sample tiering classification, and information for lead service line replacement (LSLR). Systems can
	Public Accessibility	For systems to provide documentation to states on how they met the public accessibility requirements of the LCRR.

Service Line Inventory Template

This template supplements the EPA document, *Guidance for Developing and Maintaining a Service Line Inventory,* by providing fillable forms and tables that water systems can use for their inventories.



EPA

Bipartisan Infrastructure Law: A Historic Investment in Water

President Biden's leadership and bipartisan Congressional action have delivered the single-largest investment in U.S. water infrastructure ever. The Bipartisan Infrastructure Law invests more than $50 billion through EPA's highly successful water infrastructure programs.

$20+ billion for safe drinking water.
$15 billion in dedicated funding to replace lead pipes.
$12+ billion to ensure clean water for communities.
$1.8 billion to protect regional waters.
$135 million for additional water improvements.

With this funding, EPA, states, Tribes, and localities have a once-in-a-lifetime opportunity to strengthen and rebuild America's water infrastructure. EPA will ensure that all communities get their fair share of this federal water infrastructure investment—especially disadvantaged communities. This funding will put Americans to work in good-paying jobs and support a thriving economy.

Safe Drinking Water

There are still an estimated 6 to 10 million lead service lines in cities and towns across the country, many of which are in low-income neighborhoods and communities of color. The Bipartisan Infrastructure Law will deliver resources to remove these lead pipes, in line with President Biden's goal of removing 100% of lead service lines. This means that millions of families will be able to rely on drinking water that is safe from lead and other contaminants.

Clean Water for Communities

The nation's wastewater and stormwater management systems that are critical to safely returning used water to the environment are aging and breaking down. With more than $12 billion for clean water infrastructure, communities will be able to upgrade these critical systems. This means that more people will be able to swim, fish, and play in their waters and the environment will be cleaner and more vibrant.

Protecting Regional Waters

Investing in regional waters—from the Chesapeake Bay, to the Great Lakes, to the Puget Sound—will better protect the nation's largest and most treasured waters to ensure that they continue to serve as vital economic and recreational assets.

Water is life. It keeps us healthy, sustains vibrant communities and dynamic ecosystems, and it supports the economy. **Water infrastructure** is essential to delivering reliable, affordable, and safe water. When water infrastructure fails, it threatens people's health, peace of mind, and the environment. The **Bipartisan Infrastructure Law** provides a historic investment to replace pipes, upgrade water treatment facilities, and ensure that America's water systems are resilient for the future.

BIL Resources Webpage

Learn about the Bipartisan Infrastructure Law and other related resources on water infrastructure through fact sheets, guidance documents, and more.

Additional Lead Service Line Resources:
https://www.epa.gov/ground-water-and-drinking-water/lead-service-line-replacement
https://www.epa.gov/ground-water-and-drinking-water/revised-lead-and-copper-rule

SRF OPPORTUNITIES TO SUPPORT ASSET MANAGEMENT PLAN DEVELOPMENT AND IMPLEMENTATION

Presenters:
MATT KING AND KEELAN BALDWIN

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

EPA United States Environmental Protection Agency

Office of Water

Drinking Water State Revolving Fund: Overview

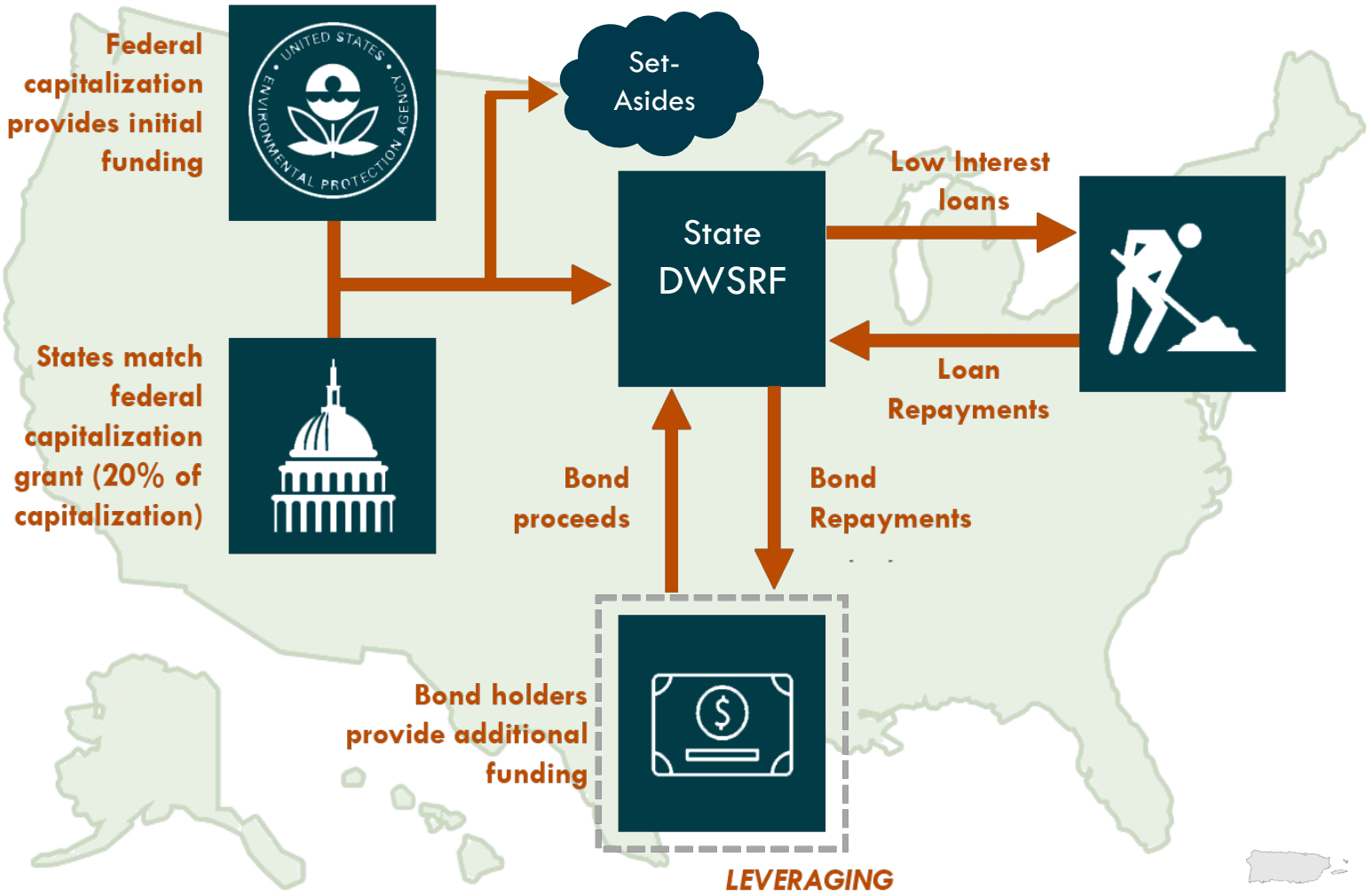
How does the Drinking Water State Revolving Fund (DWSRF) work?

- 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.


Federal capitalization provides initial funding
Set-Asides
Low Interest loans
State DWSRF
States match federal capitalization grant (20% of capitalization)
Loan Repayments
Bond proceeds
Bond Repayments
Bond holders provide additional funding
LEVERAGING

Who is Eligible to Use the DWSRF?

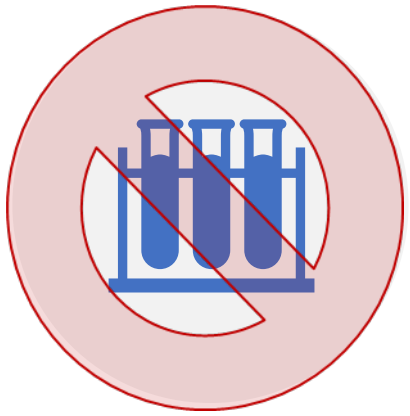
- **Public or private* community water systems**
  - A water system serving at least 15 service connections used by year-round residents, or regularly serves at least 25 year-round residents
- **Nonprofit non-community water systems**
  - Some examples may include schools, publicly-owned campgrounds, 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.

DWSRF Ineligibilities



ROUTINE COMPLIANCE MONITORING

OPERATION & MAINTENANCE

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
  - Note: If a lead service line extends inside a structure, it is still eligible for replacement with DWSRF funding
- 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)

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	*Greatest of:* **4%,** $400k, or 1/5th of a Percent of Fund Valuation
Technical Assistance to Small Water Systems (<10,000 population)	2%
State Program Management • Administer Public Water System Supervision and Source Water Protection Programs • Implement Capacity Development Strategy and Operator Certification Program	10%
Local Assistance to Public Water Systems for Source Water Protection and Capacity Development • Loan to acquire land/conservation easement for Source Water Protection • Loan to implement voluntary Source Water Protection measures • Provide assistance to public water systems for Capacity Development Strategy • Establish/Implement Wellhead Protection Program and Source Water Protection	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, including service line inventories
    - Costs for restructuring a system as part of a capacity development strategy.

Bipartisan Infrastructure Law

United States Environmental Protection Agency

Office of Water

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 will be provided through state DWSRF programs.

BIL Implementation Key Priorities

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

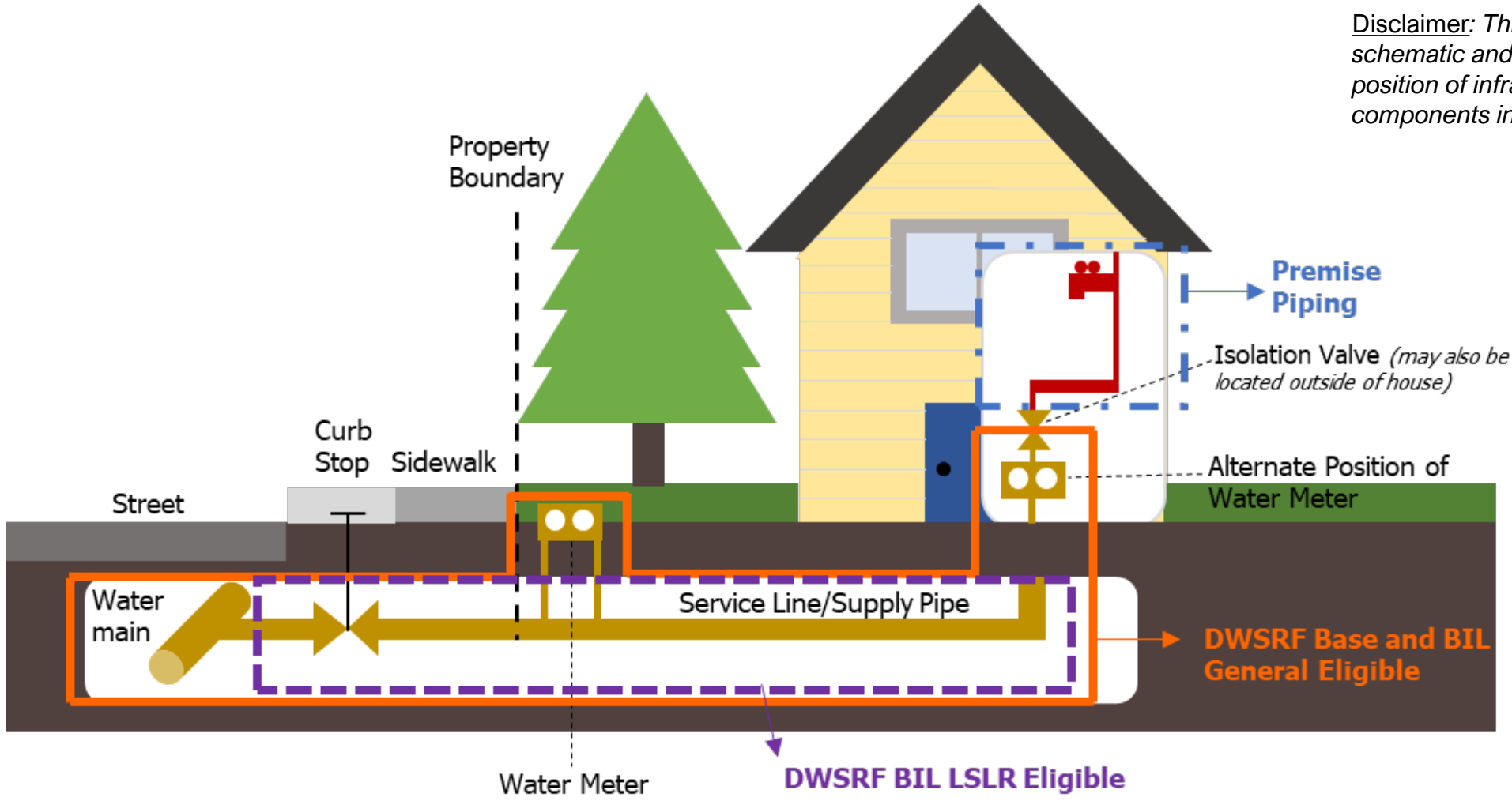
DWSRF Funding in the BIL: Overview

- EPA is making $30.7 billion in additional capitalization grants 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;" **$15 billion 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."
- 49% of the BIL funds appropriated for lead service line replacement must be provided as "additional subsidy."

DWSRF Lead Eligibilities Under the BIL

- Identification and replacement of lead service lines; galvanized service lines that are currently or were previously downstream of lead service lines, lead components, or pipes of unknown material; lead goosenecks, pigtails, and connectors; and 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 treatment, water mains, backflow preventers, and water meters are not eligible under the BIL Lead Service Line Replacement funding.***

Disclaimer: *This is a general schematic and may not reflect the position of infrastructure components in all scenarios.*



Note that the entire length of the lead service line must be replaced, even if it goes into the building (unless a part was already replaced or is being concurrently replaced with another funding source).

Set-Asides Under the BIL

- States can take set-asides 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	Can it Fund Service Line Inventories?
Infrastructure Fund	Yes!
2% Small System Technical Assistance Set-Aside	Yes!
4% Administration & Technical Assistance Set-Aside	Yes!
10% State Program Management Set-Aside	Yes!
15% Local Assistance Set-Aside	Yes!

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!
Now for Q&A

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You many find additional drinking water webinars and resources at
www.epa.gov/dwcapacity