



REGION 4

ATLANTA, GA 30303

January 16, 2025

MEMORANDUM

SUBJECT: EPA eligibility determination for the Fiscal Year (FY) 2024 Bipartisan Infrastructure Law Lead Service Line Replacement capitalization grant and the de-obligation of \$226,138,000 from Florida's FY 2023 Bipartisan Infrastructure Law Lead Service Line Replacement capitalization grant.

FROM: Kathlene Butler, Director
Water Division

TO: Angela Knecht, Division Director
Florida Department of Environmental Protection

Decision Determination

The purpose of this letter is to provide the context relevant to the EPA's partial de-obligation of funds from Florida's Fiscal Year (FY) 2023 Bipartisan Infrastructure Law (BIL) Lead Service Line Replacement (LSLR) capitalization grant award. Under separate cover, we are informing the Florida Department of Environmental Protection (FL DEP) that following the addition of the special condition to Assistance Agreement # 4L-02D68123-0 under 2 CFR 200.208(d), the EPA has determined that it is necessary to partially de-obligate funds from Florida's Fiscal Year (FY) 2023 BIL LSLR capitalization grant award under 2 CFR 200.339. Of the FY 2023 initial allotment of \$254,788,000, the EPA determined it will de-obligate \$226,138,000. The decision to de-obligate the funding is based on the EPA Office of Water (OW) review of data provided by Florida in December 2024, upon which the EPA determined that Florida may apply for and receive up to \$28,650,000 (1% allotment) for the FY 2023 BIL LSLR capitalization grant award. Additionally, based on recent data provided by Florida, the EPA determined that Florida may apply for and receive up to \$28,650,000 (1% allotment) for the FY 2024 BIL LSLR capitalization grant award.

Background

The EPA initially relied upon data collected in 2021 to make allotments for the Drinking Water State Revolving Fund (DWSRF) to states under Section 1452(a)(1)(D) of the SDWA to the EPA under the 7th Drinking Water Infrastructure Needs Survey and Assessment (DWINSA) conducted under Section 1452(h) of the Safe Drinking Water Act (SDWA). The EPA recognizes that information on lead service lines continues to improve as states and local utilities identify the materials in their systems.

Based on the 2021 data, the EPA previously determined that Florida's allotment was 8.89% for the FY 2023 BIL LSLR funding based on estimates of numbers of lead service lines and a projected lead service line count of 1,159,000. Based on Florida's December 2024 submission of surveyed systems' Lead and Copper Rule Revisions initial inventory data, Florida's projected lead service line count is instead 64,000. In the context of the FY 2023 and FY 2024 BIL LSLR allotments, this lead service line count would have resulted in a 1% allotment for Florida.

This information informs the EPA's duty to allot DWSRF funding to states commensurate with the lead service line replacement needs of each state pursuant to Section 1452(a)(1)(D) of SDWA. This specific DWSRF appropriation may only be used for lead service line replacement and associated activities, such as inventories, under BIL.

Moving Forward

The EPA recognizes that Florida has \$86,666,692 on its project priority list under the FY 2023 BIL LSLR grant award as of August 2024 through the state public notice process for lead service line replacement-related projects and is committed to helping Florida honor these pledges of financial support. The EPA is also committed to working with FL DEP to identify alternative funding options the State may use to fulfil the previous commitments for lead service line identification and replacement projects.

The EPA looks forward to working with Florida to ensure that its project priority list continues to include projects that reflect best-available information on the prevalence of lead service lines and reliable costs. The EPA encourages the state to consider applying for out-year BIL LSLR allocations or using other sources of funding where lead service line replacement projects are eligible. We are available to discuss solutions for impacts to your program that this determination and grant action may cause at your convenience.

We appreciate the working relationships we have with our Florida DEP colleagues, and we look forward to helping support the State of Florida in its efforts to identify and remove lead service lines going forward, in the service of protecting public health.