

ASSISTANT ADMINISTRATOR FOR WATER

WASHINGTON, D.C. 20460

MEMORANDUM

SUBJECT: Fiscal Year 2025 Lead Service Line Replacement Allotments for the Drinking Water State

Revolving Fund Provisions of the Infrastructure Investment and Jobs Act

FROM: Jessica L. Kramer

TO: Water Division Directors, Regions I-X

This memorandum provides final allotment tables for the fiscal year 2025 Drinking Water State Revolving Fund Lead Service Line Replacement funding provided through the Infrastructure Investment and Jobs Act (P.L. 117-58). Eligible states, Puerto Rico, and Washington, D.C. have until September 30, 2026, to apply for and receive these funds. Any available funds remaining unawarded after that date will be available for reallotment.

I. GENERAL UPDATES

Concurrently, the U.S. Environmental Protection Agency is releasing a memorandum titled "Additional Eligibilities for the Infrastructure Investment and Jobs Act Drinking Water State Revolving Fund Lead Service Line Replacement Appropriation" to explain flexibilities and facilitate the states' efficient and effective use of the IIJA DWSRF LSLR capitalization grants to protect public health by replacing lead service lines across the country. That memorandum, which is available on the EPA's SRF IIJA website, discusses important eligibilities under the IIJA DWSRF LSLR appropriation including the use of funds for galvanized service lines. It provides flexibilities regarding the timing for replacement of the customerowned and system-owned portions of lead service lines and describes eligible circumstances for replacing integrated components directly connected to the identification, planning, design, and replacement of lead service lines.

The EPA will continue to work with states to ensure that IIJA DWSRF LSLR funds are promptly applied toward assistance agreements supporting lead service line replacement projects.

II. METHOD FOR DETERMINING FY 2025 ALLOTMENTS

The Safe Drinking Water Act Section 1452(h)(2) states that the DWINSA must "include an assessment of costs to replace all lead service lines." Pursuant the January 17, 2025, memorandum titled "2025 Update to the 7th DWINSA and Approach for Fiscal Years 2025 and 2026 Infrastructure Investment and

Jobs Act Lead Service Line Replacement Allotments," the EPA has updated its approach under the 7th DWINSA to estimate lead service line-specific need by incorporating the Lead and Copper Rule Revisions initial inventory state summary counts into the DWINSA. The Lead and Copper Rule Revisions inventory is currently the best available national and state-level information on lead service lines. For the purposes of using the Lead and Copper Rule Revisions inventory data to develop the allocation formula, the EPA made certain adjustments to the state submitted inventory data. Specifically, the EPA assumed that blank inventories represent only non-lead service lines and the agency filled system-level gaps in non-lead service line information using the total number of service connections reported in the Safe Drinking Water Information System. Consistent with the EPA's prior approach to analyzing lead service line data, the agency calculated state specific ratios of reported lead service lines to total known service line materials in order to predict how many of unknown material service lines reported by a state might be lead.

With this inventory information, the EPA now estimates that there are approximately 4 million lead and galvanized service lines requiring replacement nationwide. The EPA's estimates of the number of lead service lines in each state, which are the basis of the EPA's allotments are available on the updated DWINSA dashboard. Both a fact sheet on the update and the dashboard are available on the EPA's 7th DWINSA website.

III. ADDITIONAL SUBSIDY PROVISIONS

There are no changes in the additional subsidy authorities from FY 2024 to FY 2025. The IIJA LSLR funding is 49 percent additional subsidy for water systems that meet the state's disadvantaged community criteria as described in Section 1452(d)(3) of SDWA.¹ The state-by-state LSLR additional subsidy amounts are presented in Attachment B.

If you have questions, please contact Kiri Anderer (<u>anderer.kirsten@epa.gov</u>) in the EPA Headquarters DWSRF program.

ATTACHMENTS (2)

- 1. FY 2025 IIJA LSLR DWSRF Allotment of \$3,000,000,000
- 2. FY 2025 IIJA LSLR Additional Subsidization

cc: SRF Regional Branch Chiefs, Regions I-X

Jennifer McLain, Director, Office of Ground Water and Drinking Water Yu-Ting Guilaran, Deputy Director, Office of Ground Water and Drinking Water Anita Maria Thompkins, Director, Drinking Water Infrastructure Development Division Matt Klasen, Deputy Director, Drinking Water Infrastructure Development Division Damaris Christensen, Supervisor, Water Finance Branch Kiri Anderer, Supervisor, Water Infrastructure Technical Support Branch

¹ Section 1452(d)(3) of SDWA defines a "disadvantaged community" as: "...the service area of a public water system that meets affordability criteria established after public review and comment by the State in which the public water system is located."