



# Private Lead Service Line Replacement Program Workshop

Presented by:



September 2, 2020

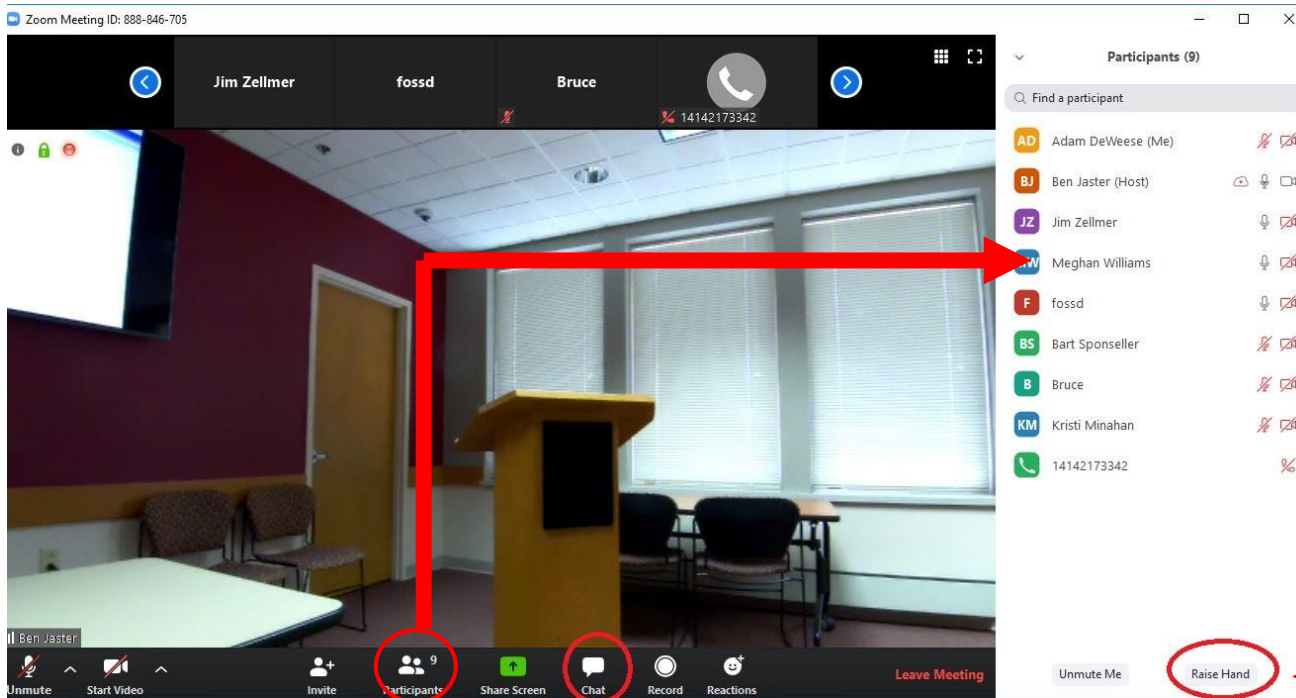
# MATTHEW MARCUM

Project Manager Supervisor

Wisconsin Department of Natural Resources

[MatthewR.Marcum@wisconsin.gov](mailto:MatthewR.Marcum@wisconsin.gov)

# Questions are encouraged



Type your questions into the **“Chat”** feature

**“Raise Hand”** and your microphone will be unmuted by moderator when called on

# Phone Commands

- For those joining by phone, the following commands can be entered using your phone's dial pad:
  - **\*6** - Toggle mute/unmute
  - **\*9** - Raise hand



# Objectives

- Get the lead out!
- Increase program awareness and participation
- Clarify details prior to PERF and application submission

# Presenters

- Becky Scott, DNR Federal Liaison & Policy Analyst
- Cathrine Wunderlich, DNR Public Water Engineering Section Chief
- Greg Farmer, DNR SDWLP Coordinator
- Katherine Miller, DOA Capital Finance Officer
- Kevin Olson, DNR Program Specialist
- Denise Schmidt, PSC Division Administrator

# BECKY SCOTT

Federal Liaison & Policy Analyst

LSL Replacement Program Leader

Wisconsin Department of Natural Resources

[rebecca.scott@wisconsin.gov](mailto:rebecca.scott@wisconsin.gov)

# Program Overview

- Water Infrastructure Financing Transfer Act (WIFTA) allows one-time transfer of funds from the CWFPP to the SDWLP for lead remediation. Must be awarded as Principal Forgiveness.
- Allowable transfer is \$63.8M, plus funds released from previous 2-year LSL replacement program will be added.
- Any municipality that has reported private lead service lines (LSLs) to the PSC is eligible to apply.
- Funds must be awarded to municipality, not the water utility. No debt is incurred.



# Determining Award Amounts

- Awards will be made for one construction season at a time.
- Awards will be based on the following factors:
  - Estimated # of LSLs that can be removed in one construction season
  - Average cost of LSL removal in your municipality
  - Whether cost-sharing by property owners will be required (a municipal decision)
  - Participation in PSC-approved program
    - in this instance we will work with the municipality to come up with an equitable sharing of costs.



# Eligible Materials

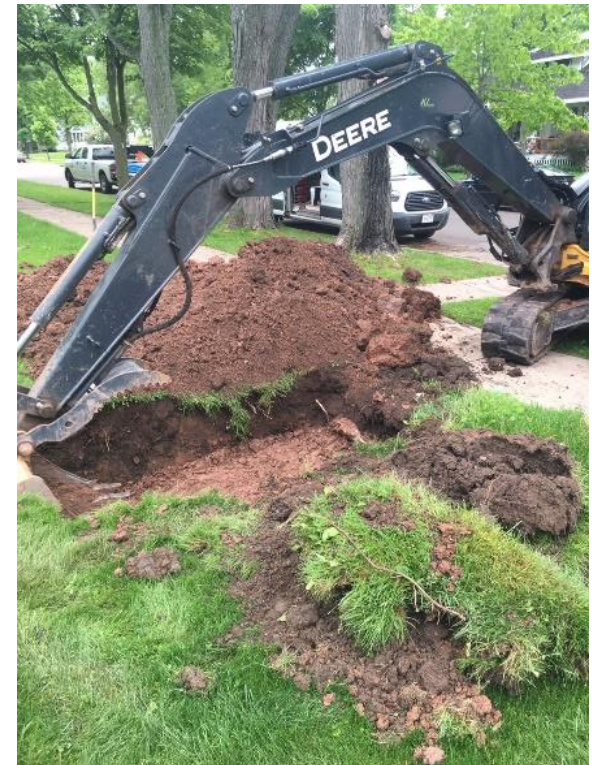
- Private side lead service lines (LSLs)
- Private side lead goosenecks
- Private side galvanized service lines if the line is, or has previously been, downstream of lead components
- Project must result in full LSL replacement from watermain to connection point inside property



Becky Scott

# Eligible Property Types

- Residential properties, including multi-family buildings and buildings that contain both business and residential occupants
- Pre-K-12 Schools
- Child Daycares
- Non-residential properties connected to a watermain being replaced with SDWLP funding if at least 50% of LSLs on the block are otherwise eligible for funding.



# Eligible Costs for Reimbursement

- All necessary construction costs for the removal of the private LSL.
- Up to \$5,000 for engineering & administrative support is only available for small systems (municipal population under 3,300).
- Up to \$5,000 for costs related to developing a mandatory replacement ordinance is available to all applicants.
- Private LSL replacements completed in 2020 (meeting all program requirements) & in future years, excess costs from previous year.

# Questions?



# CATHY WUNDERLICH

Public Water Engineering Section Chief


Wisconsin Department of Natural Resources

[cathrine.wunderlich@wisconsin.gov](mailto:cathrine.wunderlich@wisconsin.gov)

# Materials Inventory

W-22

W-29



**WATER, ELECTRIC, OR JOINT UTILITY ANNUAL REPORT**

OF  
**MADISON WATER UTILITY**  
119 E OLIN AVENUE  
MADISON, WI 53713-1431

For the Year Ended: **DECEMBER 31, 2019**

TO  
**PUBLIC SERVICE COMMISSION OF WISCONSIN**  
P.O. Box 7854  
Madison, WI 53707-7854  
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory fil result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each day subsequent to the filing date constitutes a separate and distinct violation. The filed f to the public and personally identifiable information may be used for purposes other than public utility regulation.

Water Service Started Date: 01/01/1894  
DNR Public Water System ID: 11302247  
Safe Drinking Water Information System (SDWIS) Total PSC

Filed: 05/27/2020

I, **Kathy Schwenn**, Finance Supervisor of **MADISON WATER UTILITY**, certify t responsible for accounts; that I have examined the following report and, to the b information and belief, it is a correct statement of the business and affairs of said covered by the report in respect to each and every matter set forth therein.

Date Signed: 5/27/2020

Date Printed: 5/27/2020 11:10:12 AM

**Utility-Owned Water Service Lines**

- The utility's service line is the pipe from the main to and through the curb stop.
- Explain all reported adjustments as a schedule footnote.
- Report in column (h) the number of utility-owned service lines inclu or otherwise not in use at end of year.
- For service lines added during the year in column (d), as a schedu
  - Explain how the additions were financed.
  - If assessed against property owners, explain the basis of f
  - If installed by a property owner or developer, explain the b
  - the number of service lines recorded under this method.
  - If any were financed by application of C2-1, provide the tot under this method.
- Report service lines separately by diameter and pipe materials.

Pipe Material (a)	Diameter (inches) (b)	First of Year (c)	Added During Year (d)
Other Metal	0.625		379
Unknown - Does Not Contain Lead	0.625		
Other Metal	0.750	27,623	
Unknown - Does Not Contain Lead	0.750		
Other Metal	1.000	27,739	
Unknown - Does Not Contain Lead	1.000		42
Other Metal	1.250	12	
Unknown - Does Not Contain Lead	1.250		
Other Metal	1.500	2,166	
Unknown - Does Not Contain Lead	1.500		
Other Metal	2.000	1,569	
Unknown - Does Not Contain Lead	2.000		
Other Metal	3.000	147	
Unknown - Does Not Contain Lead	3.000		
Other Metal	4.000	808	
Other Plastic	4.000	12	
Unknown - Does Not Contain Lead	4.000		
Other Metal	6.000	1,934	
Other Plastic	6.000	8	
Unknown - Does Not Contain Lead	6.000		4
Other Metal	8.000	942	
Other Plastic	8.000	2	
Unknown - Does Not Contain Lead	8.000		
Other Metal	10.000	50	
Other Plastic	10.000	1	
Unknown - Does Not Contain Lead	10.000		
Other Metal	12.000	28	
Unknown - Does Not Contain Lead	12.000		
<b>Utility Total</b>		<b>63,420</b>	<b>52</b>

**Privately-Owned Water Service Lines**

- The privately owned service line is the pipe from the curb stop to the meter.
- Explain all reported adjustments in columns(f) as a schedule footnote.
- Report in column (h) the number of privately-owned service lines included in columns (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- Separate reporting of service lines by diameter and pipe material.

Pipe Material (a)	Diameter (inches) (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Service Laterals Not in Use at End of Year (i)	Replaced During Year Using Financial Assistance from Utility (h)
Copper	0.625		6				6	1
Copper	0.750	28,060		247		27,813	28	2
Other Plastic	0.750		3	7		10		3
Ductile Iron, Lined (late 1960's to present)	1.000		2		1	1		4
Galvanized	1.000		3			3		5
Lead	1.000		6		1	5	3	6
Copper	1.000	28,156		63		28,103	32	7
Other Plastic	1.000	1,030	461			1,491	1	8
PVC	1.000		2	1				9
Copper	1.250		11			11		10
Copper	1.500	2,253		12		2,241	18	11
Other Plastic	1.500		6	20		26		12
Ductile Iron, Lined (late 1960's to present)	2.000		12	3		15		13
Other Metal	2.000		4		(4)	0		14
Copper	2.000	1,598			2	1,596	15	15
Other Plastic	2.000		3	4		7		16
Unlined Cast Iron (pre-early 1950's)	2.000			4		4		17
PVC	2.000		1			1		18
Lined Cast Iron (mid-1950's to early 1970)	2.500		1			1		19
Copper	2.500		1			1		20
Ductile Iron, Lined (late 1960's to present)	3.000		40			40	3	21
Lined Cast Iron (mid-1950's to early 1970)	3.000		40			40	4	22
Other Metal	3.000		12		(12)	0		23
Copper	3.000		37		1	36	1	24
Unlined Cast Iron (pre-early 1950's)	3.000			12		12		25
Ductile Iron, Lined (late 1960's to present)	4.000	485		4		486	26	26
Lined Cast Iron (mid-1950's to early 1970)	4.000		81		2	79	12	27
Other Metal	4.000		62		1	(61)	0	28
Copper	4.000		196		3	193	9	29
Other Plastic	4.000			1		1		30
Unlined Cast Iron (pre-early 1950's)	4.000			61		61	17	31

**Lead? May Contain Lead? Does Not Contain Lead?**

# Materials Inventory

Year Ended: December 31, 2019

Page 1 of Schedule W-29

## Privately-Owned Water Service Lines

- The privately owned service line is the pipe from the curb stop to the meter.
- Explain all reported adjustments in columns(f) as a schedule footnote.
- Report in column (h) the number of privately-owned service lines included in columns (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- Separate reporting of service lines by diameter and pipe material.

**Eligible Service Lines:**






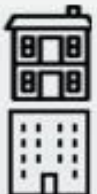




**1 + 748 +  
18 + 2 = 769**

Pipe Material (a)	Diameter (inches) (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Service Laterals Not in Use at End of Year (i)	Replaced During Year Using Financial Assistance from Utility (h)
Lead	0.750				1	1		1
Copper	0.750	3			12	15		2
Ductile Iron, Lined (late 1960's to present)	1.000	1			(1)	0		3
Galvanized	1.000	1			4	5		4
Lined Cast Iron (mide-1950's to early 1970)	1.000	1				1	1	5
Lead	1.000	685			6	748	16	6
Other Metal	1.000	19			(19)	0		7
Copper	1.000	3,691			(192)	3,499	170	8
Other Plastic	1.000					6		9
Steel	1.000					3		10
PVC	1.000	5			(3)	2		11
Unknown - May Contain Lead	1.000				18	18	16	12
Copper	1.250	5				5		13
Copper	1.500	16				16	1	14
Unknown - May Contain Lead	1.500				2	2		15
Ductile Iron, Lined (late 1960's to present)	2.000	2				2	2	16



# Revised Lead & Copper Rule

## CURRENT TIER CRITERIA

	BUILDING TYPE	MATERIAL	YR CONSTRUCTED
 <p>Tier 1, 1st priority</p>	 <p>SINGLE-FAMILY</p>	 <p>LEAD SERVICE LINE OR GOOSENECK</p>	ANY
<p>Tier 1, 2nd priority</p>	 <p>SINGLE-FAMILY</p>	 <p>COPPER WITH LEAD SOLDER</p>	1983 OR 1984
<p>Tier 2</p>	 <p>MULTI-FAMILY, OTHER</p>	 	LSL – ANY PB SOLDER- 1983-4
<p>Tier 3</p>	 <p>SINGLE-FAMILY</p>	 <p>COPPER WITH LEAD SOLDER</p>	BEFORE 1983

# Revised Lead & Copper Rule



Public and private services reported as 'unknown' are considered lead services for purposes each of listed items:

- Consumer notifications
- Targeted public education
- Calculating the required number of service line replacements under an ALE.

# Public Health & Safety

## ***There are no safe levels of lead***

Low to moderate levels of lead exposure have a life-long effect →

***lead service lines are the largest contributor of lead in drinking water***

Lead poisoning can cause:

- Brain damage resulting in
  - Reduced IQ, attention span and memory loss
  - Learning disabilities
  - Developmental delays
  - Poor balance, coordination, motor skills
- Harmful health effects
  - Reproductive disorders- delayed puberty, testicular dysfunction, abortion, preterm delivery, low birth weight
  - Kidney and heart disease, hypertension

# Questions?



# GREG FARMER

Safe Drinking Water Loan Program Coordinator  
Wisconsin Department of Natural Resources  
[GregoryM.Farmer@wisconsin.gov](mailto:GregoryM.Farmer@wisconsin.gov)

# KATHERINE MILLER

Capital Finance Officer  
Wisconsin Department of Administration  
[KatherineC.Miller@wisconsin.gov](mailto:KatherineC.Miller@wisconsin.gov)

# Construction Contracting

- **Pre-qualified List of Contractors**
  - Municipality issues Request for Qualifications to develop list of prequalified contractors for homeowners to contract with directly
  - Municipality develops forms and internal procedures for agreements with contractors and homeowners
- **Municipally-Bid Contract**
  - Municipality bids construction contract to complete the replacements
- **Solicitation of DBEs Required**

# Priority Evaluation Ranking Form

<https://dnr.wi.gov/files/PDF/forms/8700/8700-383.pdf>

**Private Lead Service Line (LSL)  
Replacement Program  
Priority Evaluation and Ranking Form**  
Form 8700-383 (08/20) Page 4 of 4

## Part 3: Evaluation Question

1. Has your municipality enacted an ordinance that requires each owner of a property that is serviced by a customer-side water service line containing lead to replace that customer-side water service line under certain circumstances?

Yes  No

If yes, please attach a copy of the ordinance and proof of enactment.

# Application

<https://dnr.wi.gov/files/PDF/forms/8700/8700-382.pdf>

Save... Print... Clear Data

**Note:** In order to fill and save this form electronically, it must be opened using Adobe Reader or Acrobat software. Save a copy of the file, open Adobe Reader, select File > Open and browse for the file you saved.

State of Wisconsin  
Department of Natural Resources  
Bureau of Community Financial Assistance, CF/2  
101 S. Webster St., PO Box 7921  
Madison, WI 53707-7921  
[dnr.wi.gov](http://dnr.wi.gov)

**Safe Drinking Water Loan Program (SDWLP)  
Private Lead Service Line (LSL)  
Replacement Program Application**  
Form 8700-382 (08/20) Page 1 of 4

## Instructions

This form may be signed electronically, pursuant to Wis. Stat. Chapter 137. By typing your name, you are expressing intent to sign this form and attesting that all information provided is true and accurate to the best of your knowledge. If you decline to sign this form electronically, you must physically sign this form. If not signing electronically, print the form, sign on the last page, and scan it.

**Applications should be submitted via email, along with any required attachments, to: [DNRLSLfunding@wisconsin.gov](mailto:DNRLSLfunding@wisconsin.gov). The maximum email size allowed is 25 MB.**



# Timeline

- PERFs/Applications may be submitted starting September 8
- Awards made *January 2021*
- Disbursement requests submitted throughout 2021, payable on 2<sup>nd</sup> and 4<sup>th</sup> Wednesdays.
- Projects Closed out by December 31, 2021

# FAA

- Financial Assistance Agreement
- PF-Only Resolution
- Bond Counsel Not Required

# Disbursements

## Submit DNR Form 8700-366

Please make sure most to use most recent form.

## Awards are for calendar year only.

1. All invoices and required form **MUST** be submitted to DNR by December 31<sup>st</sup>.
2. Strongly encourage invoices and form to be submitted by December 10<sup>th</sup>.
3. Work completed in current year and not invoiced before December 31, will need to be held until following year awards are executed.

# Disbursement Reminders

- **Invoiced Amounts**

  - Administratively burdensome if less than \$10,000

- **Wire Transfer Fees**

  - Always charged by intermediary banks

  - Often charged by local banks

  - Reduce fees with one account

# Disbursement Reminders

- Dates for Submitting
  - 2<sup>nd</sup> Friday = 4<sup>th</sup> Wednesday
  - 4<sup>th</sup> Friday = 2<sup>nd</sup> Wednesday next month
- Expend funds within three business days.

# Questions?



# BECKY SCOTT

Federal Liaison & Policy Analyst

LSL Replacement Program Leader

Wisconsin Department of Natural Resources

[Rebecca.Scott@wisconsin.gov](mailto:Rebecca.Scott@wisconsin.gov)

# KEVIN OLSON

Program Specialist

Wisconsin Department of Natural Resources

[Kevin.Olson@wisconsin.gov](mailto:Kevin.Olson@wisconsin.gov)

# Why Adopt a Mandatory LSL Replacement Ordinance?

- Adopting a mandatory LSL replacement ordinance is not required but is strongly encouraged.
- Experience has shown that many people refuse to have their LSL replaced even when 100% of the cost is covered.
- Ordinance is a tool to keep LSL replacements going after grant \$s are gone.
- Up to \$5,000 is available to all applicants for ordinance development.
- No model ordinance or template available. Contents of ordinance is local decision.



# Federal Requirements

- Davis-Bacon & Related Acts – applies in certain situations.
- American Iron & Steel – this applies but has no impact on private LSL replacements.
- DBE solicitation – applies when bidding, issuing RFQ, or subcontracting.
- Taxability of grant funds – these are not taxable funds for homeowner based on IRS’ “General Welfare” exception.
- Environmental Review required.

# Davis-Bacon Applicability

- Davis-Bacon & Related Acts requirements always apply to municipally-bid contracts.
- Davis-Bacon does not apply to contracts <\$2,000.
- Davis-Bacon does not apply when a homeowner contracts directly with a plumber from a prequalified list and the property is owned in the name of an individual(s).
- Davis-Bacon does apply to properties owned in the name of a business or nonprofit.
- Davis-Bacon does not apply to businesses with no “employees” where all work is being performed by business owners.

# Environmental Review... Why?

- The LSL replacement program is a subprogram of the SDWLP, so like any other SDWLP-funded project, a NEPA-like review is required
- The environmental effects of a project are assessed through the National Environmental Policy Act or NEPA.

# Environmental Review

- Categorical Exclusion Definition
- Categorical Exclusion and LSL replacement
  - Location
  - Level of impact



# NEPA

- LSL replacement activities generally fall under the categorical exclusion class of review; however, a preliminary review is still required to eliminate the possibility of extraordinary circumstances.
- Extraordinary circumstances range from the presence of a federally endangered species or the project area intersecting an archaeological/historical resource.

# Preliminary Review

- A preliminary review consist of several required components:
  - Endangered resource review
  - Archeological/historical review
  - Waterway, Floodplain and Wetland review

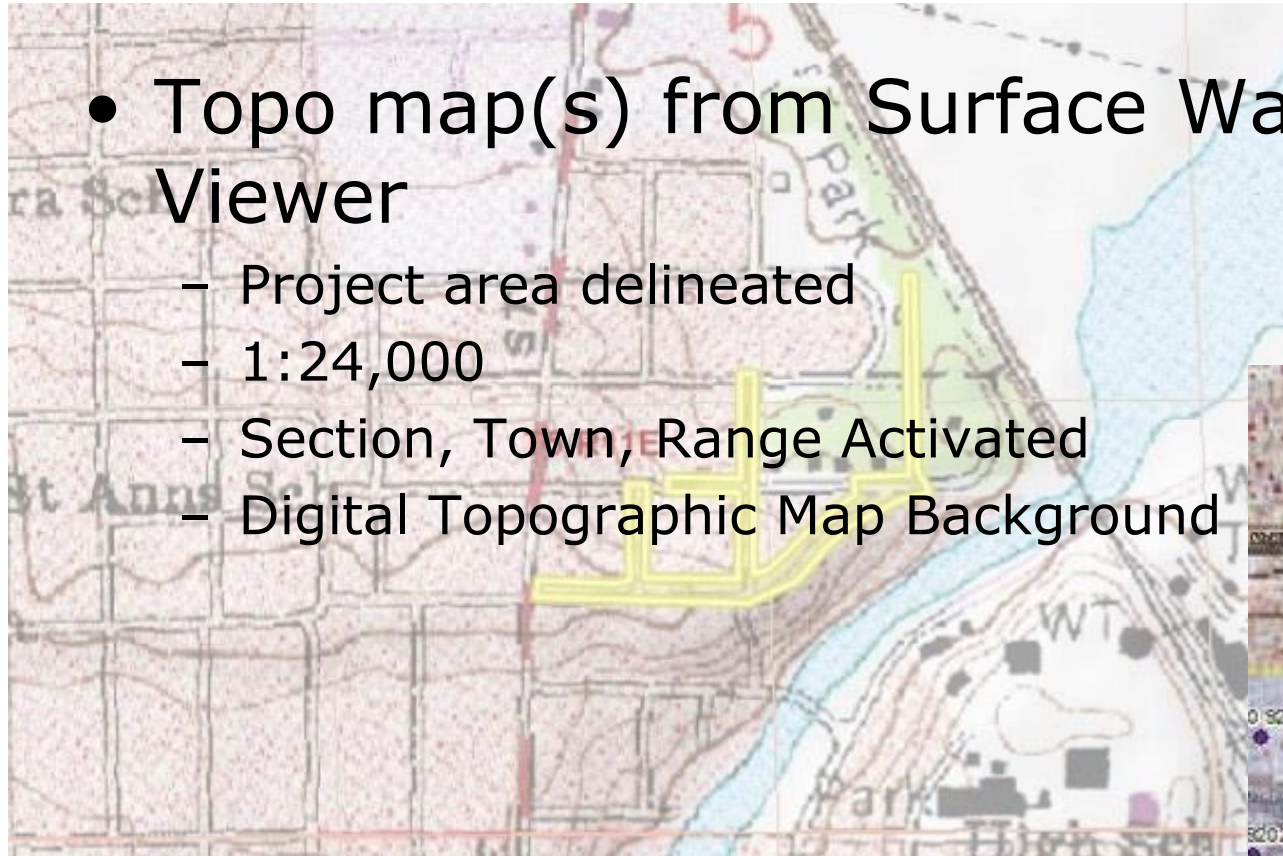
# Endangered Resources Preliminary Assessment

- NHI Public Portal
- [Endangered Resources Review \(ERR\)](#)



# Archeological/Historical Resources Preliminary Review

- Topo map(s) from Surface Water Data Viewer
  - Project area delineated
  - 1:24,000
  - Section, Town, Range Activated
  - Digital Topographic Map Background

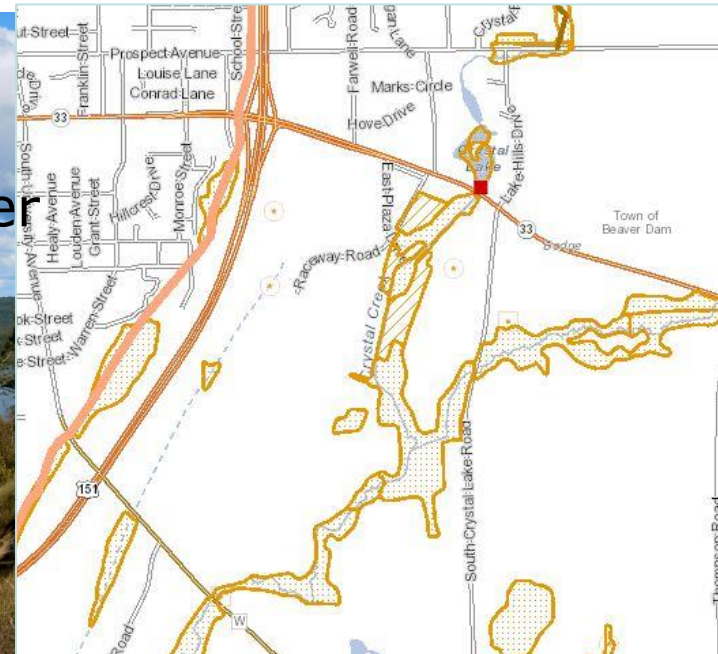




# Water Resources Preliminary Assessment

- Waterway, Floodplain and Wetland from Surface Water Data Viewer

- Project area delineated
- 1:24,000
- Wetland & Wetland Indicators layer



# Preliminary Assessment Other Documents

- Additional documentation may include:
  - Reports
  - Correspondence
  - Permits
  - Reviews from other WI agencies/DNR Program/Federal agencies

# Environmental Review Conclusion

- Applicants and associated project partners will receive an email detailing the outcome of your environmental review which include any recommendations, requirements, and next steps

# Odds and Ends

- Submit locations in chunks
- Wait until the review is completed proceeding with construction
- If you have questions, please email [Kevin.Olson@Wisconsin.gov](mailto:Kevin.Olson@Wisconsin.gov)

# Questions?



# DENISE SCHMIDT

Administrator

Division of Water Utility Regulation and Analysis

Public Service Commission of Wisconsin

[Denise.Schmidt@wisconsin.gov](mailto:Denise.Schmidt@wisconsin.gov)

# RICHARD (RJ) PIRE

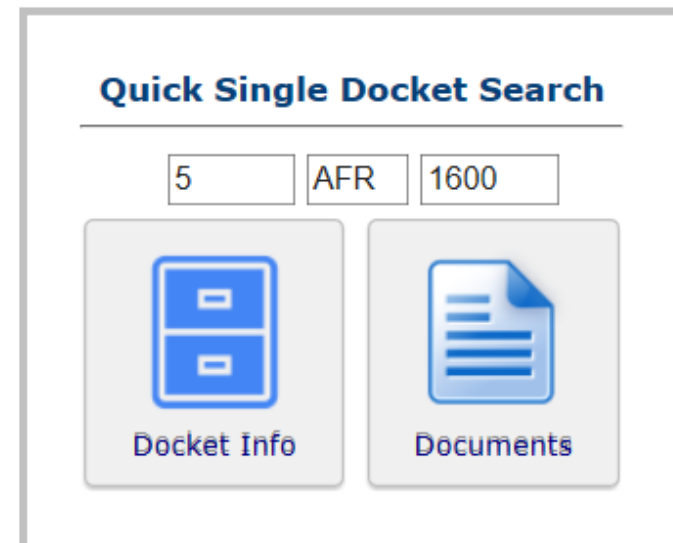
Water Policy Advisor

Public Service Commission of Wisconsin

[Richard.Pire@wisconsin.gov](mailto:Richard.Pire@wisconsin.gov)

# Utility Applications to Provide Financial Assistance for Replacement of Lead-Containing Customer-Side Water Service Lines

- Commission has approved 8 utility applications under Wis. Stat. § 196.372
- Application filing requirements:  
Comment period open until 9/4/2020 in docket 5-AFR-1600



<https://apps.psc.wi.gov/>

# Application Filing Requirements

- The municipality must have adopted an ordinance that allows utility to provide financial assistance and requires property owners to replace customer-side water service lines containing lead
- Financial assistance program must not be unjust, unreasonable, or unfairly discriminatory
- Grants must be limited to no more than one-half the total replacement cost
- Any loan provided cannot be forgiven by the utility or municipality
- The percentage or dollar amount provided must be equal for each owner in a class of customers



# PSC Accounting Information: Financial Assistance Programs

## DNR Principal Forgiveness Program

- All money flows through Accounts 415-416 (Merchandise and Jobbing)
- Operating Income Statement should not include any of these costs

## PSC Approved Program

- Grant Program: Account 664
- Loan Program: Account 124
- Administrative Costs: Account 664
- All costs should be recorded in subaccounts

# Questions?



## Panel of Previous LSL Participants

- Justin Hewitt – Green Bay Water Utility
- Phil Wesner – City of Ashland
- Jim McDonald, Scott Ahl, & Ross Blaha  
– City of Two Rivers, Public Works  
Dept.



# Questions?



# Thank you!

- A follow up email will be sent to registered attendees

More details:

<https://dnr.wisconsin.gov/aid/documents/EIF/privateLSLreplacementFundingProgram.html>



**PSC**  
of **WISCONSIN**