



## **KEEPING AMERICA'S PROMISE TO CLEAN WATER**

### **Replace Lead Pipes for Drinking Water – Efficiently, Expeditiously, Equitably**

#### **Congress Must Act to Prevent States from Losing this Dedicated Funding**

The bipartisan Infrastructure Investment and Jobs Act (IIJA) provided \$15 billion to the Drinking Water State Revolving Funds (SRFs) over five years to replace lead pipes for drinking water. Because of unintended limitations in the law, some states may lose their fair share of this dedicated funding.

#### **PRIORITY: Help Homeowners with the Cost of Inventories and Replacement Projects**

Only 49% of dedicated lead funding can be used for principal forgiveness and grants (additional subsidy) and these funds can only be used for projects in disadvantaged communities. As a result, some communities and households will bear the full cost of inventories and replacement of lead service lines. Additionally, low-income households in more affluent communities may bear the full cost of replacement on private property.

Based on the real-world experience, SRFs need the ability to offer up to 100% principal forgiveness or grants to incentivize these complex projects. Offering 100% additional subsidy allows utilities to cover the cost of conducting inventories and replacing pipes on private property without passing the cost on to homeowners. Because of the flexibility offered by prior legislation, SRFs have been able to invest more than a half billion in these life-changing public health projects since 2019.

Allowing SRFs to be able to use up to 100% of the capitalization grant for additional subsidy for both replacement and inventory projects will accelerate removal of lead service lines. Allowing SRFs to provide this funding to any utility will ensure communities with pockets of poverty are able to provide much-needed relief to economically distressed households.

#### **Streamline the Process for Conducting Lead Service Line Inventories**

The Safe Drinking Water Act requires SRF funding to be provided through individual assistance agreements with water utilities, which makes sense for brick-and-mortar water infrastructure projects. However, this requirement prohibits more efficient and cost-effective approaches to conducting lead service inventories.

Allowing SRFs to conduct inventories with a statewide approach or under a statewide contract may accelerate completion of inventories, especially in small, rural and disadvantaged communities. A statewide approach may also ensure high-quality surveys with consistent and reliable data, reduce the burden on utilities especially small ones that lack the capacity to conduct or manage an inventory, and cut the cost of paperwork and process for both SRFs and borrowers.

### **Exempt Lead Pipe Replacement from Unnecessary Federal Requirements**

All Drinking Water SRF borrowers who replace lead service lines are required to complete an engineering plan and environmental review and comply with a myriad of federal crosscutters. These projects must also demonstrate compliance with requirements for Davis Bacon, American Iron and Steel (AIS) and Build America, Buy America Act (BABAA). These requirements add paperwork and process to these projects without increasing protection for public health.

Waiving unnecessary requirements for lead service line replacement, particularly for small systems that serve less than 10,000 people, will reduce the cost of infrastructure and accelerate completion of lead service line replacement. Allowing self-certification of compliance with Davis Bacon or state prevailing wage laws, similar to water infrastructure projects funded by the American Rescue Plan, would also reduce the administrative burden on communities, especially those who can least afford or manage the complex procedures to demonstrate compliance.

### **Make Lead Water Mains Eligible for Dedicated Lead Funding**

Under the legal interpretation from the U.S. Environmental Protection Agency (EPA), replacing lead water mains isn't eligible for the dedicated lead funding in IIJA.

Replacing lead water mains and lead service lines at the same time is the most efficient and cost-effective way to undertake these projects. Requiring SRFs to use funding from the base program for these projects increases paperwork and process for both the SRF and borrowers without providing any increase in protection for public health.

### **Make Indoor Lead Water Fixtures Eligible for Dedicated Lead Funding**

Under legal interpretation from the EPA, replacing indoor lead plumbing fixtures, such as drinking water fountains, isn't eligible for dedicated lead funding in IIJA.

Replacing indoor lead fixtures in public buildings at the same time as lead service lines are replaced ensures complete removal of lead conduits for drinking water. Eligible indoor lead fixtures should include water fountains and faucets. Eligible structures should include public buildings, such as schools, libraries and courthouses, and buildings that serve vulnerable populations, such as daycare centers and nursing homes.

There is precedent for extending eligibility of SRF funding to indoor fixtures. EPA's guidance for the Green Project Reserve makes water efficient plumbing fixtures, including "shower heads, toilets and urinals," eligible for funding under the SRFs. Extending this common-sense approach to indoor plumbing for drinking water in public buildings can save lives, avert serious illness, and prevent life-long developmental disabilities.