Illinois EPA
Lead Service Line Replacement
2022 CIFA Workshop
November 8, 2022
Gary Bingenheimer
SRF Loan Program Manager
Illinois Lead Service Line Replacement Funding
Cap Grant/WIFTA Principal Forgiveness

• 2017 – Galesburg $2M Cap Grant PF replaced 504 LSL’s
• 2018 - Galesburg $2M Cap Grant PF replaced 560 LSL’s
• 2019 - Galesburg $2M Cap Grant PF replaced 559 LSL’s
• 2019 – Rockford $2M Cap Grant PF replaced 195 LSL’s
• 2020 - $7.9M Cap Grant PF (7 communities) replaced 1,349 LSL’s
• 2020 - $3.2M WIFTA PF (3 communities) replaced 442 LSL’s
• 2021 - $24.4M WIFTA PF (12 communities) estimating 4,664 LSL’s
• 2022 - $27.5M WIFTA PF (9 communities) estimating 3,600 LSL’s
Illinois Lead Service Line Background
2016-2017 Illinois Started “Investigating”

- 1,758 Community Water Supplies in Illinois
- Illinois Population – 12+ Million
- Number of lead service lines????
- Initial estimates from 500,000 to 1,000,000????
- State Law Passed January 2017 (modifies Section 17.11 of the Illinois Environmental Protection Act) requiring service line inventory information be submitted by all community water systems annually.
Illinois Service Line Material Inventory
Started in 2019

- Illinois Summary Data - 2020 Reporting Year
- 1,756 of 1,758 CWS’s reported inventory information
  - 667,275 Lead (Chicago 387,095)
  - 815,586 Unknown
  - 367,756 Copper w/ lead solder
  - 62,958 Galvanized
  - 242,767 Unknown but not lead
  - 1,378,454 Copper w/out lead solder
  - 38,223 Cast/Ductile Iron or Transite
  - 275,490 Plastic
Illinois Service Line Material Inventory Info

- [https://www2.illinois.gov/epa/topics/drinking-water/public-water-users/Pages/lead-service-line-information.aspx](https://www2.illinois.gov/epa/topics/drinking-water/public-water-users/Pages/lead-service-line-information.aspx)

- Search or Sort inventory by Facility Name, County, Reporting Year, etc.
PWSLP Lead Service Line Replacement (LSRL) WIFTA Principal Forgiveness

• Illinois EPA took advantage of the Water Infrastructure Fund Transfer Act (WIFTA) – Transferring $107,892,848 from the wastewater to drinking water SRF loan program solely dedicated to LSLR principal forgiveness.
  • FY2021/22/23 – Maximum of $4M per recipient

• As of November 1, 2022 - $63.5M of WIFTA funds committed.

• Projecting to commit remaining WIFTA funds by end of FY2023.
Lead Service Line Replacement What Does It Cost?

- “Urban” vs. “Rural” costs vary greatly
  (Design, Construction & Construction Oversight)

<table>
<thead>
<tr>
<th>Location</th>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Galesburg</td>
<td>(RURAL - avg cost per home – 2,649 homes)</td>
<td>$3,734</td>
</tr>
<tr>
<td>Assumption</td>
<td>(RURAL - avg cost per home – 69 homes)</td>
<td>$7,318</td>
</tr>
<tr>
<td>Merrionette Park</td>
<td>(URBAN – avg cost per home – 115 homes)</td>
<td>$8,091</td>
</tr>
<tr>
<td>Montgomery</td>
<td>(URBAN – avg cost per home – 106 homes)</td>
<td>$9,524</td>
</tr>
<tr>
<td>Springfield</td>
<td>(population over 100,000) Doing all planning and design engineering in house AND replacing “public” portion of service line with city workers – bidding/contracting out private portion.</td>
<td>$3,319</td>
</tr>
</tbody>
</table>
Chicago – 387,095 Lead Service Lines

• Chicago is estimating a complete service line replacement will cost between $20,000 - $26,000

• Replacing all lead service lines
• $7.7 - 10.1 Billion
Lead Service Line Replacement and Notification Act
State Law Signed August 2021 (PA 102-613 HB3739)

• Creates the Lead Service Line Replacement Fund to be used to finance and administer programs and activities *(no revenue source in legislation)*. Requires the Illinois EPA to:
  • establish procedures for the administration of the Fund.
  • **establish procedures for the collection of a specified (to be developed by rule) lead in drinking water protection fee to be collected by all community water supplies.**
  • NO MONEY PROVIDED IN THE FUND

• Creates the Lead Service Line Replacement Advisory Board within the Agency.
  • 28 Voting members
    • 3 State Agency Directors
    • 16 representing water utilities
    • 9 representing non water sector perspectives
Lead Service Line Replacement and Notification Act
State Law Signed August 2021 (PA 102-613 HB3739)

• Expands Requirements of Current Service Line Material Inventory
  • No longer report material as “Unknown” – Unknown considered Lead
  • Initial inventory due April 15, 2023
  • Final complete inventory due April 15, 2024
  • Must identify number of connections in water supply
  • Must identify material of construction – both public and private sides
  • Prioritize inspections in high-risk areas (day cares, hospitals, playgrounds, etc.)
  • Many, many more requirements
Lead Service Line Replacement and Notification Act
State Law Signed August 2021 (PA 102-613 HB3739)

• Prohibits Partial Lead Service Line Replacement when replacing watermain
  • Provisions for “emergency replacements” – if the entire service line can’t be replaced
    • Provide filter for at least one fixture until entire line replaced (30 days)
  • Routine watermain replacement
    • Requires customer notification prior to construction or repair
Lead Service Line Replacement and Notification Act
State Law Signed August 2021 (PA 102-613 HB3739)

• Requires Comprehensive LSL Replacement Plans to be developed
  • Initial Plan due April 25, 2024
  • Updated Plan required annually through April 2027
  • Final Plan due April 2027 – Schedule for replacement begins

• Comprehensive LSL Replacement Schedule
  • < 1,200 LSL’s 7%/Yr 15 Years
  • 1,200- 4,999 LSL’s 6%/Yr 17 Years
  • 5,000- 9,999 LSL’s 5%/Yr 20 Years
  • 10,00- 99,999 LSL’s 3%/Yr 34 Years
  • > 100,000 LSL’s 2%/Yr 50 Years
Bipartisan Infrastructure Law (BIL)

Illinois Lead Service Line Replacement Funding

• Illinois will be getting $106.9M per year for 5 years ($533.7M)

• 49% of funds can be provided as Principal Forgiveness to “disadvantaged communities”. 51% of funds will be loan and therefore must be repaid

• State working on unique “disadvantaged community” definition which will only be for LSLR funding.

• Will require new Administrative Rule to be adopted.
  • Contemplating 0% fixed interest rate
  • 30-year term – 40-year term for disadvantaged communities
Bipartisan Infrastructure Law (BIL)
Illinois Lead Service Line Replacement Funding

- Tentative Plan - “disadvantaged community” loans will receive 100% principal forgiveness until PF is exhausted
- All other funding will be 100% loan at 0%
- Project location by census tract will determine the metrics used to determine if project qualifies as a disadvantaged community and to score and rank/prioritize projects
- Census Metrics being considered - MHI, Poverty, Unemployment, Houses built pre-1990, Children Under 6, Social Security, Supplemental Social Security, Minority, Limited English
Lead Service Line Inventory Grant Program
Just Announced

• Initial Round of Funding - $2M from DWSRF Fees

• Application deadline December 2, 2022

• Grants will range from $20,000 to $50,000 depending on the number of service connections within the applicant’s community water supply system.
  • 5,000+ Service Connections $50,000
  • 1,000-4,999 Service Connections $40,000
  • 100-999 Service Connections $30,000
  • Less than 100 Service Connections $20,000

• Future rounds of funding possible depending on demand in first round
Questions?

Gary.Bingenheimer@illinois.gov

Illinois EPA – Bureau of Water

Infrastructure Financial Assistance Section