

Summary of private Lead Service Line (LSL) Municipality meetings
July 27, 2016 – Jefferson WI
July 28, 2016 – Wausau WI

DNR Presenters:

Robin Schmidt, Chief, Environmental Loans Section
Becky Scott, Lead Service Line Program Coordinator
Frank Fuja, Southeast Region Construction Management Engineer (Jefferson)
Samantha Jordt, Environmental Review Specialist (Jefferson)
Mike Blodgett, West Central Region Construction Management Engineer (Wausau)
Cathy Wunderlich, Chief, Public Water Engineering Section

PSC Participants:

Andrew Cardon (Jefferson)
Jeff Stone (Wausau)

Overview:

DNR presented background information regarding the private Lead Service Line program and updated the communities on the timeline for the completion of the private LSL Funding List. There were a number of handouts presented including:

- Federal Requirements Pertaining to Private Lead Service Line Replacement Projects
- Environmental Review Requirements for Lead Service Line Projects funded by the Safe Drinking Water Loan Program
- Madison Water Utility – Statement Regarding Water Service Line
- Madison Water Utility – Application for Reimbursement of Cost for Lead Water Service Line Replacement
- Madison Water Utility – Plumber Contract – Application for Lead Replacement
- City of Madison – Public Water Supply System Ordinance Sec. 13.18 Lead Water Service Line Replacement Ordinance
- City of Kewaunee – Ordinance No. 569-15 – An Ordinance Regulating Lead Water Service Line Replacement in the City of Kewaunee
- City of Boston – Leak Up to Owner/Lead Pipe Replacement Agreement
- Lead Service Lines and Drinking Water Best Management Practices – WI DNR
- AWWA – Strategies to Obtain Customer Acceptance of Complete Lead Service Line Replacement

The DNR discussed the options for LSL replacement programs. Most municipalities are seeking to generate a prequalified plumber list from which homeowners would select a plumber to replace their lead service line. If a municipality pursues this option, Davis Bacon Wage Rate requirements would not apply even if the municipality is paying the plumber directly. The municipality will need to develop a standard agreement between the municipality and the homeowner. The agreement should include language that states that the municipality is paying on behalf of the homeowner through the LSL program. The DNR agreed to put together sample information for a Request for Qualifications for plumbers to assist municipalities with this effort. DNR also agreed to post the handouts on their web page for future reference.

The DNR staff reviewed the federal requirements, and noted that if a municipality publishes in their official paper the RFQ and the following language they will meet the federal DBE solicitation requirements:

“We encourage DBEs, including MBEs and WBEs, to submit bid proposals/apply for the purpose of being included on the municipality’s list of prequalified plumbers for the Lead Service Line replacement program”.

The DNR staff also discussed the Environmental Review requirements applicable to private LSL replacement projects. The handout (see above) provides specific information and links. Basically, the first thing a municipality needs to do to determine if their project is categorically excluded from this requirement is access the NHI Public Portal Preliminary Assessment at <http://dnr.wi.gov/topic/erreview/publicProtal.html>, and enter in the location of their project. Follow the handout for specific directions. Samantha Jordt is the main contact for questions about the E/A/H review process. Sam can be reached at Samantha.jordt@wisconsin.gov or 608-267-2450.

Municipalities also need to send to DNR a USGS Topographic map clearly showing the disturbance footprint for the archeological/historical review.

The DNR staff gave a broad overview of the discussions taking place on the federal level regarding the Lead and Copper Rule, and noted that the federal agencies are working on a draft rule change anticipated next year and that all lead service lines in their entirety will be required to be replaced.

The DNR staff discussed items that the municipalities might want to consider:

- whether an ordinance is needed and whether this will be required or optional;
- a contract between the homeowner and the municipality;
- whether the municipality will require insurance and what type of insurance from the plumbers;
- requirements to follow local codes and zoning requirements;
- a contract between the plumber and the homeowner, etc.

The DNR discussed the timing for the loan agreement, and indicated that it would take about 6 weeks once we have all the documents needed to close the loan. This process could be moved forward more quickly since no bond counsel activities are needed (no bonding is necessary for principal forgiveness only loans). The DNR staff asked which municipalities were interested in having their loans closed yet this fall, and several indicated that they would need to access the funds in September/October of this year.

There were various discussions about the program, including a discussion of the availability of plumbers to do this work. The question was asked as to how long a municipality would have to incur costs associated with this program. The DNR initial response was that all costs had to be incurred within 24 months of the signing of the loan agreement. There was considerable discussion that this could drive up the costs of the work due to a shortage of plumbers and that allowing this to extend to 3 years could bring greater relief to the plumbers and allow more lines to be replaced within the municipality’s budget. Attendees also suggested putting in milestones so that the program would not be stagnant over those three years. The DNR indicated they would consider this in revising the loan agreement language.

The group discussed the code requirements to be followed from the Department of Safety and Professional Services.

The representatives from the Public Service Commission answered questions relating to payment of costs prior to the loan agreement. Commission staff encouraged municipalities, if possible, to establish segregated sub-accounts for tracking revenue and expenses (for example, under Account 415 for revenues and Account 416 for expenses). This action will promote transparency and ensure revenues and expenses associated with work on private property are not co-mingled with utility funds. For some municipalities this could be a problem, and in those cases the municipalities were encouraged to reach out to the Commission for how best to track their costs. Costs associated with implementation of the program are eligible for PF, so municipalities may need to allocate a portion of their PF funds for implementation activities.

The DNR indicated there would be more criteria established for the program for next year, as we anticipate more demand than funds available. We indicated optimism for funding all applicants for SFY 2017.

The groups indicated these meetings were helpful and that perhaps a second meeting later this fall for those municipalities would also be helpful for them to share lessons learned, discuss technical and/or other implementation issues. The DNR agreed they would pursue further meetings with the municipalities.

The DNR staff noted that if a municipality was seeking to do something other than the program as discussed or had additional questions, they should contact Becky Scott (Rebecca.scott@wisconsin.gov) 608-266-7584.