

LEAD SERVICE LINE REPLACEMENTS UNDER THE BIPARTISAN INFRASTRUCTURE LAW

Amendment to SFY 23 SDWLP Intended Use Plan

Program Overview with Questions & Answers

December 7, 2022



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Objectives

- Overview of Bipartisan Infrastructure Law (BIL) Lead Service Line (LSL) funding
- Clarify differences between BIL program & previous WIFTA program
- Briefly describe Federal requirements
- Briefly explain scoring system
- Explain allocation of funds
- Briefly discuss set-aside uses
- Answer questions



BIL LSL Funding Overview

- FFY 2022 cap grant \$48,319,000 (for SFY 2024 funding)
- 49% of LSL cap grant must be awarded as principal forgiveness (PF) to disadvantaged municipalities or projects in disadv. census tracts
- Remainder of LSL cap grant must be used for set-asides and loans
- PF cannot be awarded if the loan/set-aside funds are not utilized

Funds Available from FFY 2022 LSL Capitalization Grant				
Principal Forgiveness	Loans	Administration	State Program Management	Local Assistance
\$23,676,310	\$19,031,210	\$290,570	\$1,320,910	\$4,000,000

Key Differences Between WIFTA LSL Program & BIL LSL Program

WIFTA-Funded LSL Program	BIL-Funded LSL Program
Private LSL replacements only	Both public & private LSL replacements & inventory work
Only properties with residences, schools & daycares eligible	All property types are eligible
100% principal forgiveness (PF)	Funds will be a mix of PF & loans
All municipalities eligible for PF	Only disadvantaged municipalities or projects in disadvantaged census tracts eligible for PF
Work must be completed in one construction season	Funding can be provided for up to 2 years for Prequalified List; contracted projects are not restricted to one construction season
Up to \$5,000 for engineering &/or administration if under 3,300 population; not eligible if 3,300+ population	All project related costs are eligible, regardless of population

LSL Program Basics

- Funding available in SFY 2024 – applications due June 30, 2023
- Intent to Apply due October 31, 2022 - if deadline was missed, waiver can be requested (for SFY 2024 projects only)
- Applications for LSL replacement and/or inventory work submitted separately from watermain projects, even if related
- Any municipality can apply, but PF can only be awarded to disadvantaged municipalities or projects in disadvantaged census tracts
- Galvanized lines that are, or have been, downstream of lead, brass service lines, & lead goosenecks all considered LSLs
- PSC approval must be obtained in order to pledge revenue for any private side loan funding



Federal Requirements

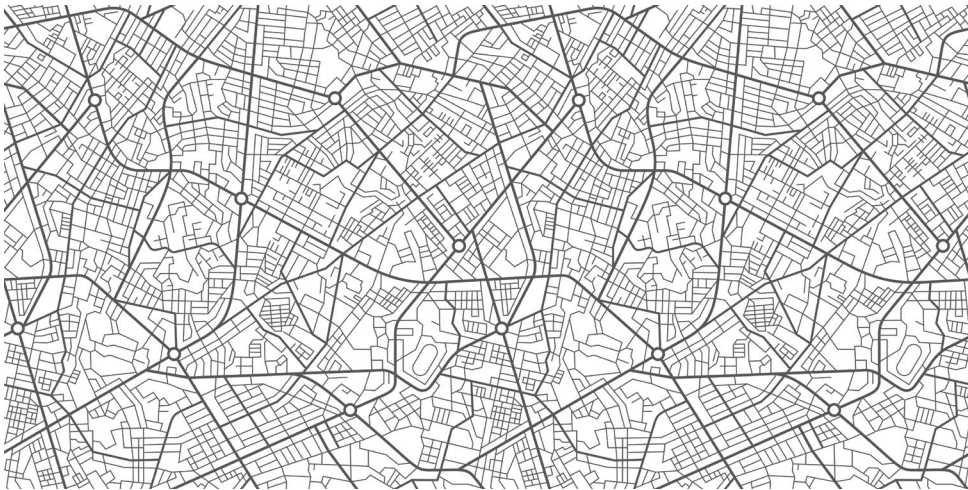


- All projects must:
 - Pass environmental review screening for all locations
 - Solicit for disadvantaged businesses at all levels of contracting or when advertising RFQs
 - Comply with Davis-Bacon & Related Acts
 - Required for all municipal contracts
 - If using a prequalified list, only required for business-owned properties
 - Comply with Build America, Buy America procurement requirements
 - Individual replacements done via a prequalified list may be exempt under Small Projects Waiver
 - Comply with any applicable Federal Equivalency requirements
 - Complete list of equivalency requirements available on our website

Project Scoring



- Projects will be scored under two systems
 - LSL specific scoring – for allocating PF & loan funds from LSL cap grant
 - Regular SDWLP scoring – for allocating regular SDWLP PF
- LSL-Specific PERF must be submitted with application (form 3700-383)
- Weighting of data for projects in disadvantaged census tracts may be done by census tract population or by number of LSLs to be replaced (if by number of LSLs, locations & number of LSLs must be known at time of application)



LSL-Specific Scoring

- Scores based on:
 - Project Type
 - Poverty Percentage
 - Lowest Quintile Income
 - Percent of Population Under Age 5
 - Mandatory Replacement Ordinance
 - Lead Sampling Results or Large System Optimization
 - Matching Grants for Residential Replacements
 - Municipal Population (tie-breaker only)
- LSL PERF – form 8700-383 – currently being revised



Allocation of Funds

- LSL principal forgiveness allocated using Table 7 score from SDWLP disadvantaged criteria & PF methodology (see pgs 13-15 of Final SDWLP Intended Use Plan)

Points	Population
0	≥10,000
10	8,500–9,999
20	5,000–8,499
30	3,000–4,999
40	2,000–2,999
50	1,500–1,999
60	1,000–1,499
70	500–999
80	250–499
100	0-249

Points	MHI Percent
0	126%+
5	116% to <126%
10	106% to <116%
15	101% to <106%
20	96% to <101%
25	91% to <96%
30	86% to <91%
40	81% to <86%
50	76% to <81%
60	71% to <76%
70	66% to <71%
85	61% to <66%
100	<61%

Points	Family Poverty Percentage
0	<8%
5	8% to <12%
10	12% to <16%
20	16% to <20%
30	20% to <24%
40	24% to <28%
50	28% to <32%
65	32% to <36%
80	36% to <40%
100	40%+

Points	Population Trend
5	Projected to lose 5% to less than 10% of population over 20 years
10	Projected to lose 10% to less than 15% of population over 20 years
15	Projected to lose 15% or greater of population over 20 years

Points	County Unemployment Rate
10	County unemployment rate is greater than the state's rate by less than one percentage point
20	County unemployment rate is greater than the state's rate by one to less than two percentage points
25	County unemployment rate is greater than the state's rate by two percentage points or greater

Points	Lowest Quintile Household Income Upper Limit (LQI)
10	Municipal LQI 70% to less than 80% of Wisconsin LQI
15	Municipal LQI 60% to less than 70% of Wisconsin LQI
20	Municipal LQI less than 60% of Wisconsin LQI

Points Received in Tables 1-6	Qualified PF Percentage
0-59	No PF
60-69	10%
70-79	15%
80-94	20%
95-109	25%
110-124	30%
125-139	35%
140-154	40%
155-169	45%
170-184	50%
185-199	55%
200-249	60%
250-360	65%

Allocation of Funds (continued)

- Due to BIL requiring exactly 49% of LSL cap grant to be awarded as PF, an exact % cannot be determined until all applications are received.
- Utilizing the score from Table 7 of the SDWLP Intended Use Plan:
 - Municipalities/projects that receive 200-360 points are eligible to receive **up to 100%** LSL PF for **private** side replacements.
 - Municipalities/projects that receive 155-199 points are eligible to receive **up to 75%** LSL PF for **private** side replacements.
 - Municipalities/projects that receive 95-154 points are eligible to receive **up to 50%** LSL PF for **private** side replacements.
 - Municipalities/projects that receive 60-94 points are eligible to receive **up to 25%** LSL PF for **private** side replacements.



Allocation of Funds (continued)

- LSL PF for private side replacements allocated first, in order of LSL-specific priority score (construction costs only)
- If any LSL PF remains after previous step, allocation will move to public side replacements, in order of LSL-specific priority score
 - Public side PF % allocated at regular SDWLP % from Table 7
- After LSL PF is allocated, projects ranked in SDWLP priority score order to allocate SDWLP PF at regular SDWLP % (from Table 7)
 - Competing with all SDWLP applications for PF - \$1.5M cap per municipality
- After all PF allocated, LSL loan funds will be allocated in LSL priority score order
 - Private side construction costs receive 0.25% interest rate
 - Public side, inventory, & other project costs receive 1% interest rate
 - Any loan funding beyond the LSL cap grant at regular SDWLP rates



Set-Asides

- \$290,570 will be utilized for LSL program administration
- \$1,320,910 will be utilized under State Program Management set-aside to fund lead-related positions in the Bureau of Drinking Water & Groundwater
- \$4,000,000 will be utilized under the Local Assistance set-aside to contract with consultants to provide technical assistance to systems to develop service line inventories
- More info will be available in the SFY 2024 SDWLP Intended Use Plan



Questions?

