

A map of St. Paul, Minnesota, showing water service lines and lead service line replacement locations. The map is overlaid with a dark blue semi-transparent box on the left side containing the title and date. The map shows various neighborhoods including Falcon Heights, Lilydale, and Highwood. Key landmarks like the St. Paul Downtown Holman Field and Little Creek Regional Park are also visible. The map is rendered in shades of blue and white, with a dark blue overlay on the left side.

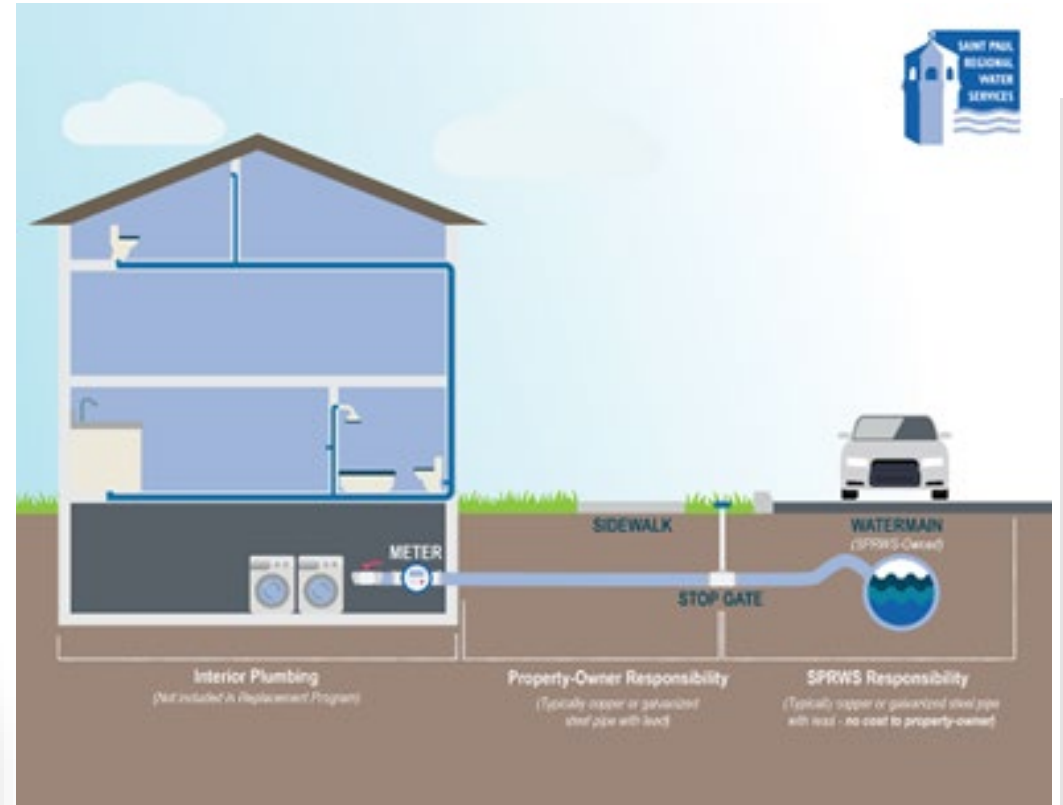
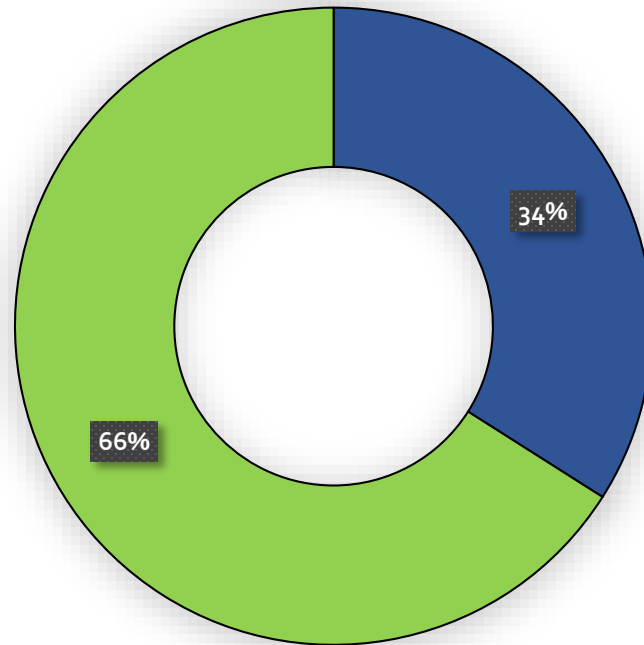
# Enhanced Lead Service Line Replacement (LSLR) Plan

Board of Water Commissioners

February 2022

# Current Status of SPRWS Water Service Line Material

## Lead Service Lines by Responsible Party (\$)

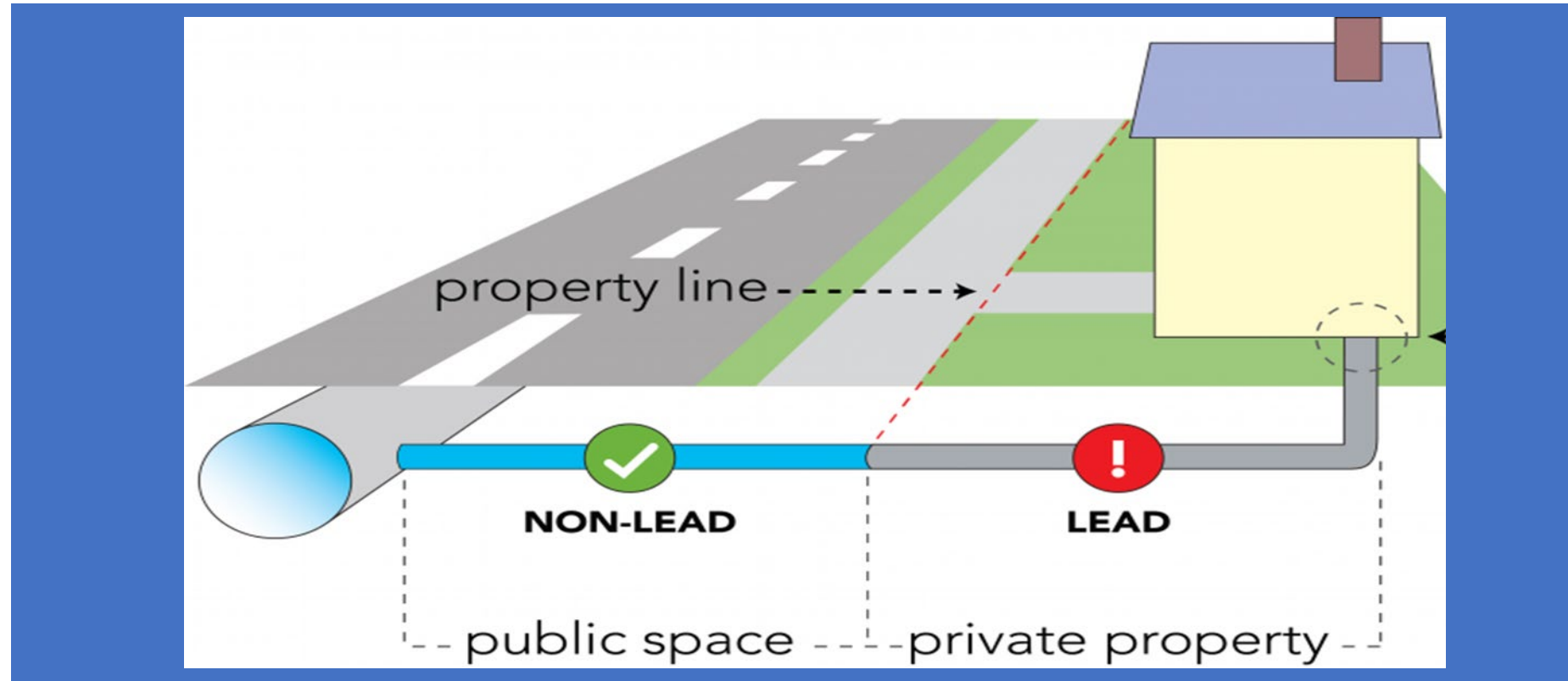


■ Total SPRWS Property  
\$82,080,000

■ Total Customer Property  
\$159,300,000

# At the Current Rate...

- If SPRWS continues to replace ~260 public space lead/year, by 2056 (34 Years) all public side lead will be removed.
- However, over 20,000 lead service lines will remain (partials owned by the customer).



We must do better!

# Private Side LSL Replacement – Funding Examples

## Assessment Process (pre-2021)

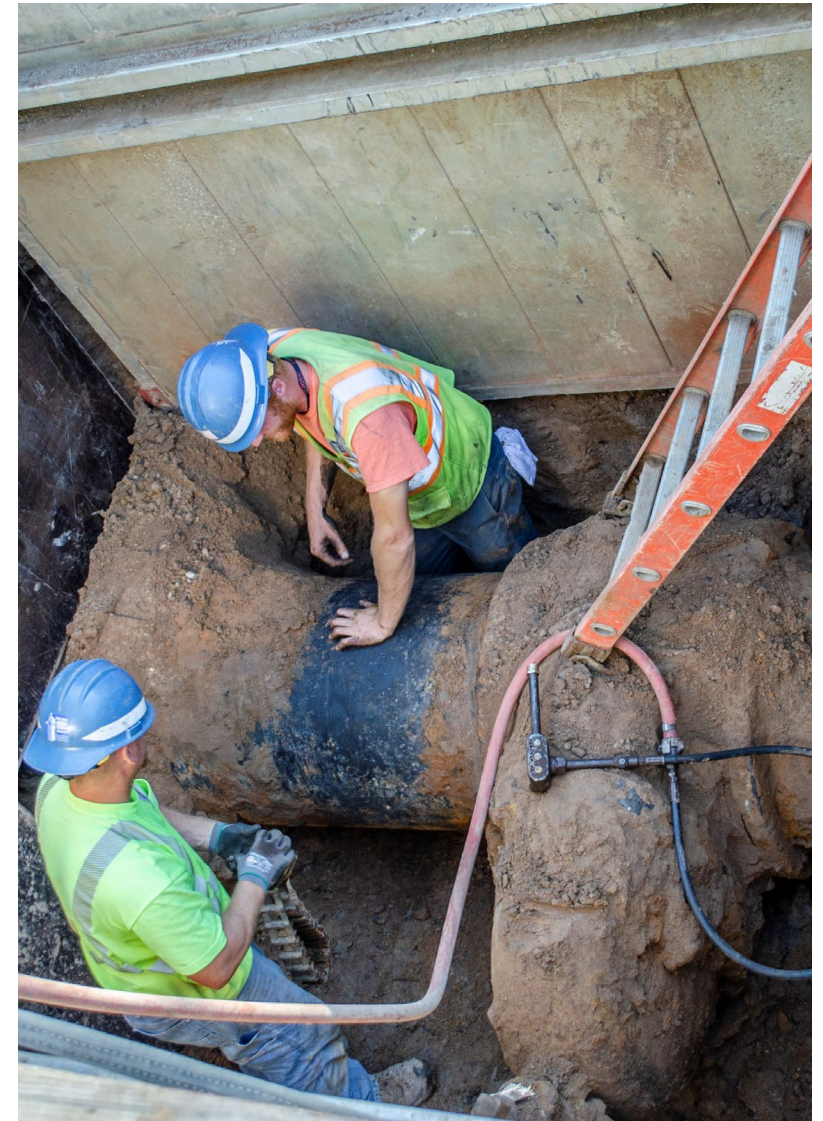
- Costs are assessed over 20 years.
- Very low participation (5% - 10%). Generally used in cases of service line failure (water and/or sewer).

## Partial Grant and Assessment

- SPRWS - 23% participation in project areas (2021).
- Other Examples:
  - Trenton NJ - \$1,000 added to property taxes (paid over 5 years).
  - Cincinnati OH – Partial grants (up to \$1,500). 25% participation.

## Fully Funded Programs

- Detroit MI – No cost in project areas (mandatory).
- Denver CO – No cost in project areas (mandatory).
- Pittsburgh PA – No cost in project areas (voluntary). 85% participation rate.



# Proposed 10 Year Enhanced Lead Service Line Replacement Plan

- Private replacements will be offered within designated zones (100 zones total) at no expense to the customer (Voluntary/Free).
  - We are assuming an 85% participation rate.
- Customers outside of designated zones for that year may apply for a grant of up to \$2,500 to help cover the expense of their private side replacement.
- Funding Assumption: \$12.5M/Year in Infrastructure Funding (2023-2027)
  - \$6.25M Grant used for Public Side
  - \$6.25M Loan used for Private Side
- 5.9% rate impact over the next 10 years needed to cover 100% of public side replacements. This includes debt service for infrastructure loan and additional debt needed in 2031 and 2032.
- \$90M deficit to remove lead in the public side
  - Work to obtain additional federal/state funding
  - If no additional funding becomes available, the rate impact is estimated to be ~20% if public funds are used for private replacements
    - \*Legal changes would be necessary to allow for this option.

# Enhanced Lead Service Line Replacement Plan (2023-2033)

Year	# of Zones	Private LSLRs Offered	Private LSLRs Completed (85% Participation)	Private Rolling Funding	Public LSLRs Completed	Public Rolling Funding	Rate Impact
2022	Preplanned	584	496	\$ (28,400.00)	428	\$ -	
2022	Daycares	51	51	\$ (34,400.00)	17		
2023	6	1,560	1,326	\$ 509,600.00	516	\$ 4,709,200.00	1.7%
2024	6	1,560	1,326	\$ 1,053,600.00	516	\$ 9,418,400.00	0.6%
2025	6	1,560	1,326	\$ 1,597,600.00	516	\$ 14,127,600.00	0.7%
2026	6	1,560	1,326	\$ 3,141,600.00	516	\$ 18,836,800.00	0.6%
2027	7	1,820	1,547	\$ 359,600.00	602	\$ 22,789,200.00	0.6%
2028	10	2,600	2,210	\$ (12,650,400.00)	860	\$ 18,221,200.00	0.0%
2029	14	3,640	3,094	\$ (30,964,400.00)	1,204	\$ 10,626,000.00	0.0%
2030	15	3,900	3,315	\$ (50,604,400.00)	1,290	\$ 2,274,000.00	0.0%
2031	15	3,900	3,315	\$ (70,244,400.00)	1,290	\$ (6,078,000.00)	0.8%
2032	15	3,900	3,315	\$ (89,884,400.00)	1,245	\$ (14,034,000.00)	0.9%
TOTALS	100	26,000	22,647	\$ (89,884,400.00)	9,000	\$ (14,034,000.00)	5.9%
			87%		100%		

# Prioritization Strategy

To efficiently remove lead service lines, SPRWS will divide the service area into 100 zones. Based on funding available in each year, the appropriate number of zones will be planned for the upcoming year. SPRWS will use a prioritization model to use water quality and health equity data to prioritize the order in to determine planned zones. This approach prioritizes lead replacement for:

- Vulnerable populations most impacted by lead exposure.
- Presence of multi-family units with lead in project areas.
- Percentage of lead service lines within project areas.
- Cost-effective coordinating with unrelated street repairs.



# Next Steps

- Resolution of Support – March 2022
- Infrastructure Funding (Public Facilities Authority and Minnesota Department of Health)
  - PFA/MDH request to be placed on the Project Priority List (PPL). (*May 6, 2022*)
  - PFA/MDH releases the Intended Use Plan (IUP) and fundable range. (*June 3, 2022*)
  - Board of Water Commissioners considers PFA/MDH loan/grant documents.
- Develop Zones and Prioritization Procedures
- Develop Public Outreach & Communication Plan
- Legal and Regulatory Efforts
  - Secure additional funding
  - Consider regulatory “asks” that provide utilities greater flexibility to complete the job!
- Work Plan Development
  - Inhouse/private contractor/hybrid
  - Jobs program



# Questions and Discussion

