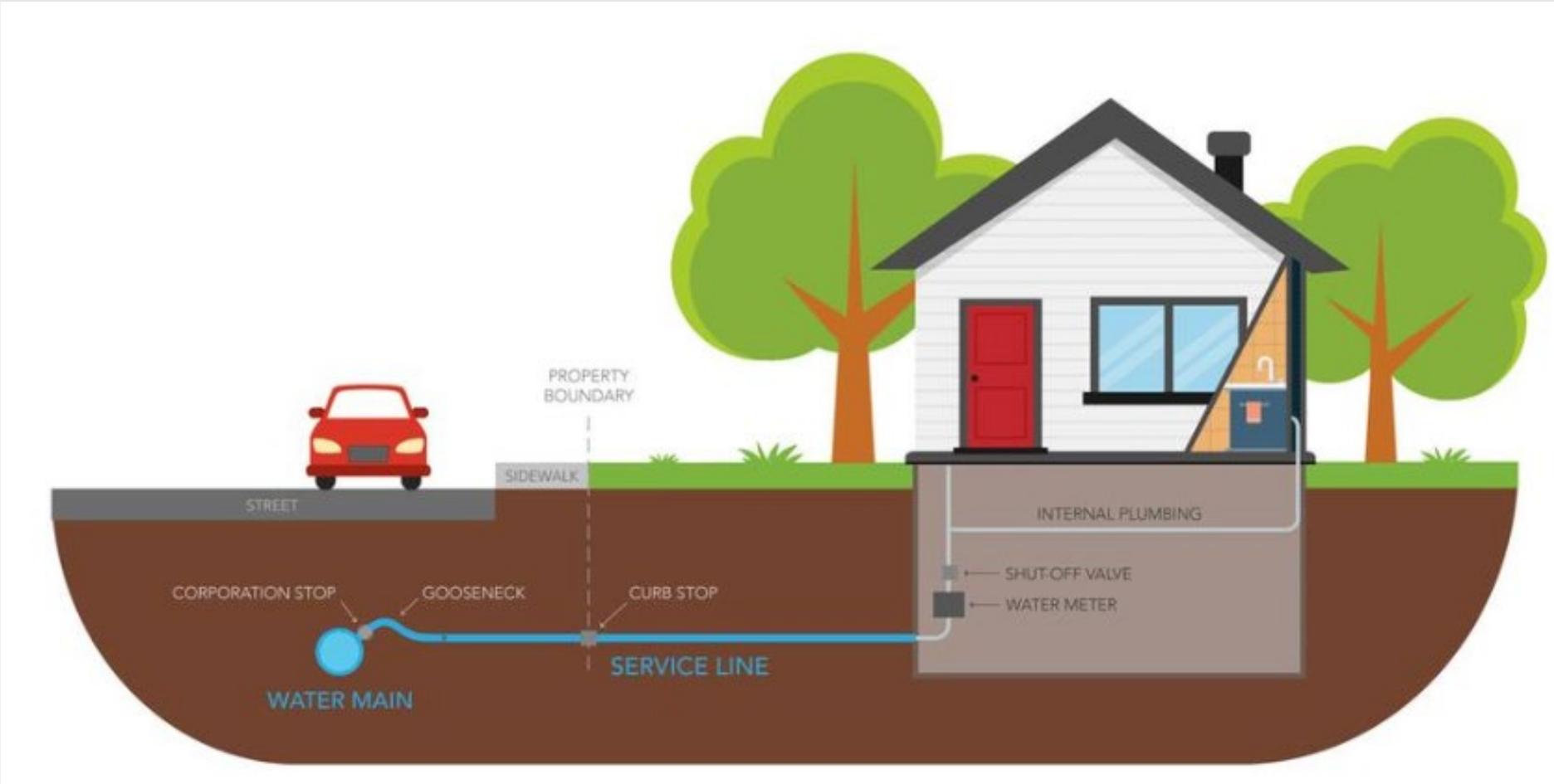




2021 PRIVATE
PROPERTY LEAD
SERVICE LINE
REPLACEMENT
GRANT PROGRAM

4/13/2021

Lead Service Illustration



SPRWS LSLR in Right of Way

- **\$2M** for ROW lead service replacement
 - 400 per year at approx. \$5,700/ea.
 - 30-year Replacement Rate



Private Property LSLR

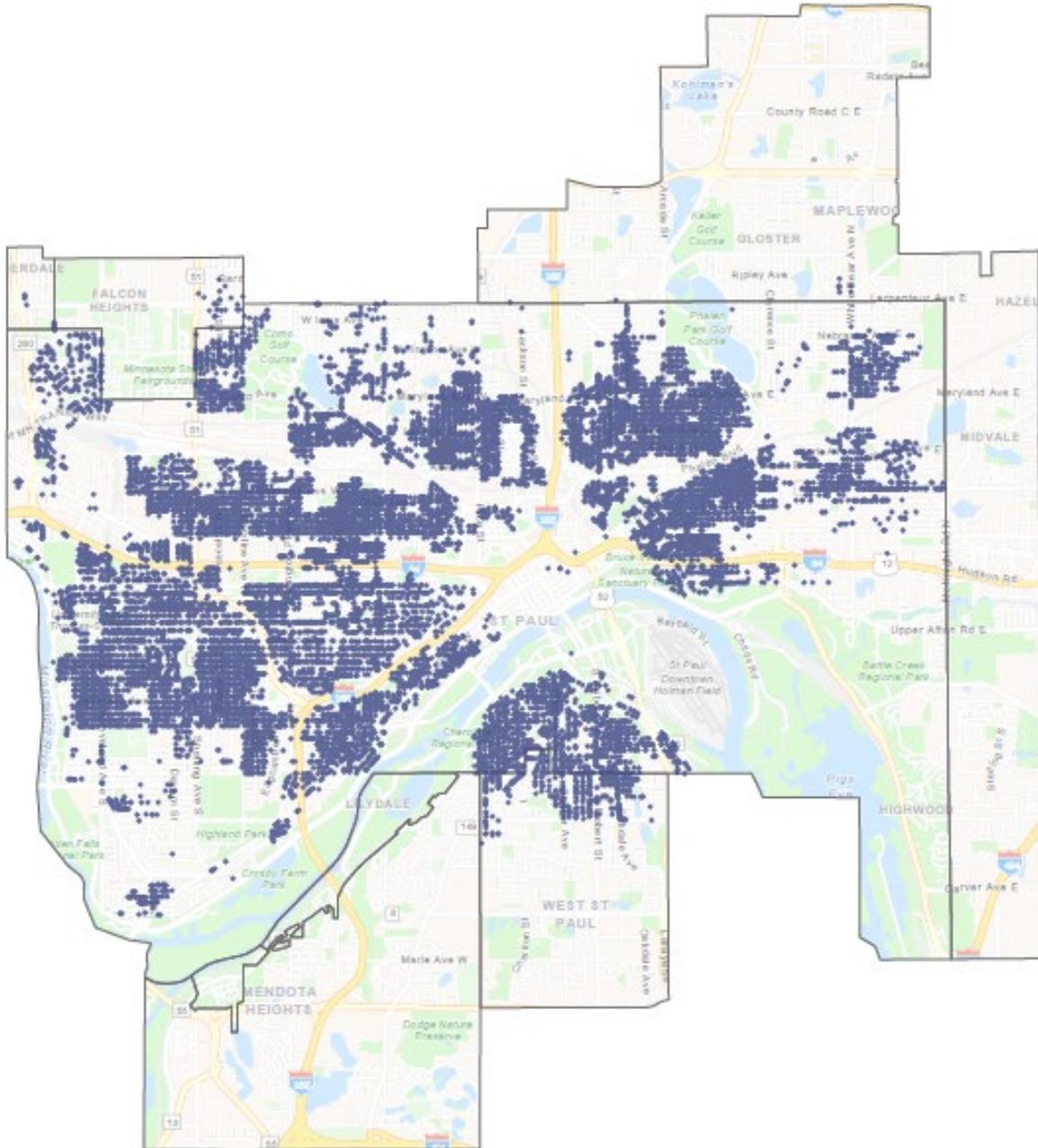
- Approximately 160 private leads replaced by homeowners each year
- Only 20-40 replacements are performed in private property associated with a SPRWS Project
- Average cost of private LSLR in 2020 was \$4,300
- Majority of replacements done through assessment program



Amount of Lead Services in Private Property

The below values of lead services are estimates based on current available records:

$$\begin{array}{r} 20,000 \text{ Known Lead Services} \\ + \\ 7,000 \text{ Potential services of unknown material type} \\ \hline \text{Up to } 27,000 \text{ lead services in private property} \end{array}$$



Cost of LSLR in Private Property

20,000 to 27,000 private property lead water services @ \$4,300/Service = **\$100,000,000**

LSLR Grant Program – Pilot Project Goals

- Complete more **full LSLR's** in project areas by incentivizing homeowners.
- Provide assistance for **childcare** providers for LSLR's
- Allow for **equity** in disbursement of funds
- Demonstrate need for additional **future funding** from the State for LSLR





Public Facilities Authority and Department of Health

- \$250,000 forgivable loan (grant)
- Drinking Water Revolving Fund initiated by PFA and Health Department
- 50 percent matching funds of the project costs required

2021 Proposed Grant Disbursement

\$1,500 grants

60 – 85 customers
in project areas

\$2,500 grants

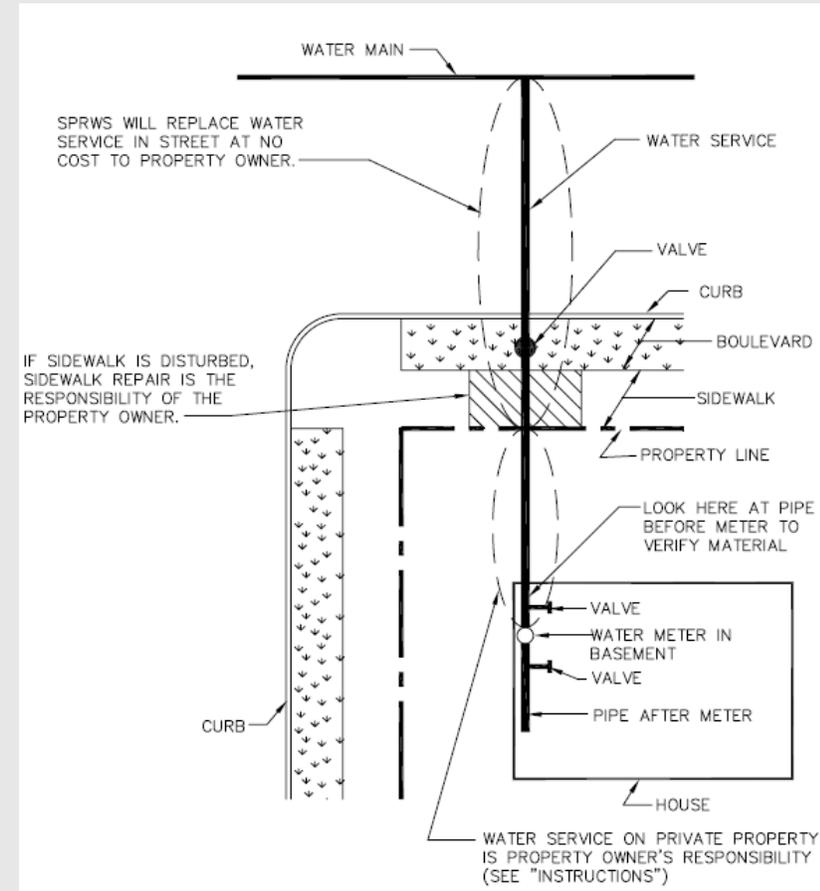
20 - 25 low- income
customers
AND
30 - 40 childcare
facilities

**\$250,000
total grant**

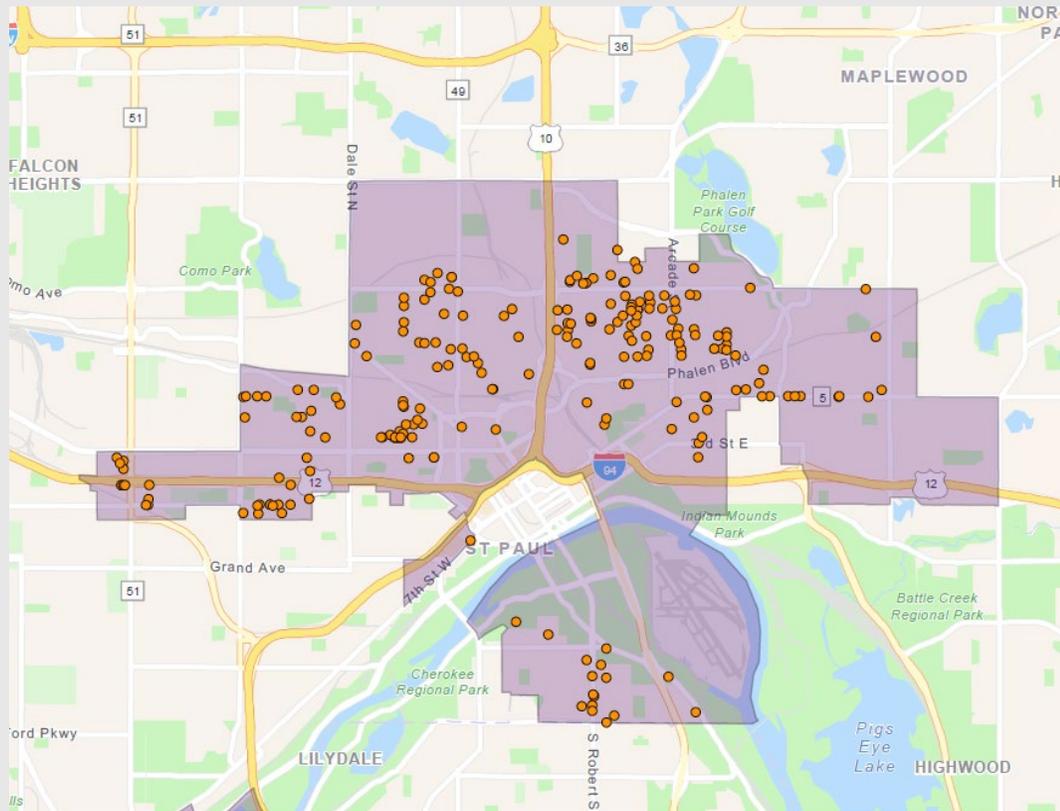
Approximately 130
customers

Potential LSLR's

- Marketing to **600 customers**
 - 318 homeowners in project areas
 - 54 childcare facilities
 - 224 homeowners with maintenance leads in Areas of Concentrated Poverty (ACP)



Maintenance Leads in the ACP



- Include lead services with a known maintenance issue currently listed in our work order management system
- **224 maintenance leads** In ACP areas requiring income verification

Community Action Partnership of Ramsey and Washington County (Energy Assistance Program)

Household Size	3-Month Gross Household Income
1	\$7,066
2	\$9,240
3	\$11,415
4	\$13,589
5	\$15,763
6	\$17,937

*Based on 50% of State Median Income or 110% of Federal Poverty Level



Summary

- Up to 27,000 lead services in private property **(\$100M Cost)**
- Currently 160 private LSLR's per year are completed
- Grant funding would add an additional 130 lead services within the distribution system
 - Properties within project areas
 - Low income-properties
 - Childcare facilities
- Limited grant funding of \$250,000 = limited qualified customers
- Marketing to 600 total customers to start



BOARD ACTION REQUESTED:

AUTHORIZE STAFF TO PROCEED WITH THE DEVELOPMENT OF THE LEAD SERVICE LINE REPLACEMENT PROGRAM AS PRELIMINARILY OUTLINED AND TO PROCEED WITH NEGOTIATIONS WITH THE STATE