

LEAD SERVICE LINE REPLACEMENT

FUNDING SOURCES

ILLINOIS EPA STATE REVOLVING FUND (SRF) OVERVIEW:

- Zero-interest or principal forgiveness loans through Public Water Supply Loan Program (PWSLP) for lead service line replacement projects
- Yearly cycle based on State of Illinois fiscal year (July 1st - June 30th)
- Loans are issued following a full and complete loan application, which includes multiple steps as outlined in the flowchart below
- The preparation, review, and approval process for a Project Plan (the first step in the loan application process) can take up to a year
- Utilities with LSLs should consider developing a Project Plan as soon as possible in order to optimize their position to receive SRF funds

LSLR SRF FUNDING DETAILS:

- Funds from the Bipartisan Infrastructure Law (BIL) are distributed through the PWSLP. Any future federal funding for LSLR are expected to be distributed through the PWSLP
- LSLR BIL funds for FY 24 (July 1, 2023 - June 30, 2024) and FY25 (July 1, 2024 - June 30, 2025) are \$107M and \$230M, respectively. The current projection is that there will be \$241M per year for FY26 - FY28
- BIL funds must be distributed with 49% of the total in principal forgiveness loans
- Project areas, based on census tract data, with median household income below the state average MHI are eligible for principal forgiveness loans
- Project scoring is based on median household income, children under age 6, unemployment rate, poverty rate, social security rate, supplemental security income, houses built pre-1990 and lead service line burden

SRF PROJECT PLAN KEY REQUIREMENTS:

- Loan applicant's background and description of PWS system
- Project description and justification
- Financial information:
 - Detailed project costs
 - Estimated loan terms
 - Financial arrangements
 - Description of revenue and existing residential rate structure
- Basis of design for chosen alternative
- Environmental impacts
- Implementation schedule

An approved Project Plan positions a community for potential funding for the following 5 years



OTHER POTENTIAL FUNDING SOURCES

- Congressionally Directed Grants
- Department of Commerce and Economic Opportunity (DCEO) Grants
- Illinois Lead Service Line Replacement Fund (currently unfunded)



Link to EEI
Lead & Copper Rule
Resources Webpage

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