

Policy I-6. Lead Service Line Principal Forgiven Loan Implementation Policy

Overview

The City of Platteville was awarded \$310,000 in a principal forgiven loan from the Wisconsin Department of Natural Resources to replace lead water service lines on private property. This policy outlines how the funds will be expended.

Background

There are approximately 366 residential properties in the City of Platteville with lead water service lines (LSL). Some of these properties have LSL from the water main to the house, some have LSL only on private property from the curb stop shut off valve to the house. It is in the interest of the City of Platteville to encourage all properties to replace LSL for the health of the public. Over the past several years, the City has replaced the public portion of the LSL from the water main to the curb stop shut off valve when doing full street reconstruction projects. The US EPA and Wisconsin DNR no longer recommend partial replacement of LSL. The Wisconsin Public Service Commission (PSC) will not allow rate payer funds to be used for replacement of LSL on private property. The Wisconsin DNR has received permission to offer federal funds for the reimbursement of costs associated with replacement of LSL on private property in the form of principal forgiven loan. These funds are only to be expended for properties with a residential component. Properties that are solely commercial, industrial or institutional are not eligible.

Policy

Approval and Payment Process

This is a voluntary reimbursement program. While the City will pre-qualify contractors to ensure that they are licensed and familiar with the program, the City bears no responsibility for the timeliness or quality of the work performed.

- 1) The City will reimburse replacement cost up to a maximum of \$1,140 per parcel until the loan funds are exhausted. In no case shall the reimbursement be more than the actual cost of replacement. The property owner is responsible for paying the difference between the City's reimbursement payment and the actual cost of LSL replacement.

Exception: The City was awarded up to \$10,000 of the \$310,000 specifically to replace LSL at two existing day care facilities. These property owners will be able to receive 100% reimbursement for the total cost of LSL replacement until funding is exhausted.

- 2) **Funding will be approved in the order that completed applications for the program are received. Property owners are encouraged to return their completed applications as soon as possible.** The City estimates that funding exists for 263 of 366 residential properties with known LSLs under the current program. If additional monies become available or the current funding is not expended, property owners with completed projects may receive additional reimbursements.

- 3) Types of expenses that are eligible for reimbursement include but are not limited to cost of excavation, materials, labor, backfill and restoration. Restoration is limited to black dirt, seed and mulch. No dig methods of pipe installation are eligible for reimbursement. Types of expenses that will not be qualified for reimbursement include hard surface replacement (asphalt/concrete), trees, bushes, or other types of plants. Non-typical costs at a property may be allowed pending review and approval by the City of platteville and the SDWLP Private Lead Service Line Replacement Program. A non-typical cost might include the cost of rerouting the private portion of the water line to a more acceptable location when it results in an overall cost savings. If there is a question as to whether the work will be reimbursed, the decision of City staff will prevail.
- 4) The property owner will be responsible for selecting and coordinating the work from a list of pre-qualified contractors. All work must be performed by licensed plumbers. The city will not accept work by property owners or contractors who have not been pre-qualified.
- 5) It is suggested, but not required, that homeowners seek multiple bids.
- 6) The homeowner will submit a "Lead Service Line Replacement Form Funding Reservation Form" once they have received and accepted a contractor bid or quote. A written copy of the bid or quote will be attached. Completing this form will place a lien on the City's funds for the project to ensure that monies are available when the project is completed. City staff will verify in writing that the Funding Reservation Form has been accepted.
- 7) When the work is completed, the homeowner will submit the invoice along with a form from the contractor attesting that all LSL is replaced and that the plumber has met all requirements of the program. The City will issue a check to the property owner based on the reimbursement policy. The property owner is responsible for paying the difference between the City's reimbursement payment and the actual cost of LSL replacement – if any.

Contractors

the City of Platteville will conduct a Request for Qualifications process open to licensed plumbing contractors. To be approved, plumbers will confirm that they understand the program, procedures and requirements. The City will qualify additional contractors after the initial pre-qualification process but will not re-notify property owners.

In the case where the City has not replaced the public portion of the LSL, City crews will coordinate with the plumbing contractor to do that portion of the work together. Where the City has already replaced the public portion of the LSL, the plumbing contractor will coordinate directly with the property owner to do the work. Contractors will be required to waive late payments fees until property owners have adequate time to receive reimbursement payment from the City.

Marketing

Properties with known lead service lines will receive notification of the program and a list of prequalified contractors by mail. In addition, a press release will be issued on the program and posted on the City's website.

Timeline

The timeline for this program is as follows:

- April 12, 2017: RFQ for plumbers published in Platteville Journal
- April 19, 2017: Final environmental reviews submitted to DNR
- April 25, 2017: Common Council approves loan agreement resolution
- May 3, 2017: List of pre-qualified contractors and other documents to DNR.
- May 3, 2017: Letters are sent to property owners with application, list of contractors and program requirements. Press release is issued.
- June 14, 2017: DNR approves loan, signs paperwork. Two-year funding period starts.
- July 1, 2017 – June 13, 2019: Timeline to complete work under the program. All funding must be expended by June 13, 2019.