



MEMO

TO: CITY OF MANITOWOC COMMON COUNCIL
PREPARED BY: ROBERT MICHAELSON, WATER SYSTEMS MANAGER
REVIEWED BY: TROY ADAMS, GENERAL MANAGER
DATE: FEBRUARY 13, 2024
SUBJECT: 2024 PRIVATE LEAD SERVICE LINE REPLACEMENT PROGRAM
ACTION REQUESTED: None

Since 2017, MPU has participated in the WDNR Safe Drinking Water Loan Program (SDWLP) to assist in the replacement of private lead service lines. Subsequently, MPU has received over \$2 million worth of lead service line (LSL) principal forgiveness funding, funneled to 758 property owners to assist in their LSL replacement. However, there remain over 3,900 private lead service lines in the City of Manitowoc.

As a reminder, in the City of Manitowoc, the entire water service (from the watermain to the meter in the home) is owned by the property owner. In the event that a water service needs to be repaired or replaced, the property owner is responsible for all costs.

In November 2021, President Biden signed the Bipartisan Infrastructure Law (BIL) also known as the “Infrastructure Investment and Jobs Act of 2021”. It included \$50 billion for the EPA to strengthen the nation’s drinking water and wastewater systems, with up to \$81 million each year for LSL replacements through fiscal year 2026. One key element with the EPA’s BIL Implementation is “[ensuring] that disadvantaged communities benefit equitably from the historic investment in water infrastructure.”

With this new funding in mind, MPU applied for 2024 Lead Service Line (LSL) funding, focusing on disadvantaged areas of the City based on median household income (MHI), family poverty percentage, population trend, and lowest quintile household income upper limit. Subsequently, certain census tracts within the City subsequently scored very well for the 2024 WDNR LSL funding, as follows:

- Census Tracts 5 and 7; total project costs of up to \$4,450,000. This project will receive 100% principal forgiveness. No cost share to the property owner.
- Census Tracts 6 and 8; total project costs of up to \$4,208,000. This project will receive 75% principal forgiveness, or \$3,156,000; the property owner would have a 25% cost share.

- Census Tracts 1, 2, and 4; total project costs of up to \$1,360,000. This project will receive 50% principal forgiveness, or \$680,000; the property owner would have a 50% cost share.

MPU is prepared to manage and coordinate this unprecedented \$8.286M LSL funding to assist property owners in replacing their lead service lines, but limitations with time, contractors, and MPU staff requires a focused effort. Therefore, in accordance with the intent of distributing the federal LSL funding to disadvantaged communities, MPU will concentrate on LSL replacement in the most disadvantaged census block groups in the City of Manitowoc (using the best available US Census Data).

The 2024 LSL Replacement Program will focus on distributing the \$4.45M (100% principal forgiveness) to Census Tracts 5 & 7. This funding is not enough to replace all of the LSLs in these tracts, so we are targeting the most disadvantaged block groups in these census tracts. For this project, the LSL replacement is fully funded with no cost to the property owner. See the attached map of the intended project areas.

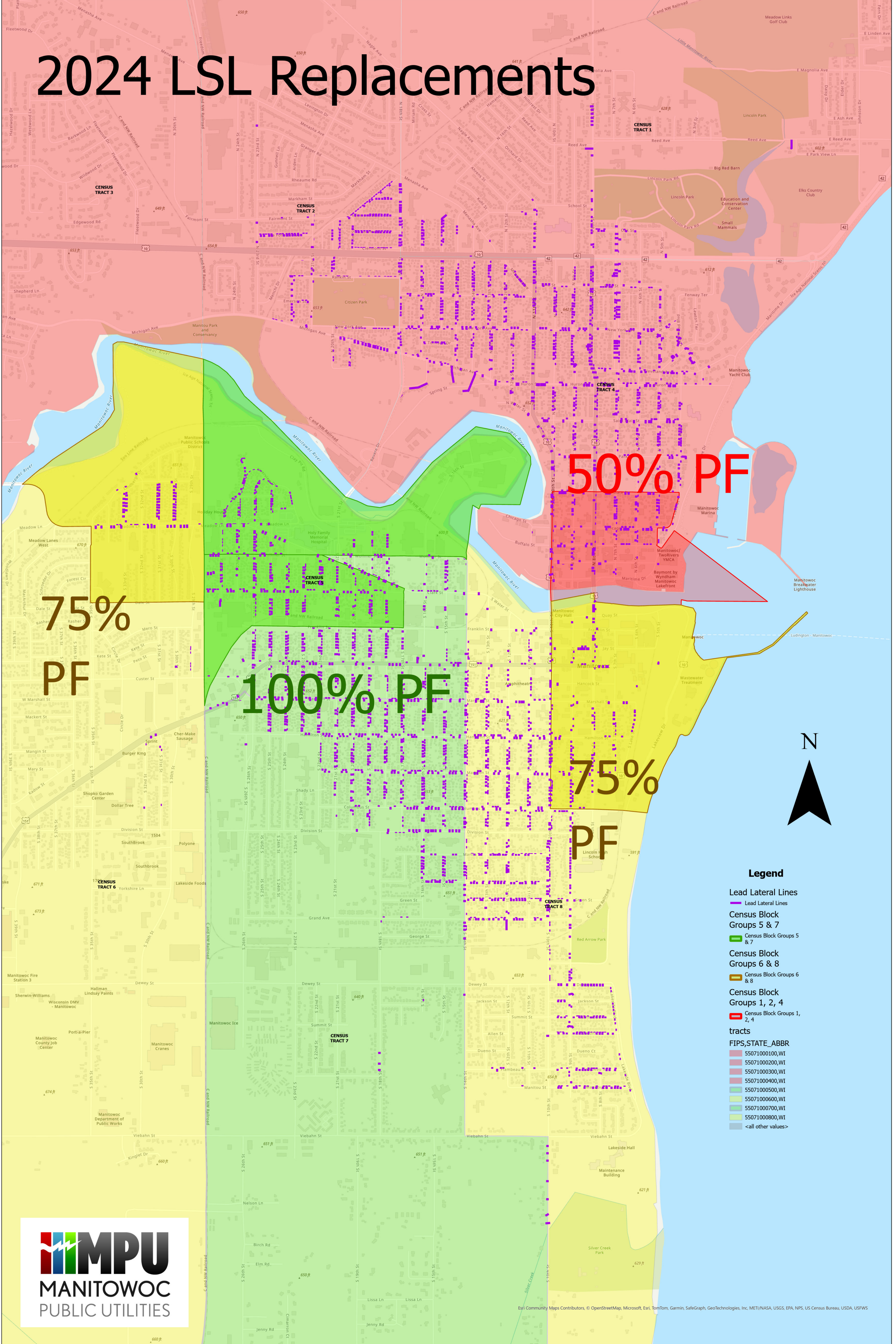
MPU also intends on managing LSL replacement projects for the other census tracts, but the shared cost of the LSL replacement may prove to be less popular to property owners. With our limited resources, we must first focus on distributing the funds to the most disadvantaged areas of the City.

MPU is bidding these LSL replacements using a Municipal Contract, where MPU would contract and manage the plumber/contractor to replace the LSL from the watermain to the meter in the home. Bids are out in February and will be awarded in March 2024. The Financial Assistance Agreement (FAA) would need to be signed with the WDNR before work can start, anticipated in April or May 2024. Like previous years of LSL replacements using SDWLP funds, the City will be required to adopt a Reimbursement Resolution as part of the FAA.

This focused LSL replacement effort will require a successful communication plan to encourage property owners to replace their LSL with this funding; MPU is sending targeted letters to LSL properties that qualify for the current funding. MPU also intends on engaging the local alderpersons and other community leaders to ensure all questions from your constituents can be answered and this funding is fully utilized.

I am available any time to answer your questions or discuss any concerns that you might have regarding this historic funding for LSL replacements.

2024 LSL Replacements



75%
PF

100% PF

50% PF

75%
PF

Legend

Lead Lateral Lines

Lead Lateral Lines

Census Block Groups 5 & 7

Census Block Groups 5 & 7

Census Block Groups 6 & 8

Census Block Groups 6 & 8

Census Block Groups 1, 2, 4

Census Block Groups 1, 2, 4

tracts

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