STATE OF CALIFORNIA

Drinking Water State Revolving Fund Program and Complimentary Programs

Supplemental Intended Use Plan

STATE FISCAL YEAR 2024-25

APPENDIX I:
Lead Service Line Replacement
Supplemental Intended Use Plan

Bipartisan Infrastructure Law –
DWSRF Lead Service Line Replacement Funding

STATE WATER RESOURCES CONTROL BOARD | DIVISION OF FINANCIAL ASSISTANCE
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I. BACKGROUND AND PURPOSE

President Biden signed the Bipartisan Infrastructure Law (BIL), also known as the Infrastructure Investment and Jobs Act (IIJA) of 2021, (P.L. 117-58) on November 15, 2021. It includes $50 billion to the U.S. Environmental Protection Agency (U.S. EPA) to strengthen the nation's drinking water and wastewater systems – the single largest investment in clean water that the federal government has ever made.

The BIL contains a historic $15 billion in dedicated funding through the DWSRF for lead service line (LSL) identification and replacement. This funding is being provided to states with no match requirement. U.S. EPA will collaborate with state SRF programs to share models, guidance, and build state capacity to assist local communities and ensure LSL funding is effectively and equitably deployed. Funding can be used for LSL identification, planning, design, and replacement.

California's allotment of the BIL LSL funding for federal fiscal year (FFY) 2024 is $28,650,000, the same as the 2023 LSL allotment, which is considerably lower than the 2022 allotment of $250,107,000. The 88% decrease is attributable to U.S. EPA's application of the most recent Drinking Water Infrastructure Needs Survey and Assessment (DWINSA) data regarding the prevalence of LSL in California. In September 2023, U.S. EPA provided states an opportunity to update the LSL data used to determine the allotment of LSL grants. The new data will be used to formulate the grant allotment calculation starting FFY 2024. The State Water Resources Control Board (State Water Board) assessed the necessity to participate in the update and determined that the collection of additional data is unlikely to increase California's allotment to more than the minimum allotment of one percent (1%). Therefore, the State Water Board opted out of this data update opportunity.

The State Water Resources Control Board will not apply for FFY 2024 Lead Service Line Replacement (LSLR) Capitalization Grant this year. There is approximately $206 million available from the 2022 and 2023 Capitalization Grant allocations for projects and only $73 million in funding requested to date. States have two (2) years to apply for a capitalization grant allotment and since there is significant funding available, the State Water Board intends to apply for the FFY 2024 Capitalization Grant next year (SFY 2025-26) if there is a significant increase in funding requests.

Table 1: Estimated Funding Available for SFY 2024-2025

Funding Type	Total (Million)
2022 LSLR cap grant allotment	$185
2023 LSLR cap grant allotment	$21
Total	**$206**

This Supplemental Intended Use Plan describes the State Water Board's plan for administering the DWSRF LSLR funds in accordance with the BIL specific requirements noted in U.S. EPA's March 8, 2022, memorandum "Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law" and May 1, 2024, memorandum "Implementing Lead Service Line Replacement Projects funded by the Drinking Water State Revolving Fund."

II. PROGRAM GOALS

California's LSLR program will investigate the presence of LSL and appurtenances and provide a safe replacement. The LSL funds provided under the BIL shall be used for LSLR projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines and fittings as described in Section IV.

The State Water Board will support eligible water agencies in completing the LSL inventories with the LSLR program funding. Under the Lead and Copper Rule Revisions (LCRR), all community and non-transient non-community water systems must have initial inventories by October 2024. Through the LSLR program, the State Water Board will also ensure funding is available for both the publicly and privately owned portion of LSL replacements.

The LSLR program goals are in concert with the long-term and short-term goals listed in the 2024-2025 DWSRF IUP (Outcomes, Goals, Activities, and Measures), including public health benefits, ensuring its perpetuity, and expeditious use of funds.

III. PROGRAM REQUIREMENTS

The BIL mandates that forty-nine percent (49%) of funds provided through the DWSRF LSLR program funding be provided in the form of principal forgiveness (PF) and/or grants to DWSRF eligible recipients that meet the state's disadvantaged community criteria as described in section 1452(d) of SDWA.[1] The remainder of the funds are for repayable loans to DWSRF eligible recipients for LSLR program projects, and for set-aside activities. Due to the requirement that exactly forty-nine percent (49%) of the LSLR funds be provided as principal forgiveness to disadvantaged communities, the State Water Board will prioritize funding under this Supplemental IUP to projects serving disadvantaged communities, including disadvantaged communities within a water system but also ensure all LSLs are identified and replaced in all other water systems by providing zero percent interest loans. Notwithstanding the requirements in the DWSRF Policy and its Appendix E (Credit/Financial Guidelines) LSL loans may have different terms from other SRF loans because of program-specific considerations. These different terms may consist of repayable loan at 0% interest, no prepayment penalty, and a subordinate lien position. Otherwise, standard terms in the DWSRF Policy and Credit Appendix are expected to apply. The State Water Board does not intend to pledge any LSL loans for the repayment of its SRF revenue bond program.

[1] The State Water Board intends to provide these funds as principal forgiveness.

Therefore, consistent with the State Water Board's Debt Management Policy, DWSRF LSLR program loans may be repaid at any time without penalty.

Both identification and replacement of LSLs are eligible for funding. As a condition of receiving LSL inventory funding, the State Water Board will require water systems to fund the identification of the customer-owned portion of the service lines as well as the portion owned by the water system, unless the identification has already been done. To the extent required by federal guidance, any LSL replacement project funded under this appropriation must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source. If a water system cannot gain access to conduct a full LSL replacement (i.e., if a customer refuses to grant access to replace the customer-owned portion of a lead service line), the replacement of the utility-owned portion of that particular lead service line will be ineligible unless an exception applies under U.S. EPA guidance; however, the project as a whole may remain LSLR eligible. In addition, the entire length of each property's lead service line must be replaced at the same time except where it is impractical due to access constraints or local requirements that prevent completing the full LSL replacement at the same time. The time between starting and completing full LSL replacement should be as short as possible and shall not exceed three months. To address household affordability concerns and to minimize adverse public health effects, water systems are encouraged to fund the private portion of service line replacements for disadvantaged communities at no additional cost to the homeowner and are required to do so to the extent that the water systems receive PF for the replacement projects.

All existing requirements for the DWSRF program[2] and execution of a DWSRF funding agreement, and the provisions of the DWSRF IUP and DWSRF Policy, apply to projects receiving DWSRF LSLR program funding and remain in effect unless the Deputy Director of DFA approves modified requirements as described in the following paragraph, or unless such requirements are inconsistent with the requirements of the BIL or this supplemental LSLR IUP. Applicants' LSLR projects must meet the requirements of the DWSRF program, including all state and federal cross-cutting requirements,[3] and be otherwise eligible DWSRF projects. In addition, projects receiving DWSRF LSLR funds must meet the specific requirements noted in U.S. EPA's

[2] Notwithstanding footnote 3 of the DWSRF Policy (Dec. 3, 2019), if a recipient does not own or have authority over components of an LSLR project located on private property, such as the portion of the lead service line not owned by the recipient, the recipient is not required to ensure the operation and maintenance of such components. The recipient is required to operate and maintain its portion of the project for the useful life.
[3] All projects funded by BIL DWSRF LSLR program funding must comply with all federal requirements that apply to DWSRF equivalency projects. Tier II environmental review and Appendices D, E, and F of the Base Program IUP do not apply to such projects.

March 8, 2022, memorandum "Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law" and in any other applicable guidance.

The Deputy Director of DFA may approve modified requirements for the LSLR program, including but not limited to application requirements and technical, managerial, and financial capacity (TMF) requirements. For LSLR projects, the "mandatory" and "necessary" designations in the TMF Instructions attachment to the DWSRF Policy will not apply, and the criteria in the TMF Instructions may be modified at the discretion of the Deputy Director of DFA. Small, disadvantaged water systems that lack TMF capacity may be referred to the technical assistance program. Recipients may be required to address TMF capacity as a condition of receiving funding, at the discretion of the Deputy Director of DFA. Provisions in the base DWSRF IUP such as limitations on work on private property and limitations on industrial/commercial use do not apply to projects administered under the LSL supplemental IUP.

The BIL waives the requirement of section 1452(e) of the SDWA that the state provide match for the LSLR Capitalization Grant and LSLR recipients are not required to provide any matching funds for their projects.

IV. ELIGIBLE PROJECTS AND ACTIVITIES

For a project or activity to be eligible for funding under this appropriation, it must be otherwise DWSRF eligible and be a LSLR project or associated activity directly connected to the identification, planning, design, and replacement of lead service lines. Galvanized lines downstream of unknowns will not be eligible for funds under the terms of the FFY 2024 Capitalization Grant. However, galvanized lines downstream of unknowns are eligible while FFY 2022 and 2023 funds remain.

To define a "lead service line" for the purpose of this appropriation, U.S. EPA uses an amended version of the Lead and Copper Rule Revisions' regulatory definition, which is,

> "…a service line made of lead, which connects the water main to the building inlet. A lead service line may be owned by the water system, owned by the property owner, or both. For the purposes of this subpart, a galvanized service line is considered a lead service line if it ever was or is currently downstream of any lead service line or service line of unknown material. If the only lead piping serving the home or building is a lead gooseneck, pigtail, or connector, and it is not a galvanized service line that is considered an LSL the service line is not a lead service line."

U.S. EPA has expanded the eligible uses beyond the definition above to also include the replacement of lead goosenecks, pigtails, and connectors as eligible expenses,

whether standalone or connected to a lead service line as well as galvanized piping downstream of a lead gooseneck, pigtail, or other connector.

As previously stated, any project funded under this appropriation involving the replacement of a lead service line must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source, unless an exception applies. Projects must comply with all applicable state and federal requirements.

For an LSL replacement project, water systems will be required as a condition of funding to provide public health safeguards to their customers during and for a short time after the replacement of the service lines. Public health safeguards may include but are not limited to the following listed below, and must meet any applicable state and federal requirements.

The LCRR requires the water system that has an approved replacement plan to follow procedures to prevent lead exposure to customers during construction. The State Water Board, Division of Drinking Water (DDW) recommends a water system conducting construction on any lead pipe, GRR, gooseneck, connector or fitting to:

- Inform the customer of the lead service line and work with the landowner / customer to remove all lead materials at the same time.
- Provide the person served by the water system at the service connection with educational information about the potential for elevated lead levels in drinking water as a result of the disturbance.
- Provide the person served at the service connection with flushing instructions for the building following the replacement.
- Provide a pitcher filter certified by an American National Standards Institute (ANSI) accredited certifier to reduce lead, instructions to use the filter, and six months of filter replacement cartridges or an equivalent certified ANSI point of use device registered with DDW.
- Offer to the consumer to take a follow-up tap sample after completion of the service line replacement

Below are examples of DWSRF-eligible projects and activities under the BIL DWSRF Lead Service Line Replacement capitalization grants.

- Complete removal of lead service lines (public and privately owned portion) or service lines made of galvanized iron or galvanized steel (that are currently or have previously been downstream of lead components) and replacement with a pipe that meets the requirements established under 40 C.F.R. § 143 and which complies with state and local plumbing codes and or building codes.
- Removal of lead or galvanized goosenecks, pigtails, and connectors, and replacement with an acceptable material that meets the requirements established under 40 C.F.R. § 143 and which complies with state and local plumbing codes and or building codes.

- Replacement of curb stops, curb stop boxes, and other service line appurtenances that are removed as part of full LSLR.
- Site restoration, including landscaping, sidewalks, driveways, etc. if the removal was necessary to replace the lead service line.
- Permit fees if the fees are normal, required, and specific to the LSLR. It is recommended that communities waive these fees.
- Temporary pitcher filters or point-of-use (POU) devices certified by an American National Standards Institute accredited certifier to reduce lead during or for a short time period after LSLR projects.
- Development or updating of lead service line inventories, including locating and mapping lead service lines.
- Development of replacement plans, community engagement planning, development of the project scope, and technical specifications, and estimation of construction costs, regardless of whether such work results in a DWSRF funded construction project.
- Methods of investigation to develop inventories could include visual observation, water quality sampling (non-compliance), excavation, vacuum or hydro-excavation, statistical analysis, or other emerging technologies.
- Non-routine lead sampling (if not for compliance purposes) as part of a LSLR project.

Applicants may be eligible to receive reimbursement of costs for previously completed lead service line inventories. Per federal limitations, PF may be provided to DACs (or to non-DAC's for costs associated with DAC areas) to reimburse inventory costs dated back to November 15, 2021, as long as the project meets all of the DWSRF requirements, including environmental crosscutters. Applicants can request repayable loan for LSL inventory costs incurred even prior to November 15, 2021. Previously completed LSL replacement projects are unlikely to be eligible because federal regulations require state approval prior to the start of construction.

V. PROGRAM SCHEDULE AND FUNDING APPROACH

The schedule for public comment, application to the U.S. EPA, State Water Board adoption of this LSLR Supplemental IUP, and award of the LSLR funds is the same as the schedule for the SFY 2024-2025 DWSRF IUP as presented in the SFY 2024-2025 DWSRF IUP.

The State Water Board has prepared a modified funding application to be used specifically for LSLR projects. The DWSRF Policy authorizes the Deputy Director of DFA to update and amend the DWSRF Policy Appendices and create new Appendices as necessary for administrative or procedural changes not in conflict with the Policy. As

a result, the new LSL application packages were added to the DWSRF Policy as Appendix R. Applicants should use the new LSL application packages when requesting LSLR funding. Applicants can refer to the State Water Board's website https://waterboards.ca.gov/drinking_water/services/funding/lead-service-line-funding.htmland the FAAST portal https://faast.waterboards.ca.gov/ where details of the application and supporting documentation are described in order to complete the LSLR funding application.

Federal rules require that at least 15 percent (15%) of available DWSRF funding be provided to PWSs that serve less than 10,000 people to the extent that projects for these PWSs are eligible and ready to proceed to a funding agreement (Small Water System Reserve). Based on the amount of DWSRF LSLR funding available as repayable loan/PF of $206,280,180, the minimum available for small water systems is $30,942,027.

The Deputy Director of the Division of Financial Assistance (DFA) is authorized to bypass any project with a complete application if the applicant is non-responsive to DFA's request for information or consultation after notifying the applicant and giving the applicant a reasonable opportunity to respond, and instead fund any other LSLR eligible project that is ready to proceed to an agreement.

VI. DEVELOPMENT OF LSLR PROJECT PRIORITY LIST

Projects must be on the LSL Fundable List to receive funding. Section XI, Section XII, and Section XIII provide a summary table of the LSLR Inventory, a summary table of the LSL Investigation Inventory, and a summary of project applications received. Together, these three tables represent the LSL Fundable List. The Deputy Director of DFA may add to the LSL Fundable List any additional eligible projects that request DWSRF LSLR program funding that submit a complete application.

Currently, the first list, Section XI, includes potential LSL replacement projects from fourteen entities for a total cost estimate of $26,724,000. This data was collected by the State Water Board Division of Drinking Water and DFA. Most of the lead on this list is found in goosenecks, pigtails, or connectors rather than in service lines. This needs list assumes it will cost $4,000 per replacement for labor and materials for one service line or gooseneck, pigtail, or connector.

Section XII information on potential LSL inventory projects and subsequent replacements, was also collected by the State Water Board Division of Drinking Water and DFA. DFA, through the DWINSA, identified several service lines or goosenecks, pigtails, and connectors that are of unknown materials. These unknown materials will need to be investigated to determine whether lead is present and if a replacement is necessary. The cost estimate assumes $500 for investigation of each service line or

gooseneck, pigtail, or connector and assumes $4,000 for labor and materials to replace a service line or gooseneck, pigtail, or connectors with a safe, non-lead alternative if the unknown materials were found to contain lead.

Many of the water systems listed in Section XI and Section XII have not requested funding from the State Water Board to fund lead investigation or replacement. The LSL Inventory lists are used by the State Water Board to estimate the potential costs to remove the lead lines and goosenecks, pigtails, or connectors in the water system and not a reflection of the applications or funding requests received by the State Water Board. The data presented will need to be confirmed by each water system upon submittal of an application to the LSLR program.

Section XIII lists projects for which the State Water Board has received requests for funding. These water systems may also be listed in Section XI and Section XII. Funding estimates in Section XI and Section XII have been adjusted so water systems are not double counted in the total estimate.

Based on the available data, the State Water Board estimates the potential demand for the LSLR program could be as high as $663 million. The total includes $27 million to replace known lead service lines and goosenecks, pigtails, and connectors, $60 million to investigate unknown materials, $73 million in requested funding, and $503 million to replace the unknown service lines and goosenecks, pigtails, and connectors if twenty five percent (25%) were identified to contain lead during investigations of unknown materials.

Table 2: Summary of Estimated LSLR Costs

Cost Categories	Cost Estimates
Replace Known Lead Lines and Goosenecks, Pigtails, and Connectors	$26,724,000
Investigate Lines & Goosenecks, Pigtails, and Connectors with Unknown Material	$60,086,500
If 25% of Unknown Material Require Replacement	$503,120,000
Applications received for replacement or inventory	$**73,486,509**
Overall Estimated Total Costs for Investigation & Replacement	**$663,417,009**

VII. FUNDING AVAILABILITY AND TERMS

The State Water Board will provide forty-nine percent (49%) of the available DWSRF LSLR funds as principal forgiveness, and fifty-one percent (51%) will be used for repayable loans and set-asides.

The State Water Board will provide funding to eligible water systems to maximize the opportunities for investigation and removal of lead service lines and fittings in the state. This includes downstream galvanized pipelines and eligible private laterals. Funding will be offered to each type of community for eligible LSLR program projects as shown in Table 3 below. A disadvantaged community (DAC) means the entire service area of a community water system, or a community therein, in which the median household income is less than eighty percent (80%) of the statewide annual median household income level. Notwithstanding the definition of "disadvantaged community" in the DWSRF Policy, the disadvantaged community definition for this supplemental IUP allows a project for a disadvantaged area served by a larger non-disadvantaged community water system to be eligible for LSLR PF.

The Deputy Director of DFA may execute agreements for 100% PF to DACs if the demand for 100% repayable loan funding and available set-asides appear sufficient to result in the mandated 49% PF ratio for LSLR funding. Repayable loan funding agreements to non-DACs may include a condition under which the recipient would document any work done within a DAC in their service area. Based on the percentage of work done within a DAC, the recipient may request that the principal for that percentage of the loan be forgiven. DFA may at its discretion forgive that portion of the loan for costs in the DAC within the non-DAC's service area provided sufficient PF is available and it is consistent with the mandated 49% PF required by the LSLR grant, consistent with any applicable U.S. EPA guidance.

As the State Water Board continues receiving applications, the demand for LSLR funding will be evaluated. The Deputy Director of DFA may adjust the PF funding to eligible LSLR projects serving a DAC area within a non-DAC community water system as necessary to meet the BIL requirement of 49% of LSLR funds being provided as PF.

The definition of MHI in the DWSRF Policy and the base program IUP does not apply for the purposes of this supplemental IUP. The MHI is determined using the Census geography that best represents the community water system or disadvantaged area served by a community water system being evaluated (i.e., city/Census Designated Place [CDP] or block group). The disadvantaged area within the non-DAC will be determined at the block group level.

DFA utilizes the American Community Survey (ACS) data set to determine the MHI. The SFY 2024-25 DWSRF IUP provides further information on MHI determination procedures, which will apply to LSL projects except as specified herein.

Table 3: LSLR Funding for an Eligible PWS

LSLR Program Funding Per Project		
Type of Community	**Percentage of Total Eligible Project Cost**	**Funding Eligibility[4]**
DAC	up to 100%	100% PF
Non-DAC	Up to 100%	100% loan at zero percent interest rate; recipient may request that the loan amount corresponding to work performed in DAC project areas be converted to PF based on availability of PF and consistent with mandated 49% PF requirement

Consistent with the DWSRF Base Program rules, projects financed with DWSRF LSLR program repayable loan financing will have a repayment period of up to 30 years after project completion or the expected useful life of the project, whichever is shorter. In contrast to standard DWSRF financing conditions that require the consent of the Deputy Director of DFA for prepayment, DWSRF LSLR program loans may be prepaid at any time without penalty. Notwithstanding Section X.A.4 and XI.A.4 of the DWSRF Policy, the State Water Board normally expects that the LSLR loan obligation will be placed on an applicant's subordinate lien tier, meet the coverage requirements that the applicant applies to that lien tier, and provide for the possibility of additional senior debt, all provided that credit considerations support these expectations. Per U.S. EPA's BIL guidance dated March 8, 2022, to the extent assistance recipients repay BIL funds or provide interest payments to the state SRF program, those repaid funds and interest can be used for any SRF-eligible purpose. Therefore, repaid DWSRF BIL LSLR funds are not limited to future LSLR projects and activities.

The first principal and interest payment will be due 12 months after project completion for non- disadvantaged PWS. Thereafter, DWSRF repayments are due annually.

DFA may offer DWSRF Base Program funding to applicants for project components that are eligible for DWSRF Base Program funding. Projects must also be placed on the

[4] DACs, at their request, may receive loan funding at zero percent (0%) interest rate if consistent with the mandated percentage of non-repayable financing. The repayment term for a loan to a DAC is up to 40 years from completion of construction or the useful life of the facilities.

Base Program DWSRF Fundable List in order to execute an agreement containing DWSRF Base Program funds.

If any LSLR projects are funded by DWSRF Base Program funds, the Base Program DWSRF IUP will govern the Base Program funds.

VIII. ADMINISTRATION AND SET-ASIDE FUNDS

The BIL allows each state to set aside up to thirty-one percent (31%) of its DWSRF LSLR capitalization grant(s) plus any prior banked set-aside authority to support various DWSRF and DDW program activities, consistent with U.S. EPA guidance on the eligible uses of the set asides, including (1) the administration of the DWSRF, (2) small water system (SWS) technical assistance, (3) public water system (PWS) supervision by DDW and (4) other technical assistance to PWSs in support of technical, managerial, and financial capacity development. The Set-Asides are especially beneficial to SWSs serving SDACs and DACs.

For SFY 2024-25, the State Water Board will continue to utilize LSLR set-aside funds from the FFY 2022 and FFY 2023 grants, as further described below. The Deputy Director of DFA may adjust the LSLR Capitalization Grant budgets for these activities for good cause, including requesting banked administration set-aside authority from the prior LSLR capitalization grants and transferring any unspent set-aside funds from the LSLR capitalization grants to the DWSRF LSLR loan fund for encumbrance/expenditure for eligible LSL projects. The Deputy Director of DFA is also authorized to make grants, enter into contracts, and establish in-kind funding from U.S. EPA to accomplish work covered by the set-aside budgets for each DWSRF LSLR Capitalization Grant.

The DWSRF LSLR Set-Aside Work Plan for SFY 2023-24 contains information about the specific tasks and full-time equivalent personnel that will be supported in DFA and DDW by the DWSRF LSLR Set-Aside budget.

A. Administration Set-Aside

The Administration Set-Aside from the FFY 2022 and FFY 2023 grants will fund administration of the DWSRF LSLR program in SFY 2024-25, including remaining work through U.S. EPA in-kind services for lead service line inventories. Subject to the availability of funds, the Administration Set-Aside may also fund the processing of LSL funding applications, project management and general oversight of DWSRF LSLR projects. The DWSRF Administration Set-Aside will also cover the costs for accounting, legal, budgetary, and general management and oversight of the DWSRF LSLR funds.

B. Small Water System Technical Assistance Set-Aside

The SWSTA Set-Aside will fund DFA and DDW technical assistance to SWS applicants with 10,000 or fewer persons to help establish eligibility for DWSRF LSLR funding,

assist with project development, and assist SWSs undertaking lead service line inventories or construction projects.

C. State Program Management Set-Aside

The State Program Management Set-Aside will be used to partially fund DDW's administration of the State Water Board's PWSS program as it relates to LSLR activities. The Set-Aside will provide funds for DDW's permitting, inspection, compliance, and monitoring activities as they relate to LSLR and in accordance with the SDWA and delegated PWSS responsibilities by U.S. EPA.

D. Local Assistance Set-Aside

The Local Assistance Set-Aside from the FFY 2022 and FFY 2023 grants will continue to be used in SFY 2024-25 to fund personnel costs of DFA and DDW working with PWSs investigating and implementing LSLR, including developing or updating LSL inventories, including locating and mapping lead service lines. In an effort to assist community water systems in meeting the initial lead service line inventories by October 16, 2024, the State Water Board intends to utilize the local assistance set-aside to contract with third parties to complete community water systems inventories of service lines owned by both water systems and their customers. Assistance is expected to be made available to community water systems of 1,000 service connections or less. Priority will be given to community water systems with 500 service connections or less serving disadvantaged communities (DAC).

IX. LSLR CAPITALIZATION GRANT PAYMENTS AND DRAWS

1. **Federal LSLR Capitalization Payments**
   The State Water Board is not applying for the FFY 2024 LSLR Capitalization Grant with this Supplemental IUP. Therefore, a grant payment schedule was not prepared.

2. **LSLR Federal Draw Schedule and Estimated LSLR Project Disbursements**
   The State Water Board is not applying for the FFY 2024 LSLR Capitalization Grant with this Supplemental IUP. Therefore, a draw schedule was not prepared.

X. REPORTING

The State Water Board's DFA will report on LSLR projects to the Drinking Water Project and Benefits Reporting System (PBR) and the Federal Funding Accountability and Transparency Act of 2010 (FFATA) Subaward Reporting System. The LSLR project characteristics and milestone information will be reported to PBR, and the public water system receiving federal dollars will be reported in the FFATA Subaward Reporting System.

XI. LEAD SERVICE LINE REPLACEMENT INVENTORY LIST

Water System ID	Water System Name	Population	Service Connections	Degree of Disadvantaged[1]	Total Service Lines Inventoried	Lead Lines	Lead Goosenecks, Pigtails, or Connectors	Estimated Cost to Replace [2]
CA0400070	BUTTE-GLENN COMMUNITY COLLEGE DIST	18,000	37	DAC	37	8	-	$32,000
CA1910139	CAL/AM WATER COMPANY - SAN MARINO	47,626	14,080	Non-DAC	14,080		108	$432,000
CA4310004	CITY OF GILROY	57,315	15,220	Non-DAC	15,167		393	$1,572,000
CA5410006	CITY OF LINDSAY	13,445	3,090	DAC	3,040	1	-	$4,000
CA4810004	CITY OF RIO VISTA	9,416	5,312	DAC	5,187		453	$1,812,000
CA1910154	CITY OF SOUTH PASADENA	25,619	6,163	Non-DAC	6,163		322	$1,288,000
CA0110005	EAST BAY MUD	1,300,000	390,779	Non-DAC	379,229		2380	$9,520,000
CA0310005	PINE GROVE COMM SERV DIST	900	388	DAC	388		605	$2,420,000
CA3610039	SAN BERNARDINO CITY	204,870	45,413	DAC	45,671		1301	$5,204,000
CA1910143	SAN FERNANDO-CITY, WATER DEPT.	24,565	5,183	Non-DAC	5,183		127	$508,000
CA4310011	SAN JOSE WATER	1,007,514	222,047	Non-DAC	233,608		6	$24,000
CA3810011	SFPUC CITY DISTRIBUTION DIVISION	884,363	170,842	Non-DAC	177,274		4297	$0
CA4910004	SWEETWATER SPRINGS CWD – GUERNEVILLE	6,000	2,565	Non-DAC	2,726		27	$108,000
CA3610053	WESTERN HEIGHTS WATER COMPANY	7,521	2,340	Non-DAC	2,083		950	$3,800,000
Total	**14**				**889,836**	**9**	**10,969**	**$26,724,000**

Notes:

1. Disadvantaged status is a preliminary determination and needs to be confirmed.
2. Assume $4,000 to replace each lead line or gooseneck, pigtail, or connector.
3. LSL data from 2021 DWINSA and DDW.

XII. LEAD SERVICE LINE INVESTIGATION INVENTORY LIST

Water System ID	Water System Name	Population	Service Connections	Degree of Disadvantaged[1]	Service Lines Inventoried - Material Unknown	Goosenecks, Pigtails, and Connectors Inventoried - Material Unknown	Estimated Costs to Investigate [2]	Estimated Costs to Replace 25% [3]
CA0110001	ALAMEDA COUNTY WATER DISTRICT	351000	86788	Non-DAC	273	273	$273,000	$2,184,000
CA0110003	CALIFORNIA WATER SERVICE – LIVERMORE	59000	18491	Non-DAC	119	0	$0	$476,000
CA0110005	EAST BAY MUD	1300000	390779	Non-DAC	173	0	$86,500	$692,000
CA0110009	DUBLIN SAN RAMON SERVICES DISTRICT	86895	24548	Non-DAC	0	37	$18,500	$148,000
CA0400070	BUTTE-GLENN COMMUNITY COLLEGE DIST	18000	37	DAC	29	0	$14,500	$116,000
CA0410002	CAL-WATER SERVICE CO.-CHICO	104908	29610	DAC	31	0	$0	$124,000
CA0410003	DURHAM IRRIGATION DISTRICT	1561	479	DAC	28	0	$14,000	$112,000
CA0410005	CAL-WATER SERVICE CO.-OROVILLE	10698	3551	DAC	75	0	$0	$300,000
CA0910003	PLACERVILLE, CITY OF - MAIN	10200	2795	Non-DAC	0	350	$175,000	$1,400,000
CA1010026	PINEDALE COUNTY WATER DISTRICT	8495	2120	DAC	35	0	$17,500	$140,000
CA1010339	CALIFORNIA STATE UNIVERSITY FRESNO	41000	159	DAC	75	0	$37,500	$300,000
CA1010501	NPS-GRANT GROVE	2950	100	DAC	129	129	$129,000	$1,032,000
CA1110002	CAL-WATER SERVICE CO.-HAMILTON CITY	2607	639	DAC	1	0	$0	$4,000
CA1110003	CAL-WATER SERVICE CO.-WILLOWS	7153	2387	DAC	5	0	$0	$20,000
CA1210008	GARBERVILLE SANITARY DISTRICT	913	442	DAC	442	442	$442,000	$3,536,000
CA1300009	WINTERHAVEN COUNTY WATER DISTRICT	394	124	DAC	128	0	$64,000	$512,000
CA1410005	INDIAN CREEK CSD	1030	297	DAC	34	0	$17,000	$136,000
CA1910003	CITY OF ARCADIA	44738	13557	Non-DAC	1491	1491	$1,491,000	$11,928,000
CA1910065	LONG BEACH-CITY, WATER DEPT.	425000	88879	Non-DAC	0	48	$24,000	$192,000
CA1910079	LYNWOOD-CITY, WATER DEPT.	71839	9112	DAC	8626	8626	$8,626,000	$69,008,000
CA1910104	CALIFORNIA WATER SERVICE CO. - PALOS VER	70363	24081	Non-DAC	327	327	$327,000	$2,616,000
CA1910134	CALIFORNIA WATER SERVICE CO. - HERM/REDO	96456	26722	Non-DAC	75	75	$0	$600,000
CA1910142	GSWC-SAN DIMAS	55338	16118	Non-DAC	1727	0	$863,500	$6,908,000
CA1910146	SANTA MONICA-CITY, WATER DIVISION	89300	16970	Non-DAC	4488	0	$2,244,000	$17,952,000
CA1910242	CALIFORNIA WATER SERVICE CO-LAKE HUGHES	952	209	Non-DAC	3	3	$0	$24,000
CA2110002	MARIN MUNICIPAL WATER DISTRICT	190000	62206	Non-DAC	348	0	$174,000	$1,392,000
CA2210503	YOSEMITE NPS-YOSEMITE VALLEY	1000	235	DAC	235	235	$235,000	$1,880,000
CA2410002	CITY OF DOS PALOS	7452	2521	DAC	38	0	$19,000	$152,000
CA2700548	DOLAN RD MWC	120	40	Non-DAC	15	0	$7,500	$60,000
CA2700638	MAHER RD WS #05	65	17	DAC	17	0	$8,500	$68,000
CA2700665	OAK HEIGHTS W & R CO INC	105	35	Non-DAC	35	0	$17,500	$140,000
CA2700678	PARADISE RD WS #05	42	15	Non-DAC	15	0	$7,500	$60,000
CA2700702	PRUNEDALE MWC	252	84	Non-DAC	84	0	$42,000	$336,000
CA2700709	RANCHO BORROMEO MWS	100	36	Non-DAC	36	0	$18,000	$144,000
CA2700731	Z RANCH MWC	62	27	Non-DAC	27	0	$13,500	$108,000

Water System ID	Water System Name	Population	Service Connections	Degree of Disadvantaged[1]	Service Lines Inventoried - Material Unknown	Goosenecks, Pigtails, and Connectors Inventoried - Material Unknown	Estimated Costs to Investigate [2]	Estimated Costs to Replace 25% [3]
CA2700740	SAN MIGUEL WS #03	48	16	Non-DAC	16	0	$8,000	$64,000
CA2700772	STRUVE RD WS #02	166	105	DAC	106	0	$53,000	$424,000
CA2701647	GREEN ACRES WA	50	20	Non-DAC	20	0	$10,000	$80,000
CA2701789	HOLLY HILLS MWC	108	27	Non-DAC	27	0	$13,500	$108,000
CA2702003	VIERRA MEADOWS MWC	75	25	Non-DAC	25	0	$12,500	$100,000
CA2702388	ROYAL OAK PLACE WS	60	20	Non-DAC	32	0	$16,000	$128,000
CA2702608	THIMIO MWC	60	21	DAC	21	0	$10,500	$84,000
CA2710009	CWSC KING CITY	14441	2749	DAC	637	0	$318,500	$2,548,000
CA2710010	CWSC SALINAS	106858	24712	Non-DAC	297	0	$148,500	$1,188,000
CA2710702	FORT HUNTER LIGGETT	5000	160	Non-DAC	25	25	$25,000	$200,000
CA3301226	MWD - EAGLE MOUNTAIN	16	25	Non-DAC	1	0	$500	$4,000
CA3301276	THERMAL MUTUAL WATER COMPANY	100	36	DAC	36	0	$18,000	$144,000
CA3301380	SAINT ANTHONY TRAILER PARK	340	68	DAC	95	0	$47,500	$380,000
CA3310022	LAKE HEMET MWD	50001	14310	DAC	1814	0	$907,000	$7,256,000
CA3410001	SACRAMENTO SUBURBAN WATER DISTRICT	184385	46573	Non-DAC	717	0	$358,500	$2,868,000
CA3410014	FOLSOM, CITY OF - MAIN	68122	21424	Non-DAC	959	0	$479,500	$3,836,000
CA3410020	CITY OF SACRAMENTO MAIN	433400	142794	Non-DAC	29005	0	$14,502,500	$116,020,000
CA3410303	PRAIRIE CITY SVRA	8	15	DAC	15	0	$7,500	$60,000
CA3500830	FALLON ROAD LABOR HOUSING	84	7	DAC	7	0	$3,500	$28,000
CA3510002	SAN JUAN BAUTISTA, CITY OF	2335	834	Non-DAC	109	0	$54,500	$436,000
CA3600382	MWD OF SO CAL IRON MOUNTAIN	27	38	Non-DAC	31	0	$15,500	$124,000
CA3600383	MWD OF SO CAL GENE PLANT	109	61	Non-DAC	21	0	$10,500	$84,000
CA3610004	WEST VALLEY WATER DISTRICT	94332	23153	Non-DAC	378	0	$189,000	$1,512,000
CA3610026	SBDNO COUNTY SERVICE AREA 70 CEDAR GLEN	1236	342	DAC	294	0	$147,000	$1,176,000
CA3610029	MONTE VISTA CWD	134861	11940	Non-DAC	5061	0	$2,530,500	$20,244,000
CA3610036	CHINO HILLS, CITY OF	82661	21629	Non-DAC	2144	0	$1,072,000	$8,576,000
CA3610039	SAN BERNARDINO CITY	204870	45413	DAC	427	427	$427,000	$3,416,000
CA3610073	HI DESERT WD	25653	10766	DAC	911	911	$911,000	$7,288,000
CA3610118	APPLE VALLEY RANCHOS WATER CO - YERMO	1046	317	DAC	295	0	$147,500	$1,180,000
CA3610705	US ARMY FORT IRWIN	16000	3315	DAC	0	2319	$1,159,500	$9,276,000
CA3700859	RANCHO DEL CAMPO WATER SYSTEM	290	110	DAC	57	57	$57,000	$456,000
CA3810011	SFPUC CITY DISTRIBUTION DIVISION	884363	170842	Non-DAC	5994	5994	$0	$0
CA3810702	TREASURE ISLAND	2400	172	Non-DAC	182	0	$91,000	$728,000
CA3910001	CALIFORNIA WATER SERVICE - STOCKTON	173272	43871	DAC	845	0	$0	$3,380,000
CA3910004	LODI, CITY OF	68272	26124	DAC	876	0	$438,000	$3,504,000
CA3910018	SAN JOAQUIN RIVER CLUB INC	734	385	DAC	0	118	$59,000	$472,000
CA3910020	STOCKTON VERDE MOBILE HOME PARK	712	293	DAC	0	286	$143,000	$1,144,000

Water System ID	Water System Name	Population	Service Connections	Degree of Disadvantaged[1]	Service Lines Inventoried - Material Unknown	Goosenecks, Pigtails, and Connectors Inventoried - Material Unknown	Estimated Costs to Investigate [2]	Estimated Costs to Replace 25% [3]
CA3910022	LITTLE POTATO SLOUGH MUTUAL	950	26	DAC	202	0	$101,000	$808,000
CA3910800	DEUEL VOCATIONAL INSTITUTION	3271	1688	DAC	0	1604	$802,000	$6,416,000
CA4010830	CALIFORNIA MENS COLONY	15000	12	DAC	0	261	$130,500	$1,044,000
CA4110002	CITY OF BRISBANE	3385	1288	Non-DAC	0	2	$1,000	$8,000
CA4110003	CITY OF BURLINGAME	31056	8742	Non-DAC	1455	1455	$1,455,000	$11,640,000
CA4110006	CALIFORNIA WATER SERVICE - BEAR GULCH	60903	18550	Non-DAC	478	0	$0	$1,912,000
CA4110007	CALIFORNIA WATER SERVICE - SAN CARLOS	35360	10465	Non-DAC	5	0	$0	$20,000
CA4110008	CALIFORNIA WATER SERVICE - SAN MATEO	107465	25435	Non-DAC	242	0	$0	$968,000
CA4110009	CALIFORNIA WATER SERVICE-S SAN FRANCISCO	63439	16454	Non-DAC	91	0	$0	$364,000
CA4110022	CITY OF REDWOOD CITY	87023	23557	Non-DAC	1740	1740	$1,740,000	$13,920,000
CA4300997	NASA AMES RESEARCH CENTER	5300	300	DAC	258	300	$279,000	$2,232,000
CA4310001	CWSC LOS ALTOS SUBURBAN	70175	18526	Non-DAC	2	0	$1,000	$8,000
CA4310011	SAN JOSE WATER	1007514	222047	Non-DAC	6276	6276	$6,276,000	$50,208,000
CA4510003	BURNEY WATER DISTRICT	3154	1413	DAC	357	2826	$0	$12,732,000
CA4700549	LAKE SISKIYOU M.W.C.	240	84	DAC	0	98	$49,000	$392,000
CA4810002	CALIFORNIA WATER SERVICE CO. - DIXON	16150	3042	Non-DAC	20	0	$0	$80,000
CA4810007	CITY OF VALLEJO	118470	36655	Non-DAC	20	0	$10,000	$80,000
CA4810701	CALIFORNIA WATER SERVICE CO.- TRAVIS AFB	7190	1	DAC	287	0	$0	$1,148,000
CA4900552	MICHELE MUTUAL WATER COMPANY	170	62	Non-DAC	62	0	$31,000	$248,000
CA5010007	HILLSVIEW HOMES	887	230	DAC	220	230	$225,000	$1,800,000
CA5010019	TURLOCK, CITY OF	74297	19038	DAC	8660	8660	$8,660,000	$69,280,000
CA5301002	LEWISTON COMMUNITY SERVICES DISTRICT	701	231	DAC	231	231	$231,000	$1,848,000
CA5410006	LINDSAY, CITY OF	13445	3090	DAC	88	0	$44,000	$352,000
CA5410016	CWS - VISALIA	141165	45609	Non-DAC	22	22	$22,000	$176,000
CA5410503	NPS-WOLVERTON	2940	125	DAC	124	0	$62,000	$496,000
CA5410513	NPS-ASH MOUNTAIN	2930	45	DAC	53	53	$53,000	$424,000
CA5810001	CAL-WATER SERVICE CO.-MARYSVILLE	12231	3722	DAC	69	0	$0	$276,000
CA5810700	BEALE AIR FORCE BASE	7252	841	DAC	231	0	$115,500	$924,000
Total			**100**		**$91,837**	**$45,931**	**$60,086,500**	**$503,120,000**

Notes:

1. Disadvantaged status is a preliminary determination and needs to be confirmed.
2. Assume $500 to investigate whether lead is present in line or gooseneck, pigtail, or connector.
3. Assume $4,000 to replace lead line or lead gooseneck, pigtail, or connector once discovered.
4. LSL data from 2021 DWINSA and DDW

XIII. LEAD SERVICE LINE INVESTIGATION/REPLACEMENT PROJECT LIST

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs	Planned Type of Funding	Comments
4510013-001P	2	Planning	Shasta Community Services District	Lead Service Line Inventory	F	No	2,234	913	Disadvantaged	$1,390,000	Principal Forgiveness	
3710020-001P	14	Planning	San Diego, City of	Lead Service Line Replacement Inventory and Investigation	F	No	1,430,000	282,511	Not Disadvantaged	$7,770,000	Repayable Loan	
3810011-002C	04	Construction	San Francisco, Public Utilities Commission of the City and County of	Water Service Line Replacement Project (LSL)	F	No	802,650	175,154	Not Disadvantaged	$38,500,000	Repayable Loan	
4510003-003P	2	Planning	Burney Water District	Lead Service Line Inventory	F	No	3,377	1,430	Disadvantaged	$1,990,000	Principal Forgiveness	
1510003-001P	12	Planning	California Water Service Company	Lead Service Line Replacement Survey DAC	F	No	1,008,349	234,834	Small Disadvantaged	$5,189,400	Principal Forgiveness	Project includes these water systems: CA1500333, CA1910010, CA1510003, CA1510055, CA0410002, CA1110002, CA1910050, CA1910036, CA1910047, CA2710009, CA1510033, CA1510049, CA1510039, CA1500407, CA1510026, CA1510056, CA1510043, CA5810001, CA0410005, CA1710005, CA1010024, CA3910001, CA5410041, CA5410016, CA5400935, CA1110003
1910033-001P	22	Planning	California Water Service Company	Lead Service Line Replacement Survey DAC < 50 percent	F	No	597,015	136,479	Not Disadvantaged	$2,023,800	Repayable Loan	Project includes these water systems:CA1510055, CA4810002, CA1910033, CA0110003, CA4910018, CA4900785, CA4110009, CA4810701, CA5610016
1910134-001P		Planning	California Water Service Company	Lead Service Line Replacement Survey Non DAC	F	No	524,533	153,037	Not Disadvantaged	$3,215,400	Repayable Loan	Project includes these water systems:CA4110006, CA2110007, CA2701929, CA1910134, CA1910242, CA2710013, CA1910243, CA2710019, CA1910104, CA4900514, CA2710010, CA2710012, CA4110007, CA4110008, CA4310001, CA2702198, CA1500374, CA4900546, CA2010017
3710025-001P	14	Planning	Sweetwater Authority	Sweet Water Authority Lead and Copper Rule Revisions Inventory and Identification Requirements	F	No	177,630	33,396	Large Disadvantaged	$1,018,155	Principal Forgiveness	
3610053-001C	13	Construction	Western Heights Water Company	Lead and Copper Service Lateral Replacement	E	No	7,613	2,247	Not Disadvantaged	$11,600,000	Repayable Loan	
3310004-002P	20	Planning	Box Springs Mutual Water Company	Lead and Copper Service Lateral Replacement	F	No	1,995	665	Small Disadvantaged	$250,000	Principal Forgiveness	
Total								**1,020,666**		**$73,486,509**		**PF: $9,837,555** **Repayable Loans: $63,109,200***

*Some of the estimated loans could be forgiven if survey or replacement is in areas of water system that are disadvantaged, this analysis/change will occur by DFA at the end of the project.