

## **APPENDIX K: Lead Service Line Replacement Supplemental Intended Use Plan**

California State Water Resources Control Board  
Division of Financial Assistance

Drinking Water State Revolving Fund (DWSRF)

Infrastructure Investment and Jobs Act – DWSRF  
Lead Service Line Replacement Funding

**SUPPLEMENTAL INTENDED USE PLAN**  
**STATE FISCAL YEAR 2025-26**

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## I. BACKGROUND AND PURPOSE

The Infrastructure Investment and Jobs Act (IIJA) of 2021, (P.L. 117-58) was enacted 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 IIJA contains a historic \$15 billion in dedicated funding through the DWSRF for lead service line identification and replacement (LSLR). 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 LSLR funding is effectively and equitably deployed. Funding can be used for the identification, planning, design, and replacement of lead service lines (LSL).

California's allotment of the IIJA LSLR funding for federal fiscal year (FFY) 2024 was \$28,650,000, the same as the 2023 LSLR allotment, which was considerably lower than the 2022 allotment of \$250,107,000. The 2024 allotment was based on the updated 7<sup>th</sup> Drinking Water Infrastructure Needs Survey and Assessment (DWINSA) data in 2023. In January 2025, the U.S. EPA announced that the Lead and Copper Rule Revision (LCRR) initial inventory data will be included in the 7<sup>th</sup> DWINSA under the 2025 update to the 7<sup>th</sup> DWINSA data. This new update data will inform the FFYs 2025 and 2026 LSLR allotments.

The State Water Board will not apply for the FFY 2025 DWSRF Lead Service Line Replacement Capitalization Grant this year. There is approximately \$134 million available from the FFY 2022 and FFY 2023 Capitalization Grant allocations for projects and only \$62 million in funding requested to date. Since there is significant funding available, the State Water Board will also decline California's FFY 2024 LSLR allotment. States have two years to apply for each capitalization grant; the State Water Board will only apply for the FFY 2025 Capitalization Grant next year (SFY 2026-27) if there is an increase in funding requests that exceed available funds.

The period to use the DWSRF LSLR Capitalization Grant funds does not begin until capitalization grants are received by the state.

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**Table 1: Estimated Funding Available for Projects for SFY 2025-2026**

| Funding Type                   | Total*               |
|--------------------------------|----------------------|
| 2022 LSLR Capitalization Grant | \$183,354,185        |
| 2023 LSLR Capitalization Grant | \$14,038,500         |
| <b>Total</b>                   | <b>\$197,392,685</b> |

\* Reflects amount of Capitalization Grant remaining after Set-Asides and total agreements executed as of June 30, 2025. Executed agreements are presented in Section V.A. Set-Aside amounts are discussed in Section VIII.

This Lead Service Line Replacement Supplemental Intended Use Plan (LSLR Supplemental IUP) describes the State Water Board’s plan for administering the DWSRF LSLR funds in compliance with any applicable current and future guidance. The LSLR Supplemental IUP is drafted based on current U.S. EPA guidance, but DFA has the discretion to modify the requirements if allowed by subsequent guidance to be consistent with federal requirements.

## **II. PROGRAM GOALS**

California’s LSLR program will investigate the presence of LSL and appurtenances and provide a safe replacement. The LSLR funds provided under the IIJA 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, including those completed after the LCRR initial inventory deadline, with the LSLR program funding. Under the LCRR, all community and non-transient non-community water systems were required to have initial inventories submitted to the State Water Board, Division of Drinking Water (DDW) by October 16, 2024 and are required to update their inventories based on the systems’ tap sampling frequencies. Annual inventory updates will also be required by the Lead and Copper Rule Improvements (LCRI) starting on November 1, 2028. 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 2025-2026 DWSRF IUP (Outcomes, Goals, Activities, and Measures), including public health benefits, ensuring program perpetuity, and expeditious use of funds.

## **III. PROGRAM REQUIREMENTS**

The IIJA mandates that forty-nine percent (49%) of funds provided to the state through the DWSRF LSLR program be provided in the form of principal forgiveness (PF) and/or

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grants to DWSRF eligible recipients that meet the state's disadvantaged community criteria as described in section 1452(d) of SDWA.<sup>1</sup> The remainder of the funds are for repayable loans to DWSRF eligible recipients for LSLR program projects, and for set-aside activities. 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) LSLR 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 LSLR loans for the repayment of its SRF revenue bond program. 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 and the applicable capitalization grant, 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 and the terms of the applicable capitalization grant; 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.

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<sup>1</sup> The State Water Board intends to provide these funds as principal forgiveness.

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All existing requirements for the DWSRF program<sup>2</sup> 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 IIJA or this LSLR Supplemental IUP. Applicants' LSLR projects must meet the requirements of the DWSRF program, including all state and federal cross-cutting requirements,<sup>3</sup> and be otherwise eligible DWSRF projects. In addition, projects receiving DWSRF LSLR funds must meet the 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](#)" as modified by the U.S. EPA's May 15, 2025, Memorandum "[State Revolving Funds: Back to Basics, Back to Business](#)" 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 LSLR Supplemental IUP.

The IIJA 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**

Community water systems and non-profit non-transient non-community water systems are eligible to receive LSLR funding. For a project or activity to be eligible for funding

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<sup>2</sup> 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.

<sup>3</sup> All projects funded by IIJA DWSRF LSLR program funding must comply with all federal requirements that apply to DWSRF equivalency projects. Tier II environmental review set forth in Appendix F of the DWSRF IUP does not apply to such projects.

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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. Starting with the FFY 2024 and future Capitalization Grants, galvanized lines downstream of unknowns will not be eligible for funding. 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 (while FFY 2022 and 2023 funds remain).

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 DDW recommends a water system conducting construction on any lead pipe, galvanized pipeline requiring replacement (GRR), gooseneck, connector or fitting to:

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- 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 IIJA 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.

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- 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 at 0% interest 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 2025-2026 DWSRF IUP as presented in the SFY 2025-2026 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 LSLR application packages were added to the DWSRF Policy as Appendix R. Applicants should use the new LSLR 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.html](https://waterboards.ca.gov/drinking_water/services/funding/lead-service-line-funding.html) and 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 \$197,392,685, the minimum available for small water systems is \$29,608,903. The Deputy Director of the Division of 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

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reasonable opportunity to respond, and instead fund any other LSLR eligible project that is ready to proceed to an agreement.

### **A. Recent Financing Activity**

The table below shows recent financing for LSLR projects.

**Number of Executed Agreements and Total Financing per SFY**

| <b>SFY</b> | <b>Number of Agreements</b> | <b>\$ of Agreements (in millions)</b> |
|------------|-----------------------------|---------------------------------------|
| 2024-25    | 3                           | \$8.9                                 |

## **VI. DEVELOPMENT OF LSLR PROJECT PRIORITY LIST**

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

Currently, the first list, Section XI, includes potential LSLR and GRR replacement projects from the initial LSL Inventory data submitted to DDW as required by the LCRR for a total cost estimate of \$94,848,000. Most of the potentially eligible lines on this list are found as GRRs rather than service lines made of lead, or goosenecks, pigtails, or connectors. This needs list assumes it will cost \$13,000 per replacement for labor and materials for one service line or gooseneck, pigtail, or connector.

Many of the water systems listed in Section XI 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 are 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 XII lists projects for which the State Water Board has received requests for funding. These water systems may also be listed in Section XI. Funding estimates in Section XI 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 \$157 million. The total includes \$95 million to

replace known lead service lines and goosenecks, pigtails, connectors, and GRRs; and \$62 million in requested funding.

**Table 2: Summary of Estimated LSLR Costs**

| <b>Cost Categories</b>  | <b>Cost Estimates</b> |
|---|-----------------------|
| Replace Known Lead Lines and Goosenecks, Pigtails, and Connectors; and Galvanized Pipelines Requiring Replacement | \$94,848,000          |
| Applications received for replacement or inventory  | \$62,023,728          |
| <b>Overall Estimated Total Costs for Investigation, Inventory &amp; Replacement</b>                               | <b>\$156,871,728</b>  |

## **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 (presented in Section VIII).

**Table 3: Breakdown of Funding Availability for Projects**

|   | <b>2022 LSLR Capitalization<br/>Grant allotment<br/>(\$ in millions)</b> | <b>2023 LSLR Capitalization<br/>Grant allotment<br/>(\$ in millions)</b> |
|---|--|--|
| <b>Total Capitalization<br/>Grant Allotment</b>                 | <b>\$250.1</b>   | <b>\$28.6</b>  |
| Set-Asides  | \$57.9   | \$13.8*  |
| Repayable Loan  | \$69.7   | \$0.8  |
| PF  | \$122.5  | \$14.0   |
| Executed Agreements**   | \$8.9  | \$0  |
| <b>Total Repayable Loan &amp;<br/>PF Available for Projects</b> | <b>\$183.3</b>   | <b>\$14.8</b>  |

\* Includes \$7,518,178 for U.S. EPA In-Kind funding for technical assistance.

\*\* Reflects total agreements executed as of June 30, 2025.

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 public

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water system to be eligible for LSLR PF. The MHI is determined using the Census geography that best represents the public water system or disadvantaged area served by a public water system being evaluated (i.e., city/Census Designated Place [CDP] or block group). The disadvantaged area within the non-DAC may be determined at the block group level.

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 public water system as necessary to meet the IIJA requirement of 49% of LSLR funds being provided as PF.

**Table 4: LSLR Funding for an Eligible PWS**

| LSLR Program Funding Per Project |   |  |
|----------------------------------|---|--|
| Type of Community                | Percentage of Total Eligible Project Cost | Funding Eligibility <sup>4</sup>   |
| DAC                              | up to 100%                                | 100% PF  |
| Non-DAC                          | Up to 100%                                | 100% loan at zero percent interest rate; PF may be available based on disadvantaged areas within a water system, availability of PF, and consistent with mandated 49% PF requirement |

Consistent with the DWSRF Base Program rules, replacement 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 accordance with the DWSRF Policy, inventory projects financed with DWSRF LSLR program repayable loan financing will have a repayment period of five years or ten years, at the recipient's option. 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 IX.A.2 and X.A.4 of the DWSRF Policy, the State Water Board

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<sup>4</sup> 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.

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normally expects that the LSLR loan obligation may 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 IJA guidance dated March 8, 2022, to the extent assistance recipients repay IJA 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 IJA LSLR funds are not limited to future LSLR projects and activities.

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

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

## **VIII. ADMINISTRATION AND SET-ASIDE FUNDS**

The IJA 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 supervision (PWSS) 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 2025-26, 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.

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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 2025-26, 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 LSLR 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 2025-26 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 eligible public water systems in completing their initial lead service line inventories, the State Water Board utilizes the local assistance set-aside to contract with third parties to complete public water systems' inventories of service lines owned by both water systems and their customers. Assistance is made available to eligible public water systems. Priority is given to eligible public water systems with 500 service connections or less serving disadvantaged communities (DAC). The assistance application form can be found online at

[https://www.waterboards.ca.gov/drinking\\_water/services/funding/documents/2023/lsl-request-form.pdf](https://www.waterboards.ca.gov/drinking_water/services/funding/documents/2023/lsl-request-form.pdf).

As of March 31, 2025, 763 water systems with outstanding LSL inventory submittals to DDW have been contacted to offer assistance with completing and submitting initial

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inventories, conducting inspections, public outreach and notification, and applying for LSL replacement funding. In addition, 130 systems have submitted applications for assistance; it is anticipated that this number will increase as water systems submit their initial inventories and prepare to investigate service lines of unknown material or replace GRRs.

## **IX. LSLR CAPITALIZATION GRANT PAYMENTS AND DRAWS**

### **1. Federal LSLR Capitalization Payments**

The State Water Board is not applying for the FFY 2025 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 2025 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 U.S. EPA through the Office of Water State Revolving Fund (OWSRF) system and the U.S. General Services Administration's SAM.gov reporting system. The LSLR project characteristics and milestone information will be reported to OWSRF, and the public water system receiving federal dollars will be reported in the SAM.gov reporting system.

## XI. LEAD SERVICE LINE REPLACEMENT INVENTORY LIST

| Water System ID | Water System Name                    | Population | Degree of Disadvantaged <sup>1</sup> | Total Service Lines Inventoried | Lead Lines | Lead Goosenecks, Pigtails, or Connectors | Galvanized Requiring Replacement | Estimated Cost to Replace <sup>2</sup> |
|-----------------|--------------------------------------|------------|--------------------------------------|---------------------------------|------------|--|----------------------------------|--|
| CA1500209       | ALTA SIERRA MUTUAL WATER CO.         | 143        | Missing                              | 243                             | 0          | 0  | 44                               | \$572,000                              |
| CA3301018       | ANZA PINES MOBILE HOME PARK          | 90         | SDAC                                 | 57                              | 0          | 1  | 0                                | \$13,000                               |
| CA1910023       | AVERYDALE MWC                        | 1,003      | DAC                                  | 307                             | 0          | 1  | 0                                | \$13,000                               |
| CA3301031       | BANNING HTS. MUTUAL WATER CO.        | 567        | DAC                                  | 199                             | 0          | 0  | 81                               | \$1,053,000                            |
| CA3310006       | BANNING, CITY OF                     | 31,179     | DAC                                  | 13,446                          | 0          | 13                                       | 0                                | \$169,000                              |
| CA1910013       | BELLFLOWER - SOMERSET MWC            | 46,300     | DAC                                  | 7,269                           | 0          | 45                                       | 0                                | \$585,000                              |
| CA1710011       | BUCKINGHAM PARK WATER DISTRICT       | 1,508      | SDAC                                 | 462                             | 0          | 1  | 0                                | \$13,000                               |
| CA4100503       | BUTANO CANYON MUTUAL                 | 150        | Non-DAC                              | 96                              | 1          | 1  | 0                                | \$26,000                               |
| CA4010830       | CALIFORNIA MENS COLONY               | 15,000     | Non-DAC                              | 237                             | 0          | 0  | 45                               | \$585,000                              |
| CA3600070       | CENTER WATER CO                      | 662        | SDAC                                 | 50                              | 0          | 0  | 5                                | \$65,000                               |
| CA1000104       | CENTERVILLE SCHOOL                   | 489        | Non-DAC                              | 11                              | 0          | 4  | 0                                | \$52,000                               |
| CA2400091       | CHARLESTON SCHOOL                    | 325        | Non-DAC                              | 8                               | 0          | 1  | 0                                | \$13,000                               |
| CA4901382       | CHILDKIND LAGUNA PRESCHOOL           | 42         | Non-DAC                              | 1                               | 0          | 0  | 1                                | \$13,000                               |
| CA3610012       | CHINO, CITY OF                       | 86,435     | Non-DAC                              | 24,106                          | 0          | 0  | 872                              | \$11,336,000                           |
| CA4810001       | CITY OF BENICIA                      | 27,131     | Non-DAC                              | 9,812                           | 0          | 7  | 10                               | \$221,000                              |
| CA4110024       | CITY OF EAST PALO ALTO               | 29,519     | Non-DAC                              | 3,994                           | 0          | 30                                       | 0                                | \$390,000                              |
| CA4810003       | CITY OF FAIRFIELD                    | 120,377    | Non-DAC                              | 32,014                          | 0          | 0  | 91                               | \$1,183,000                            |
| CA2910001       | CITY OF GRASS VALLEY                 | 4,947      | SDAC                                 | 2,525                           | 0          | 0  | 154                              | \$2,002,000                            |
| CA4810004       | CITY OF RIO VISTA                    | 10,489     | DAC                                  | 5,703                           | 0          | 97                                       | 0                                | \$1,261,000                            |
| CA0600013       | COLUSA CO. WWD #2 - PRINCETON        | 382        | SDAC                                 | 128                             | 0          | 0  | 10                               | \$130,000                              |
| CA3301381       | CSA 51                               | 350        | SDAC                                 | 88                              | 0          | 2  | 0                                | \$26,000                               |
| CA3301577       | CSA 62                               | 538        | SDAC                                 | 156                             | 0          | 1  | 0                                | \$13,000                               |
| CA4900871       | DE ANZA MOON VALLEY WATER COMPANY    | 691        | Non-DAC                              | 249                             | 0          | 1  | 0                                | \$13,000                               |
| CA0110005       | EAST BAY MUD                         | 1,442,800  | Non-DAC                              | 408,782                         | 0          | 310                                      | 3,935                            | \$55,185,000                           |
| CA1910040       | EL SEGUNDO-CITY, WATER DEPT.         | 16,898     | Non-DAC                              | 5,064                           | 0          | 0  | 145                              | \$1,885,000                            |
| CA5210002       | GERBER LAS FLORES CSD                | 1,200      | SDAC                                 | 84                              | 0          | 0  | 44                               | \$572,000                              |
| CA4210003       | GUADALUPE WATER DEPARTMENT           | 8,897      | DAC                                  | 2,478                           | 0          | 0  | 10                               | \$130,000                              |
| CA1610003       | HANFORD, CITY OF                     | 62,127     | DAC                                  | 19,937                          | 0          | 0  | 17                               | \$221,000                              |
| CA3400217       | HOMETOWN COLONIAL ESTATES LLC        | 400        | SDAC                                 | 147                             | 0          | 0  | 50                               | \$650,000                              |
| CA1300549       | IMPERIAL VALLEY COLLEGE              | 9,301      | Missing                              | 23                              | 0          | 4  | 0                                | \$52,000                               |
| CA4901062       | KINNYBROOK MUTUAL WATER COMPANY      | 48         | Non-DAC                              | 23                              | 0          | 1  | 0                                | \$13,000                               |
| CA1500475       | KRISTA MUTUAL WATER COMPANY          | 504        | Missing                              | 180                             | 0          | 1  | 0                                | \$13,000                               |
| CA1910218       | LA HABRA HEIGHTS CWD                 | 5,447      | Non-DAC                              | 2,039                           | 0          | 1  | 0                                | \$13,000                               |
| CA5301002       | LEWISTON COMMUNITY SERVICES DISTRICT | 701        | SDAC                                 | 236                             | 0          | 0  | 6                                | \$78,000                               |

| Water System ID | Water System Name                      | Population | Degree of Disadvantaged <sup>1</sup> | Total Service Lines Inventoried | Lead Lines | Lead Goosenecks, Pigtails, or Connectors | Galvanized Requiring Replacement | Estimated Cost to Replace <sup>2</sup> |
|-----------------|--|------------|--------------------------------------|---------------------------------|------------|--|----------------------------------|--|
| CA3910019       | LINDEN COUNTY WATER DISTRICT           | 1,784      | Non-DAC                              | 617                             | 0          | 3  | 0                                | \$39,000                               |
| CA1000190       | LONE STAR SCHOOL                       | 700        | SDAC                                 | 13                              | 0          | 3  | 0                                | \$39,000                               |
| CA4210002       | LOS ALAMOS COMMUNITY SERVICES DISTRICT | 1,534      | DAC                                  | 622                             | 0          | 0  | 56                               | \$728,000                              |
| CA1910083       | MANHATTAN BEACH-CITY, WATER DEPT.      | 33,673     | Non-DAC                              | 13,434                          | 0          | 2  | 0                                | \$26,000                               |
| CA1910090       | MONROVIA-CITY, WATER DEPT.             | 37,931     | Non-DAC                              | 9,447                           | 0          | 1  | 0                                | \$13,000                               |
| CA1710014       | MT. KONOCTI MUTUAL WATER COMPANY       | 4,360      | Non-DAC                              | 1,574                           | 0          | 2  | 0                                | \$26,000                               |
| CA3310051       | MYOMA DUNES MUTUAL WATER COMPANY       | 9,445      | Non-DAC                              | 2,729                           | 0          | 0  | 5                                | \$65,000                               |
| CA2702268       | NEW CAMALDOLI HERMITAGE WS             | 44         | DAC                                  | 50                              | 0          | 0  | 20                               | \$260,000                              |
| CA2100579       | NICASIO VALLEY RANCH MUTUAL            | 31         | Non-DAC                              | 13                              | 0          | 1  | 1                                | \$26,000                               |
| CA1910191       | NORWALK - CITY, WATER DEPT.            | 17,790     | Non-DAC                              | 5,681                           | 0          | 0  | 751                              | \$9,763,000                            |
| CA2110350       | NPS GGNRA                              | 18,447     | Non-DAC                              | 217                             | 0          | 5  | 0                                | \$65,000                               |
| CA3710029       | OLIVENHAIN MWD                         | 86,441     | Non-DAC                              | 28,894                          | 0          | 6  | 0                                | \$78,000                               |
| CA1910125       | PICO WD                                | 22,051     | Non-DAC                              | 5,282                           | 0          | 5  | 0                                | \$65,000                               |
| CA4100555       | PORTOLA IMPROVEMENT ASSOCIATION        | 90         | Non-DAC                              | 34                              | 0          | 0  | 19                               | \$247,000                              |
| CA3710016       | RAINBOW MUNICIPAL WD                   | 23,536     | Non-DAC                              | 9,017                           | 0          | 0  | 13                               | \$169,000                              |
| CA5200508       | RIO VISTA MOBILE HOME PARK             | 543        | SDAC                                 | 195                             | 0          | 1  | 0                                | \$13,000                               |
| CA1510018       | ROSAMOND CSD                           | 17,711     | DAC                                  | 5,455                           | 0          | 3  | 0                                | \$39,000                               |
| CA3710020       | SAN DIEGO, CITY OF                     | 1,368,395  | Non-DAC                              | 286,200                         | 0          | 7  | 0                                | \$91,000                               |
| CA3910014       | SAN JOAQUIN COUNTY-RAYMUS VILLAGE      | 1,086      | Non-DAC                              | 329                             | 0          | 1  | 0                                | \$13,000                               |
| CA1810700       | SIERRA ARMY DEPOT                      | 1,500      | Missing                              | 95                              | 0          | 0  | 7                                | \$91,000                               |
| CA4010024       | SLO CWWO NO. 23 - SANTA MARGARITA      | 1,291      | Missing                              | 505                             | 0          | 0  | 25                               | \$325,000                              |
| CA4010901       | SLOCSA #10A - CAYUCOS                  | 1,200      | Non-DAC                              | 782                             | 0          | 0  | 66                               | \$858,000                              |
| CA5400641       | TEVISTON COMMUNITY SERVICES DISTRICT   | 370        | SDAC                                 | 145                             | 0          | 0  | 14                               | \$182,000                              |
| CA5410014       | TIPTON COMMUNITY SERVICES DIST         | 2,543      | SDAC                                 | 608                             | 0          | 1  | 0                                | \$13,000                               |
| CA3500509       | TRES PINOS CWD                         | 350        | Non-DAC                              | 116                             | 0          | 1  | 31                               | \$416,000                              |
| CA5410015       | TULARE, CITY OF                        | 70,733     | DAC                                  | 20,723                          | 0          | 0  | 142                              | \$1,846,000                            |
| CA3710002       | VALLECITOS WD                          | 112,000    | Non-DAC                              | 22,328                          | 0          | 0  | 1                                | \$13,000                               |
| CA4300543       | WEST SAN MARTIN WATER WORKS INC        | 1,173      | Non-DAC                              | 330                             | 0          | 0  | 20                               | \$260,000                              |
| CA1910249       | WHITE FENCE FARMS MWC NO. 1            | 1,508      | Non-DAC                              | 459                             | 0          | 0  | 37                               | \$481,000                              |
| CA4900561       | WILLOWSIDE MUTUAL WATER COMPANY        | 448        | Non-DAC                              | 160                             | 0          | 0  | 2                                | \$26,000                               |
| CA2210924       | YOSEMITE WEST WATER SYSTEM             | 420        | SDAC                                 | 298                             | 0          | 1  | 0                                | \$13,000                               |
| <b>Total</b>    | <b>65</b>                              |            |                                      | <b>1,630,837</b>                | <b>1</b>   | <b>565</b>                               | <b>6,730</b>                     | <b>\$94,848,000</b>                    |

Notes:

- 1. Disadvantaged status is a preliminary determination and needs to be confirmed.
- 2. Assume \$13,000 to replace lead line, lead gooseneck, pigtail, connector, or GRR once discovered.
- 3. LSL data from LSL Inventories submitted to DDW as of April 1, 2025.

**XII. LEAD SERVICE LINE INVESTIGATION/REPLACEMENT PROJECT LIST (FUNDING APPLICATIONS RECEIVED)**

| Project Number | District Number | Project Type | Applicant  | Project Title / Description                           | Population | Service Connections | Degree of Disadvantaged      | Complete Application | Estimated Project Costs | Estimated Maximum PF Amount | Estimated Loan Funding Requested | Comments  |
|----------------|-----------------|--------------|--|---|------------|---------------------|------------------------------|----------------------|-------------------------|-----------------------------|----------------------------------|---|
| 1210016-001P   | 2               | Planning     | McKinleyville Community Services District                            | MCSD Service Line Inventory                           | 16,900     | 5,810               | Small Disadvantaged          | Yes                  | \$25,128                | \$25,128                    | \$0                              |   |
| 1510003-001P   | 12              | Planning     | California Water Service Company                                     | Lead Service Line Replacement Survey DAC              | 1,008,349  | 234,834             | Small Severely Disadvantaged | No                   | \$4,878,900             | \$4,878,900                 | \$0                              | 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. Principal Forgiveness amounts will be based on proportion of service area that is DAC using US Census Bureau MHI. |
| 1910033-001P   | 22              | Planning     | California Water Service Company                                     | Lead Service Line Replacement Survey DAC < 50 percent | 597,015    | 136,479             | Not Disadvantaged            | No                   | \$2,349,900             | To be determined            |                                  | Project includes these water systems:CA1510055, CA4810002, CA1910033, CA0110003, CA4910018, CA4900785, CA4110009, CA4810701, CA5610016. Principal Forgiveness amounts will be based on proportion of service area that is DAC using US Census Bureau MHI.   |
| 1910134-001P   | 22              | Planning     | California Water Service Company                                     | Lead Service Line Replacement Survey Non DAC          | 524,533    | 153,037             | Not Disadvantaged            | No                   | \$3,199,800             | \$0                         | \$3,199,800                      | Project includes these water systems:CA4110006, CA2110007, CA2701929, CA1910134, CA1910242, CA2710013, CA1910243, CA2710019, CA1910104, CA4900514, CA2710010, CA2710012, CA4110007, CA4110008, CA4310001, CA2702198, CA1500374, CA4900546, CA2010017  |
| 3310004-002P   | 20              | Construction | Box Springs Mutual Water Company                                     | Lead and Copper Service Lateral Replacement           | 1,995      | 665                 | Small Severely Disadvantaged | No                   | \$250,000               | \$250,000                   | \$0                              |   |
| 3610053-001C   | 13              | Construction | Western Heights Water Company  | Lead and Copper Service Lateral Replacement           | 7,613      | 2,606               | Not Disadvantaged            | No                   | \$11,600,000            | \$6,303,840                 | \$5,296,160                      | Principal Forgiveness amounts will be based on proportion of service area that is DAC using US Census Bureau MHI.   |
| 3810011-002C   | 4               | Construction | San Francisco, Public Utilities Commission of the City and County of | Water Service Line Replacement Project (LSL)          | 808,988    | 177,081             | Not Disadvantaged            | Yes                  | \$38,500,000            | \$4,620,000                 | \$33,880,000                     | Does not include replacement of service lines that will require archaeological monitoring during construction. Principal Forgiveness amounts will be based on proportion of service area that is DAC using US Census Bureau MHI.  |

| Project Number | District Number | Project Type | Applicant  | Project Title / Description           | Population | Service Connections | Degree of Disadvantaged | Complete Application | Estimated Project Costs | Estimated Maximum PF Amount | Estimated Loan Funding Requested | Comments   |
|----------------|-----------------|--------------|--|---------------------------------------|------------|---------------------|-------------------------|----------------------|-------------------------|-----------------------------|----------------------------------|--|
| 3810001-004C   | 4               | Construction | San Francisco, Public Utilities Commission of the City and County of | Lead Service Line Replacement Project |            |                     | Not Disadvantaged       | Yes                  | \$640,000               | \$76,800                    | \$563,200                        | Separate project for replacing service lines that require archaeological monitoring during construction. Principal Forgiveness amounts will be based on proportion of service area that is DAC using US Census Bureau MHI. |
| 4510003-003P   | 2               | Planning     | Burney Water District  | Lead Service Line Inventory           | 3,154      | 1,414               | Small Disadvantaged     | No                   | \$580,000               | \$580,000                   | \$0                              |  |
| Total          |                 |              | 9  |                                       |            | 711,926             |                         |                      | \$62,023,728            | \$16,734,668                | \$42,939,160                     |  |