Information and Reports Item 1:

Update on Service Line Inventory and Replacement Program

Purpose:

Update the Board of Directors on OWASA's service line inventory and pending replacement program

Background:

The U.S. Environmental Protection Agency's (EPA) Lead and Copper Rule Revisions (LCRR) became effective December 2021. The goal of the LCRR is to further reduce the risk of lead exposure in drinking water, particularly in vulnerable communities. Exposure to lead in drinking water is particularly harmful to the health of young children, infants, and fetuses.

Among other requirements, the LCRR requires water utilities across the country to take inventory of the material make-up of all drinking water service lines in their service area: both the utility-owned and customer-owned sides of the service line. A service line is the water line connecting the water main (that is typically under the street) to the building. The diagram below shows a breakdown of the typical service line location and ownership.



The goal of the inventory is to identify any service lines made of lead or of galvanized metal that have ever been downstream of a lead service line (or, as in the case of OWASA, a galvanized line that cannot be proven to have never been downstream of a lead service line). Galvanized lines are of-concern because they could have "collected" lead particles from legacy lead water lines. As this subset of lines will ultimately need to be replaced, they are referred to as "galvanized requiring replacement" or GRR.

It is important to note that the water that leaves OWASA's treatment plant does not have lead in it, and we have no known lead water lines in OWASA's system. Lead can enter drinking water from the corrosion of plumbing materials that contain lead. OWASA maintains an effective corrosion control program to help prevent this from happening. The motivation for the enhanced federal regulation is the

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crisis that occurred with lead in drinking water in Flint, Michigan where an effective corrosion control program was not in place and where there was a significant number of lead service lines.

Subsequent to finalization of the LCRR, the EPA also published a draft Lead and Copper Rule Improvement (LCRI) that, once promulgated (expected later this year), will require water utilities to begin replacing all lead and galvanized requiring replacement (GRR) service lines within three years.

Deadlines for each of these requirements are summarized below.

- October 16, 2024: Initial inventory of service lines (for which "unknown" is a valid categorization) must be delivered to the state and made available for all customers. We are required to resubmit the inventory annually until all service lines are determined to be non-lead/non-GRR.
- November 15, 2024: All customers at locations determined to have lead, GRR, or unknown service lines will be directly notified and provided information on precautionary steps to reduce potential exposure to lead. These customers must be re-notified annually until their service lines are replaced or known to be non-lead or non-GRR.
- October 2027 (est.): An inventory that will serve as the baseline for a target replacement rate of at least 10% of lead/GRR/unknown lines per year must be submitted to the state. Additionally, a plan for how to achieve this target must also be submitted.
- No later than 2037 (est.): All known lead and GRR service lines must be replaced with non-lead lines.

OWASA has been working with a consultant since 2022 to help us prepare for compliance with the LCRR (and LCRI), including conducting a service line inventory and developing a strategy for replacing any lead and GRR lines.

Service Line Inventory:

We are close to finalizing the first phase of our service line inventory, and, thus far, **no lead service lines have been identified**. Additionally, we estimate that we only have at most 180 galvanized service lines (out of 22,835 or 0.8%) that cannot be proven to have never been downstream of a lead water lines and, therefore, will need to be replaced.

The first step in completing OWASA's service line inventory was to review historical work orders and records to identify any official records of service line materials. Next, we utilized the size of the line and date of installation to categorically determine non-lead service lines. Service lines greater than three inches and those installed after March 1987 are known to be non-lead.

Once we had this historical information, we began an iterative process of field verification and statistical modeling to strategically verify service line material for different property types and locations. This information is being used to inform a robust statistical analysis of the remaining unknown service lines. To date, 5,736 customer-side services and all of the 78 unknown OWASA side services have been inspected. OWASA was awarded \$1 million in a no-interest loan from the Bipartisan Infrastructure Law Drinking Water State Revolving Fund Lead Service Line Replacement Funds (BIL DWSRF LSRF) to fund our inventory work.

With the assistance of statistical modeling, we have been aggressively working towards OWASA's internal goal of submitting an initial inventory to the state and our community with no "unknown"

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service lines. There are multiple benefits to achieving this goal. First and foremost, it eliminates confusion and unnecessary concern for our community. Additionally, it helps to streamline communications and outreach required to customers with GRR and unknown service lines. Furthermore, it helps us hone our costs and approach for replacing GRR lines.

In October 2024, we plan to post the inventory on our website and conduct a series of outreach efforts to inform the community on how to access the inventory and what different service line determinations mean for them. Additionally, as is outlined in the timeline above, we will send direct communication to customers with known and suspected GRR service lines with information on how to reduce potential lead exposure and notice of the forthcoming replacement program.

Plan for Replacing Galvanized Service Lines:

The LCRI, which is expected to be finalized later this year, will require utilities to replace all lead and GRR service lines at a rate of 10% per year following the compliance date. The 10% is calculated against the number of lead, GRR, and <u>unknown</u> service lines. Given the relatively modest number of GRR service lines that OWASA has in its service area (about 180), our goal is to replace all GRR lines in two to three years (between 2025 and 2027). We believe that this approach will help to ensure a price-competitive contract and reduce additional operational challenges associated with GRR remaining in service throughout the community.

Although, the law does not specifically require utilities to fund the replacement of customer-owned service lines, OWASA plans to pay for customer side service line replacements when GRR lines are present. This will (a) ensure prompt and equitable replacement of potentially problematic service lines and (b) help to ensure compliance with the regulatory requirements.

We are finalizing details on how the replacement work will be conducted and coordinated with property owners with GRR service lines. At this point in time, we are planning on hiring a General Contractor that will hire one or more local licensed plumbers to conduct the service line replacement work. In October, we will host a focus group discussion with General Contractors and plumbers to help inform how we structure the contract to allow for the greatest contractor interest, quality, and timeliness of work.

We will conduct a focused communication campaign to work with customers on replacing their GRR service lines. Initial communication will inform them of their GRR service lines, precautionary methods to avoid lead exposure risk, and our pending replacement program. Once details of the replacement program are finalized, we will communicate details of the program with those customers and coordinate on the timing and details of the work.

Our goal is to finish replacing all GRR service lines by the end of 2027, which means that it will likely have a budgetary impact through fiscal year 2028. These costs have already been estimated in the FY25-29 Capital Improvements Program budget.

Board action requested:

No action is requested of the OWASA Board of Directors at this time.