



# Drinking Water State Revolving Fund (DWSRF) Lead Service Line Replacement (LSLR) Program

The LSLR program operates under the Drinking Water State Revolving Fund (DWSRF) and assists communities by providing low-cost financing for lead service line inventory and replacement projects.

## Eligible Applicants

An entity must be eligible under DWSRF and meet disadvantaged criteria to receive funding under this program. The entity must have an annual median household income (AMHI) of less than 150 percent of the State AMHI to be eligible. Such entities include

- existing community Public Water Systems (PWS) including political subdivisions, nonprofit water supply corporations, and privately-owned community water systems;
- nonprofit, noncommunity public water systems;
- state agencies.

## Eligible Projects

Planning, design, and construction to develop an inventory of and/or replace lead service lines—example projects include

- development or updating lead service line inventories, including locating and mapping lead service lines;
- complete removal and replacement of lead service lines (public and privately owned portion);
- nonroutine lead sampling (not for compliance purposes) as part of the DWSRF-LSLR project;
- removal and replacement of lead or galvanized goosenecks, pigtails, and connectors;
- community engagement planning related to a DWSRF-LSLR project.

## Ineligible Projects

- Projects not directly associated with lead service line replacement or inventory.
- Projects that do not replace the entire lead service line (unless portion was already replaced or will be replaced concurrently with another funding source).
- Replacement of premise plumbing within a home or business.
- Replacement of galvanized service lines downstream of unknown lines.
- Corrosion control studies, replacing water meters, replacing water mains.

## Benefits and Terms

- 51 percent principal forgiveness and 49 percent loan/bond for all projects.
- Loans for service line inventory projects are at 0 percent interest.
- Below-market fixed interest rates (basis points off borrower's underlying credit rating) for planning, acquisition, design, and construction portions of the project.
- Up to 30-year repayment period for planning, acquisition, design, and construction projects.
- Up to 15-year repayment period for inventory-only projects.

## Program Requirements

- Loan origination fee.
- Project must replace the entire lead service line (terminates at the premise plumbing).
- Projects must be listed in the current LSLR Intended Use Plan.
- Meet Davis-Bacon and Related Acts (DBRA) wage rate requirements.
- Meet Build America Buy America (BABA) requirements.
- Perform a National Environmental Policy Act (NEPA)-type environmental review.
- Meet State Revolving Fund procurement requirements.
- Submit current financial audits for your entity with the financial assistance application.

For specific questions about the program, please contact [DWSRF@twdb.texas.gov](mailto:DWSRF@twdb.texas.gov). Detailed information is also available at [www.twdb.texas.gov/financial/programs/Lead-SLR/](http://www.twdb.texas.gov/financial/programs/Lead-SLR/).