

Lead Service Line Removal Funding in New York State

BACKGROUND

Lead is a naturally occurring heavy metal that becomes toxic when it accumulates in the body, either through ingestion or inhalation. Elevated levels of lead can harm organs and systems, especially the brain and nervous system. In drinking water, lead contamination commonly comes from lead pipes, faucets, and fixtures, most often found in older cities and homes built before 1986. Lead can enter drinking water through lead service lines.

No level of lead exposure is considered safe, making the removal of lead service lines critical to public health. To support this effort, significant funding is available to help communities accelerate the identification and replacement of lead service lines.

In addition to federal assistance, many states and local governments provide grants, low-interest loans, and other funding options to support lead service line replacement. These resources empower communities to mitigate lead exposure risks, improve infrastructure, and ensure safer drinking water for everyone.

WHO CAN BENEFIT FROM THIS FACT SHEET

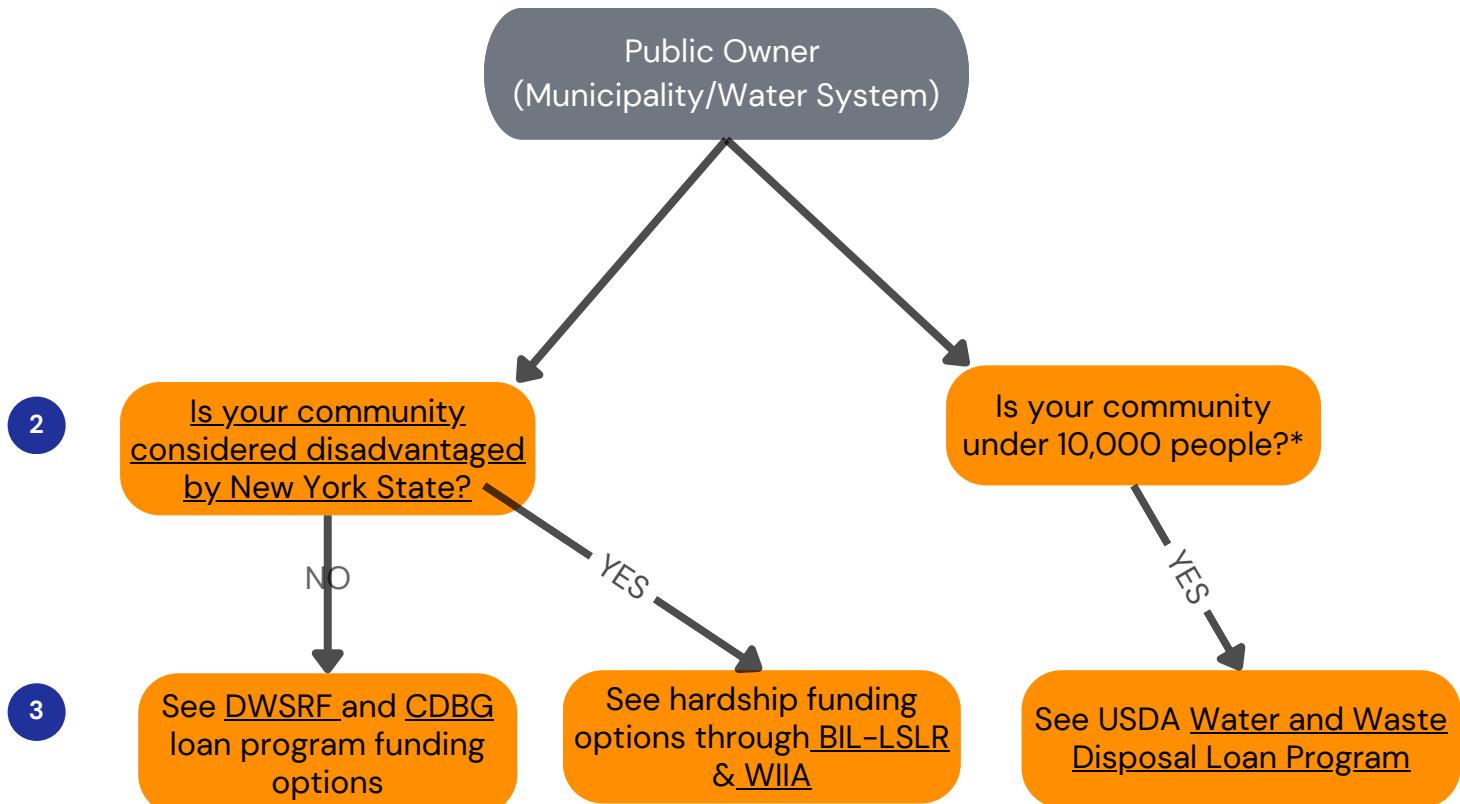
This fact sheet is valuable for local government officials and water utility managers involved in Lead Service Line (LSL) replacement efforts in the State of New York.

HOW TO USE THIS FACT SHEET

This fact sheet provides an overview of funding opportunities for LSL replacement in New York State. To get started, follow the decision tree and steps on page 2, which will guide you to specific funding options. Each funding option includes a description on how to apply to each funding source. Two case studies on page 5 help to clarify the funding process and potential outcomes. For additional information, please refer to our contact details on page 6.

DECISION TREE & STEPS

1 By **October 16, 2024**, community water systems (CWS) with at least 15 service connections and non-transient non-community water systems (NTNC) across New York State were required to develop an initial lead service line inventory. What do you do after this inventory is submitted? There is funding available for lead service line (LSL) replacement, but how do you navigate it? This decision tree serves as a first step.



If you are unsure where to start, the New York State Environmental Facilities Corporation (NYS EFC) may help. The EFC Community Assistance Teams (CATs) provide free consultations and step-by-step guidance for accessing state and federal funding, navigating co-funding opportunities, project listing support, and application assistance. CATs offer expert support in helping communities successfully plan, fund, and complete their projects. Visit the NYS EFC website to schedule your consultation and learn more today: www.efc.ny.gov/cat.

* Communities under 10,000 people might be eligible for funding sources outside of USDA.

Note: These funding opportunities require an application process and are not guaranteed.



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Drinking Water State Revolving Fund (DWSRF)

Financing options for communities of all population sizes with varying financial needs. This fund is administered by both the New York State Environmental Facilities Corporation (NYS EFC) and the New York State Department of Health (NYS DOH).

Bipartisan Infrastructure Law – Lead Service Line Replacement (BIL – LSLR)

- Up to \$129,179,000 in potential project funding for 2025
- Funding is contingent on **replacing entirety of the lead service line**
- Funding for any activity tied to identifying, planning, designing, and replacing lead service lines

How to Apply – New York State

Upcoming Project Application Due date: **May 30, 2025**

- Submission of a listing form (formally called a pre-application) to the NYS DOH, including a description of the project
- Project must be listed within the Intended Use Plan (IUP)

Additional Information

Disadvantaged Communities (DACs) may qualify for Hardship Financing and Grant/Principal Forgiveness. A minimum of 49% of DWSRF funds must be provided as grants and forgivable loans to DACs. Non-disadvantaged communities may qualify for DWSRF loan program funding.

Water Infrastructure Improvement Act (WIIA) Grant

Funding for infrastructure projects tied to public health and water quality. Funds monitored by the NYS EFC.

WIIA Grant

- Funding for water or sewage infrastructure projects, and compliance-related concerns, including LSL replacement
- Municipality may apply for multiple projects, but limited to maximum of \$5 million per project

How to Apply – New York State

The application period is **currently closed**

- FY 2024 recipients announced in November, 2024

To learn about future grant rounds, contact the NYS EFC Community Assistance Team, or sign up for the NYS EFC's e-blasts to receive grant announcements

Additional Information

WIIA is not considered part of DWSRF, but may be used as co-funding for DWSRF projects. A minimum of 35% of grants must be provided to DACs.

Community Development Block Grant (CDBG)

Funding for a variety of activities, including drinking water infrastructure projects, to non-entitlement communities. New York State administered \$25 million in 2024 for CDBG project funding.

Public Infrastructure Activities

- Funding limit is \$1.5 million per application
- Project funding for public, private, and municipal system water source needs
- Lead-based water service projects may use up to 15% requested project total towards ancillary activities (e.g., fixing sidewalks, streets, parking)

How to Apply – New York State

Application period is **currently closed**

- See the NYS Homes & Community Renewal at HCR_CFA@hcr.ny.gov to learn about grant rounds
- OCR Grant Administration Manual is available online

Additional Information

Entitlement recipients should consider partnering with non-entitlement agencies to supplement CDBG funds towards LSL replacement, or assess how entitlement funds could be allocated towards LSL replacement.

Water and Waste Disposal Loan

Funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to communities in rural areas (populations of 10,000 or less). This fund is administered by the United States Department of Agriculture, Rural Development (USDA RD).

Program funding options

- Long-term, low-interest loans
- Grants may be combined with a loan if necessary to keep user costs reasonable

How to Apply – New York State

Applications are open year round

- Applications may be filed electronically using RD Apply
- Applications are also accepted through the New York RD office

Additional Information

Contact the Community Program Specialist for more information- Phone: (518) 692-9940

Case Study

City of Syracuse

\$10 million DWSRF-LSLR Grant
\$12.8 million DWSRF-LSLR 0% Loan

The City of Syracuse identified 17,143 LSLs among its 41126 water pipes. Syracuse estimates about \$9,000 per replacement and plans to replace about 3000 lines in 2025. The city aims to replace all LSLs by 2029.

Syracuse plans to coordinate LSLR with other major water infrastructure upgrades. For example, in 2025, around 1,400 service lines in Eastwood will be replaced as part of a pump station project.

Syracuse also uses an Equity Score to rate every census tract in the city to determine replacement schedule. The Equity Score is based on seven factors. Two factors — percentage of residents of color and those living below the poverty line — contribute 25% to the score. The remaining five factors, including elderly residents, single-parent households, residents with disabilities, low educational attainment, and rent-burdened households, each makes up 10% of the score.

In addition, Syracuse distributed 6000 water filters to families with children under 6-years-old and pregnant women enrolled in the Special Supplemental Nutrition Program.

City of Troy

8.9 million DWSRF-LSLR Grant
\$3.9 million DWSRF-LSLR 0% Loan

The City of Troy has identified 1,540 LSLs and 78 galvanized pipes requiring replacement in private water lines. Over 5,800 private pipes remain untested, with an estimated 2,800 needing replacement. The city aims to replace all lead pipes by 2028.

Troy launched its LSL replacement program in 2023 with \$2 million ARPA funds. 200 LSLs were replaced. Free replacements were offered for private side pipes only if they are tied to construction projects such as sidewalk replacement or street paving.

In 2024, the city received \$12.8 million in DWSRF-LSLR funds to accelerate the LSLR program. By December 2024, over 350 LSLs were replaced. To cover private side replacement costs and repay the DWSRF loan, the city proposed bond financing and received affirmative advisory opinions from the state comptroller.

Troy has budgeted \$26 million for the LSLR program from 2025 to 2027. The mayor made the LSLR program a key priority, committing to replace all lead pipes during her first term.

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in EPA Region 2

*This collaboration with the **Syracuse University Environmental Finance Center (SU-EFC)** delivers expanded assistance and customized solutions to communities throughout U.S. EPA Region 2, leveraging the expertise and resources of our team of providers. Understanding that communities all have unique challenges and needs, SU-EFC brings together a team of experts to offer tailored solutions that align with the goals of your community. Together, we provide comprehensive support to address water infrastructure needs, set priorities, develop shovel-worthy projects, and apply for federal and state funding.*

CONTACT US

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