



State Revolving Fund Loan Programs **FACT SHEET**

Drinking Water, Clean Water, Nonpoint Source July 2021

LEAD LINE REPLACEMENT INCENTIVE

What is the SRF Lead Line Replacement Incentive?

The Drinking Water State Revolving Fund (SRF) Loan Program offers a reduced interest rate incentive for communities to include lead line replacement as part of their SRF projects. Lead line replacement projects include replacing complete lead and galvanized service lines. Based on the type and cost of these components, a community may be eligible for improved ranking on the SRF Project Priority List, as well an interest rate as low as 0.00% on its SRF Loan.

All Lead Line Replacement projects, components and activities must be eligible for SRF funding.

Who qualifies as an “Eligible Entity” for the Lead Line Replacement Incentive?

All Drinking Water SRF Loan Program participants, including cities, towns, counties, regional water districts, conservancy districts, water authorities, private and not-for-profit drinking water facilities.

Will SRF provide funding to a homeowner directly to replace lead service lines?

No. SRF can only provide funding to eligible entities, as described above. The eligible entity will then be required to complete both the public portion and private portion of the lead service line replacement project.

What lead service line replacement projects are eligible?

SRF will only finance complete lead service line replacement projects. That is, the SRF will only finance projects that replace the entire service line from the public water main to the point at which the line connects to the customer’s premise plumbing.

How does a participant begin the SRF Lead Line Replacement Incentive process?

Contact the SRF Drinking Water Program Manager to discuss the project, review eligibility, and begin the application process.

What are the requirements for the SRF Lead Line Replacement Incentive?

Lead line replacement projects will follow the same process as a traditional SRF Loan Program project and, in addition, as a part of the preliminary engineering report (PER), will be required to provide:

1. A description of the project or components that qualify for possible lead line replacement.
2. All proposed lead line replacement locations in the PER graphics; and
3. The costs associated with the lead line replacement portion of the project, including both construction and design costs.

What happens if, after loan closing, the Participant either does not include the Lead Line Replacement components or scales back the project?

If a participant does not implement the complete lead line replacement components of the approved project for which it received the incentive, the interest rate or any additional incentives will be re-adjusted. The implementation of the lead line replacement components will be verified via SRF Loan Program site inspections and a review of the Substantial Completion Certificate.

Where can I get more information about the Lead Line Replacement Incentive?

For more information, please visit the SRF website at www.srf.in.gov. Contact the SRF Drinking Water Program Manager, Staci Orr Gardner, at 317-232-8623 or sorr@ifa.in.gov, with questions.