

Year 4 Lead Service Line Replacement Program

**DEPARTMENT OF PUBLIC UTILITIES
Division of Water**

Ordinance. No. 532-2025

Request for Legislation

An ordinance authorizing Cleveland Water (CWD) to enter into professional service, standard, and requirement contract(s) to obtain supplies and materials; for the work to investigate service line material and replace lead service lines; and to accept grants and / or loans from the State of Ohio, and / or the federal government for Year 4 of its lead service line replacement program.

Executive Summary

Project: Year 4 Lead Service Line Replacement Program

Background/Purpose:

Service lines deliver water from the water mains beneath the street to the customers' premise plumbing. The city owns the portion of the service line that runs from the water main to the curb stop valve, which is typically located in the tree lawn. From the curb valve the rest of the way into the house, the connection is owned by the property owner. The most common materials used for service lines 1" and less inside diameter have been copper, lead and galvanized steel. The last lead service lines were installed in 1948.

As part of its treatment process, CWD has added orthophosphate to the water since 1997. This chemical coats the interior walls of the service connections and effectively separates the connection material from the drinking water. The process has been extremely successful at producing safe drinking water; since 2012 exposure levels in CWD water have been nearly seven times below federal thresholds.

The Federal Bipartisan Infrastructure Law (BIL), signed into law 11/15/21, set aside \$15 Billion for lead line removal nationally over 5 years. Ohio's share of this money is \$738.1M, and is being administered by the Ohio EPA through its Drinking Water Supply Revolving Loan Account (DWSRLA.) 53% of awarded money is principle forgiveness (i.e. a grant), and 47% is a 0% 20 year loan

CWD decided to aggressively pursue these BIL funds, and with previous Council authority, CWD received funding and launched its Lead Service Line Replacement (LSLR) Program. Work began on August 7, 2023, and has been successfully replacing lead service lines with copper. As of March 21, 2025, this program has reduced the number of LSLs in the CWD system by more 7,600 connections. In 2024Q2, CWD began LSLR work for Year 2 projects. For Program Year 3, all of our project nominations were approved by the federal and state EPAs, and field work is anticipated to start 2025Q3. Funding for all work to date has come from the Ohio EPA's DWSRLA using federal Bipartisan Infrastructure Legislation (BIL) funding.

Cleveland anticipates applying for Year 4 funding in the first half of 2025 and hence is now seeking authority to apply for Year 4 projects and accept funding from the State of Ohio, and for authority to construct the Year 4 improvements. Cleveland anticipates that construction of the Year 4 program will begin in 2026Q1, and will last approximately one year.

Scope of Work/Commodities/Services:

This legislation would authorize CWD to enter into professional service and requirement contract(s) to procure materials and to hire contractors and consultants to replace lead and galvanized service lines with copper for Program Year 4. The professional service contracts may be used to perform design, inspection, lead inventory and related work. CWD anticipates replacing approximately 10,000 service connections in Program Year 4. CWD is seeking authority to construct the following projects:

Executive Summary
Project: Year 4 Lead Service Line Replacement Program

PROJECT	
CWD LSLR 4-1	CWD LSLR 4-12
CWD LSLR 4-2	CWD LSLR 4-13
CWD LSLR 4-3	CWD LSLR 4-14
CWD LSLR 4-4	CWD LSLR 4-15
CWD LSLR 4-5	CWD LSLR 4-16
CWD LSLR 4-6	CWD LSLR 4-17
CWD LSLR 4-7	CWD LSLR 4-18
CWD LSLR 4-8	CWD LSLR 4-19
CWD LSLR 4-9	CWD LSLR 4-20
CWD LSLR 4-10	CWD LSLR 4-21
CWD LSLR 4-11	CWD LSLR 4-22

It is planned for 16 of these contracts to be used for contractor work, and 6 for material procurement.

Anticipated Costs and Funding Source:

CWD was awarded about \$60M combined for Year 1 and Year 2 work. Our nominations for approximately \$90M for Year 3 projects were also approved by Ohio EPA. The cost of these Year 4 improvements and other expenditures authorized by this ordinance shall be paid from proceeds from bond issuance, grants and DWSRLA awards from the state of Ohio, which can be a combination of principal forgiveness and low interest loans; and from CWD operating funds.

The City also requests authority to apply for, accept and expend one or more Water Supply Revolving Loan Account ("WSRLA") loans from the Ohio Water Development Authority, the Ohio EPA or any other State of Ohio agency, and accept grants from any State of Ohio agency, federal agency and / or nonprofit organization for the purpose of LSLR and associated work.

Schedule or Term of Contract:

CWD anticipates that construction for Program Year 4 shall begin approximately Q1, 2026, and shall last for approximately one year.

Executive Summary
Project: Year 4 Lead Service Line Replacement Program

Previous Contracts:

Vendor Information	Service Work Performed	Contract Information
Terrace Construction Company, Inc. 3965 Pearl Rd. Cleveland, OH 44109	Lead Service Line Replacement 2022-1	Contract#: MA RC2023*036 Awarded Amt: \$3,090,486.00 Contract Exp. Date: 11/12/24
Terrace Construction Company, Inc. 3965 Pearl Rd. Cleveland, OH 44109	Lead Service Line Replacement 2022-2	Contract#: MA RC20238037 Awarded Amt: \$3,239,235.60 Contract Exp. Date: 11/12/24
Perk Company, Inc. 3740 Carnegie Ave., A #301 Cleveland, Ohio 55115	Lead Service Line Replacement 2022-3	Contract#: MA RC2023*046 Awarded Amt: \$3,474,636.00 Contract Exp. Date: 11/19/24
Perk Company, Inc. 3740 Carnegie Ave., A #301 Cleveland, Ohio 55115	Lead Service Line Replacement 2022-4	Contract#: MA RC2023*047 Awarded Amt: \$3,713,995.60 Contract Exp. Date: 11/19/24
Terrace Construction Company, Inc. 3965 Pearl Rd. Cleveland, OH 44109	Lead Service Line Replacement 2022-5	Contract#: MA RC2023*038 Awarded Amt: \$3,994,983.05 Contract Exp. Date: 11/12/24
Terrace Construction Company, Inc. 3965 Pearl Rd. Cleveland, OH 44109	Lead Service Line Replacement 2022-6	Contract#: MA RC2023*039 Awarded Amt: \$3,784,610.60 Contract Exp. Date: 11/12/24