

**Request for Legislation**

*An ordinance authorizing the Division of Water (CWD) to enter into professional service and requirement contract(s) to replace lead and galvanized service lines, and to accept grants and / or loans from the State of Ohio.*

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**Background/Purpose:**

Service lines connect water mains in 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 residential service lines have been copper, lead and galvanized steel. Lead has not been installed at new locations since 1954.

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 sequesters the connection material from the drinking water. The process has been extremely successful at producing safe drinking water. Exposure levels in CWD water are currently 7 times below federal thresholds. New Federal Lead and Copper Rule Revisions are emphasizing removing water service lines made of lead.

CWD replaces lead connections with copper. In 2021, Cleveland Water received \$2.5 million from Ohio (\$500,000 H2Ohio Grant, \$2,000,000 forgivable loans) and successfully removed these types of service lines from all state-licensed childcares in CWD's direct service area.

The recently passed Federal Bipartisan Infrastructure Law (BIL) has set aside \$15 Billion for lead line removal nationally over the next 5 years. This funding may remove only 25%-40% of the nation's lead service lines. Ohio's share of this money is \$355M, and will be administered by the Ohio EPA in five annual rounds of \$71.3M each. About 54% of the funds are principal forgiveness loans (i.e. grants), and the remainder are low-interest 20 year loans. CWD recently applied for \$20M in Year 1 money, and expects to learn of funding awards in October. Ohio reopened its Year 1 application process this summer, but will return to its normal February application cycle in 2023, when CWD intends to apply for Year 2 money.

**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 to replace lead and galvanized service lines with copper for Program Years 1 and 2. The professional service contracts would be used to manage the Project, including but not limited to, designing, inspecting, performing a lead inventory, and other related services needed to implement the Project.. The one or more written requirement contracts would be for the necessary items of copper service lines, copper connections, and other necessary appurtenances needed to implement the Project, including but not limited to, materials, labor and installation, as necessary, for the Division of Water, and concrete repair, tree lawn restoration, and pavement restoration including but not limited to, materials, labor and installation, as necessary. In order to stretch these dollars further for actual lead line replacements, the City of Cleveland's normal permit fees, such as for street opening and obstruction permits, shall be waived.

**Anticipated Costs and Funding Source:**

CWD has applied for \$20M in Year 1 funding, and anticipates seeking similar amounts in future years. The cost of the improvement and other expenditures authorized shall be paid from operating funds, proceeds from bond issuance, grants and DWSRF awards from the state of Ohio, which can be a combination of principal forgiveness and low interest loans.

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.

**Schedule or Term of Contract:**

CWD is seeking authority to execute Years 1 and 2 of this program.

**Current Contract(s):**

There are no current contracts.

<b>Vendor Company Name</b>	<b>Vendor Address Company street address/city/state/zip</b>	<b>Vendor Contact Contact person at the company</b>	<b>Contract Info</b>

**CSB Participation on the Current Contracts:**

Goals: 30%

**Previous Contracts:**

There are not previous contracts

<b>Vendor Company Name</b>	<b>Vendor Address (Mailing address)</b>	<b>Vendor Contact (Contact person)</b>	<b>Contract Info (Provide all contract data as listed below)</b>	<b>CSB Participation (OEO Actual %s)</b>