

LEVERAGING SRF FOR LEAD SERVICE LINE REPLACEMENT

JERSEY WATERWORKS CONFERENCE 2025

Our Commitment to Future Generations



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Dewcon Contracting

Accredited by the New Jersey Water Association.*

3.5 TCH for NJ-Licensed Water Operators. Course: TCH# 04-112501-10

3.5 Credits for NJ-Certified Public Works Managers (1.0 Technical, 2.5 Management). Course: CPWM# DLGS-NJWA-301

***MUST attend ALL three Utility Track sessions (session 1/3)**

UTILITY TRACK

Learning Lab Advancing Lead Service Line Replacement (LSLR) in New Jersey
Part 1: 10:00 a.m. to 11:15 a.m.

CREDITS: 1.0 PE CPC

JERSEY WATERWORKS **CONFERENCE** 2025

DECEMBER 11, 2025 | THE COLLEGE OF NEW JERSEY, EWING

OUR COMMITMENT TO FUTURE GENERATIONS

Jersey Water Works Collaborative brings together people with diverse backgrounds, perspectives, and expertise to address the challenges within New Jersey's water sector.



www.jerseywaterworks.org
info@jerseywaterworks.org

Thank you for joining us!

#njwater25

JERSEY WATERWORKS CONFERENCE 2025

DECEMBER 11, 2025 | THE COLLEGE OF NEW JERSEY, EWING

Our Commitment to Future Generations



NEW JERSEY
AMERICAN WATER



LLSC NEW JERSEY





**WATER
RESOURCE
MANAGEMENT**

New Jersey Water Bank

**Lead Service Line
Replacement (LSLR)
Funding**



Agenda

01

NJ Water Bank Intro

02

DWSRF LSLR Funding History & Opportunities

03

Technical Assistance for DACs

04

Application Process

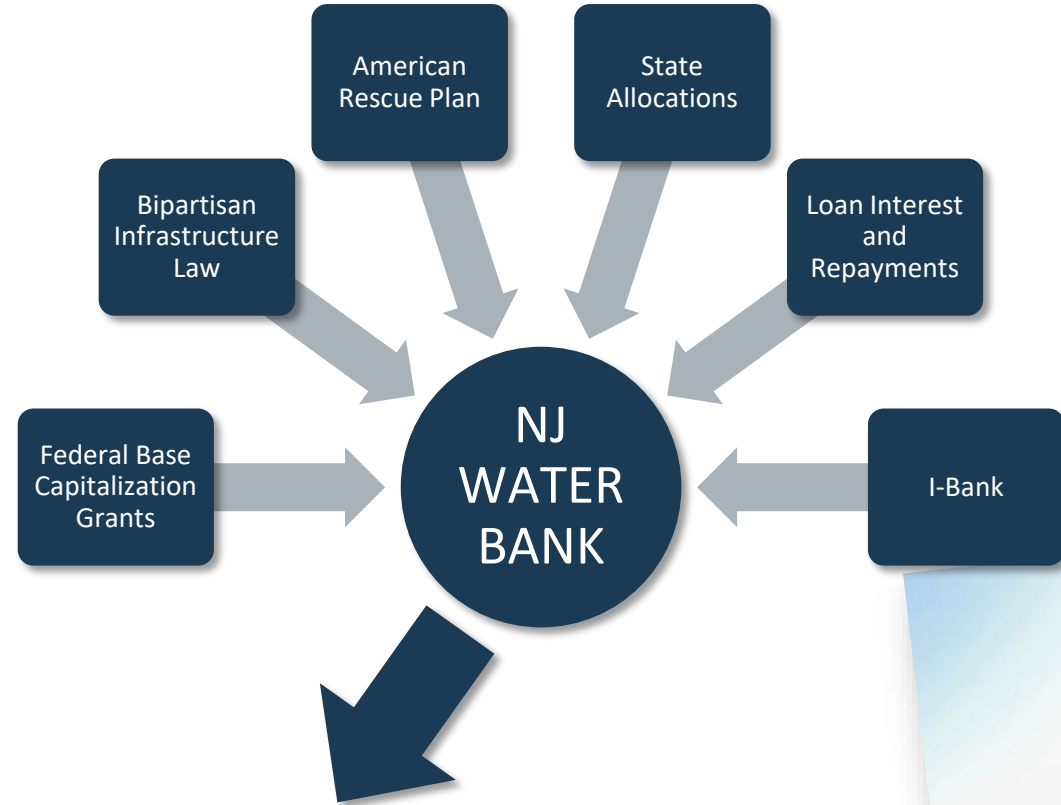
05

New LSLR Funding Requirements

06

Frequently Asked Questions (FAQs)

Funding New Jersey Water Infrastructure



**Below Market Rate Financing,
Principal Forgiveness, and Grants
for High Priority Projects and
Disadvantaged Communities (DACs)**

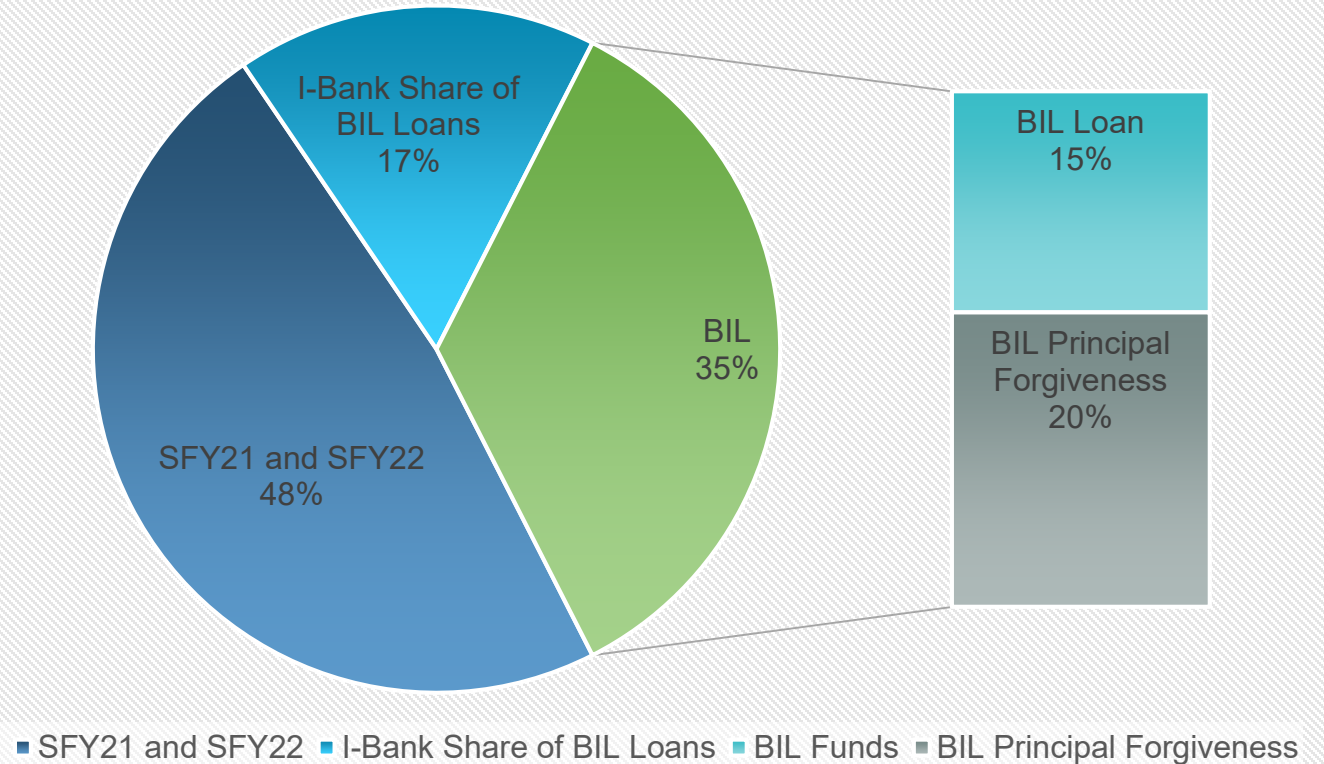




History of Lead Funding!

Since State Fiscal Year 2021, the NJ Water Bank has funded **\$381 million dollars** for lead service line replacement projects.

LSLR Financing \$381 Million in Funding



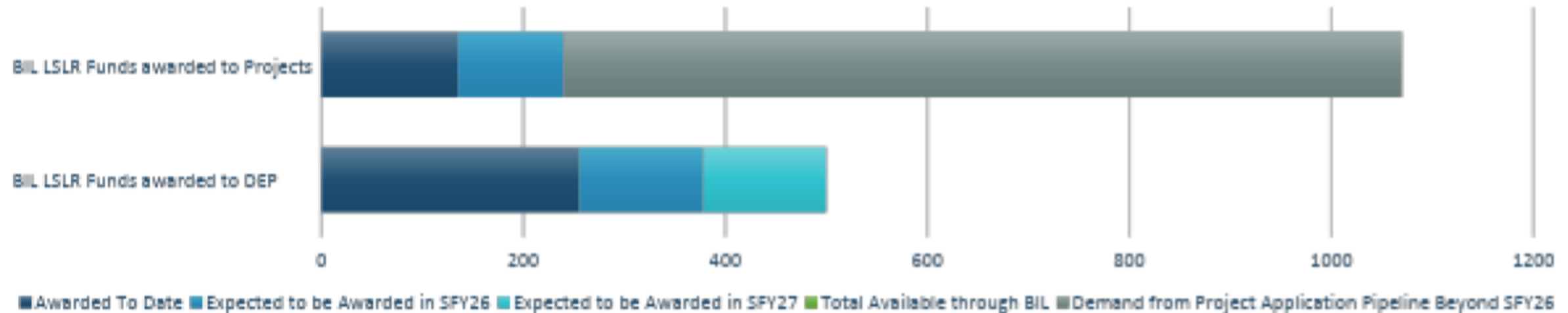


History of Lead Funding!

The Bipartisan Infrastructure Law (BIL)
-**\$500 million in BIL funds available for NJ LSLR projects through SFY27**, 49% of which must be provided as principal forgiveness to DACs.

To date, **\$135 million of BIL funds have been obligated**, including \$77 million in principal forgiveness.

Available BIL LSLR Funds vs. Pipeline Demand





WIIP Spending Dashboard

<https://dep.nj.gov/wiip/spending-dashboard/>

Dashboard Overview

The NJ Water Infrastructure Spending Dashboard is managed by the New Jersey Department of Environmental Protection (DEP or Department) to illustrate the clean water and drinking water investments administered via the New Jersey Water Bank for Fiscal Year 2023 onwards. The New Jersey Water Bank is a partnership between the Department and the New Jersey Infrastructure Bank (I-Bank) to provide low cost financing for the design, construction, and implementation of projects that help protect and improve water quality and help ensure safe and reliable drinking water.

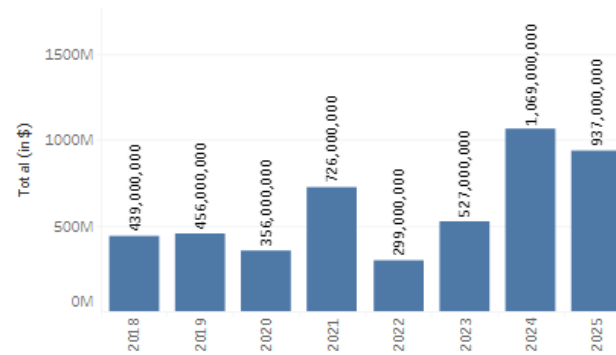
The dashboard is split into two halves; the clean water investments and drinking water investments. Both of these segments have different funding sources, as demonstrated on their respective pages. For more information about the funding sources, project affordability criteria or intended use plans, please click on the *IUP & Project Priority Lists* tab located on the website's ribbon above.

All data visualizations are interactive. Make sure to hover your cursor over the maps and graphs to see all available information. Please note, the data in this dashboard is updated monthly. The last data update took place on September 1, 2024.

Total Loans Provided SFY 2018 - 2024

\$3.8+ Billion

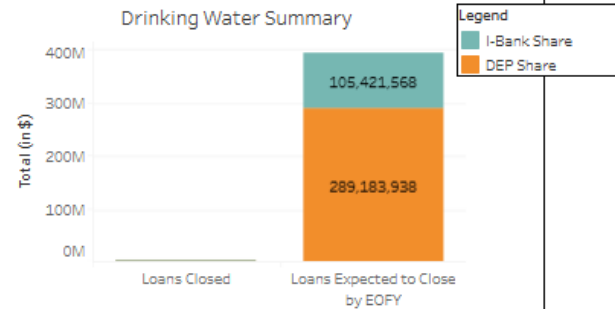
provided in financing over previous 7 fiscal years via the NJ Water Bank to construct clean water and drinking water projects across the state.



FY26 Drinking Water Projects (Est. \$400 Million)

Loans Closed: \$5,743,719 (5 loans)

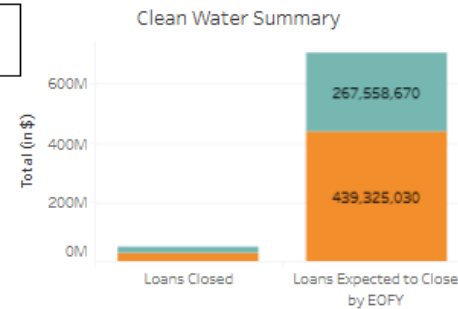
Loans Expected to Close by EOFY: \$394,605,506 (125 loans)



FY26 Clean Water Projects (Est. \$762 Million)

Loans Closed: \$55,380,227 (8 loans)

Loans Expected to Close by EOFY: \$706,883,700 (133 loans)





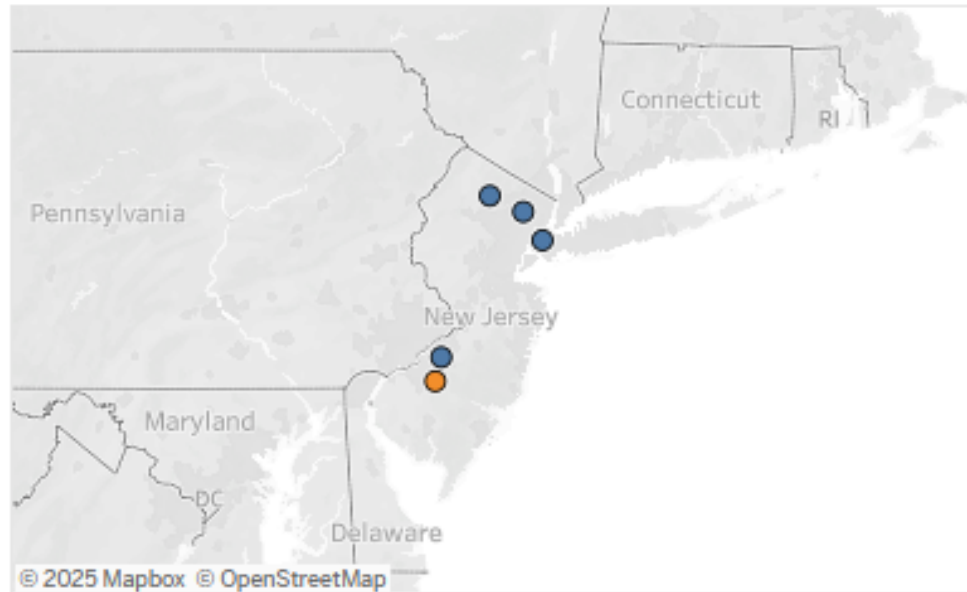
WIIP Spending Dashboard

<https://dep.nj.gov/wiip/spending-dashboard/>

Water Bank Drinking Water Investments

Hover over the graphics to see detailed information about each project. Clicking on a project on the map or funding breakdown chart will isolate it. Use the Fiscal Year selection menu to isolate projects from different years.

Drinking Water Project Map



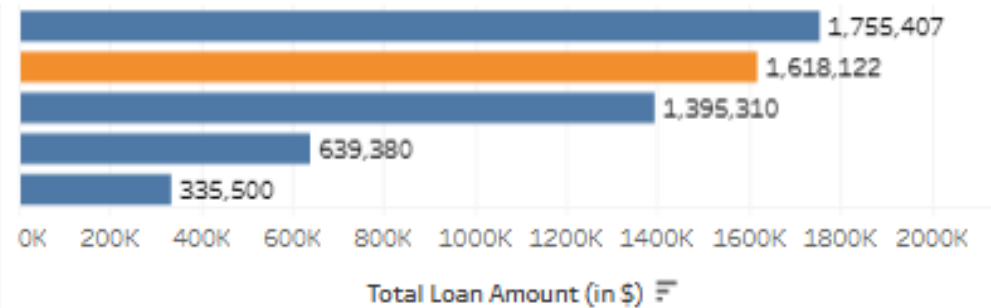
Legend

- Project Met Disadvantaged Criteria
- Project Did Not Meet Disadvantaged Criteria

Fiscal Year

- ☐ FY2024
- ☐ FY2025
- ☒ FY2026

Project Funding Breakdown



Project Sponsor

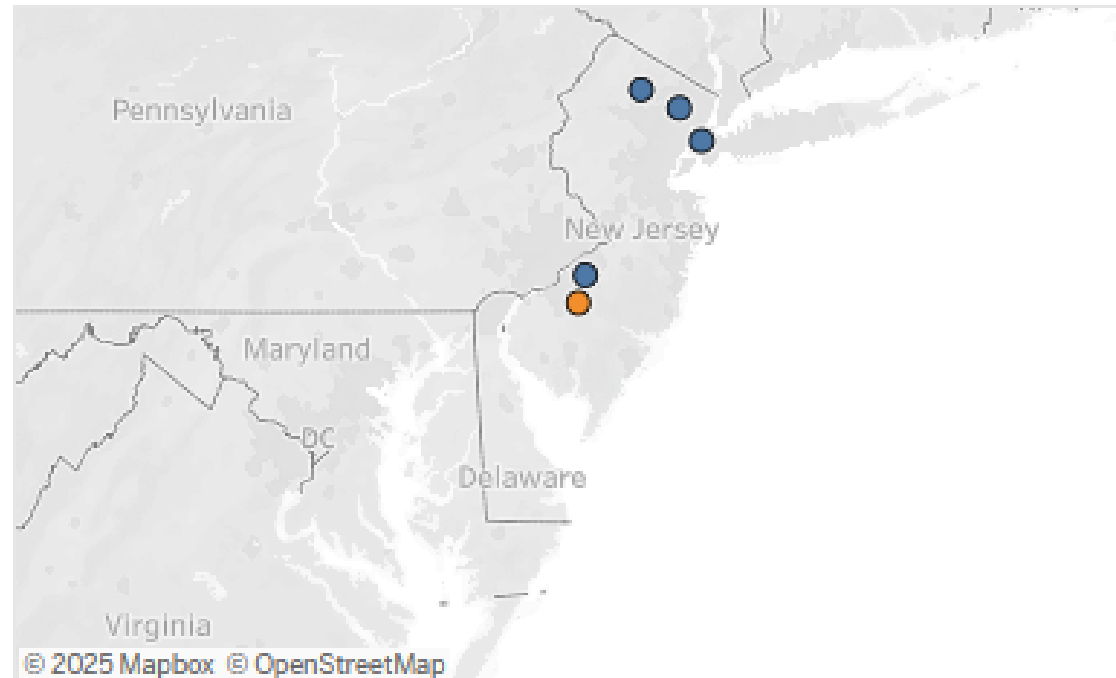
- ☒ (All)
- ☒ Allentown Borough
- ☒ Aqua New Jersey Incorporate
- ☐ ...



WIIP Spending Dashboard

<https://dep.nj.gov/wiip/spending-dashboard/>

Drinking Water Project Map



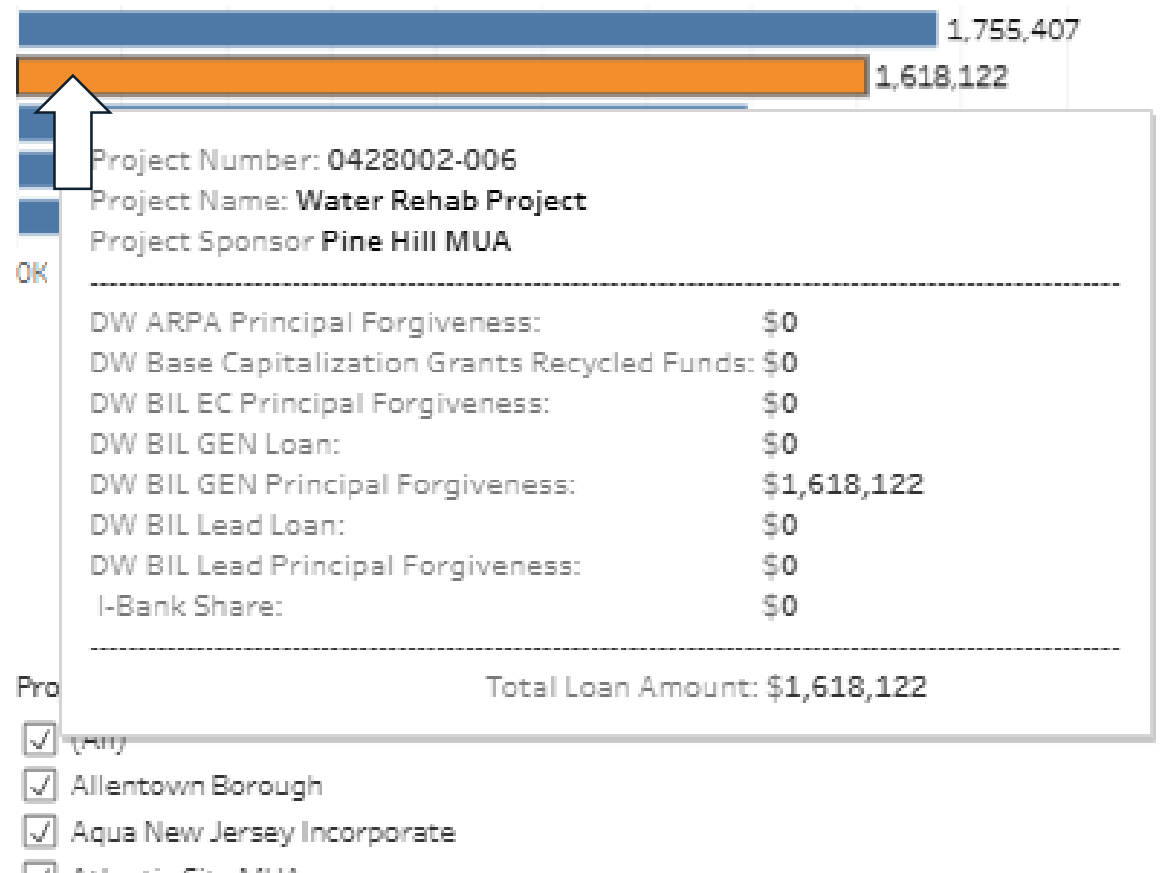
Legend

- Project Met Disadvantaged Criteria
- Project Did Not Meet Disadvantaged Criteria

Fiscal Year

- ☐ FY2024
- ☐ FY2025
- ☒ FY2026

Project Funding Breakdown

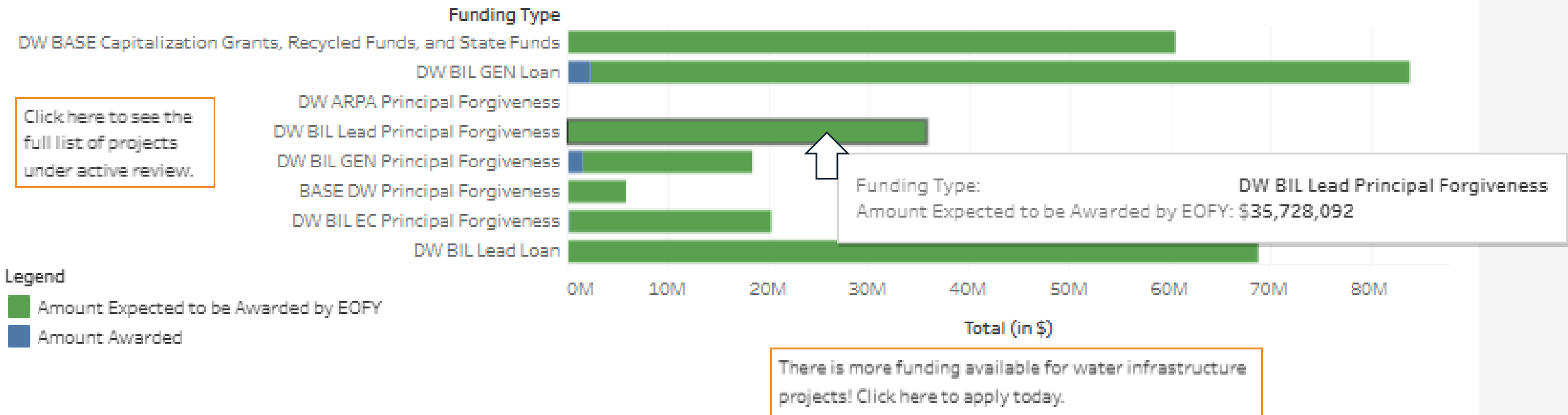




WIIP Spending Dashboard

<https://dep.nj.gov/wiip/spending-dashboard/>

Total FY 2025 Water Bank Drinking Water Funding Sources Awarded & Funding Amounts Expected to be Awarded

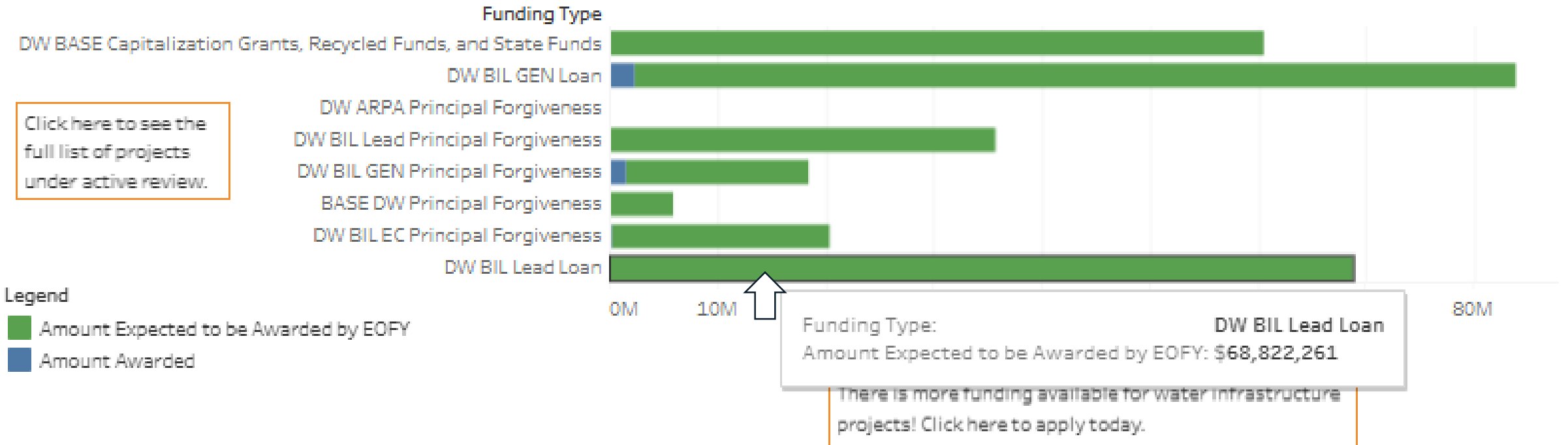




WIIP Spending Dashboard

<https://dep.nj.gov/wiip/spending-dashboard/>

Total FY 2025 Water Bank Drinking Water Funding Sources Awarded & Funding Amounts Expected to be Awarded





What is a DAC?

In New Jersey, applicants that meet either of the following two criteria are considered to have satisfied the State's SRF Affordability Criteria and are considered Disadvantaged Communities (DACs).

Check the most up to date Intended Use Plan to determine eligibility for your project.

25%

Lowest quartile of municipal Affordability Scores (86.19)

Based on Median Household Income (MHI), unemployment, and population change

80

80 Environmental Justice Economic Overburdened Community Criteria points

If at least 35% of the households served by the project, on a municipal basis, qualify as low-income households



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Lowest quartile of municipal Affordability Scores (86.19)

Tiered Affordability packages.

80

80 Environmental Justice Economic Overburdened Community Criteria points

AC 1 Tier

- Represents the lowest scoring 10% of municipalities.
- Scores under 69.11
- Eligible for tier 1 funding packages with additional PF

AC 2 Tier

- Scores between 69.11 and 86.19
- Eligible for tier 2 funding packages for generous historical funding



SFY 26 Lead Service Line Replacement (LSLR) Funding Packages

Funding Package for Lead Service Line Replacement AC2 up to \$20M

Principal Forgiveness (\$10M Cap) 50%	DEP Loan Share (No Interest) 25%	I-Bank Loan Share (AAA Market Rate) 25%
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Funding Package for Lead Service Line Replacement AC1 up to \$20M

Principal Forgiveness (\$16M Cap) 80%	DEP Loan Share (No Interest) 10%	I-Bank Loan Share (AAA Market Rate) 10%
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Funding Package for Lead Service Line Replacement with PF over \$20M

DEP Loan Share (No Interest) 75%	I-Bank Loan Share (AAA Market Rate) 25%
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Funding Package for Lead Service Line Replacement w/o Affordability Criteria

DEP Loan Share (No Interest) 80%	I-Bank Loan Share (AAA Market Rate) 20%
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Enhanced Funding for Disadvantaged Communities

Enhanced Funding for Non-Disadvantaged Communities



Technical Assistance for DACs

States have flexibility to use BIL set-aside for program implementation. NJDEP will be using these funds towards our Technical Assistance Program.

Focus to assist facilities that:

- **Serve Disadvantaged Communities** with Lead, PFAS, and SDWA compliance issues, CSOs, sewer infrastructure rehab and upgrades, and more.
- **May lack sufficient resources** to perform full assessment of needs (e.g. LSLIs, AMPs, CIPs)
- **May lack financial, managerial, and/or community support** for infrastructure projects and require assistance with stakeholder outreach & engagement.
- **May not be aware of funding opportunities or lack familiarity** and comfort with navigating Water Bank program application processes.
- **May need eventual engineering services** to assist with planning and design.



Program Navigation



Financial and Needs Assessments



Community Engagement



Engineering Services (DW only)



Technical Assistance for DACs

Participants in the CWSRF and DWSRF Technical Assistance Programs qualify for up to \$2 million in grants for planning and design and guaranteed principal forgiveness for a resulting capital improvement project.

<https://dep.nj.gov/wiip/njwb-process/technical-assistance-info/technical-assistance/>



New Planning and Design Grants

(\$60 million total) for sponsors participating in the DW and CW Technical Assistance Programs.

100% Grant Funding
\$2 Million Cap per Project



Guaranteed funds for capital improvement projects

(\$60 million total) for sponsors participating in the DW and CW Technical Assistance Programs.

100% Principal Forgiveness
\$2 Million Cap per Project



State Revolving Fund (SRF) Process

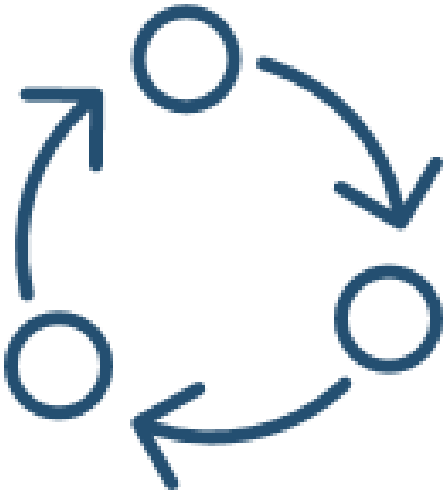
STEP 1: Create Project

STEP 2: Submission of Project via H2L0ans

STEP 3: Submission of Letter of Intent
▪ Including the Project Report

STEP 4: Submission of Loan Application
▪ Including Engineering Design – Plans & Specifications

STEP 5: Submission of SED Participation During Planning & Design for Contracting Agencies
OEO-001 Form





SRF Process - Step 3

Project Report

A complete Project Report includes three components:

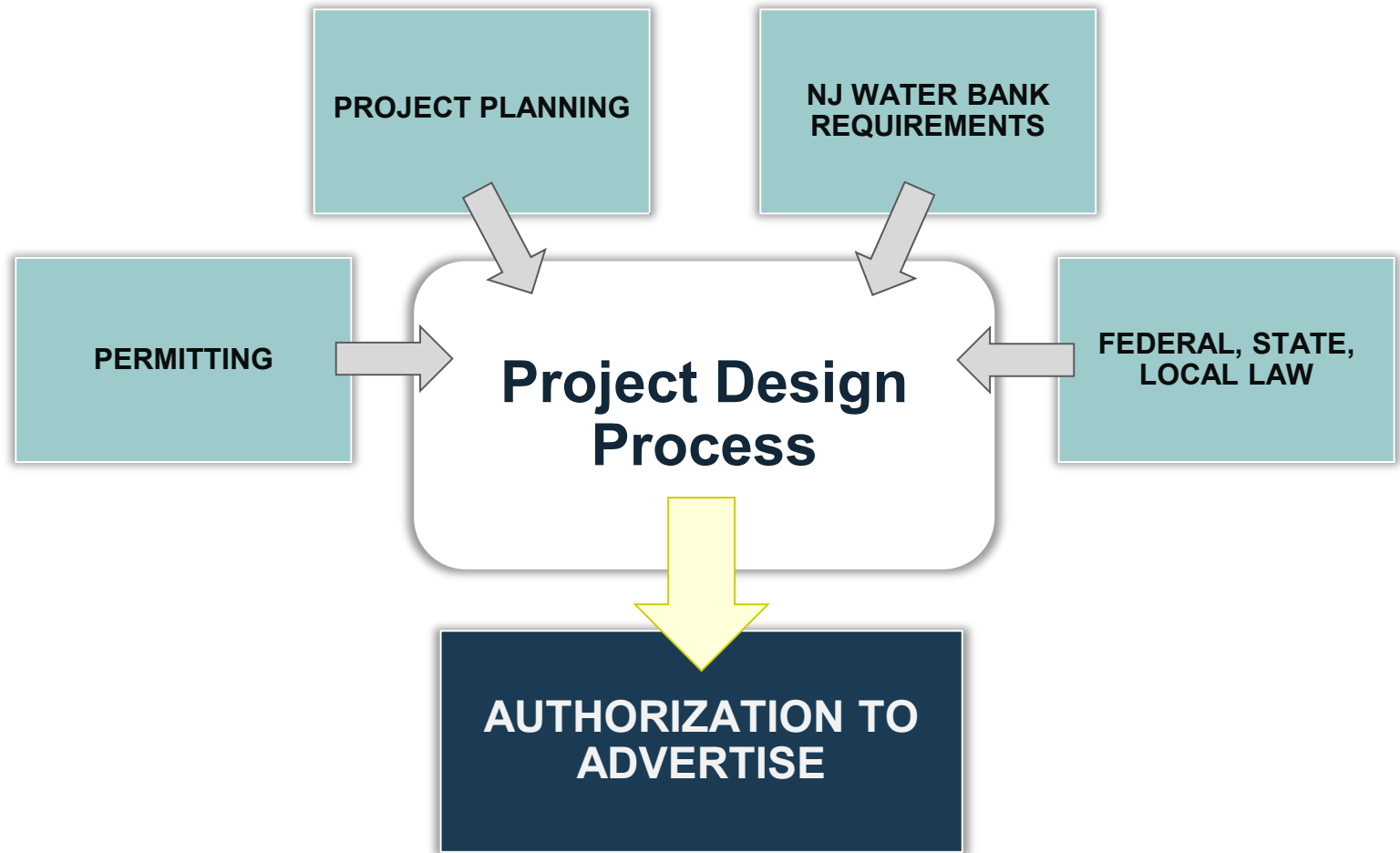
- Preliminary Engineering Requirements
- Environmental Planning
- Cultural Resource Requirements.





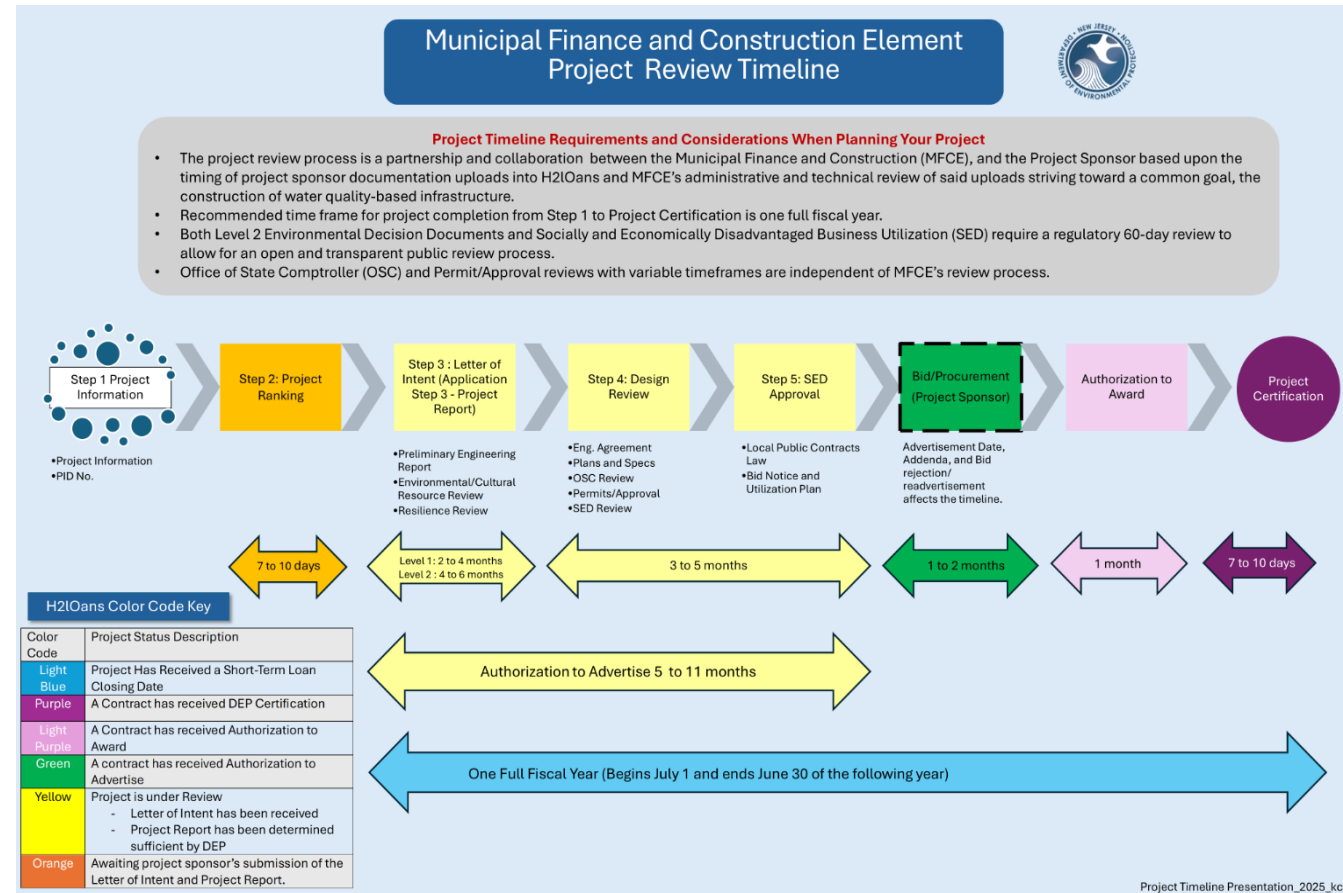
SRF Process - Step 4

**Development Of
Project Design And
Submittal Of
Complete Loan
Application**





SRF Project Timeline



Program Resources



[SRF Applicant Guidance \(nj.gov\)](https://www.nj.gov/njdep/water/infrastructure/investment-plan/resources/)

[NJDEP | Water Infrastructure Investment Plan | Resources](#)



Updated Requirements for Funding: Engineering Agreement

The engineering agreement Scope of Work must now include:

- Full time inspection of each service line replacement and test pit.
- There are new requirements for site inspection reports for each service line replacement, which must be submitted to the NJDEP monthly during the life of the project.
- Monthly payment applications must include a table containing a line-item summary of the work performed and being billed for. This table will list all addresses worked on in said pay period.



Updated Requirements for Funding: New Inspection Report Fields

Pre-Replacement Images
of Curb/Meter/Main

Post-Replacement
Images of
Curb/Meter/Main

Date Work Performed

Type of
Replacement/Verificatio
n Performed

Site Coordinates

Contractor That
Performed Replacement

Material Found at
Curb/Meter/Main

Material Replaced at
Curb/Meter/Main

Site Address

Resident Project
Engineer Name

And more fields....
Outlined in site inspection
report template

Updated Requirements for Funding: Site Inspection Pictures



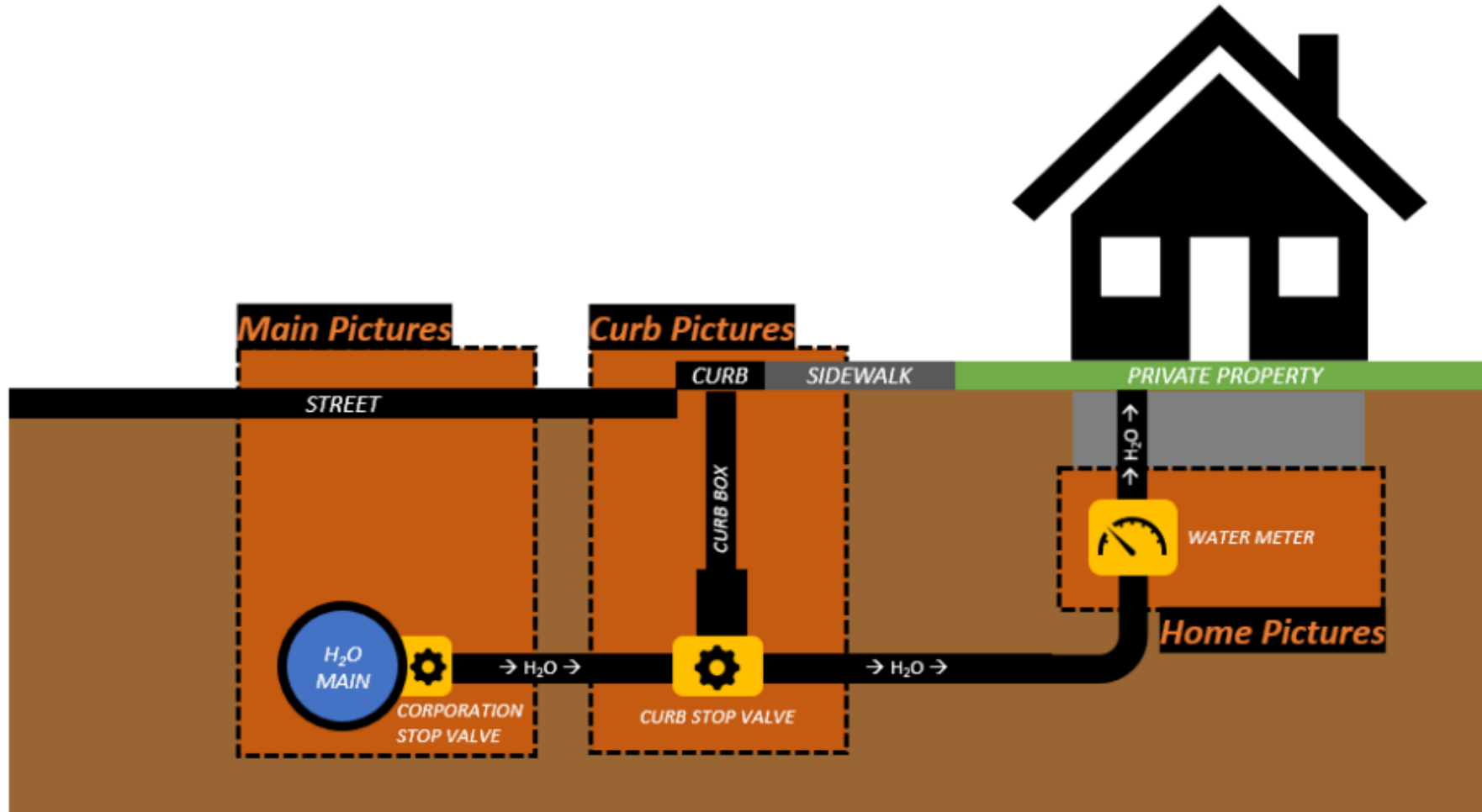
Photographs of each replacement including:

- Preconstruction condition of the worksite
- Excavated curb stop to document the materials and condition of the existing utility-side and customer side service lines.
- Clear documentation of the completed service replacement
- Photograph(s) must include geographic coordinates.
- Photographs must conform to the NJDEP-established standards (See picture on left).
- For photographs of both pre-construction and post-construction service line replacements, a minimum of 18 inches of line must be visible after each connection or valve for both homeowner side and utility (main) side replacements.



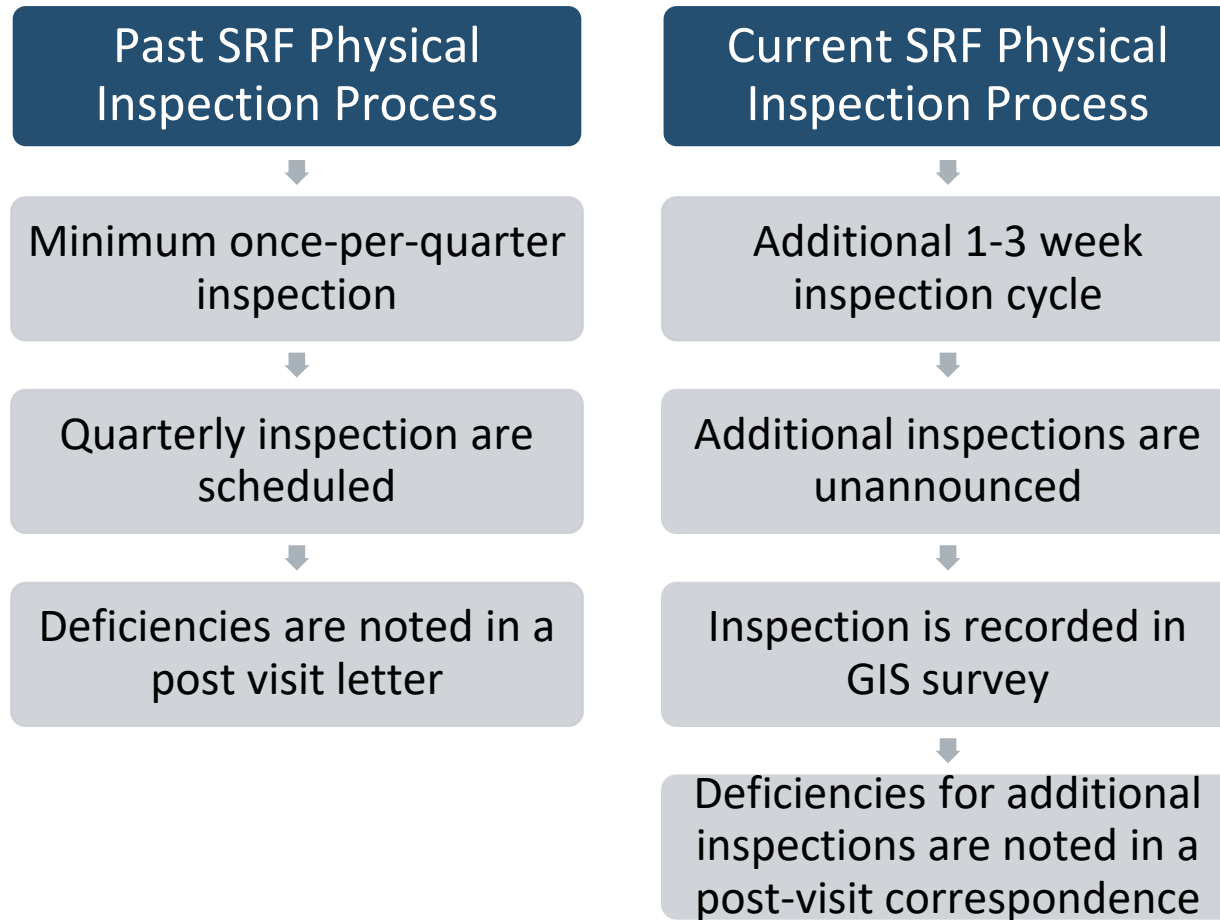
Updated Requirements for Funding: Site Inspection Pictures

Diagram 3.1 – Scope of Standardized Site Pictures





Updated Requirements for Funding: Construction Phase NJWB Procedures



- Increased frequency of NJDEP inspection to ensure that the requirements listed in Engineering Agreement are being followed
- Comprehensive NJDEP review of loanee submitted inspection reports to ensure that proper inspection procedures are being followed
- Review of submitted contractor's invoices/spreadsheets to ensure that address specific information for each LSLR has been submitted (must be in excel format).

<https://dep.nj.gov/wiip/lead-service-line-replacement-srf-requirements/>

 Department of Environmental Protection

 Water Infrastructure Investment Plan

Home  New Jersey Water Bank  IUP & Project Priority Lists  LSLR SRF Requirements  Spending Dashboard  Needs Surveys  WIIP Sessions  Guidance & Forms  Contact Us 



Lead Service Line Replacement Guidance

Home / Lead Service Line Replacement SRF Requirements

Requirements for Lead Service Line Replacement (LSLR) Projects

Lead service line" means a water supply connection that is made of, or lined with, a material consisting of lead, and which connects a water main to a building inlet. A lead pigtail, lead gooseneck, or other lead fitting shall be considered to be a lead service line, regardless of the composition of the service line or other portions of piping to which such piece is attached. A galvanized service line shall be considered to be a lead service line. A lead service line may be owned by the public community water system, a property owner, or both. These pipes can be a significant source of lead contamination in drinking water. In July 2021, Governor Phil Murphy signed into law [PL 2021, Ch.183](#), which requires community water systems in NJ to identify all lead service lines, provide public notification regarding the presence of all lead service lines, and replace all lead service lines by 2031. All community water systems must meet federal and State laws and regulations concerning lead service lines.

- [EPA Lead and Copper Rule](#)
- [EPA Lead and Copper Rule Revisions \(LCRR\)](#)
- [EPA Proposed Lead and Copper Rule Improvements \(LCRI\)](#)
- [NJDEP Reducing Potential Risks from Lead in Drinking Water](#)
- [NJ Safe Drinking Water Act N.J.A.C. 7:10](#)

Public vs. Private Components

- **Public Portion:** This typically includes the section of the service line from the water main in the street to the property line. It is usually owned and maintained by the water utility.
- **Private Portion:** This includes the section of the service line from the property line into the building. This portion is typically the responsibility of the property owner.



Lead Regulatory Updates

- New LSL Reporting System: EN Suite
 - Submitting via watersupply@dep.nj.gov is no longer accepted. All water systems must create an account and submit their LSL documents via EN Suite
- Based on what has been submitted as of 9/5/2025:
 - 562 ROs have created accounts
 - 413 systems have submitted inventories
 - Unknown Service Lines: 663,582
 - Known Lead and Galvanized Lines: 105,130



Quick FAQ!

If a water system does not own any of the service lines in the service area, what is the system's responsibility for replacement?

Regardless of who owns the service line (customer vs water system), the water system is responsible for ensuring that these lines are replaced and must create a plan to do so. In practice, this means that water systems must set up a service line replacement program and offer to replace the service lines on behalf of the customer. The water system is not responsible for paying for the portion of the service line that they do not own.

How far must the service line be replaced into the home? Where does premise plumbing start?

All lead portions of the service line must be removed. In most cases, the lead service line portion may extend into the property at a minimum of three (3) feet after the building inlet. In properties where the meter extends beyond three (3ft), the lead line shall be replaced past the meter and up to the shut-off valve.

EPA has placed restrictions on funding galvanized service line replacements using Bipartisan Infrastructure Law funds. Will DWSRF be able to fund my galvanized service line project?

EPA has instructed all states that FFY24 and future Bipartisan Infrastructure Law funds for Lead are only to be used for lead service lines, or galvanized service lines that were previously or currently downstream of lead. However, NJDEP has remaining funds from previous fiscal year allocations that can be used for galvanized service line replacements, as well as other packages should those funds not be available. If a water system has specific questions about funding available to them for a project, please reach out to schedule a meeting to discuss further.

Questions?

Ask away!

Email us at
waterbankinfo@nj.dep.gov



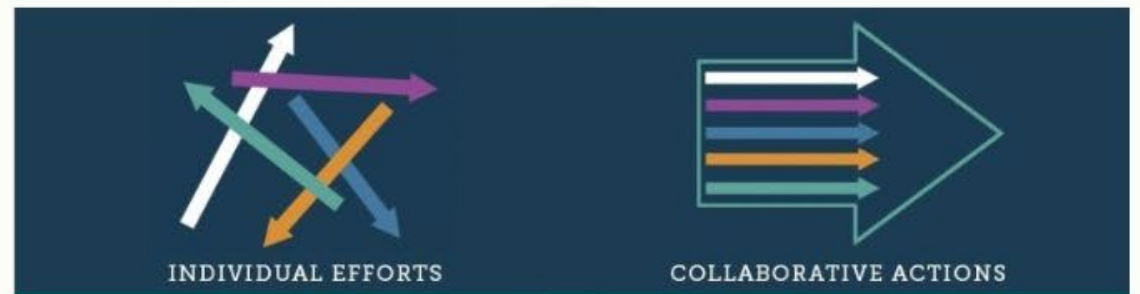
Phase	Source of funds	Budget	Actual	Start Date	End Date	lines replaced	# home inspections	PF anticip (shor term loan)	PF recvd (long term loan)	TWW Cost	SRF savings	Grants
Phase 1 (A,B,)	(\$17M I-Bank, \$7.2M TWW capital accts	\$15,900,000	\$16,996,819.00	Aug-19	Aug-21	3,180	total for Ph1 and 2 17,920	50%	56%	\$7,998,819.00	\$9,000,000	
Phase 1C	TWW Cap Acct	\$10,000,000	\$6,461,193.22			1,428				\$6,461,193.22		
Phase 2 (A, B,C)	I-Bank	\$22,000,000	\$21,916,042.00	2021	2024	3,998	combo with Phase 1	50%	50%	\$10,958,021	\$10,958,021	
Phase 3	EPA WIIN Grant	\$5,530,000	\$5,530,000	Oct-25	Dec-26	600	target 100	grant		0		\$5,530,000.00
Phase 4	I-Bank	\$10,000,000	\$10,000,000	Dec-24	Mar-26	1,000	target 100	50%		\$5,000,000	\$5,000,000	
Phase 5	I-Bank	\$20,134,275	\$20,500,000.00	Oct-25	Oct-27	1,880	target 3,800	5A,5B 80%, 5C 50%		\$20,500,000	\$13,621,336	
Ph 5 PnD grant	NJDEP grant	\$2,000,000	\$2,000,000.00	TBD	2 yr project		approx 12,000	grant		0		\$2,000,000
Phase 6	I-Bank (80% PF)	\$20,000,000	\$20,000,000.00	TBD		1,800		80%		\$4,000,000	\$16,000,000	
Totals so far		\$105,564,275	\$103,404,054			13886				\$54,918,033	\$54,579,357	\$7,530,000



JERSEY WATER WORKS

Smart infrastructure. Strong communities.

THANK YOU! STAY INVOLVED!



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info@jerseywaterworks.org



#njwater25