

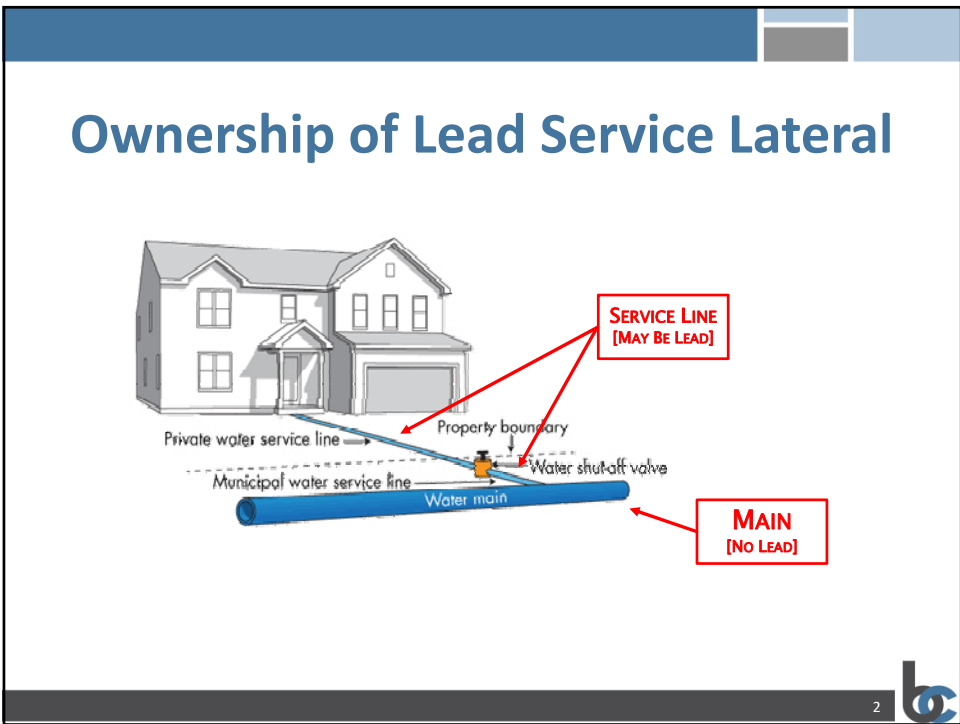
LEAD SERVICE LINES

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- **196.60 Discrimination prohibited; penalty.**
- **(1) (a)** No public utility . . ., directly or indirectly, may charge, demand, collect or receive from any person more or less compensation for any service rendered or to be rendered by it in or affecting or relating to the production, transmission, delivery or furnishing of heat, light, water, or power or for any service in connection therewith, than that prescribed in the published schedules or tariffs then in force, or established under this chapter, or than it charges, demands, collects or receives from any other person for a like contemporaneous service.
- . . .
- **(3)** If a public utility gives an unreasonable preference or advantage to any person or subjects any person to any unreasonable prejudice or disadvantage, the public utility shall be deemed guilty of unjust discrimination. A public utility violating this subsection shall forfeit not less than \$50 nor more than \$5,000 for each offense.

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- **196.604 Rebates, concessions and discriminations unlawful.** No person may knowingly solicit, accept or receive any rebate, concession or discrimination from a public utility for any service in or affecting or relating to the production, transmission, delivery or furnishing of heat, light, water or power within this state or for any connected service whereby the service is rendered or is to be rendered free or at a rate less than the rate named in the schedules and tariffs in force, or whereby any other service or advantage is received. Any person violating this section shall be fined not less than \$50 nor more than \$5,000 for each offense.

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PSC Has Disallowed Utility Funding of Private Lead Service Line Replacement

- It would be an “unwise precedent” to allow utility charges to be put toward a subsidy which clearly and directly benefits a specific group of private property owners
- Property owner is responsible for repair and replacement of customer portion of lateral
- Property owners should have known of lead lateral liability and potential need for lateral replacement
- City passed the ordinance requiring lead lateral replacement
- City should be responsible for the funding of the subsidy

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Some Questions if Considering a Lead Service Line Replacement Program

- Should replacement of private lead service lines be voluntary or mandatory?
- How much and what type of assistance is the municipality willing to provide?
- Is the municipality willing to coordinate or arrange for work on private property if the property owner agrees?

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Possible Replacement Methods

- Municipal contracting combined with a municipal project
- Municipal contracting not combined with a municipal project
- Municipal staff does private service line replacement at its cost (Lansing, MI method)
- Property owner replacement with municipal assistance (Madison method)
- Property owner replacement at property owner's sole cost

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SDW Revolving Loan Fund

- DNR proposes making “principal forgiveness” available to eligible local governments for lead service line replacement on private property
- Eligibility based on:
 - Median household income (MHI)
 - Population
 - Population trend
 - County unemployment rates

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Amount of SDWLP Funds Available

- Funds available based on population
 - < 50,000 = \$300,000/yr
 - 50,000 to < 500,000 = \$500,000/yr
 - 500,000 + = \$750,000/yr
- Must comply with all SDWLP requirements