

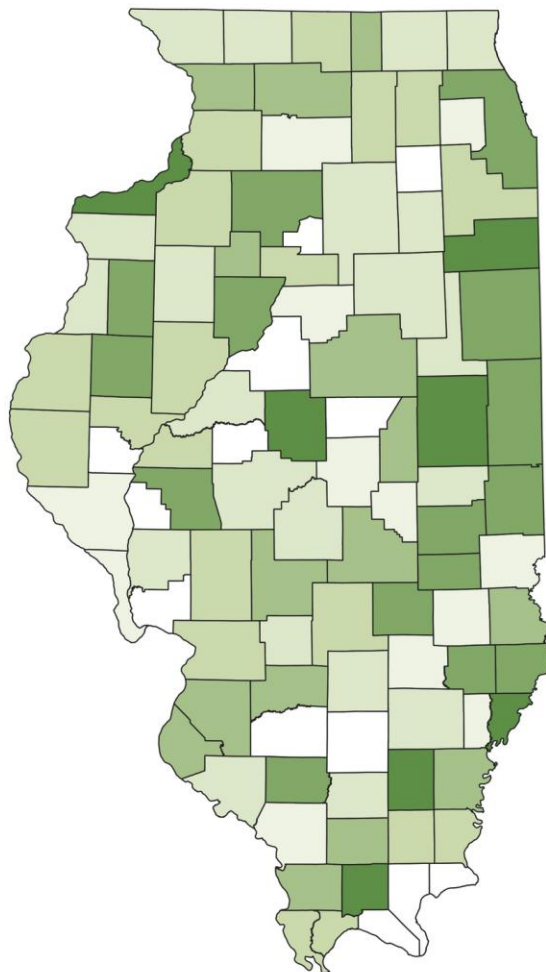


# **LSLR Funding Needs and Potential Revenue Sources**

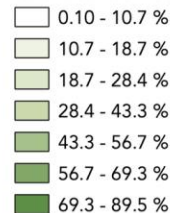
July 27, 2022

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Policy Manager

# Scope of the problem and funding need



All Known and Potential Lead Service Lines  
as a Percent of Total Connections



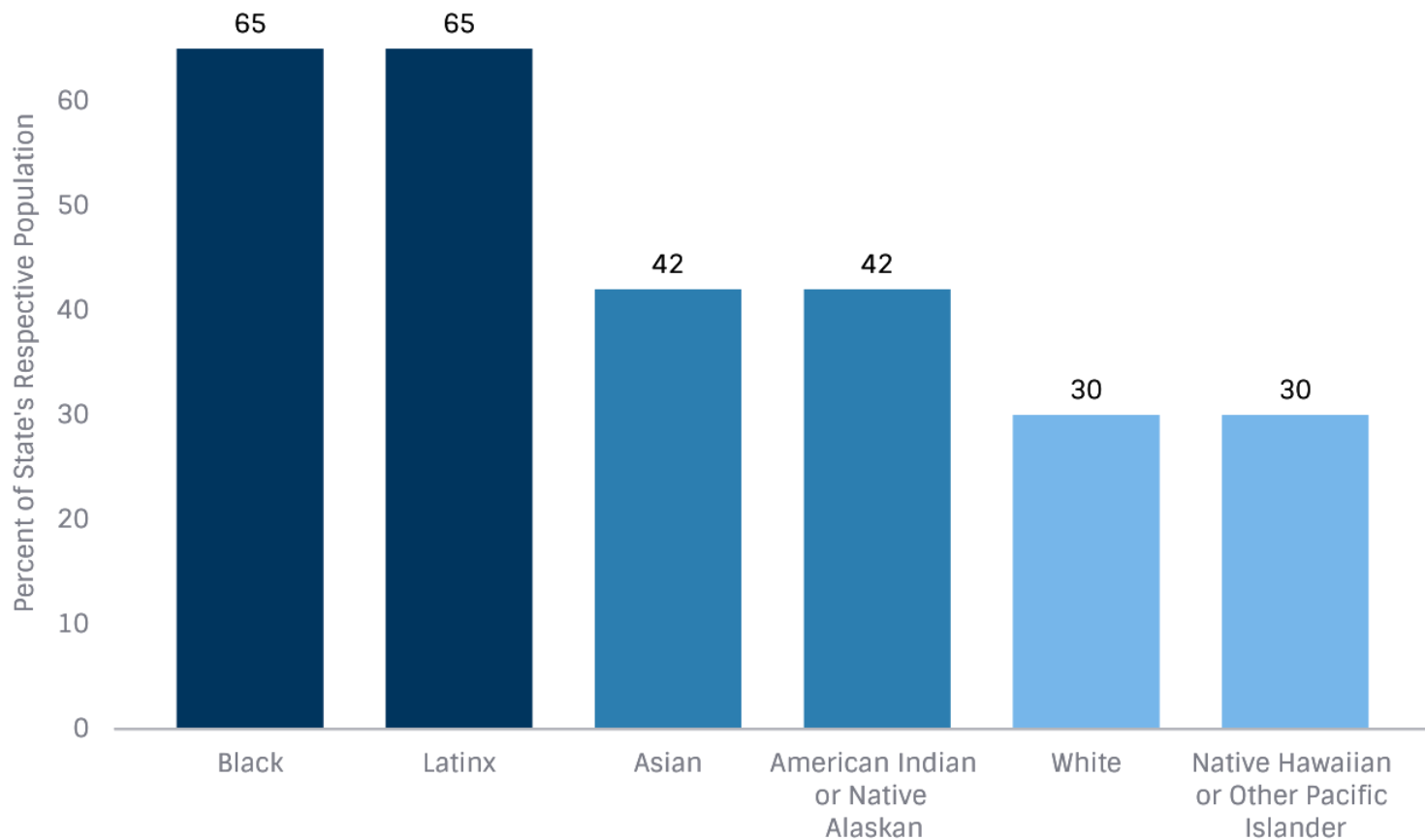
667,275  
Known LSLs

819,516  
Unknown  
Service Lines

>\$5.4 billion  
cost  
statewide

# Disproportionate burden for BIPOC Illinoisans

## Representation of Racial and Ethnic Groups in Municipalities with the Most Lead Service Lines



# Type of funding needed

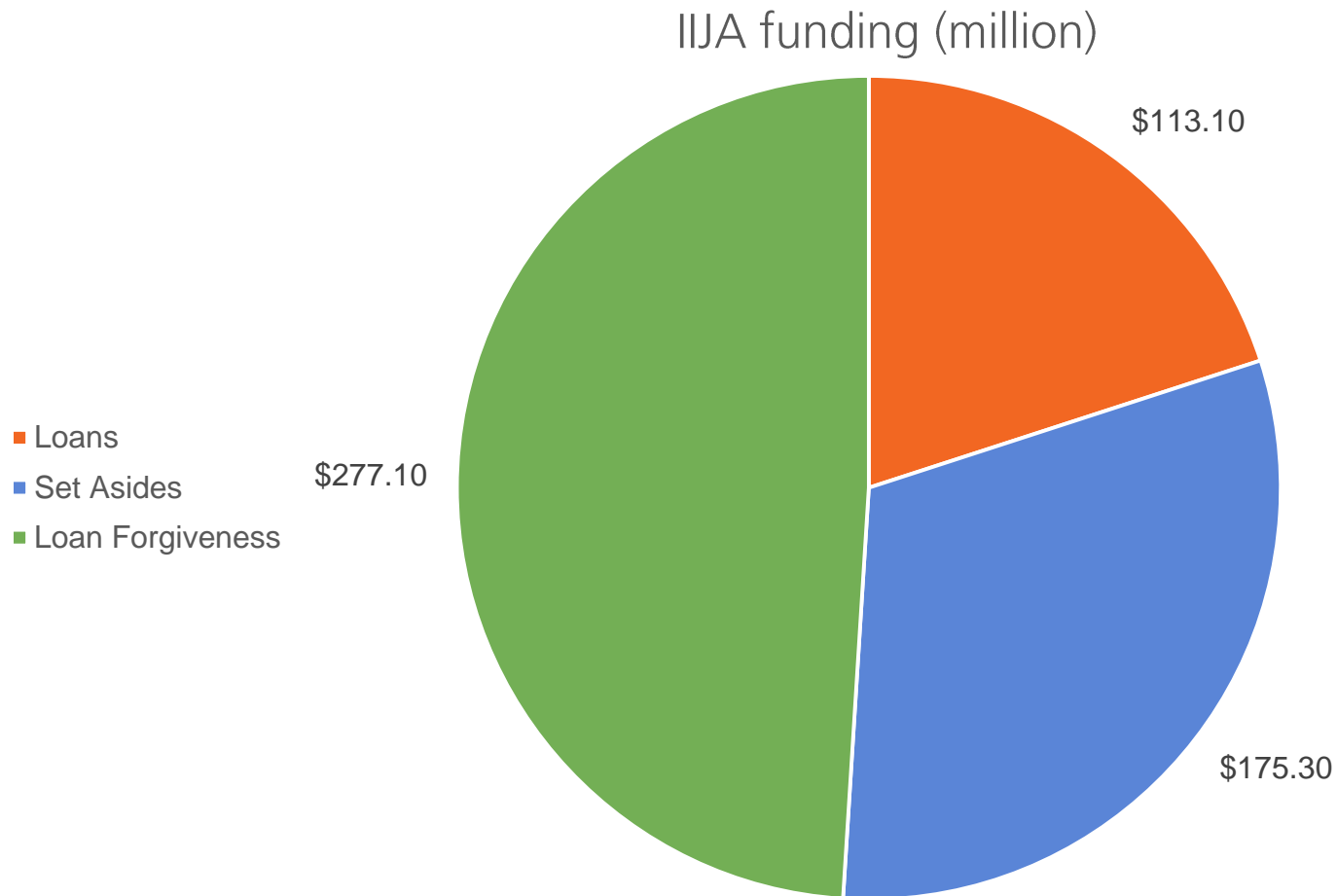
## Technical Assistance

- Community engagement
- Accessing federal funds
- Inventory + Planning
- Etc.

## Replacement

- Labor
- Materials
- Equipment
- Etc.

# Existing federal LSLR funding



# IIJA Funding: Need + Impact

	Funding Available	Cost per community or LSL	# communities or lines	% of total
<b>Planning/inventory /replacement</b>	\$131.4 M	\$125,000	1,051	<b>100%</b>
<b>Replacement Loan Forgiveness</b>	\$277.1 M	\$8,000	34,636	<b>5.2%</b>
<b>Replacement Loans</b>	\$157 M	\$8,000	19,628	<b>2.9%</b>
<b>REMAINING IL NEED</b>	<b>\$4.9 B</b>			

# Evaluating Possible Revenues

## Source

- Federal
- State
- Other

## Evaluation Criteria

- Equitable – Progressive structure
- Sufficient – Generating enough revenue
- Feasible – Can be collected

# Summary of Possible Federal Revenues

Proposal	Description	Projected Revenue
<b>Increase IL distribution from Infrastructure Investment and Jobs Act</b>	Align IJA funding with demonstrated state need.	\$1.23 billion
<b>Additional Federal Appropriation</b>	FY2023 \$1.5 billion appropriation for LSLR.	\$179M



# Align IJA with demonstrated need

State	# LSLs	Total Funding (# LSLs)	Total Funding (SRF Allotment)	Change (\$Million)
<b>Illinois</b>	<b>730,000</b>	<b>\$1,791.9</b>	<b>\$565.5</b>	<b>-\$1,226.4</b>
Ohio	650,000	\$1,595.5	\$376.5	-\$1,219.0
Michigan	460,000	\$1,129.1	\$367.5	-\$761.6
New York	360,000	\$883.7	\$612.0	-\$271.7
New Jersey	350,000	\$859.1	\$256.5	-\$602.6
Missouri	330,000	\$810.0	\$264.0	-\$546.0
Indiana	290,000	\$711.9	\$229.5	-\$482.4
Texas	270,000	\$662.8	\$1,176.0	\$513.2
Minnesota	260,000	\$638.2	\$229.5	-\$408.7
Wisconsin	240,000	\$589.1	\$255.0	-\$334.1

# Increase federal funding

	Description	Projected Revenue
<b>Additional Federal Appropriation</b>	FY2023 \$1.5 billion appropriation for LSLR.	\$179M

# Summary of Possible State Revenues

	Description	Payer	Annual Projected Revenue - Low	Annual Projected Revenue - High
<b>Per 1,000 gallon charge</b>	A progressive surcharge applied for every 1,000 gallons of billed water.	Billed water customers	\$14.6 million	\$365 million
<b>Monthly Infrastructure Improvement charge</b>	A progressive surcharge for each water main connection.	Property owners	\$112.1 million	\$186.8 million
<b>Bottled Water Charge</b>	A set charge paid for every bottle of water sold.	Consumers of bottled water	\$35.8 million	\$107.5 million

# Revenue per 1,000 gallons

Average Rate	Annual Projected IL Revenue (2 billion gal water/day)	Average additional cost per person per month (3,000 gal per person)
<b>\$.02</b>	\$14.6 million	\$.06
<b>\$.03</b>	\$21.9 million	\$.09
<b>\$.05</b>	\$36.5 million	\$.15
<b>\$.10</b>	\$73 million	\$.30
<b>\$.25</b>	\$182.5 million	\$.75
<b>\$.274</b>	<b>\$200 million</b>	<b>\$.82</b>
<b>\$.50</b>	\$365 million	\$1.50

# Monthly Infrastructure Improvement Charge

FOR DISCUSSION ONLY – ADDITIONAL DATA NEEDED

Building Type	Number of Units statewide	Average Monthly Charge per unit	Projected Annual Revenue
Single Family	3,144,791	\$2	\$75,474,984
Small Multifamily (3-19 units)	1,459,670	\$1.67/unit	\$29,193,400
Medium Multifamily (20-49 units)	194,479	\$1.67/unit	\$3,889,580
Large Multifamily (50+ units)	372,986	\$1.67/unit	\$7,459,720
Commercial	???	???	\$67,185,852
Industrial	???	???	\$16,796,464
<b>TOTAL ANNUAL REVENUE</b>			<b>\$200,000,000</b>

# Bottled Water Charge

Rate	Projected IL Revenue
\$.05/bottle	\$35.8 million
\$.10/bottle	\$71.6 million
\$.15/bottle	\$107.5 million

# Additional Possible State/Federal Revenue Options

- Infrastructure bonds
- Annual SRF capitalization grant (esp. loan forgiveness)
- Other Illinois taxes and charges (e.g. income tax, services tax)
- Other federal programs (e.g. CDBG, ARPA)

# Summary

	Description	Annual Projected Revenue
Federal		
<b>Increase IL distribution from Bipartisan Infrastructure Law</b>	Align BIL funding with demonstrated state need.	\$1.23 billion total
<b>Additional Federal Appropriation</b>	FY2023 \$1.5 billion appropriation for LSLR.	\$179M
State		
<b>Per 1,000 gallon charge</b>	A progressive surcharge applied for every 1,000 gallons of billed water.	\$200 million
<b>Monthly Infrastructure Improvement charge</b>	A monthly progressive surcharge for each water main connection	\$200 million
<b>Bottled Water charge</b>	A charge paid for every bottle of water sold	<\$107.5 million