316 W. Washington Ave., Suite 600
Madison, WI 53703
Phone: 608-267-2380
Fax: 608-267-0645
Email: league@lwm-info.org
Website: lwm-info.org

The Latest on Lead Laterals in Wisconsin

League Legislative Bulletin - December 22, 2025

The logistical and financial burdens of lead lateral removal have been felt by municipal officials in communities of all sizes throughout the state for over a decade and will continue into the next decade or more. More than 132,000 lead laterals, also known as lead service lines (LSLs), are scattered throughout municipal utility infrastructure and customer-owned property. With a developing regulatory and financial assistance framework, please review this attachment for a summary of some of the latest news for municipalities grappling with their LSLs.

Regulations Passed by the DNR

On Wednesday, December 10th, the Natural Resources Board (NRB), the policy-making citizen body for the Department of Natural Resources (DNR), approved Board Order DG-04-24 to update Wisconsin's Lead and Copper Rule. As our state is authorized to enforce federal drinking water standards, this rule was proposed to align with federal Lead and Copper Rule Revisions (LCRR) and Lead and Copper Rule Improvements (LCRI) passed in 2021 and 2024.

Among the other requirements of DG-04-24, it establishes a deadline for full LSL replacement by 2037. There are some exceptions to this requirement for private-side LSLs (laterals from the curb stop to the home) if permission to replace a lateral was rejected or if three separate attempts through at least two different mediums (e.g., mail, phone call, in-person visit, etc.) went unanswered. Utilities must replace at least 10% of their lead service lines annually beginning in 2027 to meet the 2037 deadline with progress reports beginning in 2029.

In addition to the replacement, more detailed inventories must be completed with a final submission due in 2034. While unknown materials were allowed for earlier inventories of laterals, complete inventories must remove the unknown laterals and account for lead laterals in plans to complete LSL removals by 2037. The rule also increases public education, outreach, notification, and transparency requirements on LSLs in the community and the risk to customer health from drinking lead-laden water and changes sampling and testing requirements for lead.

Board Order DG-04-24 was unanimously approved by the NRB, but while this was a major step in the process, it is not the final step. Next, the DNR must submit the proposed rule for review by standing committees of the legislature under the heading of Clearinghouse Rule 25-063. This review may take 30 to 60 days. After committee review, the Governor may sign the final rule. The rule would then take effect on the first day of the month following his signature.

A copy of the League's comments on this rule may be found on our website. The League will provide a more detailed summary of this rule once it's finalized and published.

Funding Awarded for LSL Replacement

Also on December 10th, Governor Evers and the DNR announced more than $159 million in financial assistance to 29 municipalities for LSL replacements. These awards, made through the Safe Drinking Water Loan Program's (SDWLP) LSL Replacement Program, are possible through a set aside from the 2021 federal Bipartisan Infrastructure Law (BIL). While the set aside provided the bulk of the funding, a state match was required that was available thanks to a historic $732 million investment in municipal utility financial assistance programs in the 2025-2027 State Budget, an effort spearheaded by the League and our coalition partners.

Demand for program funding exceeded available funding in this set aside by $23 million highlighting the need across Wisconsin for more LSL funding. Through the DNR's LSL Replacement Program, loans are offered at 0.25% interest rates. The $23 million in projects that were not funded through the LSL Replacement Program will be offered base SDWLP loans at rates of either 1.55% or 2.59%, with the rate used depending on the number of customers served by the utility and their customer's median household income. Since 2017, more than $267 million in financial assistance has been provided to municipalities for LSL replacement projects.

The list of financial assistance recipients has been posted on the DNR's website. Additional information may be found in the Governor's press release.

Rate Treatment of LSL Programs

As Wisconsin is the only state in the nation with a dual state regulatory scheme over municipal water utilities where the DNR regulates technical aspects of regulatory compliance and the Public Service Commission of Wisconsin (PSC) regulates the financial aspects of ratemaking and expenditures, municipal water utility leaders have often found themselves in a difficult position trying to satisfy the requirements from both sets of regulators. In an effort to make the process clearer and more transparent, the PSC recently hosted two webinars focused on LSL removal.

The first webinar, which took place in June, provided details on the LSL Replacement Program at the PSC where municipal water utilities may receive Commission approval to utilize customer rates to replace private-side LSLs. This program was made possible through 2017 Wisconsin Act 137 which the League supported. The second webinar, which took place in October, provided information on how the Commission evaluates LSL projects funded by the SDWLP so municipal utilities may avoid non-compliance with PSC rules in their financial management.

As the regulatory scheme surrounding the use of funding for LSL replacements may continue to evolve, these two webinars are a snapshot in time but provide a great look into the minds of rate regulators so municipalities may confidently continue with their LSL programs. Both webinars are available for playback on the PSC's YouTube page.

Comment on the Use of LSL Funding

As a condition of receiving federal capitalization grants for the SDWLP, the DNR prepares an Intended Use Plan (IUP) and releases the IUP for public comment prior to submitting the proposal to the U.S. Environmental Protection Agency for its approval. These IUPs dictate how the funding will be utilized, including what projects will be the highest priority for funding.

Recently, the DNR announced that the draft LSL Amendment to the SDWLP IUP for State Fiscal Year 2026 is open for public comment. Municipalities interested in applying for LSL funding next year may wish to review this amendment. The DNR is accepting **public comments on the draft amendment through Monday, December 29th.** Learn more on the DNR's website.

Public Outreach Campaign Assistance

As mentioned in the November 24th edition of the Legislative Bulletin, the DNR is now accepting applications for the LSL Replacement Community Outreach Grant Program. Funding provided through this program may help water utilities to connect with customers and educate the community on their ongoing or upcoming LSL replacement projects.

Applications are being accepted until April 30, 2026 or until funds are exhausted, whichever comes first. While this funding may not be used for capital projects, it may assist in receiving cooperation from customers with private-side LSLs prior to a whole street replacement project. Learn more about this program and apply on the DNR's website.