

Guidance for Utilities: Replacing Privately-Owned Service Lines

Below are some ideas and examples that utilities can adapt to fit their local program. Water systems may also choose to offer reimbursement to homeowners who replace their own privately owned service lines.

Examples of Funding / Reimbursement Programs (outside KY)

Here are a few program models that other water utilities have adopted. These may serve as inspiration. Note: Drinking Water State Revolving Fund (DWSRF) funds can be used to replace privately owned service lines, as long as the utility is replacing them with their own contractor. DWSRF cannot be used to reimburse homeowners if the homeowner hires a contractor to replace it or if they do it themselves.

Utility / Jurisdiction	Program Type & Highlights	Notes / Conditions
Denver Water (CO)	Reimbursement program: reimburses ~\$3,800 for approved homeowner replacements.	Requires pre-approval; utility also replaces public side concurrently.
Pittsburgh Water & Sewer Authority (PA)	Reimburses up to 100% based on income, or \$1,000 stipend.	Requires contractor approval and documentation.
Village of Lombard (IL)	Homeowners may qualify for a reimbursement of 75% of the cost, up to a maximum of \$5,000	Requires approval before work and compliance with plumbing standards.
Albany Water Department (NY)	A reimbursement of up to \$2,000 for the full replacement of a lead service line from the water min to the water meter	You must submit an application to AWD to receive a Grant Award Notice, which confirms your eligibility and the funding amount.

Important: DWSRF dollars cannot reimburse homeowners directly.

Other Incentive / Outreach / Communication Ideas

To maximize uptake and public response, utilities can combine financial incentives with communications and community engagement strategies.

Incentive & Program Design Ideas:

- Tiered reimbursement based on income or risk.
- Fixed-amount stipends.

- Cost-sharing/matching funds.
- Low-interest loans.
- Bank/credit union partnerships.
- Grant matching.
- Bulk contractor pricing.

Homeowners in Kentucky may also replace their own service lines, and utilities may decide to offer reimbursement to them for materials. Additional details are available through the Kentucky Division of Water at the following link: [Homeowner's Informational Packet for a Water Service.](#)

Communication & Outreach Tools:

- Flyers and handouts.
- Bill inserts.
- Website landing page.
- Webinars/community workshops.
- Social media campaigns.
- Direct mail.
- Partnerships with health agencies.
- Community ambassadors.
- Progress reports.
- Urgency messaging.
- Infographics.

Steps for Establishing a Reimbursement Program

1. Developing a Reimbursement Policy

Define eligibility criteria (e.g., replacement of lead or galvanized lines only, replacement by licensed contractors, etc.). Specify maximum reimbursement amounts, documentation requirements, and funding source (e.g., State Revolving Fund, utility reserves, grant funds).

2. Create a Reimbursement Form

Prepare a Private Service Line Replacement Reimbursement Form for homeowners to complete. Include fields for contact information, property address, date of replacement, contractor name, and total cost.

3. Set Submission Procedures

Determine how homeowners will submit materials (e.g., in person, by mail, or through an online portal). Clearly list the utility's mailing address, email, contact phone number, and (if using) online portal link.

4. Review and Verification

Establish an internal review process to confirm eligibility and verify documentation (e.g., invoices, photos, inspection results). Utilities may choose to conduct site inspections before approving reimbursement.

5. Reimbursement and Recordkeeping

Issue reimbursement within a set timeframe (e.g., 30–60 days) after approval. Maintain records of all reimbursements issued for compliance and reporting purposes.

6. Public Communication

Provide homeowners with clear instructions — such as the template below — on how to be reimbursed. Include the information in outreach materials, websites, or application packets.

Possible Steps for Reimbursement for Homeowner

Dear [Homeowner],

If you've replaced your private water service line, you may be eligible for reimbursement from [water system name]. Follow the steps below.

Steps to Request Reimbursement

1. Complete the Reimbursement Form

Fill out the Private Service Line Replacement Reimbursement Form provided by [water system name].

2. Gather Documentation

Include copies of:

- Paid receipts or invoices from your contractor or plumber
- Photos showing the old and new service line
- Any inspection reports or permits, if applicable

3. Submit Your Materials

Return your completed form and documentation to:

[water system office name]

[mailing address]

[email address or online submission link]

4. Utility Review

[Water system name] will review your submission and may contact you to confirm details.

5. Receive Your Reimbursement

Once approved, reimbursement will be issued (typically within [number] days).