

**CITY OF SHEBOYGAN
ORDINANCE 34-25-26**

BY ALDERPERSONS DEKKER AND RUST.

DECEMBER 8, 2025.

AN ORDINANCE amending various sections of the Sheboygan Municipal Code so as to allow for specially charging lead service lateral replacement and to allow those special charge revenues to provide security for the Safe Drinking Water Loan Program Lead Service Lateral Loan Program.

THE COMMON COUNCIL OF THE CITY OF SHEBOYGAN DO ORDAIN AS FOLLOWS:

SECTION 1: AMENDMENT “Sec 54-178 Lead and galvanized service line replacement requirement” of the Sheboygan Municipal Code is hereby amended as follows:

“Sec 54-178 Lead And Galvanized Service Line Replacement Requirement

- (a) All existing lead and galvanized service lines connected to the water distribution system, when replaced, shall be replaced with water service lines constructed of materials as authorized in this section. Repairs or reconnections shall not be allowed, except in case of emergency and only by water utility staff and for a duration of ten days.
- (b) Prior to ~~replacement of lead~~ the reconnection of water service lines, such as on water main replacement projects, the utility shall inspect all affected service lines for the presence of lead or galvanized steel.
- (c) On all water main replacement projects, service line projects, or other projects that would directly affect lead or galvanized water service lines, all lead and galvanized service lines shall be replaced, and not reconnected, in their entirety. ~~This generally excludes street restoration that does not involve excavation of, or near, the water service lines.~~
- (d) When any lead or galvanized service lines ~~within the street or municipal right-of-way is repaired or replaced under orders from the state~~ is required to be replaced pursuant to regulations from the Wisconsin department of natural resources or the United States Environmental Protection Agency, the ~~abutting~~ property owner receiving water service from the lead or galvanized service line shall replace ~~any private water service~~ the customer-side service line in its entirety with a material that complies ~~in order to become compliant~~ with Wis. Admin. Code § SPS 382.22(2)(b), or other applicable statutes, ordinances, rules, or regulations of the city or of the state.
- (e) A property owner shall have ~~18 months~~ ninety days from the date of notification from the city to conform to the state plumbing code or other applicable statutes, ordinances, rules, or regulations of the city or of the state. If a property owner fails to replace a

customer-side service line as required by this article, the water utility may, in accordance with its water utility tariffs, discontinue water service to such property until the customer-side service line is replaced.”

SECTION 2: AMENDMENT “Sec 54-179 Financial assistance for lead and galvanized service line replacements” of the Sheboygan Municipal Code is hereby amended as follows:

“Sec 54-179 Financial Assistance For Lead And Galvanized Service Line Replacements

- (a) The city authorizes its board of water commissioners, acting through the water utility, to implement and maintain a financial assistance program for the replacement of lead and galvanized service lines in accordance with the requirements of the state public service commission.
- (b) If the board of water commissioners implements an approved financial assistance program, the utility may provide eligible property owners with a grant for up to 50 percent of the property owner's cost of the service line replacement, but not to exceed a maximum grant amount established by the board of water commissioners, which shall periodically review and adjust the maximum grant amount. All work must be done by a utility-approved plumbing contractor.
- (c) The remainder of the property owner's lead service line replacement cost after the grant provided in subsection (b) of this section shall either be paid for directly by the property owner or by a ~~zero-percent~~ low interest loan of up to six years provided by the water utility. A property owner shall repay the loan in equal ~~monthly or quarterly~~ yearly installments. Loan repayments shall be included on the ~~water utility's monthly or quarterly utility bills, or bill prepared separately by water utility. Loan repayments that are past due may be placed on the property tax roll, as provided in Wis. Stats. § 66.0809.~~ property's property tax bill as provided in Wis. Stat. § 66.0627(8)(am). Neither the water utility nor the city may forgive any LSL loan amount. Upon the sale of the property, the loan amount shall be paid in full prior to or on the sale date.
- (d) A property owner is eligible for financial assistance for the purpose of replacing the customer-side service line if the property owner satisfies all of the following criteria:
 - 1. The property owner alone, or collectively with others, owns the entire fee simple title to the property served by the customer-side service line.
 - 2. The property owner replaces the entire LSL, leaving no remnant of lead or galvanized material.
 - 3. The property owner agrees to have the replacement work done by a pre-qualified plumbing contractor in compliance with this section.
- (e) ~~Written applications~~ A property owner applying for financial assistance shall ~~include the following:~~ comply with the application process established by the utility.
 - ~~1.~~ A completed application on a form furnished by the water utility signed by the eligible property owner must be submitted to the utility. The completed application form shall include a certification by the property owner that attests

that all requirements for financial assistance ~~eligibility criteria listed in subsection (d)~~ of this section are or will be met.

~~2. Copies of written quotes from at least two pre-qualified plumbing contractors for the replacement of the property owner's customer-side service line. A pre-qualified plumbing contractor is one that has completed and submitted proper forms and been placed on the water utility's pre-qualified plumbing contractor list.~~

~~(f) A property owner will be eligible for financial assistance based only on the lowest bid amount included in the written quotes received from pre-qualified plumbing contractors under subsection (e)(2) of this section unless except in extraordinary circumstances and with the approval of the utility superintendent, in the superintendent's sole discretion. Except as provided herein, financial assistance amounts will strictly be determined pursuant to base bid pricing and will not include change orders. In extraordinary circumstances the utility superintendent may, in the superintendent's sole discretion, with approval of the property owner, approve a contractor requested change order for inclusion in the financial assistance portion of the work.~~

(g) (f) After a complete application is received, and prior to the commencement of any replacement work, the water utility shall determine if the property owner is eligible for financial assistance and shall determine the amount of financial assistance available as a grant and the amount of financial assistance available as a loan. Such determination shall be provided in writing to the applying property owner.

(h) (g) A loan provided from the utility to a property owner must be documented in a signed loan agreement which at a minimum:

1. Sets for the total loan amount, the annual interest rate on the loan, the loan term, the frequency and amount of each loan installment, and any applicable administrative fee.
2. Informs the property owner that the loan amount shall be considered a special charge and loan installments shall be levied onto the property tax bill of the subject property as a special charge and be a lien against the subject property pursuant to Wis. Stat. § 66.0627, as amended.

(i) (h) Customer-side service line replacement work must be accomplished in a workmanlike manner and be coordinated with any other utility work.

(i) Upon completion of the customer-side service line replacement, the property owner shall provide the water utility with a copy of the invoice from the plumbing contractor. Upon proof of completion satisfactory to the property owner and the water utility, the water utility shall directly pay the plumbing contractor the amount of money approved by the water utility for financial assistance for replacement of the customer-side service line. The water utility shall provide the property owner with documentation of such payment.

- (j) The total amount of money provided by the water utility as financial assistance in the form of a grant and loan may not exceed the property owner's actual cost of replacement of the customer-side service line.
- (k) Disputes regarding eligibility for financial assistance may be appealed to the city board of water commissioners.
- (l) If a property owner fails to replace a customer-side service line as required by this division, the water utility may, in accordance with its water utility tariffs, discontinue water service to such property until the customer-side service line is replaced.
- (m) The property owner shall, as a condition of participating in the program described in this section, execute a temporary right of entry and construction easement authorizing the utility or its contractors' access to the dwelling as needed.
- ~~(n) Financial assistance granted to eligible property owners shall be in accordance with the following:
 - 1. ~~Properties with licensed/certified childcare facilities or schools.~~
 - 2. ~~Properties where the utility is replacing a public water main on a planned or emergency basis, or where other street construction will significantly impact lead service lines, resulting in health concerns.~~
 - 3. ~~Properties with a leaking or failed lead service line.~~
 - 4. ~~Properties where the utility determines that replacing a lead service line is in the best interest of health or safety.~~
 - 5. ~~All remaining properties with lead service lines.~~~~

(n) The utility's provision of a loan for the replacement of a customer-side service line shall be considered a special charge and lien on the subject property. Each year loan installments shall be levied onto the property tax bills of the properties subject to the loans as a special charge pursuant to Wis. Stat. S. 66.0627.

(o) Loan installments and special charges collected for customer-side service line replacement loan repayments shall be placed in a segregated fund and disbursed in accordance with the requirements of the City's and the utility's funding sources.

(p) For purposes of sub. (b), a property owner's cost of a service line replacement means the total cost of the service line replacement less any grants received for that replacement from a source other than the utility."

SECTION 3: REPEALER CLAUSE All ordinances or resolutions or parts thereof in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

SECTION 4: **EFFECTIVE DATE** This ordinance shall be in effect from and after its passage and publication according to law.

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL

Presiding Officer

Attest

Ryan Sorenson, Mayor, City of
Sheboygan

Meredith DeBruin, City Clerk, City of
Sheboygan

