

## REPORT TO THE BOARD OF MAYOR & ALDERMEN

**DATE:** June 23, 2025

**FROM:** John Fox, Public Utilities Director

**SUBJECT:** Ratification of Professional Service Agreement for Lead and Copper Rule Improvement (LCRI) Service Line Inspection Project

### INTRODUCTION:

The purpose of this agenda item is to request Board of Mayor and Aldermen ratification of a Professional Service Agreement for the Lead and Copper Rule Improvement (LCRI) Service Line Inspection Project.

### BACKGROUND:

On December 16, 2021, the Environmental Protection Agency (EPA) announced significant revisions to strengthen its regulatory framework for lead in drinking water. The primary goal of these updates outlined in the Lead and Copper Rule Revisions (LCRR) is the complete removal of lead service lines across the United States. The Lead and Copper Rule Revisions (LCRR), finalized on January 15, 2021, were effectively superseded by the Lead and Copper Rule Improvements (LCRI) when the EPA finalized the LCRI on October 8, 2024.

- **Initial Compliance Milestone:** The first major compliance deadline under the LCRI (Previously LCRR) was October 16, 2024, requiring all water systems to submit a Lead Service Line Inventory (LSLI) to their respective state agency. The Town of Collierville submitted its completed inventory to the Tennessee Department of Environment and Conservation (TDEC) ahead of schedule on September 16, 2024. The Town's inventory identified approximately 2,957 service line connection points constructed prior to 1986 where the material type could not be confirmed without physical inspection.
- **Second Compliance Milestone:** The next milestone takes effect on November 1, 2027, by which time all unknown service line materials must be physically verified and accurately classified. TDEC requires a two-point inspection both before and after the meter to confirm the material type on both the public and private sides of the service line. To meet this requirement, the Public Utilities Department has allocated \$250,000 in the FY26 budget and plans to budget an additional \$250,000 in FY27 to support contract inspections. Funding levels are based on inspection costs ranging from \$150 to \$200 per connection point, using benchmark data from similar-sized utilities.
- **Final Compliance Milestone:** Once the inspections are complete, any identified lead or galvanized requiring replacement (GRR) lines whether public or private must be replaced by October 2037. Utilities must also achieve a cumulative average annual replacement rate of at least 10% until full replacement is complete.

Based on previous sampling results and the Town's historical records, the Public Utilities Department expects that few, if any, lead or GRR service lines will be identified within the system. Nevertheless, the Department is committed to meeting all EPA and TDEC compliance requirements and protecting public health.

**DISCUSSION:**

In May 2025, staff requested a proposal from Cannon & Cannon, Inc. to support the development of bid specifications and a GIS-based application for recording inspection data associated with the Service Line Inspection Project budgeted for FY26. Cannon & Cannon was selected based on their extensive prior experience assisting the Town with the development of the LCRR Compliance Plan, LCRR Communication Plan, and the Lead Service Line Inventory (LSLI).

On June 5, 2025, Cannon & Cannon submitted a proposal detailing tasks related to engineering, bid preparation, GIS development, and on-call construction assistance. Below is an outline of the tasks included in the proposal:

- **Engineering, Construction Documents & GIS Application**

- Item 1 – Construction Documents: \$9,515

- Item 2 – GIS Application Development: \$10,440

- Total: \$19,955

- **Bidding & Construction Assistance (As-Needed)**

- Item 3a – Bidding Assistance: \$6,320

- Item 3b – Construction Phase Assistance: \$7,450

- Total: \$13,770

To ensure the project remained on schedule and to allow use of FY25 funds for the development of specifications and GIS tools enabling the project to be bid early in FY26 in alignment with regulatory deadlines, staff requested authorization to proceed through a polling of the individual Board of Mayor and Aldermen members. On May 9, 2025, the Mayor and Board unanimously authorized the request, and the Purchasing Division of Finance was directed to move forward with the procurement of services outlined in the proposal.

**BUDGET IMPACT:**

In the FY25 budget, \$250,000 was allocated under line item 413-52114-256-01 for the LCRR Service Line Inspections. Following the completion of bid specifications and development of the GIS application at a total cost of \$19,955, a remaining balance of \$230,045 will be returned to the Utility Fund at the close of the fiscal year. Any funding required for as-needed services outlined as Items 3a and 3b will be utilized from the \$250,000 budgeted in FY26 for the continuation of the LCRR Service Line Inspection Project.

**FY 2025**

Fund	Dept.	Obj. Code	Description	Approved Line Item Budget	Previous Expenses	Proposed Expense	Balance	Budget Impact
413	52114	256-01	LCRR Service Line Inspections	\$250,000.00	\$0.00	\$19,955.00	\$230,045.00	N/A

**FY 2026**

<b>Fund</b>	<b>Dept.</b>	<b>Obj. Code</b>	<b>Description</b>	<b>Approved Line Item Budget</b>	<b>Previous Expenses</b>	<b>Proposed Expense</b>	<b>Balance</b>	<b>Budget Impact</b>
413	52114	256-01	LCRR Service Line Inspections	\$230,045.00	\$0.00	\$13,770.00	\$216,275.00	N/A

**ATTACHMENTS:**

[Lead & Copper Service Line Investigation Project - GS-25-01562.pdf](#)

**PROPOSED MOTION:**

To approve a professional service agreement with Cannon & Cannon Inc. for services related to the LCRI Service Line Inspection Project.

**Board Action:** Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

<b>Vote Total</b>	<b>Hall</b>	<b>Jordan</b>	<b>Robbins</b>	<b>Marshall</b>	<b>Stamps</b>	<b>Fraser</b>
<b>Yes</b>						
<b>No</b>						
<b>Abstain</b>						