



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

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JB PRITZKER, GOVERNOR

JOHN J. KIM, DIRECTOR

Project Summary and Preliminary Environmental Impacts Determination

Date: FEB 28 2023

Loan Applicant: Village of Schiller Park EPA Loan Project Numbers: L176360, L176361

To all interested persons:

Section 662.330 of the Illinois Procedures for Issuing Loans from the Public Water Supply Loan Program requires that the Illinois Environmental Protection Agency (IEPA) conduct an assessment of the environmental impacts of proposed public water supply projects to be funded with loans. This review is carried out in conjunction with the State's review of the applicant's project plan.

Prior to final approval of the project plan, the public's comments are sought regarding environmental impacts of the proposed project. Unless new information obtained through the public comment process causes reconsideration, the Agency will approve the project plan at the close of the public comment period.

The applicant will make the attached Project Summary and Preliminary Environmental Impacts Determination (PEID) available for public inspection. Within 60 days of receiving this letter, the applicant must conduct a public hearing regarding both the PEID and project planning. Advertisement of the hearing must be made at least 10 days in advance. The advertisement must include the purpose of the project along with the date, time, and location of the hearing. A comment period of at least 10 days shall be provided after the hearing in which written comments may be submitted to the loan applicant or to the IEPA contact person identified in the attached document.

For information purposes only, a copy of this document is being provided to your local newspaper of record.

Your interest and participation in this process are appreciated.

Sincerely,

Heidi Allen.

Pre-Construction Unit Manager
Infrastructure Financial Assistance Section
Bureau of Water

HA:BS

Attachment

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1101 Eastport Plaza Dr., Suite 100, Collinsville, IL 62234 (618) 346-5120
9511 Harrison Street, Des Plaines, IL 60016 (847) 294-4000
595 S. State Street, Elgin, IL 60123 (847) 608-3131

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Project Summary and Preliminary Environmental Impacts Determination (PEID)

The following project summary and environmental assessment has been prepared by the IEPA to assist the loan applicant in complying with the public notice requirements. Information in this report was obtained, in part, from the following sources: Lead Service Line Replacement Project Plan submitted November 2022, by Robinson Engineering, on behalf of the Village of Schiller Park; as well as other documents and correspondence that was compiled by the IEPA.

Part I – Project Information

Project Name: Lead Service Line Replacement

Loan Applicant: Village of Schiller Park

County: Cook

Project Numbers: L176360, L176361

Current Population: 11,709

Future Population (20 year): 14,178

Project Descriptions: The Village owns, operates, and maintains a water distribution system consisting of 42.24 miles of watermain ranging 6-inches to 12-inches in diameter. Water is purchased from the City of Chicago and the Village treats it with gaseous chlorine. Storage consists of a 2-million-gallon (gal) underground tank and a 1-million-gal elevated tank.

The proposed project consists of the replacement of approximately 600 lead service lines (LSL) from the watermain to the water meter with K-style copper pipes. All lead/galvanized portions of service lines from the water main to 18”/the first valve inside the home that are found as a result of this project will be replaced with copper pipes. Taping sleeves and valves will be installed to the existing watermains.

Project Justification: Corrosion of LSL’s may lead to lead entering the water system, over time this can lead to health risks for the consumer. To remain compliant with IEPA requirements these LSL’s must be replaced as soon as possible.

Project Location: The project will occur at various points within the Village of Schiller Park’s water distribution system. See attached map for project locations.

Project # / Phase	Start Construction	End Construction	Cost Estimate
L176360	November 2024	November 2025	\$4,000,000
L176361	November 2025	November 2026	\$2,000,000

Part II – Environmental Review and Impacts

The Illinois Department of Natural Resources (IDNR) State Historic Preservation Office (SHPO) reviewed the initial information submitted for the project review and provided a letter dated October 13, 2022, indicating there are no historic properties affected by the proposed project, therefore the project complies with section 106 of the National Historic Preservation Act of 1966.

The IDNR Office of Water Resources has issued Regional Permit Number 3 which automatically authorizes water service line replacement projects as long as this project abides by all the Terms and Conditions listed in the Regional Permit Number 3 this permit applies to the project.

Wetland maps were collected showing that all project work is occurring outside of wetlands.

The project was also submitted for review through the IDNR EcoCAT system for compliance with the Illinois Endangered Species Act, Illinois Natural Areas (Section 17 Illinois Administrative Part 1075) and the Illinois Wetlands Act (Section 17 Illinois Administrative Code Part 1090). IDNR issued a letter dated September 15, 2022, stating further review would be necessary because the EcoCAT review indicated the possible presence of protected resources near the project area as well as wetlands within 250 feet of the project location. After reviewing the project information, a joint consultation for Part 1075 and Part 1090 was issued September 16, 2022, concluding that adverse effects are unlikely.

Part III – Project Affordability for Residents and Utility Customers

The applicant is proposing to finance each of the two (2) project phases with loans from the IEPA Public Water Supply Loan Program (PWSLP). Loans totaling \$6,000,000 with an estimated interest rate of 1.24% for a twenty (20) year period, would have an annual repayment of approximately \$338,890. The final loan and annual repayment amounts will be based on the as-bid project costs, and the loan terms in effect on the date the loan agreement is issued. A rate increase is not necessary to repay the loan.

The loan program rules include provisions for incentives such as reduced interest rates, partial principal forgiveness (a reduction in the amount of principal borrowed that would otherwise have to be repaid), and extended repayment periods for qualifying applicants. The final decision for incentive qualification will be determined at the time a loan agreement is issued using updated Census Bureau and Department of Labor data. The Agency adjusts qualifying criteria annually on July 1st. Using current data, the Village of Schiller Park is eligible to receive a 20-year loan term, the small community rate, the environmental discount rate reduction, and partial principal forgiveness.

The Agency has a limited amount of funding for lead service line replacement (LSLR) that is currently being provided as 100% principal forgiveness. Once the current funding for LSLR is exhausted (likely during FY2023), it is extremely unlikely that future funding for lead service line replacement will be in the form of 100% principal forgiveness. The Illinois EPA will be receiving additional federal funds that will be available for lead service line replacement, however, only 49% of those funds will be provided as principal forgiveness. Should the PWSLP's lead service line 100% principal forgiveness allocation be exhausted at the time the Village receives the loan, the loan program rules also include provisions for incentives such as reduced interest rates, partial principal forgiveness, and extended repayment periods for qualifying applicants.

Schiller Park currently plans on funding approximately \$6,000,000 of lead service line replacement through the PWSLP Loan Program. If current funding for LSLR is exhausted, and Schiller Park does not receive the 100% principal forgiveness they could still possibly qualify for 49% (\$2,940,000) of the \$6,000,000 being given in the form of principal forgiveness.

Applicants that qualify for principal forgiveness will not have a repayment obligation for a portion of their loan. Principal forgiveness and/or a reduced interest rate will reduce the loan payment amount and possibly the associated increases to the user charges. Principal forgiveness is not guaranteed until a loan agreement is issued.

Source of Loan Repayment: User Fees

Current Average Monthly Residential Cost of Service: \$51.95 per month

Projected Average Monthly Residential Cost of Service: \$51.95 per month

Average Monthly Residential Water Use: 5,000 gallons

Number of Customers or Service Connections: 2,225 service connections

How is the monthly residential rate/cost of service calculated?

The Village measures usage in gallons and bills monthly. Current monthly charges include a fee of \$10.39 per 1,000 gallons used. An average user of 5,000 gallons would have a bill that equates to:

$\$10.39 \times (5,000 \text{ gallons used} / 1,000 \text{ gallons}) = \underline{\$51.95 \text{ per month}}$

Median Household Income (MHI): \$58,637

Percentage of MHI needed to pay the projected average annual residential cost of service:

1.06%

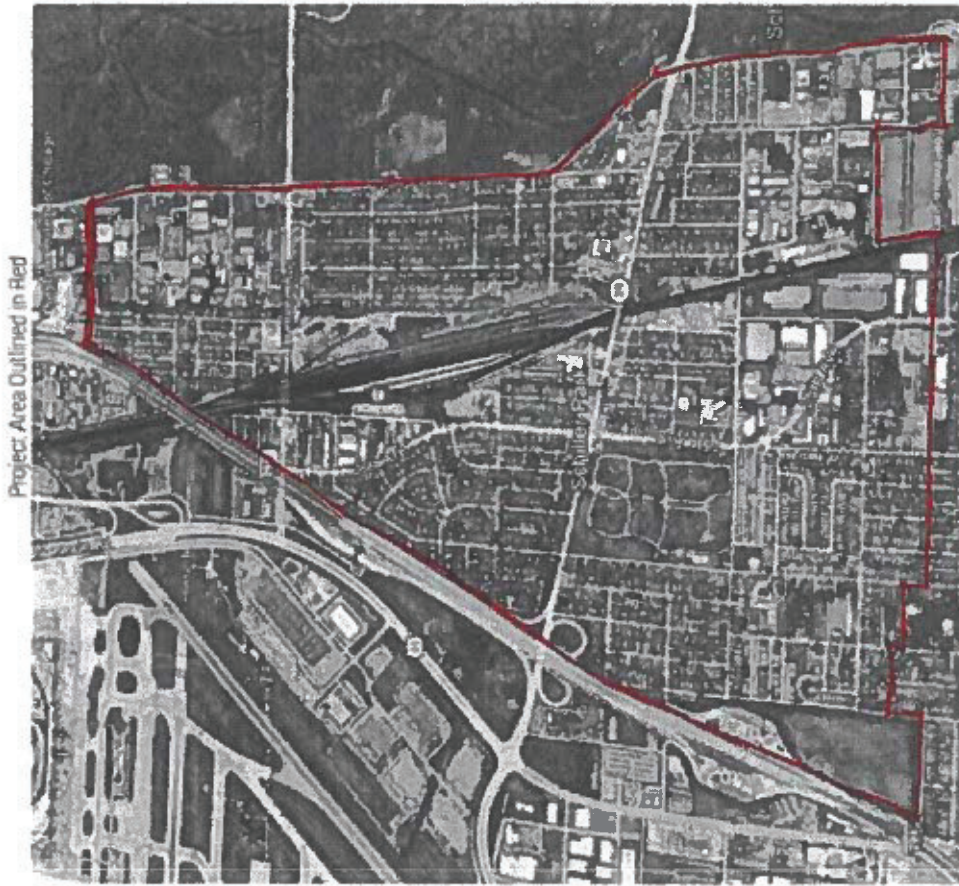
Financial evaluation of the proposed project: To evaluate the costs of the proposed project for the community, a percentage comparison of the MHI to the average, annual cost for water service is utilized. The MHI listed above is from the current fiscal year's census information. The proposed annual water cost of \$623.40 (\$51.95/month) is 1.06% of the MHI for the area. The percentage is for comparison only and has no impact on whether a project qualifies for funding from the IEPA. The percentage comparison and MHI are two of several criteria used to determine whether a loan project qualifies for interest rate reductions or principal forgiveness.

Public comments are invited on the proposed project. For further information contact:

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Illinois Environmental Protection Agency
Bureau of Water
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Project Location Map:

Village of Schiller Park, Illinois
Lead Service Line Replacements at Various Locations



Not to Scale