



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

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JB PRITZKER, GOVERNOR

JOHN J. KIM, DIRECTOR

Project Summary and Preliminary Environmental Impacts Determination

Date: SEP 19 2023

Loan Applicant: City of Crest Hill

IEPA Loan Project Number: L176383, 6384, 6385

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 wastewater 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,

Gary Bingenheimer
Section Manager

Infrastructure Financial Assistance Section
Bureau of Water

GB:CC:N:\Crest Hill L176383-6385 PEID

Attachment



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. This report is based on information submitted to the IEPA by the City of Crest Hill. Sources of information include the following documents: Alternative Water Source Distribution System Improvements – Project Plan, dated November 2022 and prepared by Strand Associates, Inc.

Part I – Project Information

Project Name: Alternative Water Source Distribution System Improvements

Project Number: L176383, 6384, 6385

Loan Applicant: City of Crest Hill

County: Will

Current Population: 20,158

Future Population (2050): 20,158

Number of Service Connections: 5,882

Project Description: The City of Crest Hill is proposing various water distribution system improvements in order to transfer to a treated Lake Michigan water supply. Activities include the construction of approximately 4,170 lineal feet of 8-inch diameter watermain for Well #14, the lining of approximately 15,575 lineal feet of 8 to 12-inch diameter watermain, the addition of an iron removal filtration and chemical feed for the water treatment plant (WTP) for Well #10, and the addition of a 3.5 million gallon storage standpipe and associated pump station. This work will be conducted in three phases. Phase I (L176383) will consist of the new 8-inch watermain for Well #14. Phase II (L176384) will consist of the watermain lining and the standpipe and pump station construction. Phase III (L176385) will consist of Well #10 upgrades.

Project Location: See attached map.

Project Justification: The City's residents currently receive drinking water from 8 shallow wells. In order to meet future demands, the City has decided to join a regional water commission, the Grand Prairie Water Commission (GPWC), to supply its residents with water from Lake Michigan by 2030. The activities proposed in the project plan will ensure a safe water supply through 2030 and provide the transition to the Lake Michigan water source.

Estimated Construction Start Date: Summer 2024

Estimated Construction Completion Date: Winter 2026

Project Cost Estimate: Phase I L176383 - \$2,381,600; Phase II L176384 - \$26,401,300; Phase III L176385 - \$2,029,900

Part II – Environmental Issues Associated with the Project

Project construction impacts: Temporary adverse environmental impacts such as construction-associated noise, blowing dust, air emissions, soil erosion, and traffic disruption will likely occur during construction.

Illinois Department of Natural Resources: The City submitted project information to the Illinois Department of Natural Resources (IDNR), State Historic Preservation Office (SHPO), for consultation under Section 106 of the National Historic Preservation Act of 1966. The Department has concluded that adverse effects are unlikely.

The City also submitted project information to IDNR EcoCAT website to determine compliance with the Illinois Endangered Species Act, Illinois Natural Areas Preservation Act (Section 17 Ill. Administrative Code Part 1075), and the Illinois Wetlands Act (Section 17 Ill. Administrative Code Part 1090). The Department has concluded that adverse effects are unlikely.

The City submitted project information to the IDNR Office of Water Resources (OWR) for consultation for project activities which may be occurring in regulatory floodways. The Department has concluded that the new pump station is located outside the floodway of Railroad Creek, therefore it does not require an IDNR/OWR permit. The new water main construction and watermain replacement do not require an IDNR/OWR permit because Railroad Creek has a drainage area of less than one square mile at the project sites. The lining to the existing watermain located within the designated floodways of Rock Run North, St. Francis Academy Creek, and St. Anne School Tributary is considered maintenance and repair to an existing structure and is exempt from needing an IDNR/OWR permit.

Department of the Army, Corps of Engineers: The City submitted project information to the U.S. Army Corps of Engineers (USACE) for consultation under Section 404 of the Clean Water Act. The Department was unable to make a clear determination as to whether a Nationwide Permit 58 would apply. According to the USACE September 2, 2022 letter, “Upon a map review of your project zones, there could be at least eight possible “Waters of the US” within the proposed construction area. You may choose to have a wetland delineation completed for your project area to help determine if these aquatic resources could be avoided during construction. Any disturbance or placement of fill material in jurisdictional wetlands or rivers may require a permit from this office under Section 404 of the Clean Water Act. If all rivers and wetlands can be avoided in project construction, and utility line crossings are directionally bored underneath aquatic resources, it is possible that no permit would be required from this office. If impact to aquatic resources for your project area are unavoidable, your project would likely qualify for Nationwide Permit 58 – Utility Line Activities for Water and Other Substances.” **A definitive consultation from USACE must be received prior to the the Agency issuing a loan agreement for any impacted phase(s) of the proposed projects to ensure any and all recommendations are contained in the construction plans and specifications.**

Part III – Project Affordability for Residents and Utility Customers

The City is proposing to finance the project costs with a loan from the Public Water Supply Loan Program (PWSLP). For Phase I L176383, a \$2,381,600 loan with an interest rate of 1.81% for a twenty (20) year period would have an annual repayment of approximately \$142,020. For Phase II L176384, a \$26,401,300 loan with an interest rate of 1.81% for a twenty (20) year period would have an annual repayment of approximately \$1,574,365. For Phase III L176385, a \$2,029,900 loan with an interest rate of 1.81% for a twenty (20) year period would have an annual repayment of approximately \$121,047. The current loan program interest rate is 1.81%. The interest rate adjusts annually on July 1st.

The loan program rules include provisions for incentives such as reduced interest rates, partial principal forgiveness, and extended repayment periods for qualifying applicants. The criteria used to determine incentive qualification are found in Section 662.210 and 662.250 of the Procedures for Issuing Loans from the PWSLP, which is available on the Agency's website. 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.

Using current data, the City is eligible to receive the small community interest rate of 1.36% (75% of the base interest rate), partial principal forgiveness, and a 30-year loan term. Principal forgiveness is not guaranteed until a loan agreement is issued. 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.

Source of Loan Repayment: User fees.

Current Average Monthly Residential Water Use: 513 cubic feet

Current Average Monthly Residential Cost of Service: \$31.17

Projected Average Monthly Residential Cost of Service: \$31.17

How the monthly residential rate/cost of service is calculated: The City's water customers are charged a flat fee of \$25.50 for the first 400 cubic feet of water used and \$5.02 per 100 cubic feet beyond the initial 400.

Median Household Income (MHI): \$63,172

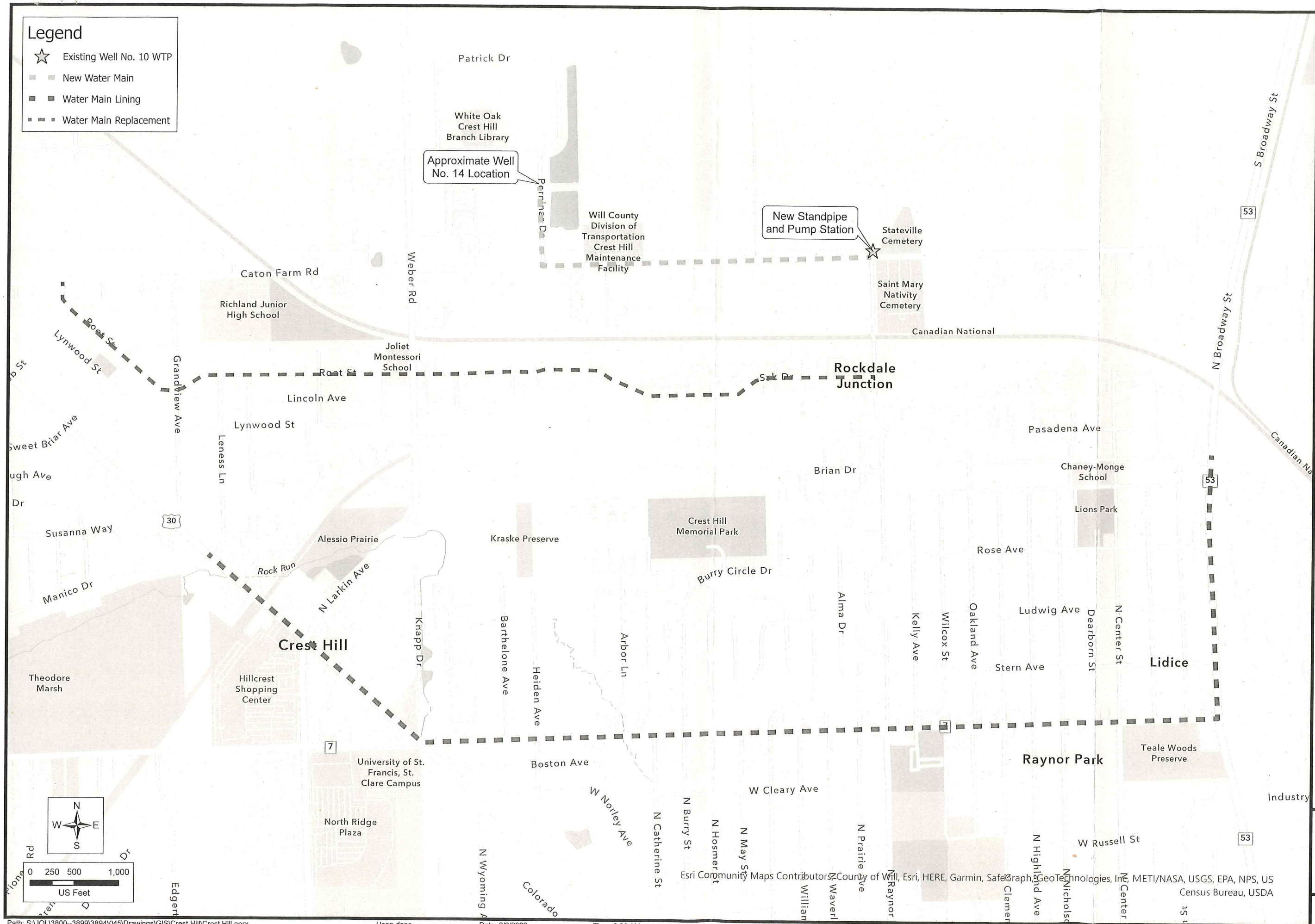
Financial evaluation of the proposed project: To evaluate the costs of the proposed project for the community, a percentage comparison of the MHI to the average, annual cost for water service is utilized. The MHI listed above is from the current fiscal year's census information. The proposed annual cost of \$374.04 for service is 0.59% of the MHI for the City. This percentage is for comparison only and has no impacts 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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Infrastructure Financial Assistance Section
Illinois Environmental Protection Agency
Bureau of Water
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Springfield, Illinois 62794-9276
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Legend

- ☆ Existing Well No. 10 WTP
- New Water Main
- Water Main Lining
- Water Main Replacement



PROJECT MAP

IEPA PROJECT PLAN - AWS
CITY OF CREST HILL
WILL COUNTY, ILLINOIS

FIGURE 1
3894.045