

AMENDED PROJECT SUMMARY AND ENVIRONMENTAL ASSESSMENT

The following project summary and environmental assessment has been prepared by the Illinois EPA to assist the loan applicant in complying with the public notice requirements. This is an amendment to the PEID which was issued November 26, 2024. This report is based on information submitted to the Illinois EPA by the City of Crest Hill. Sources of information include the following documents: Alternative Water Source Distribution Improvements – Larkin Avenue Water Main Lining (Phase 4 Extension) prepared by Strand Associates, Inc. dated October 24, 2025 and the Environmental Checklist and Certification form with applicable consultations prepared by Strand Associates, Inc. dated October 2025.

PART I – PROJECT INFORMATION

Project Name:	Larkin Avenue Water Main Lining Phase 4 Extension	
Loan Applicant:	City of Crest Hill	
County:	Will	Project Numbers: L176383, 6384, 6385, 6386, 7147, 7610
Current Population:	20,223	Future Population (20 year): 20,223

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 lining of approximately 15,575 lineal feet of 8 to 12-inch diameter watermain and the addition of a 3.5 million gallon storage standpipe and associated pump stations (Eastern Receiving and Pump Station and Western Receiving and Pump Station). This work will be conducted in five phases. L176384 consists of the first of four watermain lining events and is currently in construction. L177610 consists of the construction of the standpipe. L176383 will consist of the construction of both the Eastern Receiving and Pump Station and Western Receiving and Pump Station. L177147, L176385, and L176386 will consist of the remaining watermain lining events.

The amended plan submitted October 2025 consists of the lining of an additional 800 lineal feet of watermain and the installation of approximately 900 lineal feet of new watermain for L177147.

Project Location: See attached map for project location.

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: L176384 – started; L177610 and 6383 – Winter 2026; L177147 – Summer 2026; L176385 – Winter 2027; L176386 – Spring 2028

Estimated Construction Completion Date: All phases will be completed by Summer 2028

Project Cost Estimate: \$35,852,975 (includes \$2,852,974 previously awarded for L176384

PART II – PROJECT AFFORDABILITY FOR RESIDENTS AND UTILITY CUSTOMERS

The applicant is proposing to finance the project costs with loans from the Public Water Supply Control Loan Program (PWSLP). For L177610 annual repayments on a PWSLP loan in the amount of \$7,500,000 at an estimated interest rate of 2.16% for a term of twenty (20) years are \$462,146. For L176383 annual repayments on a PWSLP loan in the amount of \$10,500,000 at an estimated interest rate of 2.16% for a term of twenty (20) years are \$647,005. For L177147 annual repayments on a PWSLP loan in the amount of \$7,000,000 at an estimated interest rate of 2.16% for a term of twenty (20) years are \$431,336. For L176385 annual repayments on a PWSLP loan in the amount of \$4,000,000 at an estimated

interest rate of 2.16% for a term of twenty (20) years are \$246,478. For L176386 annual repayments on a PWSLP loan in the amount of \$4,000,000 at an estimated interest rate of 2.16% for a term of twenty (20) years are \$246,478.

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 criteria used to determine incentive qualification are found in Sections 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. The Agency adjusts qualifying criteria annually on July 1st.

Using current data, the City of Crest Hill is eligible to receive a 30 to 40-year loan term (**the applicant's borrowing ordinance must reflect the term, and a Useful Life Calculation Form based on as-bid costs must be submitted**), 1.62% small community interest rate, and partial loan principal forgiveness. 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 agreements are issued. A rate increase is not necessary to repay the loan.

Source of Loan Repayment: User rates

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): \$71,408

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 0.52% 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.

PART III – ENVIRONMENTAL ISSUES ASSOCIATED WITH THE PROJECT

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

Illinois Department of Natural Resources (IDNR) State Historic Preservation Office (SHPO): An IDNR SHPO letter dated October 25, 2023, indicates that there are no anticipated impacts to historic, architectural, and archaeological resources from the proposed project and that it complies with Section 106 of the National Historic Preservation Act of 1966.

IDNR Impact Assessment: The loan applicant submitted project information to the IDNR EcoCAT website to determine compliance with the Illinois Endangered Species Act, Illinois Natural Areas Preservation Act and the Illinois Wetlands Act. The review results indicated that protected resources are in the vicinity of the locations submitted and the project will be further evaluated. A September 20, 2025 letter by IDNR states that the project was reviewed for compliance with Title 17 Illinois Administrative Code Part 1090 of the Interagency Wetland Policy Act and Part 1075 for Endangered Species Protection and Natural Areas Preservation and was determined to be in compliance. Adverse effects were determined to be unlikely and the consultation was terminated.

IDNR Office of Water Resources (OWR) Assessment: 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 watermain 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.

Tribal Nations: Project information was submitted to all tribal nations with property interests in the project area. No responses were received.

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

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Water Main Phase 4 Extension Location

