

## **Project Summary and Preliminary Environmental Impacts Determination**

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 West Chicago. Sources of information include the City's Lead Service Line Replacement Project Plan Report, dated May 2024. An amendment to the original project plan, dated September 2024, was prepared by Engineering Enterprises, Inc.

### **Part I – Project Information**

**Project Name:** Lead Service Line Replacement

**Project Numbers:** L177215 & 7216

**Loan Applicant:** City of West Chicago (City)

**County:** DuPage

**Current Population:** 25,614

**Future Population (2054):** 37,808

**Project Description:** The proposed project is to replace approximately 347 lead service lines (LSLs) and 349 galvanized service lines requiring replacement due to lead pigtail, lead gooseneck, or other lead fitting. The new service lines will be copper.

L177215: The City intends to replace 375 (LSLs) needing full replacement from the water main to the water meter.

L177216: The City intends to replace 321 (LSLs) needing full replacement from the water main to the water meter.

**Project Location:** Various locations throughout the City. See attached map for details.

**Project Justification:** The City operates 9 active wells, 2 elevated and 2 ground storage tanks, 146.30 miles of 4-inch to 36-inch water mains and 696 LSLs. Service lines are small pipes that carry drinking water from the water mains into homes. Older service lines may be constructed from lead. Household plumbing fixtures and faucets made prior to 1986 may also contain lead. Lead can enter drinking water when corrosion of pipes and/or fixtures occurs. Lead is toxic metal that can accumulate in the body over time. The adverse health effects of lead exposure in children and adults are numerous and well documented. Eliminating LSLs will reduce exposure to residents living in homes currently utilizing LSLs.

**Estimated Construction Start Date:** L177215 & 7216 - November 2025

**Estimated Construction Completion Date:** L177215 & 7216 - September 2026

### **Project Total Cost Estimate:**

L177215: \$7,745,000

L177216: \$6,700,000

### **Part II – Environmental Issues Associated with the Project**

**Project construction impacts:** Temporary adverse environmental impacts such as construction-associated noise, blowing dust, air emissions, and soil erosion will likely take place during construction. Ground disturbances will occur during excavation for service line installation. The replacement of LSLs may temporarily increase lead concentrations in drinking water due to the release of metal from scale on pipes within the home that have not been replaced. The lead concentration will decrease after time. The contractor performing lead service line replacement will flush the new service lines to each home. Residents will be instructed on how to flush the interior plumbing.

**Consultation under Section 106 of the National Historic Preservation Act (NHPA) of 1966:** 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 NHPA. SHPO concluded that adverse effects are unlikely.

**Illinois Department of Natural Resources (IDNR):** The City also submitted project information to the IDNR EcoCat website to determine compliance with the Illinois Endangered Species Act, Illinois Natural Areas Preservation Act, the Illinois Wetlands Act, and Title 17 Ill. Adm. Code Parts 1075 and 1090. The Department has concluded that adverse effects are unlikely.

The IDNR Office of Water Resources has issued Regional Permit Number 3 (RP No. 3) which automatically authorizes water service line replacement projects as long as this project abides by all the Terms and Conditions listed in the RP No. 3. This permit applies to this project. All terms and conditions of RP No. 3 must be included in the project construction contract documents.

**U.S. Army Corps of Engineers (USACE):** The City submitted project information to the USACE to determine compliance with requirements related to the discharge of dredged or fill material occurring in waters or wetlands. An email dated September 29<sup>th</sup>, 2023, stated as long as boring activities will not be under Section 10 waters, or any impacts (aboveground) wetlands/streams, these boring activities do not require a permit.

### **Project III – Project Affordability for Residents and Utility Customers**

L177215: The City is proposing to finance the project costs with a loan from the IEPA Public Water Supply Loan Program (PWSLP). A thirty (30) year loan in the amount of \$7,745,000, with an estimated interest rate of 0%, would have an annual repayment of approximately \$258,167. The loan program interest rate for lead service line replacement is 0%. All loans are subject to the interest rate in effect at the time a loan agreement is issued.

L177216: The City is proposing to finance the project costs with a loan from the IEPA Public Water Supply Loan Program (PWSLP). A thirty (30) year loan in the amount of \$6,700,000, with an estimated interest rate of 0% would have an annual repayment of approximately \$223,334. The loan program interest rate for lead service line replacement is 0%. All loans are subject to the interest rate in effect at the time a loan agreement is issued.

Using current data, the City is eligible to receive a 40-year loan term for project L177215. Only applicants which are a disadvantaged community are eligible to receive a 40-year loan term and principal forgiveness. To qualify for a disadvantaged community, the median household income for a project area is less than 100% of the State average median household income. A disadvantaged community determination will be made for each application submitted to the Agency. The final decision at the time a loan agreement is issued is based upon current data from the Census Bureau and Illinois Department of Labor data. Loan applicant specific data is subject to change from year to year.

During State fiscal years 2024 through 2028 (July 1, 2023, through June 30, 2028), the Agency will be providing funding for lead service line replacement (LSLR) activities from funds provided to the Agency by the Bipartisan Infrastructure Law (BIL). Project applications for LSLR funding will be reviewed to see if the project qualifies the applicant as a disadvantaged community. After this is completed, the project will be scored and ranked for priority in accordance with program rules. The Agency will be scoring and ranking all projects which have obtained Planning Approval by March 31<sup>st</sup> for possible inclusion on the Intended Funding List, thus reserving funding for the upcoming fiscal year.

Applicants should be aware that funding for their LSLR project may be entirely in the form of loan principal that must be repaid, but certain applicants may qualify for LSLR funding in the form of principal forgiveness. Applicants for LSLR funding should review the Intended Use Plan issued by the Agency prior to each fiscal year to see the Intended Funding List, funding caps, the breakdown of projects with funds reserved for them, and the type of funding reserved. Prior to March 31<sup>st</sup> of each year, applicants should submit a Funding Nomination Form indicating the amount of funding the applicant would like to receive and the anticipated construction schedule for activity in the upcoming fiscal year. The Agency may limit the amount of funding per project based on the funds available and the number of projects seeking funding. Applicants should be in contact with their assigned project manager to discuss their intent to move forward with the project should funds be reserved for their project.

**Source of Loan Repayment:** User rate increases.

**Current Average Monthly Residential Water Use:** 4,068 gallons

**Current Average Monthly Residential Cost of Service:** \$40.41

**Anticipated Average Monthly Residential Cost of Service:** \$49.30

**How is the monthly residential rate/cost of service calculated:**

**Current:** The City currently charges \$15.00 for the first 1,245 gallons used, plus \$9.00 for every 1,000 gallons used after the first 1,245 gallons.

$$\$15.00 + (\$9.00 \times 2.823) = \$40.41$$

**Projected:** The City plans to charge \$15.00 for the first 1,245 gallons used, while increasing to \$12.15 for every 1,000 gallons used after the first 1,245 gallons.

$$\$15.00 + (\$12.15 \times 2.823) = \$49.30$$

**Median Household Income (MHI):** \$92,335

**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 \$591.60 is 0.64% 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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