



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

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JB PRITZKER, GOVERNOR

JOHN J. KIM, DIRECTOR

Project Summary and Preliminary Environmental Impacts Determination

Date: JAN 21 2022

Loan Applicant: Village of Downs

IEPA Loan Project Numbers: L173104 & L176036

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 Agency'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

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Attachment

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 Village of Downs. Sources of information include the following documents: Village of Downs – Water System Expansion – 2021 Phase I and II Project Plan Submittal prepared by Brown & Roberts Engineering, Inc. (EEI) dated May 2021.

Part I – Project Information

Project Name: Water System Expansion

Project Number: Phase I - L173104 and Phase II - L176036

Loan Applicant: Village of Downs

County: McLean

Current Population: 1,005

Future Population (20 year): 1,500

Project Location: See attached map for project location.

Number Service Connections: 434

Estimated Construction Start/Completion Date: Phase I-Fall 2022 / Phase II-Fall 2024

Project Justification and Description: The Village of Downs has a nearby residential and commercial area known as Downs Crossing. The homes and businesses in this area have no access to a public water system and rely on individually owned private wells for their source of drinking water. Well test results in the area have indicated elevated levels of arsenic. The Village of Downs wishes to be able to serve these potential new customers. The Village is proposing to complete this work in two phases. Phase I will be the installation of a booster pumping station with variable frequency drives (VFD's) located at the existing Village of Downs Water Treatment Plant. Also included in Phase I will be the installation of an approximately 16,300 Lineal Feet (LF) of 8" PVC watermain extension to Downs Crossing, and two pressure reducing stations. Phase II will be the construction of a 150,000-gallon elevated drinking water storage tank located on top of a hill near Downs Crossing. This tank will serve the residences and businesses located near and between Downs Crossing and the Village of Downs. At this time, the tank site has not been purchased.

The Village of Downs would also like to improve their outdated water treatment plant. They have secured planning approval from the IEPA for the water treatment plant project (L175234) and are currently working toward receiving a loan in the Fall of 2022. Proposed improvements include enlarging the existing building for additional equipment; installation of a new aerator/detention tank/filtration combination treatment unit; installation of five new ion exchange units for softening and tannin removal; new high service pumps; and the construction of a new 200 gallon-per minute well. A new brine storage container will also be installed. The cost of these improvements is estimated to be \$3,572,800.00 and are only mentioned in this document due to the effect on user rates.

Estimated Construction Start / Completion Date: Fall 2022 / Spring 2026

Project Cost Estimate: Phase I-\$1,620,000.00 / Phase II-\$1,500,000.00. Total project cost is estimated at approximately \$3,120,000.00.

Part II – Project Affordability for Residents and Utility Customers

The Village is proposing to finance the project costs in two separate loans, from the Public Water Supply Loan Program (PWSLP). For purposes of this document we will look at the financial impacts of both loans and use the total amount of \$3,120,000.00. The Phase I & II estimated cost includes construction costs, engineering costs, project planning costs, legal fees, contingency, and land acquisition. A \$3,120,000.00 loan, with an estimated interest rate of 1.11% for a twenty (20) year period, would have an annual repayment of approximately \$174,816.85. If this annual loan repayment amount is divided between the Village's 434 water customers, each customer would pay \$402.80 per year, which equates to \$33.57 per month.

The current loan program interest rate is 1.11%. The interest rate adjusts annually on July 1st. All loans are subject to the interest rate in effect at the time a loan agreement is issued. 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 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.

Under the current criteria, based on the current average bill, the Village does not qualify for any incentives. However, once the full rate increases are adopted, the Village would qualify for a reduced interest rate and partial principal forgiveness. A final determination will be made at the time loan agreements are issued using the current rates and criteria in place at the time each loan is issued.

Source of Loan Repayment: User fees, rate increase.

Current Average Monthly Residential Cost of Service: An average Village residential customer of the Downs water system uses 5,543 gallons of water per month and currently pays \$34.20 per month for water services. The rate increase associate with the water treatment plant project L175234 would bring the average monthly bill to \$72.39 and will be used as a starting point to calculate the projected average monthly residential cost of service.

How is the current monthly residential rate/cost of service calculated? A monthly minimum fee of \$22.50 is charged for the first 3,000 gallons of water used, plus an additional \$4.60 prorated charge per 1,000 gallons used after 3,000 gallons. For an average customer that uses 5,543 gallons per month, this calculates to: $\$22.50 + (\$4.60 \times 2.543) = \$34.20$ per month.

Projected Average Monthly Residential Cost of Service: Water rates would need to be increased by \$33.57 per month to cover the annual repayment for projects L173104 & L176036. After the proposed rate increase is added, the projected water service bill for an average monthly use of 5,543 gallons would be calculated as: $\$72.39 + \$33.57 = \$105.96$.

Median Household Income (MHI): \$91,333

Financial Impact 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 \$1,271.52 is 1.39% of the MHI for the Village of Downs water users. 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.

Part III – Environmental Issues Associated With the Project

Illinois Department of Natural Resources: The loan applicant submitted project information to the Illinois Department of Natural Resources (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.

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

Illinois Department of Natural Resources, Office of Water Resources (OWR): The loan applicant submitted project information to the OWR to determine compliance with the Statewide Permit Program. OWR determine that coverage under Statewide Permit #8 for underground crossings is required. Plans and Specifications for this project will need to include this requirement, and conditions of the Permit will need to followed during construction activities.

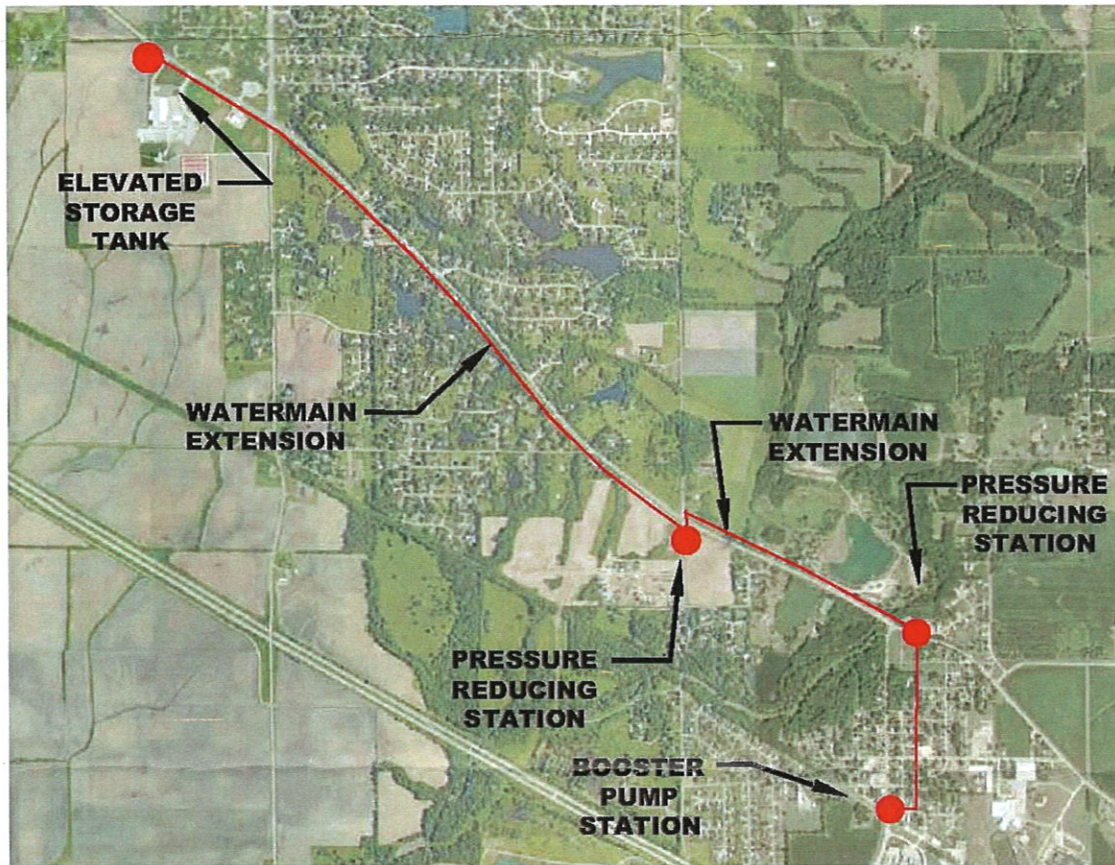
U.S. Army Corps of Engineers (Corps): the project was submitted to the Corps for review. The Corps determined that a Section 404 Permit was not needed.

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

George Lambert, Project Manager
Infrastructure Financial Assistance Section
Illinois Environmental Protection Agency
Bureau of Water
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276
(217)782-2027

EXHIBIT II

VILLAGE OF DOWNS MCLEAN COUNTY, ILLINOIS WATER SYSTEM IMPROVEMENTS PHASE I & II



03 Jun 2021 - 11:22am. F:\Work - Brown and Roberts\2014\58\2014-58 COVER - Exhibit Maps.dwg - Layout Tab Exhibit II

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BROWN & ROBERTS, INC.
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APRIL 2021