



# ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

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JB PRITZKER, GOVERNOR

JOHN J. KIM, DIRECTOR

*jm Planning File*

## Project Summary and Preliminary Environmental Impacts Determination

Date: FEB 15 2023

Loan Applicant: City of Naperville

IEPA Loan Project Numbers: L174061

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.

Your participation in this process is appreciated.

Sincerely,

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

HA: JM: n:\bow\grants\com\_docs\mallory\projects\drinking water\naperville-4061-peid (lead service line replacement).docx

Attachment

2125 S. First Street, Champaign, IL 61820 (217) 278-5800  
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

2309 W. Main Street, Suite 116, Marion, IL 62959 (618) 993-7200  
412 SW Washington Street, Suite D, Peoria, IL 61602 (309) 671-3022  
4302 N. Main Street, Rockford, IL 61103 (815) 987-7760

**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 source: The March 2022 Drinking Water Planning Submittal Checklist, Existing User Charge and O, M, and R Certification Sheet, Funding Nomination Form and Lead Service Line Replacement project plan for the City of Naperville, all prepared by City of Naperville's Department of Public Utilities – Water.

**Part I – Project Information**

**Loan Applicant:** City of Naperville  
**Project Name:** Lead Service Line Replacement  
**Current Service Population:** 149,294

**Counties:** Will and DuPage  
**Project Number:** L174061  
**Future Population (2040):** 184,627

The City of Naperville's drinking water is sourced from Lake Michigan and purchased through the DuPage Water Commission from the City of Chicago. Naperville adds a chlorine disinfectant to the already treated water that is provided from the City of Chicago. Naperville's Water Utility maintains eight emergency stand-by wells to provide redundancy in the event of an outage from DuPage Water Commission; and they maintain roughly 7,548 distribution valves, 9,625 fire hydrants, and over 688 miles of water main.

**Project Description:** The City of Naperville is proposing to replace approximately 368 lead service lines within the City. This project calls for the full replacement of the lead service line from the connection at the water main to the interior plumbing of the dwelling just prior to the meter.

**Project Location:** All the lead services that have been identified to date are located in areas of the City that were constructed prior to 1960, with a particular concentration in parts of the Historic District. See attached map.

**Project Justification:** Since 2016 the City of Naperville's Department of Water Utilities has been conducting a lead service line inventory in an effort to identify the location of any lead services in the City. Illinois House Bill 3739 was passed in 2021 and mandated the removal of all lead services over a period of time, depending on the size of the municipality. Naperville is committed to replacing the entirety of these water services at no cost to the building owner. Removal of these services eliminates the risk of adverse health effects from potential lead leaching into the drinking water.

**Construction Time Frame:** Construction for this project is estimated to begin in October of 2023 and be completed by October of 2026.

**Project Total Cost Estimate:** \$8,021,337

## Part II – Environmental Review and Impacts

**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. The City or the project contractor must flush the new water service lines in accordance with Section 4.4.1 of AWWA C810-17. The City should leave a handout explaining the proper way to flush interior plumbing with each customer at a later date.

**Illinois Department of Natural Resources (IDNR):** The loan applicant submitted project information to the IDNR EcoCAT to determine compliance with the Illinois Endangered Species Act, Illinois Natural Areas Preservation Act and the Illinois Wetlands Act. An IDNR letter dated August 5, 2022, determined adverse effects are unlikely and terminated their consultation.

**Illinois Department of Natural Resources-State Historic Preservation Office (IDNR-SHPO):** The loan applicant submitted project information to the IDNR-SHPO to ensure compliance with the National Historic Preservation Act. An IDNR letter dated October 11, 2022, indicated there are “historic properties located within the Naperville Historic District, listed on the National Register of Historic Places on September 29, 1977. The proposed project meets the Secretary of Interior’s Standards for Rehabilitation and will not adversely affect the historic properties within Naperville Historic District. The project as proposed may proceed.”

**United States Army Corps of Engineers (USACE):** The Loan Applicant submitted project information to the USACE to determine compliance regarding projects involving construction within any river, stream, wetland, floodway, waterway, or any body of water. A letter dated February 8, 2023, from the Department of the Army Chicago District stated the project will not result in a discharge of dredged or fill material into waters of the United States, therefore this project does not require a Department of the Army permit.

**Illinois Department of Natural Resources-Office of Water Resources (IDNR-OWR):** The loan applicant submitted project information to the IDNR-OWR to determine compliance regarding projects involving construction within any river, stream, floodway, waterway, or any body of water. An IDNR-OWR letter dated December 13, 2022, indicated an IDNR-OWR permit is not required for this project.

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

The applicant is proposing to finance the project costs with a loan from the IEPA Public Water Supply Loan Program (PWSLP). A \$8,021,337 loan with an estimated interest rate of 1.24% for a twenty (20) year period, would have an annual repayment of approximately \$453,059.

The current loan program interest rate is 1.24%. The interest rate adjusts annually on July 1<sup>st</sup>. 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 qualifications 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 qualifications 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 of Naperville is eligible to receive a reduced interest rate based on the environmental discount rate of 0.2% for projects removing lead from their watermains or service lines.

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 City 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.

The Agency adjusts qualifying criteria annually on July 1<sup>st</sup> and the community specific information is also subject to change. 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:** Current user fees.

**Current Average Monthly Residential Cost of Service:** \$52.60

**Projected Average Monthly Residential Cost of Service:** \$52.60

**How is the monthly residential rate/cost of service calculated?** The City of Naperville's residents receive a monthly bill containing their drinking water and wastewater consumption combined. The following calculations represent the charges for the drinking water portion only. Naperville's residents are charged \$5.80 per 100 cubic feet of water used. The following fixed charges are also applied monthly to customer bills, a \$8.15 fixed monthly customer charge and a \$0.95 flat monthly water capital charge. When calculated, an average residential user is charged \$52.60 for using 750 cubic feet (5610 gallons) of drinking water per month.

$$(\$5.80 \times 7.50) + \$8.15 + \$0.95 = \$52.60$$

**Number of Service Connections:** 44,473 service connections of which 40,932 are residential and 3,541 non-residential.

**Median Household Income (MHI):** \$147,986

**Financial Evaluation of the Proposed Project:**

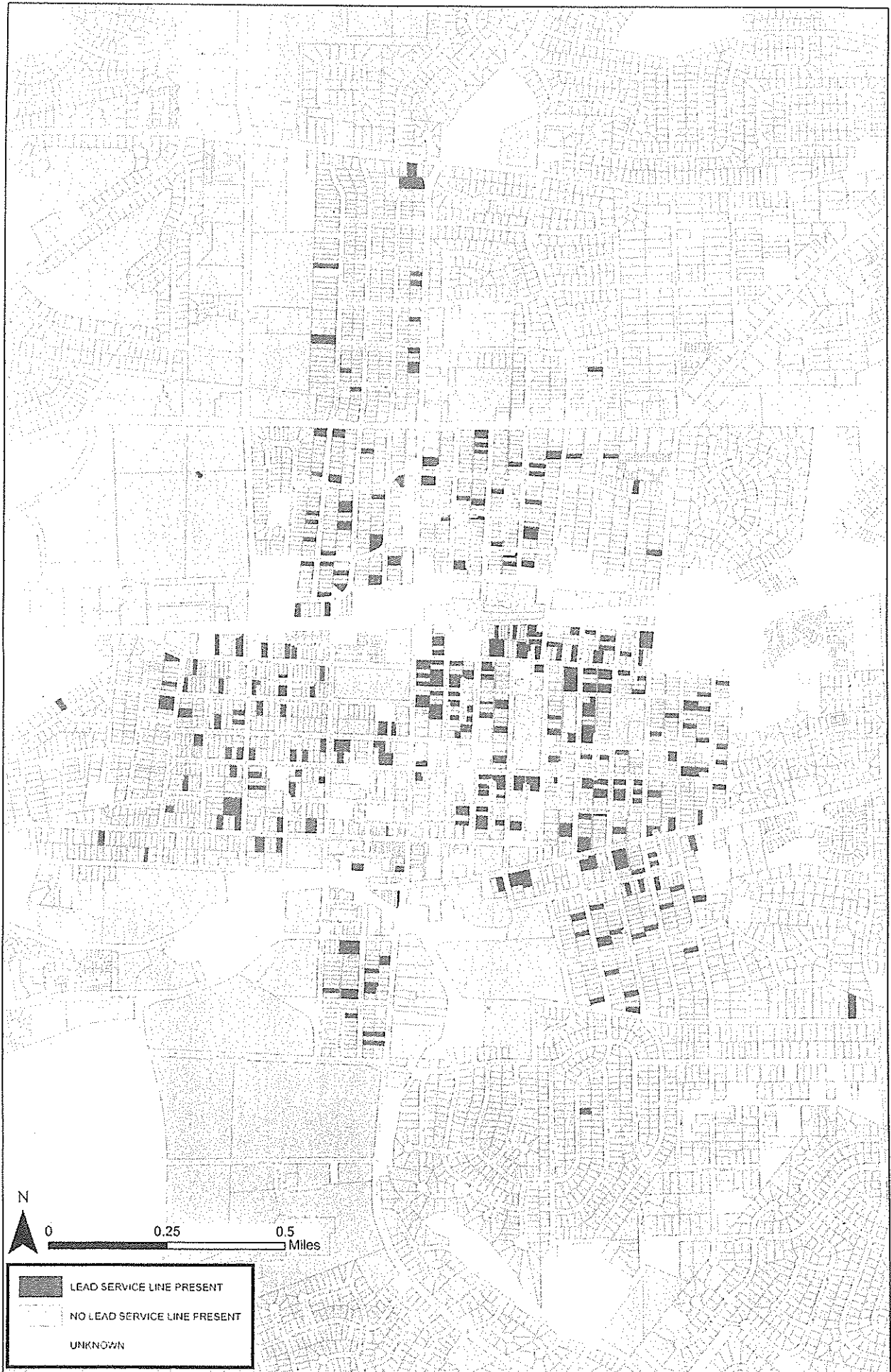
To evaluate the costs of the proposed project for the community, a percentage comparison of the MHI to the average, annual cost for water services is utilized. The MHI listed above is from the current year's census information. The projected annual drinking water cost of \$631.20 is 0.43%

of the MHI for Naperville. 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:**

Jasmine Mallory, 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



Mailing List – Environmental Review

Project: Village of Naperville

L17: 4061

Check entities to receive Preliminary Environmental Impacts Determination/Notice of Categorical Exclusion. Agencies may be omitted if they have already provided an unconditional written sign-off on the planning.

\_\_\_\_\_ Illinois Historic Preservation Agency (SHPO)

\_\_\_\_\_ Illinois Department of Natural Resources  
Office of Realty & Environmental Planning (for rare/endangered species, natural areas, and Interagency Wetlands Policy Act)

\_\_\_\_\_ Illinois Department of Natural Resources  
Office of Water Resources (for lakes, rivers and stream crossings, floodway/floodplain construction)

\_\_\_\_\_ Illinois Department of Agriculture

U.S. Army Corps of Engineers – Check Appropriate Regional Office

\_\_\_\_\_ Rock Island District

\_\_\_\_\_ St. Louis District

\_\_\_\_\_ Chicago District

Designated 208 Areawide Planning Agency – Check Appropriate Agency

\_\_\_\_\_ CMAP

\_\_\_\_\_ GERPDC

\_\_\_\_\_ SWIPC

Green Infrastructure Coordinator: \_\_\_\_\_ Chris Covert

IEPA Field Office (\_\_\_\_\_)

Loan Applicant

Douglas Splitt

3612 Plainfield-Naperville Rd.

Naperville, IL 60564

(Continued on Back)

Local Newspaper of Record

Daily Herald

P.O. Box 280

Arlington Heights, IL 60006-0280

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Consulting Engineer

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Other Interested Parties

Planning file

Chron file

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Project Manager: Jasmine Mallory

Date: 2/14/2023

Copies of the Preliminary Environmental Impacts Determination/Notice of Categorical Exclusion have been mailed to the above entities.

Signed: DE

Date: 2-15-23