



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

2520 WEST ILES AVENUE, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-3397

JB PRITZKER, GOVERNOR

JAMES JENNINGS, ACTING DIRECTOR

Project Summary and Preliminary Environmental Impacts Determination

Date: MAR 04 2025

Loan Applicant: Aqua Illinois, Inc.

IEPA Loan Project Number: L176970

To all interested persons:

Section 663.330 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. After receiving this letter, the loan 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.

Your interest and participation in this process are appreciated.

Sincerely,

Nidhan Singh, M.B.A.
State Revolving Fund Manager
Infrastructure Financial Assistance Section
Bureau of Water

NS:BH:N\BOW\Grants\COM_DOCS\Huffman\Projects\LSLR\Aqua Illinois, Inc\L176970\Planning\Aqua Conditional PEID.docx

Attachment

2125 S. First Street, Champaign, IL 61820 (217) 278-5800
115 S. LaSalle Street, Suite 2203, Chicago, IL 60603
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. This report is based on information submitted to the IEPA by Aqua Illinois, Inc. – Kankakee. Sources of information include the Kankakee Lead Service Line Replacement Project Plan Report, dated October 2023, prepared by Arcadis and CDM Smith and other information, gathered by the IEPA.

Part I – Project Information

Project Name: Lead Service Line Replacement

Loan Applicant: Aqua Illinois, Inc. - Kankakee

County: Kankakee

Project Number: L176970

Current Population: 107,502

Future Population (2050): 115,107

Project Description: The proposed project is to replace approximately 417 lead service lines and 40 galvanized service lines requiring replacement that have a documented history of lead with copper and PVC.

Project Location: See attached map for project location.

Project Justification: Aqua owns, operates, and maintains the public water system in Kankakee. The primary source water type for the system is surface water from the Kankakee River, treated by lime softening as its primary treatment mechanism and gas chlorine as primary disinfectant. Aside from Kankakee City proper, the Kankakee Water System provides treated water to several communities across Kankakee County, including the Villages of Aroma Park, Bourbonnais, Bradley, Grant Park, Limestone, Manteno and Sun River. Kankakee has fourteen storage tanks ranging from 50,000 to 3,000,000 gallons of elevated storage, ground storage, and standpipes. Kankakee's distribution system is comprised of 539 miles of water main, comprised of cast and ductile iron pipe ranging in sizes from 4-inch to 36-inch in diameter. The system includes approximately 417 lead service lines.

Service lines are small pipes that carry drinking water from the water mains into homes. Older service lines may be constructed from lead. Older household plumbing fixtures and faucets may also contain lead. Lead can enter drinking water when corrosion of pipes and/or fixtures occurs. Lead is a toxic metal that can accumulate in the body over time. The adverse effects of lead exposure in children and adults are numerous and well-documented. Replacing these service lines containing lead goosenecks will reduce the community's risk of lead exposure. All lead service lines in the Village will be replaced as part of this project.

Estimated Construction Start Date: March 2026

Construction Completion Date: December 2026

Project Cost Estimate: \$8,371,000

Part II – Environmental Issues Associated with the Project

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

Illinois Department of Natural Resources (IDNR): Aqua submitted project information to the 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.

Aqua additionally submitted project information to the 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 concluded that adverse effects are unlikely.

The IDNR Office of Water Resources (OWR) states that the proposed project must abide by Statewide Permit No. 6 (SP No. 6). All terms and conditions of SP No. 6 must be included in the project construction contract documents.

United States Army Corps of Engineers (USACE): Aqua submitted project information to USACE to determine compliance regarding projects involving construction within any river, stream, wetland, floodway, waterway, or any body of water. If USACE makes recommendations or requires a permit, this information must be included in the project's plans and specifications prior to bidding. Aqua agrees to abide by any conditions or mitigative measures issued by USACE.

Part III – Project Implementation and Affordability of Residents and Utility Customers

Aqua intends to finance the proposed project with a loan from the IEPA Public Water Supply Loan Program. Using current data, all loans shall have a Fixed Loan Rate equal to 0%. A loan totaling \$8,371,000 with an interest rate of 0% and a thirty (30) year term would have an annual repayment of \$279,033.

Using current data, Aqua is eligible to receive a 30-year loan term. Aqua does not qualify for principal forgiveness or an extended loan term because they are an investor-owned water utility. Only applicants which are 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. 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 31st 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. Applicants should submit a Funding Nomination Form prior to March 31st of each year 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. Applicant 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: Aqua intends to repay the loan from net operating income from the water fund.

Current Average Monthly Residential Water Usage: 4,100 gallons

Current Average Monthly Residential Cost: \$47.54

How the monthly residential rate/cost of service is calculated: A flat fee of \$16.50 is charged. Aqua charges \$7.57 per 1,000 gallons used. The average water usage per customer each month is 4,100 gallons.

$$\$16.50 + 4.1(\$7.57) = \$47.54$$

Number of Customers or Service Connections: 80,275

Median Household Income (MHI): \$65,489 (Kankakee County)

Financial Impacts of the Proposed Project: To evaluate the cost of the proposed project on the community, a percentage comparison of the MHI to the annual cost of water service is utilized. The MHI listed above is from the current fiscal year census information. The proposed annual water cost of \$570.48 is 0.87% of the MHI for the area. This 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.

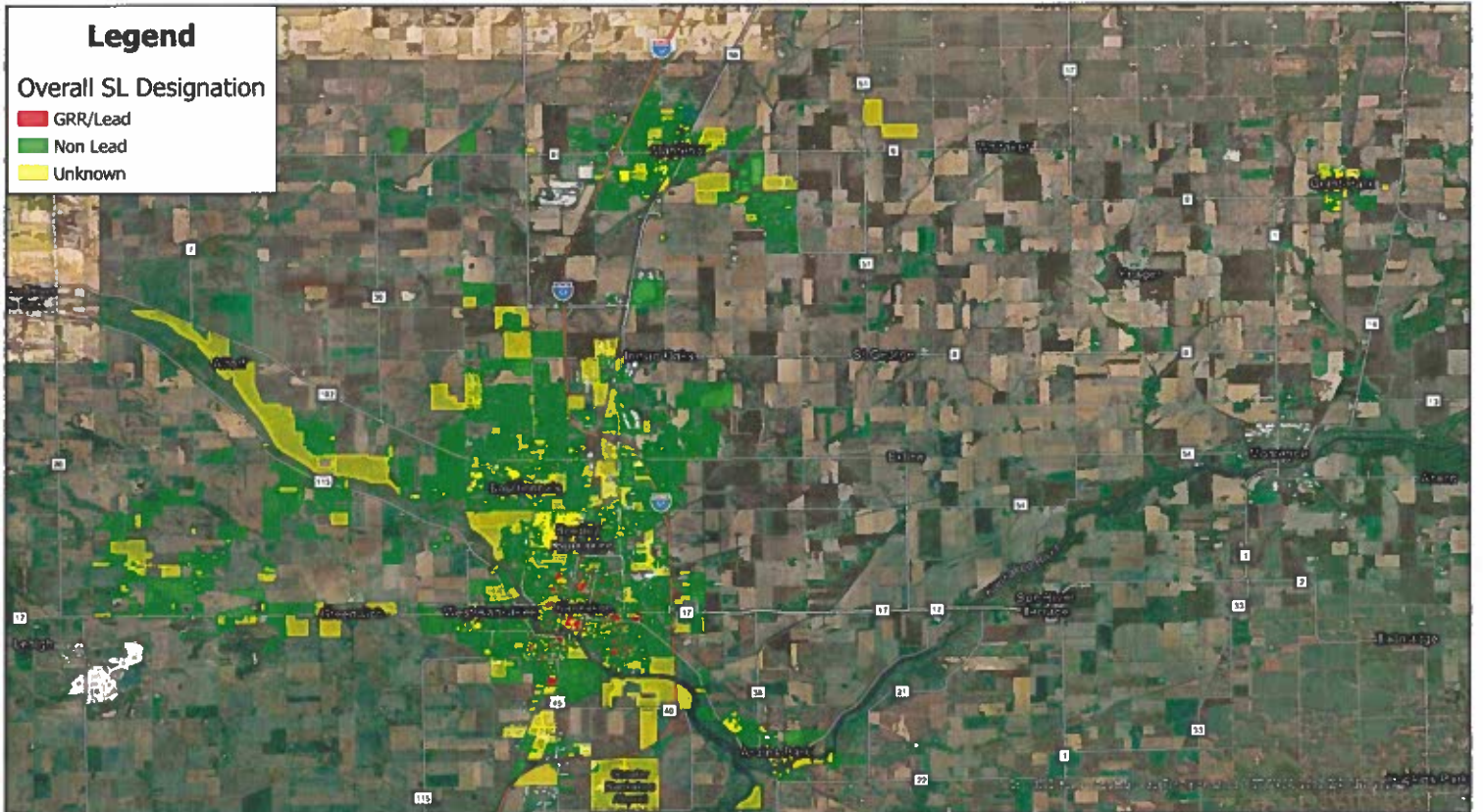
Public comments are invited on the proposed project. For further information contact:

Brandon Huffman, Project Manager
Infrastructure Financial Assistance Section
Illinois Environmental Protection Agency
Bureau of Water
2520 West Iles Ave
P.O. Box 19276
Springfield, Illinois 62794-9276
(217)782-2027

Legend

Overall SL Designation

- GRR/Lead
- Non Lead
- Unknown



PDF Date: 9/14/2023; March 2023 Inventory

Kankakee Water System 2023 Overall Service Line Designation Map

0 0.75 1.5 3 Miles



Mailing List – Environmental Review

Project: Aqua Illinois, Inc. - Kankakee

L17: 6970-6974

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 (Des Plaines)

Loan Applicant

David C. Carter, President & Alan Stark
1000 S. Schuyler Ave.
Kankakee, IL 60901

(Continued on Back)

Consulting Engineer

Joanna Cummings
125 S. Wacker St., Suite 2510
Chicago, IL 60606



Other Interested Parties

bcci planners file
chron file

scan to Brandon Huffman

Project Manager: Brandon Huffman

Date: 3/3/2025

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

Signed: 

Date: 3.4.25