



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

C.N.

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Project Summary and Preliminary Environmental Impacts Determination

Date: JUN 06 2019

Loan Applicant: Village of Bensenville, IEPA Loan Project Number: L174402

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 participation in this process is appreciated.

Sincerely,

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

HA:CLN Bensenville PEID cover letter

Attachment

4302 N. Main Street, Rockford, IL 61103 (815) 987-7760
595 S. State Street, Elgin, IL 60123 (847) 608-3131
2125 S. First Street, Champaign, IL 61820 (217) 278-5800
2009 Mall Street Collinsville, IL 62234 (618) 346-5120

9511 Harrison Street, Des Plaines, IL 60016 (847) 294-4000
412 SW Washington Street, Suite D, Peoria, IL 61602 (309) 671-3022
2309 W. Main Street, Suite 116, Marion, IL 62959 (618) 993-7200
100 W. Randolph Street, Suite 4-500, Chicago, IL 60601

Project Summary and Environmental Assessment

The Village of Bensenville has applied to the Illinois Environmental Protection Agency's (IEPA) Public Water supply loan program to request funding to help finance a drinking water distribution system project. The following project summary and environmental assessment has been prepared by the IEPA to assist the loan applicant comply with the public notice requirements. This report is based on information submitted by the Village of Bensenville. Sources of information include the following documents: Village of Bensenville, White Pines Area Watermain Replacement Project report, dated February 1, 2019 with February 5, 2019 transmittal letter, and in response to the April 19, 2019 IEPA Facility Plan Review letter, the May 8, 2019 letter, which were prepared by Christopher B. Burke Engineering, Ltd.

Part I – Project Information

Project Name: Bensenville White Pines Area water main replacement

Loan Applicant: Village of Bensenville

County: DuPage

Project Number: L174402

Current Population Served: 19,250

Future Population (20 year): 19,250

Project Description: This project is to replace parts of the existing White Pines Area water distribution system, which may include lead service lines. The project consists of the construction of approximately 16,923 feet of 8-inch diameter and 823 feet of 6-inch diameter water main, valves, valve vaults, fire hydrants, copper water services, abandonment of existing water mains, and construction area restoration.

Project Location: The White Pines Area is an unincorporated section of DuPage County that is immediately adjacent to the southwest corner of the Village of Bensenville. The boundaries of the area are Illinois Route 83 on the west, Church Road on the east, Third Avenue on the north and Forest View Road on the south. All water mains within this area will be replaced. The proposed water main construction locations are shown on Attachment A.

Project Justification: The existing water mains are over seventy years old and are reaching the end of their useful service life. There have been over 150 water main breaks within the last 30 years in this area, the mains are undersized for fire flows and most are located in the back yards of residential homes, which increases repair costs and difficulty for access. The proposed project will relocate the water mains into public right-of-ways to provide access, reduce the number of water main breaks and related costs, provide adequate fire flows, improve water pressure and provide a safe and reliable source of drinking water for many years.

Estimated Construction Start Date: January 2020

Estimated Construction Completion Date: November 2021

Project Cost Estimate: \$7,870,000

Part II – Environmental Issues Associated With the Project

Project construction impacts: The construction impacts associated with the project will be typical of water main construction. The construction will cause some minor erosion and wind-blown dust from excavated materials. There will also be the normal noises associated with this type of construction. Additionally, during construction there will be temporary disruption of normal traffic patterns due to the movement of construction vehicles and the delivery of materials to the construction sites. Issues with noise, dust and storm water controls can be minimized by specifications and conditions within the construction contract documents. All water main construction will take place in the County or State right-of-way. The old water mains will be abandoned in place.

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 and the Illinois Wetlands Act. The review results indicated that protected resources may be in the vicinity of the locations submitted and the project will be evaluated further. An April 26, 2019 letter by IDNR states that based on additional evaluation, adverse effects are unlikely and terminated their consultation for 17 Ill. Adm. Code Parts 1075 and 1090. This indicates that there are no anticipated impacts to threatened and endangered species, wetlands or other natural areas from the proposed project. However, the IDNR letter also recommends a construction barrier and silt fence be utilized to keep workers within the project site and to protect Fischer Woods, which is an Illinois Natural Area and habitat for state-listed species. The Village of Bensenville will be required to incorporate all environmental protective and mitigative measures into the design documents and bidding specifications/project manual for the project.

Because the project appears to be located adjacent to wetlands and/or floodways, project information was also submitted to the IDNR Office of Water Resources (OWR) to evaluate whether the project is under their jurisdiction or regulated by the Illinois Lakes, Rivers and Streams Act. A May 30, 2019 email from the IDNR OWR indicates that none of the proposed water mains are located within a jurisdictional floodway and therefore, an IDNR OWR permit is not required.

United States Army Corps of Engineers: The Village of Bensenville submitted their project information to the U.S. Army Corps of Engineers (USACE) for their review and determination of requirements related to placement, or excavation, of any dredged or fill materials into rivers, lakes, ponds, large and small streams with perennial, intermittent or ephemeral flow, artificial water bodies and wetlands adjacent to these waters and associated permitting. The U.S. Army Corps of Engineers Chicago District Office email dated May 24, 2019, indicates that the proposed water main replacement project does not require a Section 404 Permit under the Federal Clean Water Act requirements.

Illinois Historic Preservation Division of IDNR: An IDNR letter dated November 28, 2018 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.

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

The estimated costs for the project are:

Construction	\$6,200,000
Contingency (10%)	\$620,000
Design Engineering	\$450,000
Construction Engineering	\$500,000
Legal	\$100,000
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Total Project	\$7,870,000

The applicant is proposing to finance the project costs with a loan from the Public Water Supply Loan Program (PWSLP). The total estimated cost for the project is \$7,870,000. Bensenville indicates there is a \$900,000 balance in an Unincorporated Area Fund that will be used to pay a portion of the total projects. After subtracting the \$900,000 from the estimated project costs, the remaining estimated IEPA loan amount totals \$6,970,000. A \$6,970,000 loan, with an estimated interest rate of 1.84% for a twenty-year period, would have an annual repayment of approximately \$416,812. If the annual loan repayment amount is divided between the White Pines Area's 267 water service customers, each customer would pay \$1561.10 per year, which equals \$130.09 per month.

The current loan program interest rate is 1.84%. 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. Using current data, the Village of Bensenville is eligible to receive a 1.38% small community interest rate and principal forgiveness of 75% of the initial loan up to a maximum of \$1,500,000. The Agency adjusts qualifying criteria annually on July 1st 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.

If the Village of Bensenville does receive the above referenced IEPA loan program incentive reductions, the possible cost savings to the estimated loan repayments can be calculated as follows: the maximum amount of principal forgiveness would subtract \$1,500,000 from the \$6,970,000 estimated initial loan amount, which would leave \$5,470,000 of remaining project costs to be repaid. A \$5,470,000 loan with an estimated interest rate of 1.38% for a twenty (20) year period, would have an annual repayment of approximately \$313,133. If this annual loan repayment amount is divided between the White Pines Area's 267 water service customers, each customer would pay \$1173.00 per year, which equals \$98.00 per month.

Source of Loan Repayment: The Village of Bensenville intends to repay the loan by increasing the water user charges for only the White Pines Area water service customers. This project will not impact the water charges for existing Bensenville water service customers located within the corporate limits. For customers located in the White Pines Area, there will be two water service categories and associated water use charges that depend on whether the property owner decides to have their property annexed into the Village of Bensenville or remain unincorporated.

If the property owner elects to annex into the Village, they will pay the the current “Within the Corporate Limits” user charges, plus a monthly \$50 fee (\$25 for people age 65 and older) for the first five years, and additional property taxes, that will also be used to repay the IEPA loan. After the five years, the incorporated White Pines Area customers will pay the same water user charges as the customers located within the corporate limits.

If the property owner elects to remain unincorporated, the White Pines Area “Outside the Corporate Limits” user charges will be set at 275% of the Village incorporated user charges. The customers who choose to remain unincorporated will continue to not pay property taxes to the Village of Bensenville. The new White Pines Area user charges will be implemented once project construction has started.

Current Average Monthly Residential Cost of Service: The current unincorporated user charges are calculated at 150% of the incorporated user charges. An average residential customer located in the White Pines project area reportedly uses approximately 4,000 gallons per month. A White Pines Area customer who has a 5/8 and 3/4-inch meter and uses 4,000 gallons of water per month, would currently pay \$75.00 per month for water service.

How is the monthly residential rate/cost of service calculated? Bensenville’s current water user charges and rates are determined by whether the customer is located within the Village limits or outside of the Village and the size of the water meter.

The current “Within the Corporate Limits” water user charge system is based on a monthly fixed service charge depending on the size of the meter, which is \$10.00 for 5/8 and 3/4-inch meters, plus a water rate of \$10.00 per each 1,000 gallons used. The 1,000 gallons water rate increases to \$12.00 for amounts used above 10,000 gallons. For an average Within the Corporate Limits customer who uses 4,000 gallons, this calculates to: $\$10.00 + (\$10.00 \times 4) = \$50.00$ per month.

The current “Outside the Corporate Limits” water user charge system is based. on a monthly fixed service charge depending on the size of the meter, which is \$15.00 for 5/8 and 3/4-inch meters, plus a water rate of \$15.00 per each 1,000 gallons used. The 1,000 gallons water rate increases to \$12.74 for amounts used above 10,000 gallons. For an average Outside the Corporate Limits customer who uses 4,000 gallons, this calculates to: $\$15.00 + (\$15.00 \times 4) = \$75.00$ per month.

Projected Average Monthly Residential Cost of Service: Based on the source of loan repayment proposed by the Village, the projected water service costs for White Pines Area properties that elect to annex will pay the current Within the Corporate Limits user charges, plus the \$50.00 “five-year fee”, plus pay additional property taxes to Bensenville. The additional property taxes for a home valued at \$230,931 are estimated to be \$736.82 per year, which equals \$61.40 per month. For an average customer who uses 4,000 gallons, this calculates to: $\$10.00 +$

$(\$10.00 \times 4) + \$50 + \$61.40 = \161.40 per month. After five years the \$50 fee expires, which results in the monthly water user cost decreasing to \$111.40 per month.

White Pines Area properties that elect to remain unincorporated will pay 275% of the current Within the Corporate Limits water service costs. The projected Outside the Corporate Limits user charges are a monthly fixed service charge depending on the size of the meter, which will be \$27.50 for 5/8 and 3/4-inch meters, plus a water rate of \$27.50 per each 1,000 gallons used. The 1,000 gallons water rate increases to \$33.00 for amounts used above 10,000 gallons. For an average Outside the Corporate Limits customer who uses 4,000 gallons, this calculates to: $\$27.50 + (\$27.50 \times 4) = \$137.50/\text{month}$.

Number of Customers or Service Connections: The Bensenville water distribution system serves approximately 18,500 people within the Village corporate limits and approximately 750 people in the White Pines unincorporated area, for a total population of 19,250. There are approximately 3,928 residential, 434 commercial and 776 industrial water customers billed by the water system. There are 267 billed customers located in the White Pines area. The White Pines area has an additional 13 parcels that do not have a record of public water service and are assumed to be supplied by private water wells.

Median Household Income (MHI): The MHI for Bensenville is \$62,286. The MHI for DuPage County is \$81,521. Because the White Pines Area is located in an unincorporated section of DuPage County, the County MHI will be used to calculate the financial impact.

Financial Impact of the proposed project: In order to determine the financial impact of the proposed project on the community, a percentage comparison of the MHI to the annual cost for water service is utilized. According to the current fiscal year census information, the MHI for DuPage County (the White Pines Area service area) is \$81,521. The projected total annual water cost for a White Pines Area Within the Corporate Limits water user, including the monthly \$50 five-year fee is \$1,936.80 ($\$161.40 \times 12$ months), which is 2.38 percent of the MHI for the area. The projected total annual water cost for a White Pines Area Within the Corporate Limits water user, after the monthly \$50 five-year fee expires is \$1,336.80 ($\111.40×12 months), which is 1.64 percent of the MHI for the area. The projected total annual water cost for a White Pines Area Outside the Corporate Limits water user is \$ 1,650.00 ($\$137.50 \times 12$ months), which is 2.02 percent of the MHI for the area. Any amount less than 2.0 percent is considered to be affordable under State and Federal loan program criteria.

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

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