

## **NOTICE of PUBLIC HEARING**

### **Preliminary Environmental Impacts Determination (PEID)**

Notice is hereby given to all residents, property owners, and water system users of the Village of Frankfort, Illinois that a Public Hearing will be held at the Village Hall on March 20th, 2020 at 5:00 pm. Due to Federal and State recommendations regarding the COVID-19 pandemic, attendance at the Village Hall will be limited to 10 people. The hearing will also be available via teleconference. **Teleconference attendees shall call 1-646-749-3112 and enter access code 772-446-277.**

Under project L17-3465 the Village proposes the replacement of approximately 100 lead service lines. This Public Notice is to provide an opportunity for the public to provide comments on the Village's proposed construction. The Project Summary and Preliminary Environmental Impacts Determination document provided by the Illinois Environmental Protection Agency (Illinois EPA) is available for review at 432 West Nebraska Street, Frankfort, Illinois 60423. The document contains information including the project costs, location, user rate impacts, and potential environmental impacts.

This Notice is to provide access to the documents and to satisfy Section 662.530 of the Illinois Procedures for Issuing Loans from the Public Water Supply Program from the Illinois EPA. These documents will be on file at Village Hall for 10 days after the Public Hearing to allow for public comment. Written comments can be submitted to the Village or directly to Lanina Clark at the Illinois EPA, Infrastructure Financial Assistance Section, P.O. Box 19276, Springfield, Illinois 62794-9276.

President and Board of Trustees  
Village of Frankfort  
432 West Nebraska Street  
Frankfort, Illinois 60423

## **Project Summary and Preliminary Environmental Impacts Determination (PEID)**

Information in this report is based on information submitted to the IEPA by the Village of Frankfort. The source of information includes the following document: Village of Frankfort Lead Service Line Replacement Project Public Water Supply Loan Program Project Plan written by Robinson Engineering dated December 2019. Additional documentation was obtained from loan application documents and compiled by the Illinois Environmental Protection Agency.

### **Part I – Applicant and Project Information**

**Loan Applicant:** Village of Frankfort

**Project Name:** Lead Service Line Replacement Projects

**County:** Cook and Will

**Project Loan Numbers:** L173465 and L173466

**Current Population:** 24,648

**Future Population (20 years):** 27,153

**Project Description:** The proposed projects will include removal and replacement of approximately 200 lead service lines (LSLs) over a two-year period. These projects will also include all related appurtenances and restoration to make the projects complete and operational.

**Project Location:** These projects will occur at several locations throughout the Village of Frankfort.

**Project Justification:** The Village of Frankfort plans on replacing approximately 200 lead service lines as part of these projects. Removing and replacing lead service lines will improve the water quality and allow a continued safe and effective drinking water supply to the customers of Frankfort.

**Estimated Construction Start Date:** August 2020 1<sup>st</sup> year, August 2021 2<sup>nd</sup> year

**Estimated Construction Completion Date:** May 2021 1<sup>st</sup> year, May 2022 2<sup>nd</sup> year

**Project Cost Estimate:** \$2,000,000.00

### **Part II – Project Affordability for Residents and Utility Customers**

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 applicant is eligible for the environmental discount reduction in the interest rate. The Agency adjusts qualifying criteria annually on July 1st.

In addition, Frankfort qualifies for principal forgiveness for lead service line replacement. Frankfort plans on funding approximately \$2,000,000.00 of lead service line replacement through the PWSLP

Loan Program. If the City borrows this amount, they could qualify for up to \$1,000,000.00 of principal forgiveness for two consecutive fiscal years.

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. With the possibility of Frankfort receiving \$1,000,000.00 in principal forgiveness for each year of the two projects there may be the possibility of no repayment being required at all.

The applicant is proposing to finance the project's costs with a loan from the Public Water Supply Loan Program (PWSLP). The current interest rate for a PWSLP loan is 2.00% but they would qualify for the environmental discount rate reduction of 0.2% due to the projects including lead service line replacement. Annual repayments, with the environmental discount rate included, on a PWSLP loan in the amount of \$2,000,000.00 for a term of twenty (20) years would be approximately \$119,152.00. Interest rates change annually on July 1<sup>st</sup>. All loans are subject to the interest rate in effect at time of loan issuance.

**Source of Loan Repayment:** User fees

**Current Average Monthly Residential Cost of Service:** \$23.72

**Projected Average Monthly Residential Cost of Service:** \$23.72

**Average Monthly Residential Water Use:** 5,466 gallons

**How the current and proposed monthly residential rate/cost of service is calculated:** Water users are billed on a monthly basis. An annual rate increase of 2% plus CPI is implemented annually but is not related to these projects. Current charges are \$4.34 per 1,000 gallons with a minimum monthly charge of \$8.86. Based on an average use of 5,466 gallons current monthly charges are:  $\$4.34 \times 5.466 = \$23.72$ . No rate increase related to these projects are proposed.

**Number of Customers or Service Connections:** 10,876 customers

**Median Household Income (MHI):** \$118,508

**Percentage of MHI needed to pay the projected average annual residential cost of service:**  
0.24%

**Financial evaluation of the proposed projects:** To evaluate the costs of the proposed projects 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 \$284.64 is 0.24% 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.

### **Part III – Environmental Review and Impacts**

These projects were reviewed by the Illinois Department of Natural Resources (IDNR) to determine compliance with the IL Endangered Species Act, IL Natural Areas Preservation Act, and the IL Wetlands Act. IDNR's review dated August 30, 2019 included recommendations for not adversely impacting the threatened **Northern Long-eared Bat** (*Myotis septentrionalis*) or several wetlands located in the project vicinity. Tree removal should only occur between October 15<sup>th</sup> and March 31<sup>st</sup> to protect the endangered bats. All recommendations must be included in the plans and specifications and must be followed throughout the construction process.

These projects have also been reviewed by the State Historic Preservation Office (SHPO) for compliance with the National Historic Preservation Act, Section 106. SHPO's review indicated that negative impacts to historical or archaeological resources are not expected as a result of these projects.

The above-mentioned Frankfort projects do not include any construction in water ways or involvement of agriculture land which would require a sign-off from the U.S. Army Corps of Engineers or the Illinois Department of Agriculture.

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

Lanina Clark, Project Manager  
Infrastructure Financial Assistance Section  
Illinois Environmental Protection Agency  
Bureau of Water  
1021 North Grand Avenue East  
P.O. Box 19276  
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