

# **Public Water Supply Loan Program**

## **2020 Intended Use Plan**

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**Illinois EPA**

**Bureau of Water**

**Infrastructure Financial Assistance Section**

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## **I. Introduction**

The Illinois Environmental Protection Agency (Illinois EPA) was created on July 1, 1970 by combining the State Sanitation Board and parts of the Illinois Department of Public Health. Illinois EPA's central office is in Springfield, and eight regional offices and one laboratory manage the Agency's programs. The Director of Illinois EPA is appointed by the Governor and serves as a Cabinet Member. Illinois EPA establishes and enforces standards for air, water, waste management, and cleanup of sites contaminated with hazardous substances. Illinois EPA also provides:

- Financial assistance to businesses and communities;
- Environmental education programs for businesses and the public; and
- Pollution prevention assistance to help businesses minimize their waste at the source.

The 2020 Public Water Supply Loan Program (PWSLP) Intended Use Plan (IUP) describes how the Illinois EPA proposes to prioritize projects, distribute funds, and administer the PWSLP during State Fiscal Year (FY) 2020, July 1, 2019 through June 30, 2020.

### **A. Public Participation**

The Draft 2020 IUP was released for public review on June 27, 2019, thus beginning the 30-day public comment period. The Draft 2020 IUP notice was placed on Illinois EPA's general notice website <https://www2.illinois.gov/epa/public-notice/Pages/general-notice.aspx> and each of the identified stakeholders of the Public Water Supply State Revolving Fund (SRF) program were also notified by e-mail. The notice directed potential commenters to Barb Lieberoff, Office of Community Relations as the Agency contact for receiving comments and questions pertaining to the Draft 2020 IUP. No comments were received regarding the PWSLP IUP and this IUP is now considered final.

### **B. Benefits of the PWSLP**

The main purpose of the PWSLP is to protect public health by providing financial assistance to eligible public water systems to attain and maintain compliance with the requirements of the Safe Drinking Water Act (SDWA) and Illinois statutes and regulations. The PWSLP is designed to operate in perpetuity to provide low interest rate loans and other forms of assistance to public water systems. Using the PWSLP to fund water supply system improvement projects has many advantages, including:

- 1) Below-market rates provide significant cost savings.
- 2) Although the PWSLP must follow certain Federal and State requirements, overall it is a State program. As the program is administered by State personnel, application and funding requirements have been streamlined to ensure clarity and efficiency for the applicant.
- 3) The PWSLP, through its various project review and approval procedures, is more than just a funding program. It helps provide applicants greater assurance that their projects will be economically sound, technically appropriate, and environmentally effective.
- 4) The PWSLP can benefit small and economically disadvantaged communities by not only providing a thorough review of the technical and financial viability of their projects, but also offering principal forgiveness and reduced interest rates where applicable.

## **II. Goals for the PWSLP**

### **A. Short-Term Goals**

- 1) Support necessary actions to reduce lead levels in public water supplies and offer principal forgiveness to certain projects.
- 2) Develop and implement a revised project prioritization scoring process to use for State FY2021. Illinois EPA has drafted a new prioritization process and promulgated a revision to 35 Ill. Adm. Code Part 662, incorporating the new prioritization system, for submittal to JCAR. Illinois anticipates adoption of the rule revision before February 2020 for use in the implementation and development of the FY2021 Project Priority List and IUP. The administrative rule containing the old prioritization system, 35 Ill. Adm. Code Part 663, "Procedures and Requirements for Determining Loan Priorities of Projects in the Public Water Supply Loan Program", will be repealed.
- 3) Provide funding to as many eligible projects as possible, provided the requirements for obtaining funding are satisfied and funds are available.
- 4) Focus financial assistance for projects necessary to achieve or maintain compliance with federal and state laws and regulations.
- 5) Manage a program that provides applicants with a streamlined approach to financing public water supply and other eligible projects.
- 6) Provide continuous improvement to both the short and long-term planning efforts to ensure the financial strength and stability of the loan programs are maintained.
- 7) Use Set-Aside Funds for a circuit-rider that will assist public water supply systems with technical training, rate analysis, asset management, system analysis, water-loss, etc.
- 8) To meet the demand for assistance during FY2020 and beyond, the Illinois EPA intends to borrow against the PWSLP's loan repayments by issuing revenue bonds. The Illinois EPA continues to work with the Illinois Finance Authority and financial advisors to analyze the leveraging capacity of the SRF loan programs, the immediate need for bond proceeds and the future average annual funding levels the PWSLP can provide while maintaining its perpetuity requirements.
- 9) Analyze the methodology used for the establishment of loan program interest rates and initiate a rule modification to establish a new basis for determining interest rates to strengthen the long-term viability of the loan program and ensure a stable and perpetual financing source.

### **B. Long-Term Goals**

- 1) Maximize below-market rate loans and subsidies to eligible public water systems to fund improvements to eliminate public health threats and ensure compliance with federal and state drinking water laws and regulations.
- 2) Target assistance to small and disadvantaged communities to reduce the financial impact of capital improvements projects on the users of smaller systems and systems serving less affluent populations.

- 3) Support extensions of public water systems to address areas of contaminated private water systems.
- 4) Promote the development of the technical, managerial and financial capability of public water system owners and operators to maintain compliance with the state and federal SDWA requirements.
- 5) Continue to maintain the Fund as a major financial vehicle for achieving compliance with State and federal law.
- 6) Encourage the consolidation and/or regionalization of small public water systems so these systems may take advantage of economies of scale available to larger water systems.
- 7) Maintain the integrity of the Water Revolving Fund (the Fund) by providing a stable and perpetual financing source for eligible public water supply systems within the State and to fund those loan applicants with available loan resources.

### **III. Sources and Uses of the PWSLP for FY 2020**

#### **A. Sources and Amounts of FY 2020 Funds**

- 1) Illinois EPA will make up to \$275,000,000 available for PWSLP funding in FY2020, as detailed in the table below. Total available funds on hand, for the upcoming FY2020 is estimated to be \$262,070,817. In addition to funds on hand the program anticipates receiving their FY2019 capitalization grant of \$41,516,000.

To meet the demand for assistance during FY2020 and beyond, the Illinois EPA intends to borrow against the PWSLP's loan repayments by issuing revenue bonds in the future as cash is needed to fund the. Based on financial analysis provided by the Illinois Finance Authority, combined with information gathered from the Agency's own cash modeling tools, the Illinois EPA has determined that it needs to return to establishing an annual funding ceiling to maintain the financial health of the Fund. This decision is driven by the amount of revenue bonds needed to fund the program at current levels as well as the need to limit funding commitments in the future to meet the obligations, both in funding commitments and debt obligations, of the program from prior years. In FY2020, this funding ceiling has been established at \$275,000,000.

*The capacity of the PWSLP will need to be reduced in the coming years for the PWSLP to remain operational in perpetuity as required by USEPA.* The annual funding level will be reviewed and established each year during the process of developing the Intended Use Plan to continue to maintain the PWSLP in perpetuity

Availability of Funds	Amount
Federal FY2019 Federal Capitalization Grant Funds	\$41,516,000
State Matching Funds*	\$0
Additional Bond Funds**	\$176,367,563
Loan Repayments, Reimbursements, Accrued Interest***	\$57,116,437
<b>Total Available Funds</b>	<b>\$275,000,000</b>

\* State Matching Funds for current year grant were provided in State Fiscal Year 2019 by issuance of State Match Bonds.

\*\* Funds will be acquired as necessary to meet demand.

\*\*\* Balance available to PWSLP after meeting all debt service obligations.

#### Historical and projected annual PWSLP funding levels

2016	\$207.5M
2017	\$273.6M
2018	\$337.7M
2019	\$240.8M
2020	\$275.0M
2021	\$250.0M
2022	\$225.0M
2023	\$225.0M

In accordance with the Loan Rules; *Section 662.260 - The Agency may establish the annual limitations on the amount of loan assistance given to each loan recipient by considering the status of the Fund, capitalization grant amounts, economic conditions and requirements established by USEPA. The annual limitations on the amount of loan assistance established by the Agency must be included as part of the Agency's Intended Use Plan.*

In FY2020 the PWSLP will impose a funding cap, whereby no more than 50% of the available funds can go to any one loan applicant. In FY2021 and beyond, the Agency may to impose a funding cap whereby no more than 25% of the available funds can go to any one loan applicant. These steps are being taken to maintain the fiscal health of the Fund, while also distributing the available funds across the state of Illinois to as many communities as possible.

#### 2) Cash Draw Ratios and Obligation of Federal and State Funds

The PWSLP will maintain the required ratios of cash draws and obligations between Federal Funds and State Funds to reduce accumulated unliquidated obligations. The priority of disbursements is State Match, Capitalization Grant funds, leveraged bond funds, followed by repayments.

State Match: The Illinois EPA provided funds necessary to match the 2019 Capitalization Grant by issuing State Match Bonds in April of 2019. These state match proceeds will be 100% disbursed prior to the Agency drawing any federal funds from the 2019 grant award. The

Agency will then draw the 2019 Capitalization Grant Federal funds at a 100% ratio until all grant funds are exhausted.

Binding Commitments: In managing the PWSLP funds, the State must enter into loan agreements that provide financial assistance in an amount equal to 120% of the amount of each Capitalization Grant payment received, within one year after receiving its grant payment. Illinois EPA will provide loan commitments within one year that exceed 120% of the Capitalization Grant.

3) Leveraging

To meet the demand for assistance during FY2020 and beyond, the Illinois EPA intends to borrow against the PWSLP's loan repayments by issuing revenue bonds. The Illinois EPA has been working with the Illinois Finance Authority and financial advisors to calculate the leveraging capacity of the SRF loan programs, the immediate need for bond proceeds and future average annual funding levels the PWSLP can provide and still maintain the USEPA's perpetuity requirements. The Agency anticipates the issuance of approximately \$200 million in leveraged bonds in State FY2020 will be needed to meet the cash flow needs of the program. This sale should take place sometime in the spring of 2020.

4) Transfer of Funds

Illinois EPA is reserving the right to transfer an amount up to 33% of the cumulative Drinking Water State Revolving Fund (DWSRF) Capitalization Grants from the WPCLP to the Public Water Supply Loan Program (PWSLP), or an equivalent amount from the PWSLP to the WPCLP. In State FY 2019, the WPCLP transferred \$39,000,000 of Fund equity to the PWSLP to assist with the PWSLP's current cash flow needs and to allow the PWSLP to leverage less bond funds in order to assist in sustaining the future capacity of the PWSLP. In State FY 2020, the WPCLP does not intend to transfer any Fund equity to the PWSLP. The net total amount transferred from WPCLP to PWSLP will remain \$39,000,000.

5) Proportionality

Illinois EPA will spend 100% of all state match funds prior to drawing federal funds and then can draw federal funds at a rate of 100% until the matched grant is exhausted.

6) Financial Planning

The financial planning process is aimed at maximizing 100% of program resources available as efficiently and responsibly as possible while minimizing long-term financial risk in the program. IEPA has engaged financial advisors to independently determine the optimum amount of loan disbursements that is sustainable over the next 20 years while maintaining the USEPA's perpetuity requirements. Illinois EPA is enhancing its current methods of determining the timing of cash inflows and the effect on available resources to meet current and future obligations. Illinois EPA monitors on an ongoing basis cash balances available for disbursement to loan borrowers and needs of the program. Leveraged bond sales are anticipated to occur as the cash needs of the program dictate.

7) Grant Payment Schedule

In each drinking water Capitalization Grant Application (Form 424), and in the cover letter to U.S. EPA, Illinois EPA requests the Capitalization Grant be immediately placed in the

“Automated Standard Application for Payment” system for drawing for projects.

8) Set-Asides

Illinois EPA will use the set-asides provided for in the 1996 Amendments to the SDWA from the Capitalization Grants when necessary to supplement existing state programs and funds, and not as substitutes for existing funding. This will allow the maximum amount of funds to be provided for infrastructure improvements. In a guidance memorandum dated February 9, 1999, the U.S. EPA announced that states have an option of “banking” certain set-asides for possible use in future years by announcing that possibility in the IUP. The “banking” does not impact the availability or use of loan funds in the current year, but does give the State the flexibility to utilize set-aside funds for other eligible purposes for the present and past State FYs. The amount of the 2% set-aside to be banked at the end of State FY 2020 is reflected in the chart below: The State has asked for and used all of the 4% Administrative set-asides since the beginning of the Drinking Water Loan Program and will ask for the 4% Administrative set-aside in the 2019 Capitalization Grant. The State is requesting the 10% set-aside be banked in the current year.

<b>Banking of Set-Asides</b>	<b>2% Small System Set-Aside</b>	<b>4% Administrative Set-Aside</b>	<b>10% Program Management Set-Aside</b>
Banked Balance at June 30, 2018	\$ 13,898,668.00	\$ -	\$ 7,724,800
FFY 2019 DW CAP Grant Banked Amount	\$ 830,320.00	\$ -	\$ 4,151,600
FY2019/FY2020 Anticipated Spending	\$ 200,000	\$ -	\$ 50,000
Total Cumulative Banked Amount	\$ 14,528,988.00	\$ -	\$ 11,826,400

The Illinois EPA intends to use a portion of available set-aside funds in future years to support disadvantaged communities in building their capacity for sustainable and equitable water management activities such as assistance with water rate studies, preliminary engineering or other facility planning, training activities, asset management plans, assistance with identification and replacement of lead service lines, and studies of efficiency measures through utility regionalization or other collaborative intergovernmental approaches.

Illinois EPA has entered into a contract for an initial two-year term with the Illinois Rural Water Association to assist public drinking water systems in Illinois with activities and issues including, but not necessarily limited to, technical training of staff, assistance with compliance related issues, user charge analysis, asset management activities, overall system analysis, water-loss analysis, capacity development issues, etc.

The \$250,000 contract will be funded (\$125,000 in FY2019 and another \$125,000 in FY2020) using the Small System (SS) Set Aside and the Local Assistance and Other State Programs (LAOSP) Set Aside. Approximately 80% of the activities are expected to be funded from the SS Set Aside (anticipated at \$100,000 per year) and 20% funded using the LAOSP Set Aside (anticipated at \$25,000 per year).



## B. Structure of the PWSLP

For State FY2020, the PWSLP will be composed of two accounts used to provide assistance to accomplish its goals:

- 1) The Public Water Supply Loan Program Account will provide financial assistance for the planning, design, and construction of improvements to publicly and privately-owned community water supply systems;
  - a) Application Process

To be eligible for PWSLP funds, a potential recipient must be on the Project Priority List (PPL) discussed below. A project with an approved Project Plan may be added to the PPL at any time by the submission of a Funding Nomination Form. The submittal of a Project Plan in accordance with 35 Ill. Adm. Code 662.320 begins the Agency working in earnest with the loan applicant towards obtaining funding. The completion of all loan program requirements, in accordance with 35 Ill. Adm. Code 662.350, allows the Agency to provide financial assistance.
  - b) Additional Program Requirements

Compliance - Illinois EPA will comply with the capacity development authority, capacity development strategy and operator certification provisions to avoid withholdings.
- 2) The Public Water Supply Loan Administrative Account will be used to ensure the long-term administration of the program. In 2020, Illinois EPA will set-aside 4% of the 2019 Capitalization Grant, an amount totaling \$1,660,640 to be used for loan program administration, as provided for under Section 1452(g)(2) of the Safe Drinking Water Act (SDWA). \$130,000 of these administrative funds will be used for in-kind services with the balance used to manage the PWSLP and loan projects in accordance with the requirements of the SDWA.

## C. Project Priority List

The Illinois EPA has developed a Project Priority List (PPL) (Appendix C) that identifies applicants eligible for assistance and is comprised of all projects which submitted a Funding Nomination Form prior to January 31, 2019 as well as projects which have achieved Project Plan Approval.

There are \$833,955,761 worth of projects on the FY2020 PWSLP PPL List, far exceeding the amount of funding available. Projects on the PPL are in various stages of the funding application process but only those projects identified on the Intended Funding List have funds reserved for them during the first six months of FY2020. ***Projects which are not on the Intended Funding List should not proceed towards bidding their project until sufficient progress has been made towards obtaining funding and the Illinois EPA has notified them via a Letter of Commitment that funds are available for their project.***

All projects which have achieved Project Plan approval by January 31, 2019 have been ranked and scored in accordance with the provisions of 35 Ill. Adm. Code Part 663, "Procedures and

Requirements for Determining Loan Priorities of Projects in the Public Water Supply Loan Program.”

The priority system is heavily weighted to primarily rank projects in order of their relative public health significance based on violations of state public health criteria and of the SDWA. The primary factor for prioritizing projects is the “A2”, or Project Need factor, which groups projects together in relative order of the seriousness of the compliance need. At the top of the list are any projects to correct a public health emergency situation, followed by those with a need to correct Acute Maximum Contaminant Level (MCL) violations, followed then by all projects with a need to correct Chronic MCL violations. The next grouping of projects includes those required to correct potential public health threats caused by violations of State standards relating to pressure, transmission, and storage, followed by those projects intended to extend water service to rural areas served by defective private wells. At the bottom of the list are those projects which do not correct existing compliance or public health problems but are still necessary and desirable to maintain an adequate and safe public water supply.

Within each of these major compliance groupings, projects are further ranked in priority order by various other factors such as local financial hardship (a consideration required under the SDWA), numbers of persons directly benefited by the proposed construction, and project schedule. Additional bonus points are awarded if a community has a population of less than 10,000 persons, again in recognition of the intent of the SDWA. These additional factors are vital to the function of the priority system to provide a differentiation of project rank order within each of the major compliance groupings.

The Intended Funding List is a subset of the PPL. Projects included on the Intended Funding List must have a construction start date on or before March 31, 2020. In accordance with the Loan Rules, loan funds will be reserved for these projects until the applicant either completes a loan application or demonstrates that the project will be unable to establish a bid opening date prior to March 1, 2020. In the latter case, a project for which funding was originally reserved may be bypassed for funding. A project that is bypassed does not lose its eligibility for funding; however, funds for a bypassed project are no longer held in reserve and may thereafter, during the bypass funding period (January 1, 2020, through June 30, 2020), be awarded to any other project on the PPL that meets the criteria for loan award per Section 662.350 of the Loan Rules. Projects will be funded in the order in which the requirements of 662.350 are completed.

Another subset of the PPL are those projects which have achieved Project Plan approval but have an anticipated construction start date after March 31, 2020. In accordance with the Loan Rules, funding may not be reserved for these projects due to their anticipated construction start date. Funding may be provided to these projects during the bypass period, or earlier, should available funds exceed the funding requested by projects on the Intended Funding List.

All other projects which submitted a Funding Nomination Form prior to January 31, 2019, but for which Project Plan approval has not been achieved, have been added to the PPL in alphabetical order and thereby ranked equally. Projects for which a Project Plan has not yet been submitted have their project number (L17#) listed as “to be determined” (TBD). A project may be added to the Project Priority List at any time during the year upon obtaining Agency approval of its Project Plan, provided a pre-application has been submitted for the project.

### Project Bypass Procedure

Per the Loan Rules, after January 1 of each year, the Agency may bypass projects on the Intended Funding List that demonstrate they will be unable to establish a bid opening date prior to March 1, 2020. The Agency will evaluate projects on the PPL, based upon readiness to proceed as demonstrated by meeting the criteria for loan award per Section 662.350 of the Loan Rules, and offer loan commitments to projects on the PPL to the extent funds are available. If a project on the Intended Funding List indicates to the Agency between July 1, 2019 and December 31, 2019 that they do not intend to move forward with construction prior to June 30, 2020, the Agency will go ahead and issue a “bypass letter” to said project making those funds reserved available for other projects.

#### **D. Program Administrative Costs and Fees**

The Illinois EPA has operated and maintained a Loan Support Program (LSP) outside the Federal SRF since 1996. The LSP is maintained as a single entity in Illinois statute, but the Illinois EPA accounts separately for funds attributable to PWSLP and Water Pollution Control Loan Program (WPCLP) loans. The LSP is financed by the loan support portion of the fixed loan rate, with that portion currently established at 50% of the fixed loan rate in the PWSLP and the WPCLP. To date, the LSP has been used primarily to finance the reasonable costs incurred by the Illinois EPA for functions that support the management of the PWSLP, which is the financial mechanism used in administering Illinois’ SRF programs.

Estimated PWSLP LSP operational outlays for the Division of Public Water Supplies of the Illinois EPA are projected to total \$2,708,944, dedicated primarily to activities in support of the SRF programs, including compliance, permitting and field operations activities. These costs are separate and distinct from the administrative fees of the PWSLP.

<b>PWSLP Loan Support – Balance/Receipts/Outlays</b>	<b>PWSLP Loan Support</b>
Balance July 1, 2019	\$ 5,407,478
Estimated FY2020 Receipts	\$ 12,720,536
Operational Outlays	\$ (2,708,944)
Transfer to Loan Program to Provide State Match	\$ (0)
Estimated PWSLP Loan Support Balance June 30, 2020	\$ 15,419,070

#### **IV. Program Management**

One of the purposes of the IUP is to facilitate the planning and administration of the PWSLP. The PWSLP is managed in accordance with 35 Ill. Adm. Code Part 662 “Procedures for Issuing Loans from the Public Water Supply Loan Program”, effective July 1, 2017, and the Public Water Supply Loan Program and Loan Support Program Operating Agreement between Illinois EPA and U.S. EPA Region V. The following details some key aspects involved with management of the PWSLP.

## A. Principal Forgiveness, Interest Rate and Loan Term Determinations

Loan Program staff routinely discuss principal forgiveness, interest rates and loan terms with loan applicants. Staff complete an internal checklist identifying the loan applicant's information which determine if an applicant qualifies for principal forgiveness, which interest rate an applicant qualifies for and the maximum term for the loan agreement. The principal forgiveness, interest rate and loan term are finalized at the time of loan agreement execution, following bidding of the contract and prior to the commencement of construction activity.

### 1) Principal Forgiveness

The PWSLP can offer a reduction to the amount of principal that an applicant would otherwise need to repay for its project. This reduction is called "principal forgiveness," per federal statute. Although the name is different, in practical application principal forgiveness functions much like a grant *i.e.*, the eligible capital costs of the project are reduced by the principal forgiveness amount, thereby eliminating a portion of the principal (and interest) that the borrower must repay. During FY2020, Illinois EPA will offer two options for loan applicants to receive subsidies in the form of principal forgiveness.

*Disadvantaged Community Principal Forgiveness*<sup>1</sup> - Section 1452 of the SDWA requires states to provide a minimum of 6% and a maximum of 35% of its annual available Capitalization Grant funds to provide subsidization, in the form of principal forgiveness, for loan recipients who meet the definition of a "disadvantaged community". The PWSLP's definition of a disadvantaged community per 35 Ill. Adm. Code Part 662 "Procedures for Issuing Loans from the Public Water Supply Loan Program" is as follows;

*Disadvantaged Community – A local government unit that qualifies for either the Small Community Rate or Hardship Rate as defined in Section 662.210.*

Section 662.210 of the loan rules detailing the criteria by which a loan applicant qualifies for the Small Community Rate or Hardship Rate is also listed on page 11-12 of this document.

For FY2020, all loan recipients which meet the definition of a disadvantaged community qualify for disadvantaged community principal forgiveness. The amount of principal forgiveness will be equivalent to 60% of the initial loan amount (exclusive of costs related to, and eligible for, lead service line replacement principal forgiveness) up to a maximum of \$800,000. Principal forgiveness for disadvantaged communities will be available for FY2020 qualifying loan recipients until the maximum amount, \$14,530,600, is expended. No loan recipient shall receive more than \$800,000 in disadvantaged community principal forgiveness in FY2020.

The increase in funding applications by loan applicants eligible for disadvantaged community principal forgiveness has led the Agency to reduce the maximum amount of principal forgiveness available per loan recipient to make the funds available to as many eligible applicants as possible while also providing a substantial decrease in the debt obligations incurred by communities around the state.

Lead Service Line Replacement (LSLR) Principal Forgiveness<sup>1</sup> - The federal Capitalization Grant requires that 20% (estimated to be approximately \$8,303,200 in FY2020) of the available funds be used to provide additional subsidization for eligible loan recipients in the form of principal forgiveness. Use of the funds and eligibility is determined by each state.

In addition to providing principal forgiveness to some disadvantaged communities, Illinois will provide principal forgiveness towards PWSLP funded projects directly related to activities that reduce or eliminate lead from potable water by replacing lead service lines, and related equipment and appurtenances. To qualify, a community water system must document lead service lines are connected to its system. LSLR principal forgiveness will be available up to a maximum amount of \$2,000,000 in FY2020 for communities with a MHI less than 70% of the State average (\$42,860). For other loan recipients, principal forgiveness will be available up to a maximum amount of \$1,000,000 in FY2020. Total project costs include engineering, administrative, legal, and construction costs. LSLR principal forgiveness will be available for FY2020 loan recipients until the allotted funds are expended. If LSLR principal forgiveness funding is not expended, it may be used to provide disadvantaged community principal forgiveness. Loan recipients may receive both disadvantaged community principal forgiveness and LSLR principal forgiveness.

1 *MHIs are based on the 2013-2017 American Community Survey 5 Year Estimates Released December 2018*

Galesburg, Montgomery and Assumption are on the Agency's FY2020 Intended Funding List with funds reserved for them. Galesburg, Montgomery and Assumption are anticipated to received \$2,000,000, \$1,000,000 and approximately \$350,000 in LSLR principal forgiveness respectively. As other loan applicants eligible for LSLR principal forgiveness obtain a letter of commitment they will have the appropriate amount of LSLR principal forgiveness funds reserved for them until the available LSLR principal funds are exhausted. If a project on the Intended Funding List is bypassed, the reserved funds, including any LSLR principal forgiveness funds, will be made available for other loan recipients. As the LSLR principal forgiveness is a finite amount, and not nearly enough to pay for the replacement of even a small portion of the total amount of lead service lines in Illinois, loan applicants should be prepared to fund the necessary improvements with local funds, or other funding sources besides the PWSLP, as necessary. **The maximum amount of LSLR principal forgiveness one loan recipient can receive in a fiscal year may be reduced in future years to make the available funds go to as many eligible applicants as possible.**

## 2) Interest Rate and Loan Term Determinations

The Loan Rules provide for a fixed loan rate that shall be established annually at one-half the market interest rate. Specifically, the fixed loan rate is defined by rule as one-half the mean interest rate of the 20 General Obligation Bond Buyer Index from July 1 to June 30, in the preceding State FY, rounded to the nearest .01%. Current Loan Rules establish a new interest rate each July 1 for the following State FY. Based on bond rates through June 30, 2019, the fixed loan rate for loans executed by Illinois EPA from July 1, 2019, through June 30, 2020 will be 2.00%.

The recent rule modifications for the first time allow for reduced interest rates, based upon certain criteria, as well as the possibility for a maximum term of up to 30 years from the initiation of operation, with initial repayments of principal to commence within one year of the initiation of operation. The fixed loan rate is a simple, annual rate. The changes to the Loan Rules governing interest rates and repayment period are below:

### **Section 662.210 Fixed Loan Rate**

The interest rate of the loan agreement shall be a fixed loan rate and shall be established as follows:

- a) **Base 20 Year Rate** – Loan agreements with a repayment period not to exceed 20 years shall have a fixed loan rate equal to 50% of the market interest rate (mean interest rate of the 20 General Obligation Bond Buyer Index, from July 1 through June 30 of the preceding State fiscal year rounded to the nearest 0.01%).
- b) **Small Community Rate** – A public water supply with a service population less than 25,000 that also meets any one of the following three criteria qualify for a fixed loan rate equal to 75% of the Base 20 Year Rate:
  - 1) The median household income of the public water supply’s service population is less than the statewide average.
  - 2) The unemployment rate of the public water supply’s service population is greater than the statewide average.
  - 3) The public water supply’s annual user charge, based upon the average monthly bill of the public water supply’s residential customers, is greater than 1.0% of the median household income of the public water supply’s service population.
- c) **Hardship Rate** – A public water supply with a service population less than 10,000 that also meets any one of the following three criteria qualify for a fixed loan rate of 1.0%:
  - 1) The median household income of the public water supply’s service population is below 70% of the statewide average.
  - 2) The unemployment rate of the public water supply’s service population is at least 3.0% greater than the statewide average.
  - 3) The public water supply’s annual user charge, based upon the average monthly bill of the public water supply’s residential customers, is greater than 1.5% of the median household income of the public water supply’s service population.
- d) **Environmental Impact Discount** – When at least 50% of the eligible project costs fund any of the following components, the loan applicant shall receive a 0.2% discount from the rates established in subsection (a), (b), or (c):

- 1) green infrastructure projects;
- 2) projects lowering water demand;
- 3) projects reducing energy demands at a public water supply; or
- 4) projects involving the removal or replacement of lead in water mains or service lines.

#### **Section 662.220 Loan Repayment Period**

- a) Except as provided in subsections (b) and (c), the loan repayment period cannot exceed the lesser of 20 years beyond the initiation of operation date, 20 years beyond the initiation of the loan repayment period, or the projected useful life of the project to be financed with proceeds of the loan.
- b) For loan applicants that are a disadvantaged community, the loan repayment period cannot exceed the lesser of 30 years beyond the initiation of operation date, 30 years beyond the initiation of the loan repayment period, or the projected useful life of the project to be financed with proceeds of the loan.
- c) The Agency may require a loan repayment period term of less than the maximum. In evaluating the appropriateness of alternative loan terms, the Agency shall consider such factors as the scope of the proposed project, the impacts of alternative loan terms on user fees, and the overall cost of the project.

### **V. Federal Assurances**

Illinois EPA provides the following assurances and certifications to the U.S. EPA as a part of the IUP. Illinois EPA agrees to the following as required by the SDWA, the PWSLP Operating Agreement with the U.S. EPA, and as conditions of the grants to capitalize the PWSLP.

#### **A. Environmental Reviews**

The Illinois EPA will conduct environmental reviews for all projects as specified in its Operating Agreement with the U.S. EPA and specified in Part 662 of the Procedures for Issuing Loans from the Public Water Supply Loan Program. The procedures establish a methodology to assure that loan funded projects are environmentally acceptable.

#### **B. Expeditious and Timely Expenditures**

Illinois EPA will expend all funds in the PWSLP in a timely and expeditious manner as per 40 CFR 35.3550(l).

### **C. Program Benefits Reporting**

All funded projects will be reported to the U.S. EPA Project Benefits Reporting (PBR) system on an ongoing basis, as required by U.S. EPA. In addition, Illinois EPA will meet the reporting requirements set forth by the Federal Funding Accountability and Transparency Act (FFATA) and will report annually into the National Information Management System database.

### **D. Wage Rates and Standards**

In order to meet a Federal Capitalization Grant condition, the Illinois EPA will require PWSLP projects to comply with the Federal wage and employment standards under the Federal Davis-Bacon Act.

### **E. Archeological and Historic Preservation Act of 1974, National Historic Preservation Act of 1966 and other federal Cross-Cutters**

U.S. EPA has determined that the provisions of PL 93-291, also known as the National Historic Preservation Act, must be applied to activities of State revolving loan funds where their activities are supported by funds directly made available by Federal Capitalization Grants. All PWSLP projects are reviewed by the Illinois Historic Preservation Agency (IHPA) for compliance. All projects must have a federal Section 106 sign-off prior to receiving a loan. The sign-off may be unconditional, or it may be conditional upon the applicant agreeing to incorporate measures to protect or recover historic or archeological resources.

Construction projects partially or fully funded by the DWSRF Program must comply with federal laws generally known as “cross-cutters.” Illinois EPA will ensure that DWSRF loan recipients comply with applicable federal laws through a variety of program procedures.

### **F. Guidelines for Enhancing Public Awareness of SRF Fund Assistance Agreements**

U.S. EPA has produced a document titled “Guidelines for Enhancing Public Awareness of SRF Assistance Agreements” (dated June 3, 2015), which outlines the requirement for increased awareness of Federal funding through the DWSRF and CWSRF. These guidelines include options for project “signage”. Illinois EPA has satisfied this requirement by modifying Standard Condition No. 23 within the Loan Agreement, which states:

The loan recipient shall meet a signage requirement by posting a sign at the project site or making an equivalent public notification such as a newspaper or newsletter publication; utility bill insert; or online posting for the project duration. After the signage requirement is met, documentation must be submitted to the Illinois EPA using the Public Notification/Signage Requirement Certificate of Completion.

All loan recipients must submit the certification form prior to the first disbursement of loan funds. All signage must include language that the project is wholly or partially funded with joint funding using both State and Federal funds. (<https://www2.illinois.gov/epa/Documents/epa-forms/water/financial-assistance/srf/signage-form.pdf>)



## **G. American Iron and Steel (AIS) Requirements**

All PWSLP projects must include the requirement for American Iron and Steel per the "Consolidated Appropriations Act 2017." This law continues the requirement for the use of AIS products in DWSRF projects. The definitions, applications, and processes of AIS as included in the CWA are essentially the same as the AIS requirement that was included in the Continuing Appropriations Act of 2014. Standard Condition No. 18 of all loan agreements obligates the applicant to comply with the AIS requirements, and extensive guidance is available on Illinois EPA's website.

## **H. Equivalency**

States can identify a group of loans, the sum of which is equal to the amount of its capitalization grant, to meet crosscutter and single audit requirements. This concept is called "equivalency".

Illinois considered using equivalency to satisfy the single audit requirements. However, this methodology did not work for the program and the PWSLP continues to require all loan recipients to follow single audit requirements and continues to monitor all loan recipients as required. Illinois EPA has chosen not to use equivalency to satisfy any crosscutter requirements.

## **I. Small Systems Minimum Assistance**

The SDWA requires that of the amount credited to any state loan fund in any fiscal year, 15% shall be available solely for providing loan assistance to public water systems which regularly serve fewer than 10,000 persons to the extent such funds can be obligated for eligible projects of public water systems.

Illinois EPA has historically met this requirement on an annual basis but fell below the 15% level in FY2017 and FY2018 as demonstrated by the table below. As of March 31, 2019, based upon data reported in the NIMS system, \$25,432,087 of the \$74,847,958 in funding provided was to loan recipients serving less than 10,000 people.

Of the \$253,581,784 worth of projects on the FY2020 Intended Funding List \$45,354,237, or 17.9%, of project costs are anticipated to provide funding to loan recipients serving less than 10,000 people.

The Illinois EPA will continue to look for ways to increase the amount of funding to loan applicants serving fewer than 10,000 persons to ensure sufficient levels of funding go to meet this requirement on an ongoing basis.

State Fiscal Year	Total Funding	Funding to Loan Recipients Serving Fewer Than 10,000 Persons	Percent of Funding to Loan Recipients Serving Fewer Than 10,000 Persons
2011	\$53,032,203	\$19,663,096	37.1%
2012	\$96,564,286	\$61,880,498	64.1%
2013	\$64,304,424	\$27,220,925	42.3%
2014	\$159,760,510	\$23,700,465	14.8%
2015	\$147,783,544	\$43,756,118	29.6%
2016	\$124,582,838	\$39,244,068	31.5%
2017	\$273,569,175	\$22,735,523	8.3%
2018	\$337,662,582	\$23,781,895	7.0%
2019*	\$75,847,958	\$25,432,087	34.0%
2020**	\$253,581,784	\$45,354,237	17.9%

\* 2019 numbers constitute the total funding issued in FY2019 as of March 31, 2019

\*\* 2020 numbers are from the PWSLP FY2020 Intended Funding List.

#### J. Accounting/Auditing Requirements

Illinois agrees to ensure that the State and public water systems receiving assistance will use accounting, audit, and fiscal procedures conforming to Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board or, in the case of privately-owned systems, the Financial Accounting Standards Board.

## APPENDIX A: Definitions and Acronyms

As used in this document, the following words and terms mean:

Agency – Illinois Environmental Protection Agency

Binding Commitment – A legal obligation between the Agency and a loan recipient to provide financial assistance from the Public Water Supply Loan Program to that loan recipient, specifying the terms and schedules under which assistance is provided. The loan agreement will be considered a binding commitment.

Capitalization Grant – The actual federal funds received by the Agency for deposit into the PWSLP as a result of the Capitalization Grant agreement with USEPA.

Construction – *Any one or more of the following which is undertaken for a public purpose: preliminary planning to determine the feasibility of the public water supply facilities; engineering, architectural, legal, fiscal, or economic investigations or studies, surveys, designs, plans, working drawings, specifications, procedures or other necessary actions, erection, building, acquisition, alteration, remodeling, improvement or extension of public water supply facilities, or the inspection or supervision of any of the foregoing items.* (415 ILCS 5/19.2(d))

Director – Director of the Illinois Environmental Protection Agency

DWSRF – Drinking Water State Revolving Fund

EPA – Environmental Protection Agency

Facilities – Equipment or operating systems that are constructed installed or established to serve the particular purpose of improving or augmenting sustainability for public water supplies and public water supply facilities in a watershed. Facilities may involve stand-alone projects or be involved as component pieces of public water supply projects. Facilities in the context of the Green Project Reserve will address green infrastructure, water and energy efficiency improvements and other environmentally innovative activities.

FFATA – Federal Funding Accountability and Transparency Act

Fixed Loan Rate – Fixed loan rate that shall be established annually at one-half the market interest rate. Specifically, the fixed loan rate is defined by rule as one-half the mean interest rate of the 20 General Obligation Bond Buyer Index from October 1 to September 30, in the preceding fiscal year, rounded to the nearest .01%.

Fund – The Water Revolving Fund authorized by 415 ILCS 5/19.3, consisting of the Water Pollution Control Loan Program, the Public Water Supply Loan Program, and the Loan Support Program.

FY – Fiscal Year

Initiation of Operation – The date specified by the loan agreement on which use of the project began operation for the purposes that it was planned, designed and constructed.

IUP – Intended Use Plan – *A plan which includes a description of the short and long term goals and objectives of the PWSLP, project categories, terms of financial assistance, communities and population benefitted.* (415 ILCS 5/19.2(e))

Loan Agreement – The contractual agreement between the Agency and the local government unit or privately-owned community water supply that contains the terms and conditions governing the loan issued from the PWSLP.

Loan Applicant – A local government unit or privately-owned community water supply that has applied for a loan from the PWSLP for construction of public water supply facilities.

LSLR – Lead Service Line Replacement

LSP – Loan Support Program

Maximum Contaminant Level (MCL) – The maximum permissible level of a contaminant in water that is delivered to any user of a public water system.

MHI – Median Household Income

Principal – All disbursements, including interest and loan support accrued on the disbursements, that will be financed at the time the repayment schedule period begins.

Privately Owned Community Water Supply (System) – *an investor owned water utility, if under Illinois Commerce Commission regulation and operating as a separate and distinct water utility; a not-for-profit water corporation, if operating specifically as a water utility; and a mutually owned or cooperatively owned community water system, if operating as a separate water utility. (415 ILCS 5/19.2)*

PBR – Project Benefits Reporting

Project – The activities or tasks the Agency identifies in the loan agreement for which the loan recipient may expend loan funds.

PPL – Project Priority List, which is an ordered listing of projects developed in accordance with the priority system described in 35 Ill. Adm. Code 663: Subpart B (Procedures for Calculating the Loan Priority Index) that the Agency has determined are eligible to receive financial assistance from the PWSLP.

PWSLP – The Public Water Supply Loan Program as authorized by Section 19.2 of the Environmental Protection Act. (415 ILCS 5/19.2)

SDWA – The Federal Safe Drinking Water Act, as amended. (42 USC 300f)

SRF – State Revolving Fund

WPCLP – Water Pollution Control Loan Program

## **APPENDIX B: Summary of Public Participation and Public Comments**

The Draft 2020 IUP was released for public review on June 27, 2019, thus beginning the 30-day public comment period. The Draft 2020 IUP notice was placed on Illinois EPA's general notice website <https://www2.illinois.gov/epa/public-notices/Pages/general-notices.aspx> and each of the identified stakeholders of the Public Water Supply State Revolving Fund (SRF) program were also notified by e-mail. The notice directed potential commenters to Barb Lieberoff, Office of Community Relations as the Agency contact for receiving comments and questions pertaining to the Draft 2020 IUP. No comments were received regarding the PWSLP IUP and this IUP is now considered final.

**APPENDIX C: 2020 Public Water Supply Loan Program - Project Priority List**

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2020 Illinois EPA Public Water Supply Loan Program - Project Priority List

#	Applicant	L17#	New/ Renew	Date Rec'd	Project Description	Facility Number	Project Cost	Const Start Date	Service Population	Loan Priority Index
Projects with Project Plan approval - Anticipated construction prior to March 31, 2019										
1	Greenfield	3018	New	8/27/18	Rehab WTP.	610150	\$2,906,000	08/01/19	1,200	62.33
2	Mitchellville WD	5179	Renew	2/15/18	Water system improvements.	1655200	\$650,000	10/01/18	1,000	37.00
3	Mound PWD	2256	New	10/3/18	Replace watermains and water softner at WTP.	1635050	\$1,160,000	10/01/19	1,600	33.45
4	Galesburg	5672	New	1/8/19	Replace lead service lines (Phase 4)	950200	\$2,000,000	01/20/20	31,745	32.75
5	Burnhoun	5196	Renew	1/15/19	Replace watermains.	650100	\$640,000	08/31/19	250	18.40
6	Burnham	4193	Renew	1/8/19	Replace water meters and extension of watermain.	310360	\$1,490,000	08/15/19	4,210	18.12
7	Harrisburg	5577	Renew	8/17/18	Replace watermains. (Phase 2)	1650200	\$3,300,000	02/28/20	1,200	17.08
8	Oregon	5671	New	1/14/19	Phase 3 watermain and looping	1410400	\$2,520,000	11/26/19	3,721	15.82
9	Assumption	4185	New	8/15/18	Nitrate Removal; replacing mains, meters & lead service lines.	210050	\$900,000	06/03/19	1,168	15.32
10	Stillman Valley	5640	New	12/18/18	Replace watermain & services (Phase 2)	1410550	\$719,000	02/20/20	1,085	15.29
11	Genoa	5597	Renew	1/10/19	watermain replacement	370150	\$749,755	06/04/19	5,194	14.97
12	Genoa	5598	Renew	1/10/19	Well #4 improvements	370150	\$398,300	08/20/19	5,194	14.97
13	Dolton	5270	Renew	1/8/19	New meter reading system and new water meters.	310690	\$2,000,000	08/02/19	23,153	14.86
14	Stonington	4418	New	9/19/18	Renovate WTP, replace watermain and new water services.	210550	\$1,280,000	06/10/19	932	14.02
15	Buckley	5639	New	12/10/18	Refurbish elevated water tower.	750150	\$160,000	07/31/19	600	14.23
16	Harristown	5605	New	8/31/18	2 new elevated towers, demolish ground storage, repair tower	1150210	\$2,129,000	01/01/20	1,370	13.89
17	DeKalb	5474	Renew	1/29/19	Phase 3 watermain replacement	370100	\$1,214,000	03/02/20	43,193	13.89
18	Chester	3507	Renew	1/25/19	Water plant renovations Phase 1	1570100	\$2,145,000	05/01/19	8,702	13.44
19	Chicago	5482	Renew	1/31/19	Watermain replacement 2019-2020, 50-60 Miles Districts 1-6	316000	\$105,321,333	07/01/19	2,695,598	13.43
20	Chicago	5483	Renew	1/31/19	Water meter installation 2020 - 10,000 annually	316000	\$22,800,000	01/01/20	2,695,598	13.43
21	Durand	5607	Renew	1/18/19	Wells and well house	2010100	\$3,003,648	06/01/19	1,443	13.41
22	Palos Park	5228	Renew	1/11/19	McCarthy Road Water Transmission Main	310100	\$1,500,000	03/01/20	4,826	11.68
23	Galena	1946	Renew	1/25/19	Replacing watermains.	850200	\$1,578,000	04/01/19	3,429	11.54
24	Sheffield	5606	New	9/27/18	Replace water meters, recast elevated water storage tower.	110950	\$454,384	08/01/19	950	11.23
25	Wonder Lake	5447	Renew	1/21/19	New east side water supply and rehab water system	1110930	\$5,802,500	06/01/19	950	10.48
26	Summit	5586	New	7/11/18	Replace water meters.	310060	\$1,255,000	03/15/19	11,314	10.05
27	Joliet	5430	Renew	1/30/19	watermain rehabilitation	1970450	\$6,950,000	01/07/20	148,000	9.92
28	Palmer	3448	New	8/28/18	New WTP building, watermain extension, rehab water tower.	210450	\$689,000	07/31/19	229	9.86
29	Ellis Grove	5602	New	1/29/2019	Install watermain.	1570200	\$433,000	5/10/2019	363	9.56
30	Oak Lawn	5085	Renew	1/23/19	24/36/42 inch watermain crosstown connection	312220	\$25,950,000	02/01/20	325,000	9.51
31	Oak Lawn	5395	Renew	1/23/19	60-inch Transmission Main along SW Highway	312220	\$7,100,000	01/01/20	325,000	9.51
32	Marion	3222	New	2/27/18	New elevated water tower, replace 2 service pumps, watermains.	1990550	\$3,043,000	03/15/19	17,430	9.49
33	Marion	3223	New	2/27/18	Rehabilitation elevated water tower	1990550	\$623,000	03/15/20	17,430	9.49
34	Batavia	4627	New	6/27/18	Watermain replacement.	894130	\$1,988,000	05/06/19	26,391	8.42
35	Franklin Park	5206	Renew	12/4/18	Replace watermain	310960	\$815,000	07/08/19	18,333	8.26
36	Franklin Park	5625	New	10/30/18	New watermain with hydrants and service lines. (Phase 3)	310960	\$569,250	03/31/20	18,175	8.26
37	Montgomery	5580	New	1/23/19	Replace lead service lines	894690	\$1,900,455	06/01/19	27,122	8.18
38	Hoffman Estates	3518	Renew	1/18/19	Rehab and repair 2 water towers	311290	\$700,000	08/01/19	51,738	7.71
39	New Lenox	5503	Renew	1/7/19	Replace watermain	1970700	\$4,500,000	07/01/19	25,100	7.40
40	Winnelka	5557	Renew	1/30/19	Replace watermain (Phase 1)	313330	\$458,700	05/21/19	12,417	7.09
41	Lockport	4582	Renew	1/7/19	Ion exchange WTP	1970500	\$4,026,809	05/01/19	24,839	6.90
42	Western Springs	5496	Renew	1/17/19	New well and well house (Well No. 5)	313180	\$1,713,000	9/23/19	13,391	5.13
						<b>PWSLP FY2020 Intended Funding List - Total \$229,535,134</b>				

**PROJECT PRIORITY LIST CONTINUED**

**Planning Approved prior to January 31, 2019 with estimated construction start date after March 31, 2020**

43	Rochelle	Renew	1/14/19	Iron removal at well 8	1410500	\$4,600,000	11/09/20	9,574	64,23
44	Beach Park	Renew	1/28/19	Watermain interconnection of two pressure zones	Multiple	\$4,205,000	08/01/20	8,960	14,20
45	DeKalb	Renew	1/29/19	Phase 4 watermain replacement	370100	\$1,158,000	03/07/21	43,193	13,89
46	DeKalb	Renew	1/29/19	Phase 5 watermain replacement	370100	\$845,000	03/01/22	43,193	13,89
47	Mt. Vernon	New	8/8/18	Replace watermain (Phase 2)	810300	\$3,235,000	07/15/20	15,277	10,93
48	Mt. Vernon	New	8/8/18	Replace watermain (Phase 4)	810300	\$3,235,000	07/15/22	15,277	10,93
49	Mt. Vernon	New	8/8/18	Replace watermain (Phase 5)	810300	\$3,235,000	07/15/23	15,277	10,93
50	Mt. Vernon	New	8/8/18	Replace watermain (Phase 6)	810300	\$3,235,000	07/15/24	15,277	10,93
51	Joliet	Renew	1/30/19	watermain rehabilitation	1970450	\$6,925,000	01/05/21	148,000	9,92
52	Oak Lawn	Renew	1/23/19	Bid Pk 7B 36-inch Orland Park Spur 2 Main -151st to Orland Pk	312220	\$13,300,000	09/01/21	325,000	9,51
53	Oak Lawn	Renew	1/23/19	60-inch Trans Main - Marion Ave. thru Cal-Sag Channel	312220	\$39,820,000	07/01/20	325,000	9,51
54	Oak Lawn	Renew	1/23/19	16-inch watermain connection to Palos Hills Reservoir	312220	\$2,170,000	09/01/20	325,000	9,51
55	Downers Grove	Renew	1/30/19	Repair elevated tank and replace watermain	430300	\$4,808,250	05/12/20	48,867	8,69
56	Franklin Park	New	10/30/18	New watermain with hydrants and service lines. (Phase 4)	310960	\$546,250	03/31/21	18,175	8,26
57	Clayton-Camp Point WC	Renew	1/23/19	East water treatment plant addition	15200	\$2,600,000	05/01/20	24,000	7,88
58	Crestwood	Renew	1/31/19	Watermains, valves, hydrants Playfield Phase 2	310600	\$5,293,180	04/01/20	10,846	7,54
59	Crestwood	Renew	1/31/19	Watermains, valves, hydrants Playfield Phase 3	310600	\$2,988,980	04/01/21	10,846	7,54
60	Winnetka	Renew	1/30/19	Replace watermain (Phase 2)	313330	\$716,595	04/30/20	12,417	7,09
61	Western Springs	Renew	1/18/19	Rehab elevated storage tank	313180	\$462,600	5/20/20	13,391	5,13
62	Western Springs	Renew	1/19/19	watermain replacement	313180	\$465,000	4/16/21	13,391	5,13

**Projects with Project Plan approval - Anticipated construction after March 31, 2020 \$103,843,855**

**PROJECT PRIORITY LIST CONTINUED**

**Project Plans without Planning Approval prior to January 31, 2019**

63	Abingdon	New	1/9/19	Replace lead service lines.	950050	\$1,650,000	12/01/19	3,319	
64	Apple River	New	1/3/19	Rehab. Well 1 and Wellhouse, SCADA, Replace watermain	850050	\$611,000	05/01/19	366	
65	Atkinson	New	12/24/18	Watermain and meter replacement.	730200	\$946,606	09/01/19	972	
66	Benld	New	1/29/19	Watermain extension -connect to another water supply	1170050	\$1,700,000	12/15/19	1,478	
67	Bensenville	Renew	1/8/19	Replace watermains, hydrants and lead service lines	494140	\$7,000,000	02/28/20	747	
68	Bloomington	Renew	10/24/18	Lead service line replacement.	1130200	\$1,800,000	7/1/19	77,610	
69	Blue Island	New	1/29/19	Watermain & meter replacement, tank rehabilitation	310240	\$7,915,000	03/31/20	23,706	
70	Braceville	New	1/30/18	Watermain, service line and fire hydrant replacement.	630050	\$2,000,000	04/01/20	764	
71	Brimfield	New	12/19/18	Replace watermains & install duplicate water storage tank	1430150	\$1,000,000	10/01/19	862	
72	Broadview	New	12/8/18	watermain and service line replacement.	31300	\$6,000,000	01/15/20	7,932	
73	Central Lake County JAWA	Renew	1/29/19	Redundant 54-inch raw water intake	971070	\$13,500,000	06/30/21	207,000	
74	Chicago	Renew	1/31/19	Watermain replacement 2020 and 2021. 55-65 miles	316000	\$127,000,000	05/01/20	2,695,598	
75	Cobden	New	1/25/19	Water Tank Improvements	1810150	\$351,000	06/03/19	1,101	
76	Crystal Lake	New	11/27/18	Rehab WTP No. 2 equipment and structure.	1110150	\$7,204,000	06/01/19	40,339	
77	De Pue	New	12/13/18	Replace water meters and elevated water storage tank.	110300	\$1,855,000	04/01/20	1,838	
78	Dixon	New	1/15/19	Phase 1 watermain replacement South Galena Ave., River Rd.	1030200	\$2,075,000	01/20/20	15,733	
79	Dixon	New	1/15/19	Phase 2 watermain CIPP lining North Galena Ave.	1030200	\$1,628,000	12/07/20	15,733	
80	Dixon	New	1/15/19	Phase 3 watermain replacement Woodlawn Rd. and Lincoln Ave.	1030200	\$2,047,000	12/06/21	15,733	
81	Dixon	New	1/15/19	Phase 4 watermain replacement Washington, Jefferson, Dement	1030200	\$2,871,000	12/05/22	15,733	



82	Dixon	5650	New	1/15/19	Phase 5 watermain replacement IL Rte 38	1030200	\$2,057,000	12/04/23	15,733
83	Durand	5657	New	1/28/19	Replacement of watermain	2010100	\$1,450,000	02/10/20	1,400
84	EJ Water Coop. Inc.	3866	New	1/31/19	Install watermain, 100,000 gallon elevated tank, 2 new wells,	790010	\$4,377,000	07/01/19	23,066
85	Elizabeth	5615	New	1/25/19	Watermain, hydrants, new services.Rehab well house and well.	850150	\$1,570,300	06/01/19	761
86	Evanson	5106	Renew	1/29/19	Transmission Main Rehabilitation 8,000 feet of 30-inch	310810	\$9,000,000	11/01/19	140,700
87	Evanson	5393	Renew	1/29/19	Small diameter watermain rehabilitation CIPP lining	310810	\$860,000	08/01/19	75,000
88	Forreston	2197	New	1/25/19	watermain replacement.	1410200	\$3,511,288	05/01/19	600
89	Fox Lake	5581	Renew	1/30/19	New main to connect north and south system (2 phases)	Multiple	\$3,153,000	08/01/19	10,580
90	Fox Lake	5582	Renew	1/30/19	New main to connect north and south system (2 phases)	Multiple	\$3,101,000	06/01/20	10,580
91	Freeport	5613	New	10/25/18	Lead service line replacement.	1770200	\$2,340,000	03/01/19	1,500
92	Freeport	5614	New	10/25/18	New deep well (#11) and water treatment facility (#11)	1770200	\$9,312,000	05/01/19	24,784
93	Freeport	5642	New	1/7/19	New watermain. (Phase 2)	1770200	\$2,658,500	09/01/19	24,784
94	Freeport	5643	New	1/8/19	New deep well (#12) and WTP (#12) (Phase 3)	1770200	\$7,334,400	06/01/20	24,784
95	Galatia	2618	New	1/31/19	Replace mains and main feedline, rehab ground storage tank	1650150	\$3,185,000	12/01/19	1,000
96	Garrett	5670	New	1/31/19	Rehabilitation and maintenance of 25,000 gallon water tower	410010	\$150,000	05/15/19	162
97	Germantown	5664	New	1/30/19	watermain Replacement Mill, Main, and Church Streets	272350	\$767,600	05/15/20	1,481
98	Godley	5401	Renew	1/22/19	New transmission main and elevated storage tower	1970130	\$3,200,000	09/01/19	6,800
99	Grand Tower	5673	New	1/28/19	Replace watermains and fire hydrants	770400	\$1,349,000	09/03/19	605
100	Havana	4632	New	4/25/18	New elevated water tower and watermains.	1250200	\$2,000,000	09/28/18	3,301
101	Heyworth	4221	New	12/12/18	Replace watermains. Upgrade water plant.	1130650	\$2,400,000	09/16/19	3,000
102	Leyden Township	5661	New	1/30/19	Replacement of watermain	315880	\$1,800,000	06/10/20	16,000
103	Liberty-Leoford WD	4636	New	8/21/18	watermain replacement.	1655050	\$925,000	07/01/19	1,500
104	Lockport	4583	New	2/22/18	Drill deep well and add ion exchange facility. (Phase 2)	1970500	\$4,670,410	09/01/19	24,839
105	Lockport Township WS	5537	Renew	1/7/19	Replace watermains	1978100	\$4,320,000	08/17/19	2,610
106	Lovington	5617	New	10/30/18	Water meter and main replacement, filter rehab.	1390250	\$637,900	04/30/19	1,092
107	Mechanicsburg Buffalo WC	5644	New	1/7/19	watermain extension with fire hydrants and new services.	1675150	\$458,000	05/01/19	1,170
108	Merrionette Park	5583	New	1/30/19	watermain replacement and fire hydrants.	311890	\$1,000,000	08/31/19	1,999
109	Milledgeville	5662	New	1/31/19	watermain replacement and looping	150150	\$286,300	02/03/20	966
110	Morrison	3473	New	12/24/18	Elevated water tower improvements, replace watermains	1950350	\$4,752,000	03/09/20	4,188
111	Morrison	3474	New	1/15/19	watermain replacement (Phase 2)	1950350	\$679,000	11/29/21	4,188
112	Morrison	3475	New	1/15/19	watermain replacement (Phase 3)	1950350	\$1,296,000	11/28/22	4,188
113	Mount Carroll	5616	New	1/30/19	watermain replacement.	150200	\$2,340,000	06/01/19	1,604
114	Mount Olive	4416	New	12/20/18	Finished watermain extension to connect to another water supply	1170700	\$1,500,000	12/15/19	2,150
115	Moweaqua	5609	New	10/11/18	New mains, hydrants & service lines. Rehab elevated water tower.	1730200	\$813,000	07/01/19	1,831
116	Mt. Vernon	5591	New	8/8/18	Replace watermain and elevated water tower. (Phase 3)	810300	\$5,415,000	07/15/21	15,277
117	Mulberry Grove	5651	New	1/24/19	Replace watermain, hydrants and meters	50100	\$1,500,000	12/15/19	588
118	Murdale PWD	5656	New	1/25/19	watermain Extension	775200	\$320,000	03/01/20	1,166
119	North Chicago	4589	New	12/21/18	New water tower and connecting transition main.	971250	\$6,647,920	09/03/19	16,813
120	Oreana	5611	New	10/22/18	WTP renovation, replace watermain and water services.	1150450	\$1,556,000	08/01/19	892
121	Pecatonica	5087	New	10/15/18	Watermain replacement, rehab elevated tower, new well (#3) & house	2010250	\$5,815,768	11/11/19	2,195
122	Plainfield	4089	Renew	1/23/19	watermain replacement and connect water services	1970800	\$7,154,000	03/01/21	42,978
123	Pontoon Beach PWD	5140	Renew	1/16/19	Replace watermains	1195300	\$1,300,000	08/01/19	3,853
124	Prophetstown	3559	New	1/17/18	New well and WTP for reduction of iron and manganese	1950400	\$3,608,000	05/14/19	2,080
125	Quincy	5618	New	1/22/19	Rehab filters and cleanwells	10650	\$4,000,000	08/20/19	43,000
126	Rockford	5687	New	10/9/18	Lead service line replacement Phase 2	201033	\$2,000,000	06/01/20	50,939
127	Rockford	5691	New	10/9/18	Stanley Street reservoir replacement	201033	\$9,050,000	04/01/20	50,939
128	Rockford	5692	New	10/9/18	Well #39 Iron & Radium Treatment	201033	\$4,770,000	06/01/20	50,939
129	Rockford	5693	New	10/9/18	East High Zone Elevated Tank Rehab	201033	\$3,900,000	04/01/21	50,939
130	Rockford	5688	New	10/9/18	Lead service line replacement Phase 3	201033	\$2,000,000	06/01/21	50,939
131	Rockford	5689	New	10/9/18	Lead service line replacement Phase 4	201033	\$2,000,000	06/01/22	50,939

132	Rockford	5690	New	10/9/18	Lead service line replacement Phase 5	201033	\$2,000,000	06/01/23	50,939
133	Saybrook	5624	New	11/27/18	New elevated water tower, upgrade pump house.	1130950	\$1,323,125	09/01/19	690
134	Shabbona	4172	New	1/10/19	New WTP with arsenic removal, watermain replacement.	370450	\$1,423,100	03/01/19	900
135	Shelbyville	5641	New	12/20/18	Upgrade water meters.	1730300	\$1,977,000	07/01/19	6,500
136	Shorewood	1354	Renew	12/24/18	New main, storage, pumping. Convert to Lake Michigan water	1975080	\$50,000,000	04/01/20	17,495
137	Sibley	2037	New	12/19/18	Upgrade WTP, replace watermains, replace water meters.	530400	\$638,525	09/01/19	280
138	Sidell	2037	New	1/7/19	Replace elevated water tower	1830850	\$674,000	05/15/19	590
139	St. Libory	5604	New	8/31/18	Rehab elevated water tower	1631200	\$500,000	02/01/19	583
140	Stockton	5623	New	1/7/18	construct watermain,	850450	\$620,000	06/01/19	1,900
141	Villa Grove	5568	New	4/10/18	Replace watermain.	410350	\$325,000	03/01/19	2,553
142	Waterloo	3864	Renew	1/14/19	New WTP with transition main.	1330300	\$20,000,000	1/1/20	10,140
143	Winnebago	4890	Renew	1/2/19	Replace watermains, and hydrants and install new mains	2010500	\$3,500,000	12/15/19	3,200

**Project Plans without Planning Approval prior to January 31, 2019**

**\$422,324,742**

**Funding Nomination Form received before January 31, 2019 - No Project Plan submitted**

144	Alsip	TBD	New	1/30/19	Replace watermain	310030	\$2,000,000	01/07/20	19,079
145	Anna	TBD	New	1/30/19	Upgrade watermain Rehabilitation of Water Tank Valves Hydrants	1810500	\$917,000	10/01/19	4,442
146	Anna Jonesboro WC	TBD	New	1/30/19	Rehab. 500,000 gallon elevated tank, 1,400,000 gallon ground tank	1815050	\$1,138,000	03/02/20	10,000
147	Argenta	TBD	New	1/24/19	New Water Treatment Plant and Building	1150950	\$2,250,000	01/06/20	900
148	Calumet City	TBD	New	1/22/19	Replace lead service lines	310390	\$8,000,000	12/31/19	37,000
149	Calumet Park	TBD	New	1/30/19	Pump station improvements, SCADA, watermain replacem.	310420	\$2,248,000	11/29/19	7,900
150	Canton	TBD	New	1/31/19	High service pumps, pump station, standby generator	570250	\$8,600,000	06/01/21	20,000
151	Central Point	TBD	Renew	1/30/19	Water Transmission Main, pump station & generator	995040	\$1,454,000	08/03/20	281
152	Central Lake County JAWA	TBD	New	1/29/19	3 MG Standpipe at North Group Expansion Project	971070	\$10,500,000	06/30/20	207,000
153	Chester	TBD	New	1/25/19	Water plant rehab Phase 2	1570100	\$6,398,000	05/01/20	8,586
154	Country Club Hills	TBD	New	1/30/19	Rehabilitation of two 2,000,000 gallon water reservoirs	310540	\$1,520,100	11/29/19	16,637
155	Damiansville	TBD	New	1/28/19	Replace 50,000 gallon elevated tank	275200	\$850,000	03/31/20	800
156	Deerfield	TBD	New	1/30/19	Replace watermains Woodland Subdivision	974340	\$1,350,000	03/01/19	18,946
157	Deerfield	TBD	New	1/30/19	Lead service line replacement.	974340	\$9,170,000	04/01/20	18,946
158	Deerfield	TBD	New	1/30/19	Replace watermains Meadowbrook Subdivision	974340	\$1,000,000	03/01/22	18,946
159	Deerfield	TBD	New	1/30/19	Replace watermains Warwick Road	974340	\$800,000	04/01/21	18,946
160	Deerfield	TBD	New	1/30/19	Emergency water supply connection to Northbrook	974340	\$4,500,000	04/01/21	18,946
161	Deerfield	TBD	New	1/30/19	Replace watermains Abor Vilas Road	974340	\$800,000	04/01/20	18,946
162	East Hazel Crest	TBD	New	1/30/19	Replace LSL's, water meters, watermain, chlorine analyzer	310750	\$2,900,000	12/31/19	1,500
163	Elmhurst	TBD	New	1/30/19	Rehabilitation of North Reservoir and Booster Station, SCADA	430350	\$2,880,000	12/15/19	46,662
164	Fountain PWD	TBD	New	1/14/19	Upgrade WTP	1330020	\$5,000,000	11/30/20	6,000
165	Germanatown	TBD	New	2/7/18	WTP Improvements	270350	\$1,000,000	05/15/19	1,481
166	Gibson	TBD	New	1/30/19	New 500,000 gallon elevated storage tank	530100	\$2,961,000	11/29/19	4,527
167	Glendale Heights	TBD	New	1/15/19	Water meter replacement	430400	\$4,800,000	01/10/20	34,200
168	Glenwood	TBD	New	1/30/19	Replacement of existing watermain, repair ground storage tank	311050	\$4,250,000	08/05/19	8,860
169	Hardin County WD #1	TBD	New	1/15/19	Water system improvements.	695000	\$640,000	12/01/19	850
170	Kewanee	TBD	New	3/13/18	Lead service line replacement.	730650	\$2,000,000	05/01/19	7,500
171	Lincolfwood	TBD	New	1/29/19	Transmission main to connect to Evanston water supply	311650	TBD	01/01/20	12,646
172	Long Creek Township	TBD	New	1/23/19	Water System Improvements	1155150	\$5,870,000	03/01/20	7,125
173	Macomb	TBD	New	1/31/19	Replace transmission main	1090350	\$650,000	06/03/19	18,352
174	Macomb	TBD	New	1/31/19	Two new wells at WTP, standby generator	1090350	\$6,000,000	04/01/20	18,352
175	Manhattan	TBD	New	1/30/19	Radium Removal Treatment Plant, Pump Upgrade	1970550	\$4,000,000	05/19/21	8,000
176	Matteson	TBD	New	1/22/19	Replace mains and lead service lines.	311800	\$3,500,000	12/31/19	19,000
177	Midlothian	TBD	New	1/28/19	watermain replacement, lead service line replacement, valves	311920	\$1,100,000	02/01/20	10,000
178	Momence	TBD	New	1/30/19	Construct elevated tank, well house, replace hydrants and valves	910650	\$1,500,000	09/01/19	3,149

179	North Riverside	TBD	New	1/14/19	watermain replacement	312160	\$1,000,000	03/15/20	1,825
180	Paris	TBD	New	1/22/19	watermain construction	450300	\$1,825,000	11/30/19	8,837
181	Posen *	TBD	New	1/28/19	watermain replacement, lead service line replacement, valves	312520	\$4,726,000	02/20/20	5,914
182	Posen	TBD	New	1/28/19	Construct new 500,000 gallon elevated tank	312520	\$3,072,000	02/20/20	5,914
183	Posen	TBD	New	1/28/19	Watermain and lead service line replacement, valves, meters	312520	\$1,350,000	02/20/20	5,914
184	Posen	TBD	New	1/28/19	Watermain and lead service line replacement, valves, meters	312520	\$2,120,000	02/20/20	5,914
185	Posen	TBD	New	1/28/19	Watermain and lead service line replacement, valves, meters	312520	\$3,170,000	02/20/20	5,914
186	Posen	TBD	New	1/28/19	Meters and automatic meter reading system	312520	\$1,540,000	02/20/20	5,914
187	Saline Valley CD	TBD	New	1/11/19	Construct bypass watermain around Harrisburg	1655300	\$1,500,000	01/11/19	5,100
188	Sandoval	TBD	New	1/25/19	Construct new Water Storage Tank on East Texas Street	1210500	\$889,000	05/15/20	1,582
189	Sauk	TBD	New	1/9/19	Replace watermains, meters and hydrants	312790	\$1,500,000	12/31/19	10,400
190	Sesser	TBD	New	1/11/19	Rehab elevated water tower and main extension	550450	\$755,000	12/01/19	2,000
191	SLM Water Commission	TBD	New	1/24/19	Installation of a new transmission main at a new location	1635090	\$2,900,000	12/01/19	8,900
192	St. Anne	TBD	New	1/30/19	Iron removal/filtration system, replace hydrants, valves, meters	910700	\$1,000,000	11/01/19	1,193
193	St. Charles	TBD	New	1/31/19	Iron removal treatment system (HMO), new well pump, SCADA	894830	\$5,860,000	07/15/20	33,327
194	Villa Park	TBD	New	1/31/19	Replace watermains North Iowa, North Michigan, Vermont Street	430800	\$2,244,000	09/01/19	21,836
195	Villa Park	TBD	New	1/31/19	Replace watermains North Harvard Avenue and South Myrtle	430800	\$2,009,000	03/01/20	21,836
196	Valo	TBD	New	1/30/19	Install watermain to loop system	971770	\$3,750,000	09/30/20	5,399
197	West Frankfort	TBD	New	1/23/19	Replace water meters	550700	\$2,200,000	12/1/19	8,500
198	Wheeling	TBD	New	1/31/19	LSL replacement program	314970	\$725,000	06/07/19	270
199	Williamsfield	TBD	New	11/30/18	Replace watermains	950650	\$1,500,000	11/29/19	578
200	Wilmington	TBD	New	1/31/19	Replace watermains.	1971100	\$804,030	12/01/19	387
201	Worth	TBD	New	1/22/19	watermain replacement	313360	\$2,000,000	12/01/19	10,860
202	Xenia	TBD	New	1/11/19	Replace watermains.	250300	\$303,000	11/15/19	391

Projects which have only submitted a Funding Nomination Form - Total \$78,252,030

PWSLP FY2020 Intended Funding List - Total \$229,535,134  
Projects with Project Plan approval - Anticipated construction after March 31, 2020 \$103,843,855  
Funding Nomination Form received before January 31, 2020 without an approved Project Plan \$422,324,742  
Projects which have only submitted a Funding Nomination Form - Total \$78,252,030  
Total Requested Funding \$833,955,761

