

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.

A project summary and environmental assessment has been prepared by the IEPA to assist the loan applicant in complying with the public notice requirements. Information in this report was obtained, in part, from the following source: the October 2021 Lead Service Line Replacement project plan for the City of Galena, Planning Submittal Checklist, Existing User Charge and O, M, and R Certification Sheet, with cover letter dated November 1, 2021, all prepared by Origin Design and Community Funding and Planning Services, Inc.

The City of Galena is proposing to replace approximately 300 lead service lines throughout the City. The project work would occur from the City's public watermains to the private houses or businesses, wherever lead is present.

The City surveyed 1,582 properties, roughly 550 surveys were returned, with 74 properties identified with lead lines. An additional 21 properties were identified as having lead service lines during the East Side Water System Improvements Project in 2021.

The City also looked through documents from 1916 and 1925 to identify the existing distribution system in those years and compared that with buildings that were constructed before 1987 in that area. This research identified 857 buildings within 100 feet of the watermain in 1916 and 1925. Of these buildings identified it is estimated that approximately 795 services have potential to be lead service lines.

The City will continue to gather data from property owners and take exploratory work to identify all lead service lines. A second phase of lead service line replacement may be necessary.

The current loan program interest rate is 1.11%. 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 final decision for incentive qualifications will be determined at the time a loan agreement is issued using updated Census Bureau and Department of Labor data. Using current data, the City of Galena is eligible to receive a 0.83% small community interest rate and lead service line principal forgiveness with a maximum of \$4,000,000 annually. 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.