



Illinois Environmental Protection Agency

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JB Pritzker, Governor

James Jennings, Acting Director

PROJECT SUMMARY AND PRELIMINARY ENVIRONMENTAL IMPACTS DETERMINATION

Date: **MAR 10 2026**

Loan Applicant: Peoria

Loan Project Number: L177846

To all interested persons:

Section 365.330 of the Illinois Procedures for Issuing Loans from the Water Pollution Control Loan Program requires that the Illinois Environmental Protection Agency (Illinois EPA) conduct an assessment of the environmental impacts of proposed water pollution control projects to be funded with loans. This review is carried out in conjunction with the State's review of the applicant's project plan.

Prior to final approval of the project plan, the public's comments are sought regarding environmental impacts of the proposed project. Unless new information obtained through the public comment process causes reconsideration, the Agency will approve the project plan at the close of the public comment period.

The applicant will make the attached Project Summary and Preliminary Environmental Impacts Determination (PEID) available for public inspection. After receiving this letter, the loan applicant must conduct a public hearing regarding both the PEID and project planning. Advertisement of the hearing must be made at least 10 days in advance. The advertisement must include the purpose of the project along with the date, time, and location of the hearing. A comment period of at least 10 days shall be provided after the hearing in which written comments may be submitted to the loan applicant or to the Illinois EPA contact person identified in the attached document.

Your participation in this process is appreciated.

Sincerely,

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

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Attachment



PROJECT SUMMARY AND ENVIRONMENTAL ASSESSMENT

The following project summary and environmental assessment has been prepared by the Illinois EPA to assist the loan applicant in complying with the public notice requirements. This report is based on information submitted to the Illinois EPA by the City of Peoria. Sources of information include the following documents: State Revolving Fund 2025 Project Plan Report prepared by Mead and Hunt dated November 25, 2025 and additional information compiled by the Illinois EPA.

PART I – PROJECT INFORMATION

Project Name: Combined Sewer Overflow (CSO) Consent Decree Milestone #2 Offline Storage Project

Loan Applicant: City of Peoria (City)

County: LaSalle

Project Number: L177846

Current Population: 113,442

Future Population (20 year): 108,000

Project Description and Justification: The City of Peoria owns, operates, and maintains a wastewater collection system which includes both separate (3.9 square miles) and combined sewers (8.3 square miles). The system includes 20 main trunk sewers ranging in size from 12" to 18" in diameter. The sewers are constructed of brick, concrete and other pipe materials. The City of Peoria does not own and operate the wastewater treatment plant (WWTP). The plant, flow regulator structures and the Riverfront Interceptor are owned and operated by the Greater Peoria Sanitary District (GPSD). Wastewater flows from the combined sewers in the City through the flow regulator structures into the Riverfront Interceptor before reaching the GPSD WWTP. Excess wet weather flow is diverted to 16 permitted CSO outfalls. Peoria is improving CSO control through a Long Term Control Plan as a requirement of March 4, 2021 consent decree.

The project consists of the construction of a storage facility to capture combined sewer flow that would otherwise discharge to the Illinois River. The collected water is metered back into the Riverfront Interceptor for treatment at the WWTP when capacity is available. This project proposes 6.4 MG of offline storage near the Cedar Street Outfall. The project requires land acquisition in the area. If the land acquisition is delayed, the project will proceed at the Eaton/Fayette Street outfalls with a storage capacity of 5.5 MG. Both sites share comparable financial, design, and operation characteristics. The project is needed to meet the goals of the Long Term Control Plan to reduce the amount of CSO to reach the Illinois River.

Project Location: The project will be located near the Cedar Street Outfall or Eaton/Fayette Street Outfalls. The locations are shown in the attached map.

Estimated Construction Start Date: March 2027

Estimated Construction Completion Date: December 2028

Project Cost Estimate: \$80,400,000

PART II – PROJECT AFFORDABILITY FOR RESIDENTS AND UTILITY CUSTOMERS

The applicant is proposing to finance the project costs with a loan from the Water Pollution Control Loan Program (WPCLP). Annual repayments on a WPCLP loan in the amount of \$80,400,000 at an estimated interest rate of 2.16% for a term of twenty (20) years are \$4,954,207.

The loan program rules include provisions for incentives such as reduced interest rates, partial principal forgiveness (a reduction in the amount of principal borrowed that would otherwise have to be repaid), and extended repayment periods for qualifying applicants. The criteria used to determine incentive qualification are found in Sections 365.210 and 365.250 of the Procedures for Issuing Loans from the WPCLP 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. The Agency adjusts qualifying criteria annually on July 1st.

Using current data, the City of Peoria is eligible to receive an extended loan term and an environmental discount. Principal forgiveness is not guaranteed until a loan agreement is issued. The final loan and annual repayment amounts will be based on the as-bid project costs, and the loan terms in effect on the date the loan agreement is issued. A rate increase is necessary to repay the loan.

Source of Loan Repayment: The loan will be repaid from an increase to the Peoria CSO Remediation Fee portion of the sewer rate structure.

Number of Customers or Service Connections: 32,469 customers

Average Residential Water Use: 17.25 CCF per quarter, where CCF equals 100 cubic feet of water usage (approximately 4,300 gallons per month)

Current Average Residential Cost of Service: \$81.47 per quarter

Projected Average Residential Cost of Service: \$97.68 per quarter

How is the quarterly residential rate/cost of service calculated? Fees for wastewater collection are based on the amount of water used. The sewer rate is made up by a series of fees including: Peoria Lateral Fee (\$1.3328/CCF), Peoria Rehabilitation Fee (\$1.136/CCF), Peoria CSO Remediation Fee (\$0.23/CCF), GPSD Residential Disposal Only Fee (1.2192/CCF), and GPSD Capital Improvement and Replacement Surcharge (66% surcharge on GPSD fees).

Taking into account the 17.25 CCF of water usage per quarter, the bill calculates to:
 $(\$1.3328 \times 17.25) + (\$1.136 \times 17.25) + (\$0.23 \times 17.25) + (\$1.2192 \times 17.25) + (0.66 \times (\$1.2192 \times 17.25)) = \81.47 per quarter

In order to generate revenue to repay the loan, the City will increase the Peoria CSO Remediation fee gradually over multiple years to \$1.17/CCF. Therefore, the projected rate calculates to:
 $(\$1.3328 \times 17.25) + (\$1.136 \times 17.25) + (\$1.17 \times 17.25) + (\$1.2192 \times 17.25) + (0.66 \times (\$1.2192 \times 17.25)) = \97.68 per quarter

Median Household Income (MHI): \$58,716

Financial evaluation of the proposed project: To evaluate the costs of the proposed project 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 cost for service of \$390.72 is 0.66% 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 Illinois EPA. 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 ISSUES ASSOCIATED WITH THE PROJECT

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

Illinois Department of Natural Resources (IDNR) State Historic Preservation Office (SHPO): An IDNR SHPO letter dated November 14, 2025, 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.

IDNR Impact Assessment: The loan applicant submitted project information to the IDNR EcoCAT website for the four potential project areas 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 are in the vicinity of

some of the locations submitted and the project will be further evaluated. Four letters dated October 15, 2025 provided by IDNR state that the project was reviewed for compliance with Title 17 Illinois Administrative Code Parts 1070 and 1090 and was determined to comply.

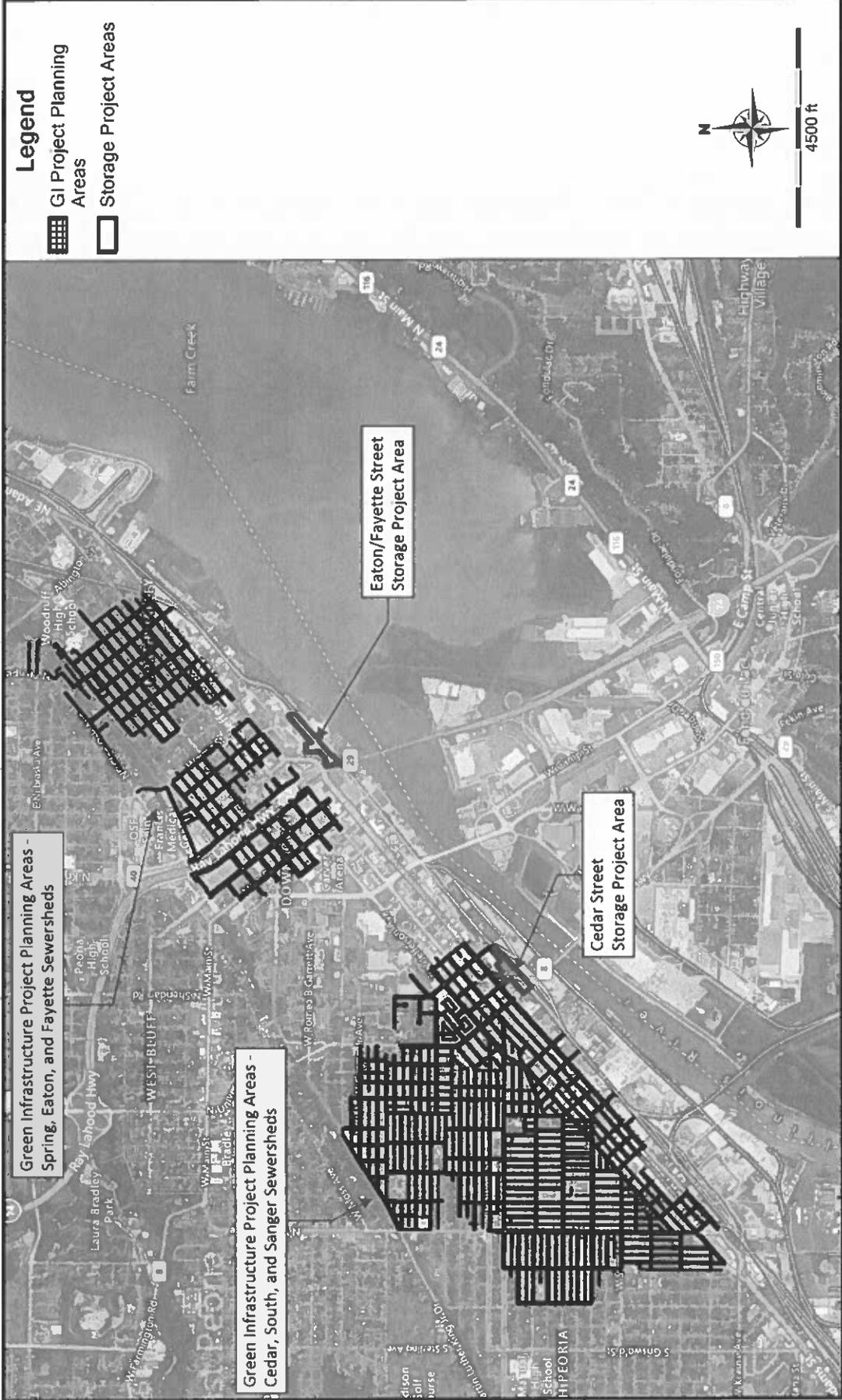
IDNR Office of Water Resources (OWR): The available project information was provided to IDNR OWR. However, since construction drawings were not available for the project, IDNR OWR was not able to make a determination regarding if a permit is required for the proposed project. Therefore, the City should submit an application to IDNR OWR once construction drawings are available. Should IDNR OWR determine that a permit is required for the project, all terms and conditions of the permit must be included in the construction contract documents and followed throughout construction of the project.

U.S. Army Corps of Engineers (USACE): The U.S. Army Corps of Engineers (ACE) reviewed the project information for any potential issues and issued an email on November 6, 2025, indicating the proposed activity does not require a permit under Section 404 of the Clean Water Act.

Tribal Nations: Project information was submitted to all tribal nations with property interests in the project area. If the project receives any comments from the tribal nations with property interest, any mitigation measures must be included in the construction contract documents and followed throughout construction of the project.

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

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