



Illinois Environmental Protection Agency

2520 West Iles Avenue • P.O. Box 19276 • Springfield, Illinois • 62794-9276 • 217-782-3397

JB Pritzker, Governor

James Jennings, Director

PROJECT SUMMARY AND PRELIMINARY ENVIRONMENTAL IMPACTS DETERMINATION

Date: SEP 16 2026

Loan Applicant: City of North Chicago

Loan Project Number: L178176

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 (Illinois EPA) 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 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

2125 S. First Street, Champaign, IL 61820 • 217-278-5800
1101 Eastport Plaza Dr., Suite 100, Collinsville, IL 62234 • 618-346-5120
595 S. State Street, Elgin, IL 60123 • 847-608-3131
412 SW Washington Street, Suite D, Peoria, IL 61602 • 309-671-3022

115 S. LaSalle Street, Suite 2203, Chicago, IL 60603
9511 Harrison Street, Des Plaines, IL 60016 • 847-294-4000
2309 W. Main Street, Suite 116, Marion, IL 62959 • 618-993-7200
4302 N. Main Street, Rockford, IL 61103 • 815-987-7760

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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 public notice requirements. This report is based on information submitted to the Illinois EPA by the City of North Chicago. Sources of information include the following documents: the Green Bay Road Standpipe Rehabilitation and Booster Pumping Station Project Plan, dated July 2026 and prepared by Trotter and Associates, Inc., and, in response to Illinois EPA requests for additional information, correspondence with attachments dated August 12, 2026, also prepared by Trotter and Associates.

PART I – PROJECT INFORMATION

Project Name: Green Bay Road Standpipe Rehabilitation and Booster Pumping Station Project

Project Number: L178176

Loan Applicant: City of North Chicago

County: Lake

Current Population Served: 16,813

Future Population (30 year): 39,744

Residential Customers Served: 3,893

Project Description and Justification: The City of North Chicago owns, operates, and maintains a drinking water treatment and distribution system. The United States Navy also owns and operates a water treatment and distribution system within the City, which serves a large fraction of the City's 30,416 residents. Only 16,813 residents are served by the City's system. The City's water treatment plant (WTP) draws from Lake Michigan and has a maximum treatment capacity of 16 million gallons per day (MGD). Presently, the average and maximum daily water demands within the City are 3.2 MGD and 4.5 MGD respectively. A separate surface water intake conveys up to 32 MGD of untreated lake water to the AbbVie pharmaceutical manufacturing plant. The existing distribution system consists largely of 3 to 24-inch diameter watermain, totaling an estimated 60.9 miles.

The North Chicago water distribution system includes a 4-million-gallon (MG) standpipe, of which useable storage capacity is currently limited to 212,00 gallons, due to the drawdown required for maintaining acceptable system pressure. Peak demands are therefore met by variable rate pumping from the WTP, which has an additional 0.78 MG of clear well and storage tanks for treated water.

A project to construct a new 0.75 MG elevated water storage tank, assigned loan number L174589, began construction in April 2026 and is expected to conclude in November 2027. The new elevated water storage tank will assist the system with maintaining adequate pressure, allowing for the existing standpipe to be better utilized. Thus, this project concerns the rehabilitation of the existing standpipe and the construction of a booster pumping station to transfer water from the standpipe to the new elevated water storage tank. The booster pumping station will be installed in a new building adjacent to the existing standpipe. Standpipe rehabilitation will include the installation of a mixing system; upgrades to the supervisory control and data acquisition (SCADA) system to allow for communication between the new elevated water storage tank, the standpipe, and the new booster pumping station; internal rehabilitation of degraded structural components; recoating of the interior

and exterior surfaces; modifications to comply with American Water Works Association (AWWA) recommendations; and modifications to address current Occupational Health and Safety Administration (OSHA) violations.

The new booster pump station will have a capacity of 5 MGD. Its construction will include all appurtenances and: the installation of sodium hypochlorite storage and feed facilities; a natural gas engine generator; construction of an access road for maintenance; demolition of the existing standpipe valve vault structure; construction of a new, adjacent valve vault and superstructure; installation of piping, including between the booster pumping station and standpipe; and the installation of a chain-link security fence around the site.

Project Location: The standpipe to be rehabilitated is located at 2911 20th Street, North Chicago, IL 60064. The new booster pump station will be constructed adjacent to the standpipe. See the attached map for further details.

Project Justification: Useable storage in the 4 MG standpipe is limited to 212,000 gallons due to system pressure needs. Presently, finished water must be stored at the water treatment plant (WTP) and pumped into the distribution system at variable rates to meet peak demand. The standpipe is also deteriorated. This project will extend the useful life of the standpipe, improve its operation, and connect it to the new water tower so water can be transferred. The new booster pump station will enable this. The new mixers will prevent stratification of water within the standpipe. The elevated water tower, when construction is complete, will effectively increase the useable storage of the standpipe, providing sufficient storage volume such that the system will be able to maintain water pressure without the WTP continuously operating 24 hours per day. The new water tower will also allow for the standpipe to be fully drained, enabling the rehabilitation planned through this project.

Estimated Construction Start Date: December 2026

Estimated Construction Completion Date: July 2027

Project Cost Estimate: Approximately \$7,201,000

PART II – PROJECT AFFORDABILITY FOR RESIDENTS AND UTILITY CUSTOMERS

Project Cost Estimate	
Construction	\$ 5,691,000
Construction Contingency (10%, rounded)	\$ 570,000
Engineering	\$ 940,000
TOTAL	\$ 7,201,000

The City of North Chicago is proposing to finance the project costs with a loan from the Illinois EPA Public Water Supply Loan Program (PWSLP). A loan in the amount of \$7,201,000, with an estimated interest rate of 2.44% for a thirty (30) year period, would have an annual repayment of approximately \$338,742. The current loan program

interest rate is 2.44%. 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 (a reduction in the amount of principal borrowed that would otherwise have to be repaid), and an extended repayment period 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. The Agency adjusts qualifying criteria annually on July 1st.

Using current data, the City may be eligible to receive a 40-year loan term, a reduced 1.83% interest rate (75% of the base rate), and partial loan principal forgiveness. 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 user rate increase will not be necessary to repay this loan.

Source of Loan Repayment: System revenue from existing user rate structure

Current Average Monthly Residential Water Use: 6,623 gallons

Current and Projected Monthly Residential Cost of Service: \$51.04

How the monthly residential rate/cost of service is calculated: System customers with a one-inch meter currently pay a \$17.20 flat fee, plus \$5.11 per each 1,000 gallons of water use. Therefore, the average customer pays a total of $\$17.20 + (\$5.11 \times 6.623) = \underline{\$51.04}$ per month.

Median Household Income (MHI): \$60,172

Percentage of MHI needed to pay the projected average annual residential cost of service: 1.02%

Financial Evaluation of the proposed project: To evaluate the costs of the proposed project for the community, a percentage comparison of MHI to the average, annual cost for water service is utilized. The projected average annual water cost for residential customers of \$612.48 is 1.02% of the MHI for the City of North Chicago. This 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 take place during construction.

Consultation under Section 106 of the National Historic Preservation Act (NHPA) of 1966: The City of North Chicago submitted project information to the Illinois Department of Natural Resources (IDNR), State Historic Preservation Office (SHPO), and tribal entities with registered interest in Lake County for consultation under Section 106 of the NHPA. These entities will be notified if an inadvertent discovery takes place during construction.

Illinois Department of Natural Resources (IDNR): The City also submitted project information to the IDNR EcoCAT website to determine compliance with the Illinois Endangered Species Act, Illinois Natural Areas Preservation Act, the Illinois Wetlands Act, and Title 17 Ill. Adm. Code Parts 1075 and 1090. In a letter dated May 13, 2026, the Department concluded that adverse effects are unlikely.

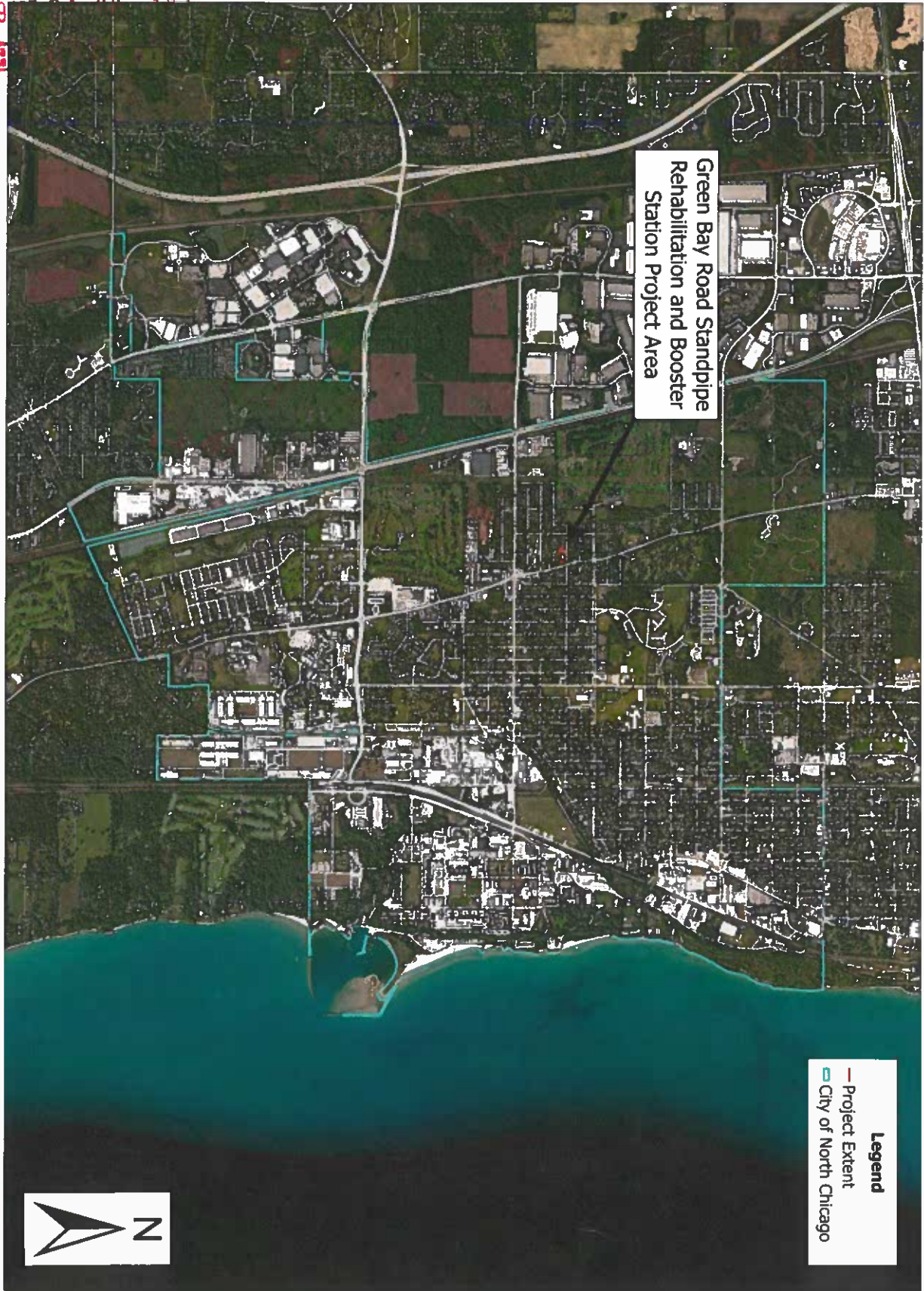
U.S. Army Corps of Engineers (USACE): No construction will occur at or near a body of water that will require a permit from the U.S. Army Corps of Engineers.

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

Ellen Jordal, Project Manager
Infrastructure Financial Assistance Section
Illinois Environmental Protection Agency
Bureau of Water

2520 West Iles Avenue
P.O. Box 19276
Springfield, Illinois 62794-9276
(217)782-2027

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Green Bay Road Standpipe
Rehabilitation and Booster
Station Project Area

Legend
— Project Extent
City of North Chicago



Green Bay Road Standpipe Rehabilitation and Booster Station

Project Location

North Chicago, Lake County, Illinois

TROTTER
ASSOCIATES, INC.
CONSULTING ENGINEERS
2010 Central Expressway, Suite 100
Evanston, IL 60201
PH: 312.775.1200 FAX: 312.775.1201

Sheet No.	Project No.	Revision	Date
001	10-001	1	10/1/10
002	10-001	2	10/1/10
003	10-001	3	10/1/10
004	10-001	4	10/1/10
005	10-001	5	10/1/10
006	10-001	6	10/1/10
007	10-001	7	10/1/10
008	10-001	8	10/1/10
009	10-001	9	10/1/10
010	10-001	10	10/1/10



Mailing List – Environmental Review

Project: North Chicago

L17: 8176

Check entities to receive Preliminary Environmental Impacts Determination/Notice of Categorical Exclusion. Agencies may be omitted if they have already provided an unconditional written sign-off on the planning.

_____ Illinois Historic Preservation Agency (SHPO)

_____ Illinois Department of Natural Resources
Office of Realty & Environmental Planning (for rare/endangered species, natural areas, and Interagency Wetlands Policy Act)

_____ Illinois Department of Natural Resources
Office of Water Resources (for lakes, rivers and stream crossings, floodway/floodplain construction)

_____ Illinois Department of Agriculture

U.S. Army Corps of Engineers – Check Appropriate Regional Office

_____ Rock Island District _____ St. Louis District _____ Chicago District

Designated 208 Areawide Planning Agency – Check Appropriate Agency

_____ CMAP

_____ GERPDC

_____ SWIPC

Green Infrastructure Coordinator: _____ Chris Covert

IEPA Field Office (Elgin)

Loan Applicant

The Honorable Leon Rockingham, Jr.
Mayor, City of North Chicago
1850 Lewis Avenue
North Chicago, IL 60064

(Continued on Back)

Consulting Engineer

Trotter and Associates, Inc.
40 W 201 Wasco Road, Suite D
St. Charles, IL 60175

☒ Other Interested Parties

chron file

planning folder

{ scan to Ellen Jordal with all
attachments, including this
mailing list }

Project Manager: M. Z. M.

Date: 9-14-26

Copies of the Preliminary Environmental Impacts Determination/Notice of Categorical Exclusion have been mailed to the above entities.

Signed: _____

Date: _____