

Illinois Environmental Protection Agency

PUBLIC WATER SUPPLY LOAN PROGRAM

2020 ANNUAL REPORT

July 1, 2019 – June 30, 2020

Prepared For

The United States Environmental Protection Agency, Region V

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Illinois EPA – Public Water Supply Loan Program – 2020 Annual Report
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PUBLIC WATER SUPPLY LOAN PROGRAM

2020 ANNUAL REPORT: July 1, 2019 – June 30, 2020

I. Introduction

In accordance with Title XIV of the 1996 Safe Drinking Water Act as amended (SDWA) and the Public Water Supply Loan Program (PWSLP) Operating Agreement between the Illinois Environmental Protection Agency (Illinois EPA) and the United States Environmental Protection Agency (U.S. EPA), this Annual Report addresses the activities, goals and reporting requirements of the PWSLP for the 12-month period from July 1, 2019, to June 30, 2020.

II. Executive Summary

The U.S. EPA awarded Illinois EPA its Federal Fiscal Year (FFY) 2019 capitalization grant in the amount of \$41,516,000 on September 12, 2019 for use in the PWSLP. A total of \$102,514,212 in loan repayments were received during the reporting period, with those receipts consisting of \$80,639,591 in repayment principal and \$10,937,519 in repayment interest. The PWSLP also received \$5,356,721 from investment income and other miscellaneous receipts.

During the reporting period, the Illinois EPA entered into 45 new loans (binding commitments) totaling \$173,582,476.37 and 28 loan amendments totaling \$877,239.01 for \$174,459,715.38 in net funds committed. These loans and amendments are detailed within Attachment A.

III. Conditions of the Capitalization Grant Agreement

The Illinois EPA has agreed to administer the PWSLP in accordance with their Operating Agreement with the U.S. EPA, all conditions related to receipt of the capitalization grant agreement awarded by the U.S. EPA, and with the components of the grant application, which includes the Intended Use Plan (IUP). The Illinois EPA has maintained compliance with all cash draw rules, including separation of cash draws by the PWSLP from other U.S. EPA funded programs. Cash draw projections have been reviewed and revised by the Illinois EPA, based on the availability of funds. Proportionality will be maintained not only on deposits into the PWSLP but also on expenditures out of the PWSLP.

A. Goals and Objectives of the IUP

Several short and long-term goals for the PWSLP were outlined by the Illinois EPA in the FY 2020 Intended Use Plan (IUP). Provided below is a restatement of those goals along with a brief discussion regarding outputs and outcomes.

1. Short Term Goals

- a. Support necessary actions to reduce lead levels in public water supplies and offer principal forgiveness to certain projects.;

The Illinois EPA has developed a program to provide principal forgiveness on a defined basis (discussed below) for the complete replacement of lead service lines. The PWSLP continues to assist public water supplies in addressing issues related to lead in drinking water.

- b. 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, "Procedures for Issuing Loans from the Public Water Supply Loan Program" incorporating the new prioritization system, for submittal to the Joint Committee on Administrative Rules. 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.
35 Ill. Adm. Code Part 662 has been modified to reflect a new project prioritization scoring system. 35 Ill. Adm. Code Part 663, which previously contained the project prioritization scoring system, has been repealed. The effective date of the modified Part 662 rule is October 1, 2019, and thus the new scoring system has been used for development of the Project Priority List and Intended Funding List within the FY2021 IUP.
- c. Provide funding to as many eligible projects as possible, provided the requirements for obtaining funding are satisfied and funds are available;
The Illinois EPA provided funding for 45 new projects and committed a net total of \$174,459,715.38 in program resources during this reporting period.
- d. Focus financial assistance for projects necessary to achieve or maintain compliance with federal and State laws and regulations;
The Illinois EPA continues to focus on projects necessary to achieve or maintain compliance with applicable federal and State laws and regulations and will continue to review procedures with an eye towards funding such projects.
- e. Manage a program that provides applicants with a streamlined approach to financing public water supply and other projects eligible for funding;
The Illinois EPA continues efforts to improve program operations using best management practices in the administration of the program.

- f. 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;
The Illinois EPA continues to explore best practices which will contribute to the growth and stability of the fund by consulting with financial advisors and industry professionals to examine interest rate setting, leveraging capacity, and overall financial management of the program.
- g. Use Set-Aside funds to arrange for a circuit-rider who will assist smaller communities with rate analysis, asset management, system analysis, water-loss, etc.;;
Illinois EPA has entered into an agreement with the Illinois Rural Water Association (IRWA) to assist public drinking water system staff, owners, operators, clerks, board and council members, and others involved in the operation, maintenance or management of a public water system. By providing on-site technical assistance and training services, community water supplies should be able to more efficiently operate and maintain their systems. The activities began in SFY 2019 and will continue through SFY 2022. An annual report summarizing the activity is submitted separately to USEPA. Illinois EPA intends to use an additional portion of available set-aside funds to enter into an arrangement similar to the one in place with the IRWA. This new effort would provide support to public water systems in northern Illinois, with a focus on assisting 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.
- h. 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 will continue 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 while meeting the SDWA's perpetuity requirements.
- i. 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; **The Illinois EPA has reached out to loan program stakeholders concerning modification to the loan program's interest rates and will be in consultation with their financial advisors to develop a new methodology for the establishment of loan program interest rates to strengthen the long-term viability of the loan program.**

2. Long Term Goals

- a. 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;
The Illinois EPA executed a total of 45 loans during the reporting period, with a base interest rate offered during this reporting period of 2.00%. The average open market rate during this time was approximately 4.00%. The Illinois EPA will continue to place an overarching emphasis on eliminating public health threats and ensuring compliance with federal and State drinking water laws and regulations.
- b. Target small and disadvantaged community assistance to reduce the financial impact of capital improvements projects on the users of smaller systems and systems serving less affluent populations;
As demonstrated by the new interest rate tiers, and the focus of additional subsidization towards disadvantaged communities, the Illinois EPA will continue to focus strategies towards providing advantageous financing opportunities to small and economically challenged communities.
- c. Support extensions of public water systems to address areas of contaminated private water systems;
The Illinois EPA will continue to support any projects which will address areas of contaminated private water systems. This situation is a focus of the new project prioritization scoring system within the Loan Rules.
- d. 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;
The contractual arrangement between the Illinois EPA and the Illinois Rural Water Association (IRWA) discussed above is a prime example of efforts the Agency would like to promote. These efforts will continue through FY2022 and, if successful, the Agency hopes to continue them in the future. The Agency is

also pursuing a similar arrangement focused on northern Illinois as discussed above.

- e. Continue to maintain the Fund as a major financial vehicle for public water supply systems achieving compliance with State and federal law.
The Illinois EPA continues to explore best practices which will contribute to the growth and stability of the Fund and will continue to emphasize compliance issues in the prioritization of funding applications.
- f. 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;
The Illinois EPA will continue to explore ideas and practices to 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.
- g. Maintain the integrity of the Water Revolving Fund (the Fund) by providing a stable and perpetual financing source for eligible loan applicants within the State and to fund those loan applicants with available loan resources;
The Illinois EPA has established a revolving loan program, the PWSLP, which will operate in perpetuity for the benefit of eligible loan applicants in Illinois. The Water Revolving Fund remains healthy, with a AAA Bond Rating.
- h. **A long-term goal not previously specifically discussed in the IUP concerns sustainability. The Illinois EPA is currently engaged in the development of long-term goals and policies to encourage the incorporation of sustainability measures in the PWSLP. These goals and policies will build on the State's efforts to encourage the use of "green infrastructure, water or energy efficiency improvements or other environmentally innovative activities" in PWSLP projects, and will seek to underline the importance of asset management, capacity development strategies and sustainability goals in local infrastructure planning. The new project priority scoring system was developed with an eye towards these activities.**

B. Additional Subsidy Requirement

By accepting the 2019 capitalization grant, the PWSLP agreed to provide additional subsidization in the form of principal forgiveness, negative interest rate loans, or grants to recipients of eligible loans. The PWSLP continues to meet the additional subsidization requirement by awarding principal forgiveness. 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.

*Disadvantaged Community Principal Forgiveness*¹ - Section 1452 of the SDWA allows states to provide a minimum of 6% and a maximum of 35% (\$14,530,600) of the available Capitalization Grant funds as 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.

For FY2020, all loan recipients which met the definition of a disadvantaged community qualified for disadvantaged community principal forgiveness. The amount of principal forgiveness was equivalent to 60% of the initial loan amount up to a maximum of \$800,000.

*Lead Service Line Replacement (LSLR) Principal Forgiveness*¹ - The federal Capitalization Grant requires that 20% (\$8,303,200) 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 disadvantaged communities, Illinois provided principal forgiveness towards PWSLP funded projects directly related to activities that reduce or eliminate lead from potable water by removing and 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 was available up to a maximum amount of \$2,000,000 for communities with an MHI less than 70% of the State average (\$42,860). For other loan recipients, principal forgiveness was available up to a maximum amount of \$1,000,000. Total project costs include engineering, administrative, legal, and construction costs.

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

In FY2020, a total of \$8,265,117.52 in principal forgiveness was provided to fund lead service line replacement activity in Illinois. The remainder of the LSLR principal forgiveness funds were distributed as principal forgiveness to disadvantaged communities as stipulated in the 2020 Intended Use Plan.

In FY 2020, a total of \$14,464,809.31 in principal forgiveness was provided to disadvantaged communities and will be assigned to the 2019 capitalization grant requirements thereby fulfilling the requirements of the 2019 Consolidated Appropriation Act and the Safe Drinking Water Act.

In addition to the principal forgiveness discussed above, the Agency took advantage of the Water Infrastructure Fund Transfer Act (WIFTA) which temporarily expands the Clean Water to Drinking Water SRF transfer authority. Any funds transferred per WIFTA must be provided in the form of principal forgiveness specifically to address lead-related threats to public health. The Agency transferred \$5,000,000 from the Water Pollution Control Loan Program to the Public Water Supply Loan Program per WIFTA which will be used to provide principal forgiveness for lead service line replacement. In FY2020 \$3,312,758.65 of the WIFTA funds were provided for lead service line replacement as principal forgiveness.

A total of \$26,042,685.48 in principal forgiveness was provided in FY2020.

Appendix A reflects the principal forgiveness amounts provided and the capitalization grant they were assigned to.

C. Certifications

The Illinois EPA has provided the necessary certification from the Illinois Attorney General, for each capitalization grant received, that the Illinois EPA can legally bind itself to the terms of the capitalization grant, and in accordance with the Drug-Free Workplace Act of 1988, the Illinois EPA has instituted a Drug-Free Workplace Policy. This policy encourages any Illinois EPA employee with a potential drug or alcohol problem to use the State Employee Assistance Program. Also, by accepting the most recent capitalization grant, the Illinois EPA has certified again that it will comply with the requirements of the Anti-Lobbying Act. The Illinois EPA has taken affirmative steps to meet the requirements of the Federal Funding Transparency and Accountability Act of 2006 (FFATA) and is operating the PWSLP in compliance with all FFATA reporting requirements. And finally, the Illinois EPA certifies, and has previously certified that all assistance made available under the PWSLP was provided under terms and conditions requiring compliance with the Davis-Bacon Wage Act as specified in the appropriations for the Drinking Water SRF. In short, the Illinois EPA has established a program which will lead to adherence to all objectives and conditions of each capitalization grant received.

IV. Program Funding

A. Source of Funds

1. Capitalization Grant

The U.S. EPA awarded the FY 2019 capitalization grant to the Illinois EPA on September 12, 2019 in the amount of \$41,516,000.

The Illinois EPA realizes that federal draw-downs must be proportional to state match draw-downs. Starting with the 2014 grant, the Illinois EPA will spend the state match in its entirety and then draw both the loan funds and

the administrative funds at a rate of 100 percent. The 2018 and 2019 grants combined to provide \$143,500 of In-Kind Contractual Services by Northbridge Environmental Consultants to provide continued work on the Loans and Grants Tracking System. The Illinois EPA has deducted \$13,500 for In Kind services from the 2018 grant and 130,000 from the 2019 grant will use \$1,530,640 of the grant for Administrative costs. Beginning with the 2020 grant, the Illinois EPA will no longer be receiving In-Kind Contractual Services funding as part of the Capitalization Grant. A contract has been entered with The Northbridge Group to facilitate the needs of the Agency for which the In-Kind funding was previously used.

2. State Matching Funds

In April 2019, the Illinois EPA provided \$29,036,400 for additional future State Match of the 2019 and 2020 Capitalization grants. The State Match which was provided with tax-exempt bond proceeds was expended in April and May 2019.

3. Repayments and Fund Equity

The Illinois EPA will commit all loan repayment funds and fund equity resources to the PWSLP for binding commitments.

4. Leveraging

On April 1, 2019 the program issued \$220,265,000 in Drinking Water Leveraged Bonds and \$14,355,000 in Drinking Water State Match Bonds. After adding the premium of \$42,300,365 and subtracting costs of issuance, the realized proceeds of \$261,243,750 are for use in the loan program. Furthermore, adding the premium of \$2,490,062 and subtracting costs of issuance, \$16,763,200 will be used for State Match of the 2019 and 2020 Capitalization grant. The Illinois EPA plans to issue new Drinking Water Leveraged Bonds in November/December 2020.

B. Binding Commitments

During the reporting period, the Illinois EPA entered into 45 new loans (binding commitments) totaling \$173,582,476.37 and 28 loan amendments totaling \$877,239.01 for \$174,459,715.38 in net funds committed. All loans and amendments are detailed within Attachment A.

C. Disbursements

Disbursements made to loan recipients during this reporting period totaled \$196,026,843. Total expenditures of \$1,635,483 are reported for administrative costs during the reporting period.

D. Fiscal Status of the PWSLP

An analysis in this area requires a direct comparison of financial data including revenues, expenditures, PWSLP sources and uses, and PWSLP balance (see Attachment B, Financial Statements). The Illinois EPA has established operating procedures and management tools that will assure that the program is capable of operating in perpetuity.

V. Program Requirements

A. Financial Reports

The Illinois EPA has submitted the Federal Cash Transaction Report (FCTR) on a quarterly basis and the Financial Status Report (FSR) on an annual basis.

B. MBE/WBE Reporting

The Illinois EPA has submitted a completed "MBE/WBE Utilization Under Federal Grants, Cooperative Agreements and Interagency Agreements" report (EPA Form 5700-52A) on an annual basis.

C. Single Audit Act

The Illinois EPA has complied with the requirements of the Single Audit Act. In 2020, a Statewide Single Audit was performed on the State of Illinois and the Illinois EPA Loan programs met the expenditure thresholds of being a major program.

D. Generally Accepted Auditing Standards and Accounting Principles

The Illinois EPA has complied with Generally Accepted Government Auditing Standards (GAGAS) and all loan recipients are required to comply with Generally Accepted Accounting Principles (GAAP).

E. Federal Requirements

The Illinois EPA has fulfilled all applicable federal requirements required by the SDWA including;

- 1) Assurances and certifications provided in the IUP have been met;
- 2) Environmental reviews have been done in accordance with federal and State law;
- 3) Binding commitments to provide assistance have been made in amounts equal to more than the required 120 % of the amount of each grant payment within one year after receiving the grant payment;
- 4) All funds have been expended in an expeditious and timely manner; and
- 5) Beginning January 17, 2014 implemented the "American Iron and Steel" requirement as described in the Consolidated Appropriation Act of 2014.

Attachment A

PWSLP Loans Awards, Amendments and Principal Forgiveness Provided

12 Pages

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Loan Agreements 7/1/2019 through 6/30/2020						
Project Number	Party	Population	Agreement Date	Agreement Amount	Forgiveness Amount	Description
1	Assumption	1,103	6/24/2020	439,088.50	439,088.50	PRINCIPAL FORGIVENESS - LEAD SERVICE LINE REPLACEMENT PRINCIPAL FORGIVENESS The project consists of the replacement of approximately 60 lead service lines within the City.
2	Auburn	4,793	6/30/2020	3,096,191.17	800,000.00	This loan will fund Phase I of a two-phase water system update. Phase one of the project includes the installation of approximately 4,930 lineal feet of ten (10) inch diameter; 1,573 lineal feet of eight (8) inch diameter; 8,264 lineal feet of six (6) inch diameter; 65 lineal feet of four (4) inch diameter; and 105 lineal feet of three (3) inch diameter water main. Automated water level controls will be installed on the storage tank. New automatic read water meters will also be installed.
3	Batavia	26,316	6/11/2020	797,918.24	0.00	The project consists of the replacement of approximately 2,300 lineal feet of existing, aging water main with 8" and 12" diameter mains in order to provide safe, reliable water service to Area 3 and mitigate the frequency of breaks.
4	Broughton	194	4/30/2020	108,054.34	64,832.00	The Village of Broughton will replace approximately 32,000 lineal feet of water main with polyvinyl chloride (PVC) pipe; and install new valves, fire hydrants, water service lines and appurtenances.
5	Buckley	561	7/25/2019	180,000.00	108,000.00	This project includes high-pressure power washing and recoating the interior and exterior of the existing 50,000-gallon water tower; repairing the vent, ladders and overflow box; replacing the cathodic protection system and safety upgrades.
6	Chicago	2,720,546	6/30/2020	105,000,000.00	0.00	The project is a continuation of the City's ongoing multi-year water main replacement program. Approximately 66 miles of damaged, undersized, leaking and antiquated watermains throughout the City's six districts will be replaced.

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7	LI175607	Durand	1,398	6/30/2020	1,532,537.62	800,000.00	The project consists of the construction of a new public water supply well No. 4 with new well house, and associated test wells; and improvements to the existing well No. 3 and well house. The work will include: new well pumps; chemical feed systems; piping; valves; controls; approximately 1,400 feet of 8-inch diameter water main for well No. 4, SCADA control systems; and construction site restoration. The projects also will add sanitary sewer connections for both well houses, which includes: 15 feet of 4-inch and 484 feet of 8-inch diameter PVC sewer pipe, and four manholes for well No. 4; and 68 feet of 4-inch and 138 feet of 8-inch diameter PVC sewer pipe, and two manholes for well No. 3.
8	LI175602	Ellis Grove	353	9/20/2019	98,609.50	59,165.70	The project includes the construction of approximately 21,000 feet of 4-inch PVC water main, as well as all the necessary appurtenances.
9	LI172197	Forreston	1,368	5/6/2020	1,541,592.14	800,000.00	The Village of Forreston will replace approximately 6,255 feet of watermain with 4, 6, 8 and 10-inch polyvinyl chloride (PVC) watermain. This project also consists of replacing valves, water service connections, and fire hydrants; and providing traffic control, and construction site restoration.
10	LI175206	Franklin Park	18,312	9/16/2019	618,934.98	371,360.99	The loan will fund the installation of approximately 46 lineal feet of 6-inch diameter watermain, approximately 1,822 lineal feet of 8-inch diameter ductile iron watermain, valves, fire hydrants, service reconections, surface restoration and other appurtenances.
11	LI175625	Franklin Park	18,312	6/30/2020	1,470,644.30	428,639.01	The loan will fund the installation of approximately 40 lineal feet of 6-inch diameter watermain, approximately 5,330 lineal feet of 8-inch diameter watermain, valves, fire hydrants, service reconections, surface restoration and other appurtenances.
12	LI175613	Freeport	24,476	6/30/2020	2,191,644.00	2,191,644.00	PRINCIPAL FORGIVENESS - "WIFTA" Lead Service Line Replacement Principal Forgiveness - See Page 7 of Annual Report Replacement of approximately 258 lead service lines throughout the City of Freeport.
13	LI171946	Galena	3,261	5/21/2020	1,579,136.71	800,000.00	The City of Galena will install approximately 20 lineal feet (LF) of 4-inch, 950 LF of 6-inch, 500 LF of 8-inch and 2,600 LF of 10-inch polyvinyl chloride (PVC) water main. This project also includes replacement of water service lines, valves, fire hydrants and all necessary site restoration.

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14 LI75672	Gatesburg	30,432	2/19/2020	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	PRINCIPAL FORGIVENESS - LEAD SERVICE LINE REPLACEMENT PRINCIPAL FORGIVENESS The project consists of the replacement of approximately 500 lead water service lines within the City of Galesburg. This is the 4th and final phase of the approved project plan.
15 LI75670	Garrett	161	5/21/2020	155,000.00	93,000.00					The project entails the rehabilitation of the Village's 25,000-gallon elevated water tower. Specific activities include stripping and repainting the tank's interior; spot cleaning; rehabilitating and over-coating the exterior; and replacing associated appurtenances.
16 LI75598	Genoa	5,196	3/5/2020	1,459,129.70	800,000.00					The project consists of improvements to water supply well No. 4, and water main replacements and extension. The well No. 4 improvements include: installing 950 gpm submersible pumping equipment; flow meter; valves and fittings; testing; and installing an emergency electrical generator. The water main replacement and extension includes: construction of approximately 605 feet of 6-inch, 2,600 feet of 8-inch, and 150 feet of 10-inch diameter water main; valves, vaults and fittings; 20 water service replacements; replacement of sanitary and storm sewers; fire hydrants; and construction site restoration.
17 LI73018	Greenfield	1,020	9/23/2019	2,587,080.00	800,000.00					Modify the existing water treatment plant by installing a new mixer in the rapid mix basin; a new mixer and support bridge in the flocculation basin; four new filters; new sodium permanganate, aluminum sulfate, ammonia sulfate, lime, carbon, chlorine, fluoride, and Mix chemical feed equipment; piping; controls and necessary appurtenances to make project complete and operational.
18 LI75703	Hardin County Water District No. 1	871	6/11/2020	316,026.08	189,615.65					Installation of approximately 2,000 linear feet of 4-inch diameter water main; 10,200 linear feet of 6-inch diameter water main; hydrants, valves and restoration to make project complete and operational (Phase I)
19 LI75577	Harrisburg	8,664	5/14/2020	2,514,577.49	800,000.00					The project consists of the installation of approximately 18,960 linear feet of 6-inch diameter watermain, approximately 7,180 linear feet of 8-inch diameter watermain, approximately 4,320 linear feet of 12-inch diameter watermain, and other miscellaneous appurtenances.
20 LI75605	Harrisstown	1,332	6/24/2020	2,129,000.00	800,000.00					Construct a 200,000-gallon elevated water storage tank with a chlorine feed system to replace the ground water storage tank. Install a chlorine feed system in the existing 100,000-gallon elevated storage tank and repaint that tank. Construct a booster pump station for the emergency interconnect with the Decatur water system.

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21	LI73518	Hoffman Estates	52,138	1/27/2020	700,000.00	0.00	The proposed project consists of painting and minor improvements to the 400,000-gallon capacity water storage tank T-2 and the 250,000-gallon capacity water storage tank T-4, including: installing safety railing and rigging couplings, fall prevention, roof vents, screened overflow pipe flap gates, sediment removal valves, and other miscellaneous repairs.
22	LI75430	Joliet	147,861	3/24/2020	8,008,420.15	0.00	PRINCIPAL FORGIVENESS - "WIFIA" Lead Service Line Replacement Principal Forgiveness - Sec Page 7 of Annual Report This loan will fund year four, of the five-year drinking water distribution system rehabilitation program. The program will rehabilitate approximately 1% of the system each year. The 2020 work on the drinking water distribution systems in the Raynor Park & Ridgewood areas includes the replacement of approximately 26,500 linear feet (LF) of various size water main. An estimated 700 water service connections, along with 16,700 LF of copper service lines of various sizes will also be replaced. Along Mills Road, 2,750 LF of 12" water main will be lined. Associated site grading, paving, roadway and parkway restoration is also included in the scope of work.
23	LI75742	Joliet	147,861	6/30/2020	937,773.52	937,773.52	With receipt of this loan, the City of Joliet will begin replacing lead service lines within their community. Work will begin in the Downtown area and extend approximately two miles West of the Des Plaines River. This project will help alleviate some lead exposure in the community. Subsequent loans will fund lead service line replacement years two thru five.
24	LI74636	Liberty-Ledford Water District		6/30/2020	1,019,244.50	611,546.70	This loan covers the installation of approximately 480 linear feet (LF) of 4-inch and 21,000 LF of 8-inch diameter water mains, 450 water meters, and other appurtenances.
25	LI74582	Lockport	25,175	10/11/2019	3,967,300.00	0.00	Construct a 1,000 gallon per minute (gpm) ion exchange water treatment plant which includes installation of: three 412.5 gpm ion-exchange vessels, brine regeneration system, gas chlorination system with two chlorinators, scale, venting system, scrubber, piping and controls. Install approximately 757 linear feet of 12-inch diameter water main, 72 linear feet of 8-inch diameter water main, and 80 linear feet of 6-inch diameter water main. Project also includes a standby diesel generator and all related appurtenances.

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26	LI175617	Loveington	1,108	5/28/2020	650,000.00	390,000.00	The proposed project consists of water meter replacement throughout the Village, replacement of media within filters and softeners at the water treatment plant, replacing valves within the water treatment plant, install approximately 3,600 feet of water main, and site restoration. An IEPA construction permit is required for water main extension/replacement. IEPA Permit Number 0245-FY2020.
27	LI173222	Marion	17,620	11/21/2019	889,863.25	439,154.00	The proposed project includes: construction of 6,350 linear feet of 6-inch diameter water main and tank control valve and vault, replacement of a high service pump and high service pump building, installation of variable frequency controls, a new SCADA system and a back up emergency generator. This project will also include all related appurtenances and restoration to make the project complete and operational.
28	LI173223	Marion	17,620	11/7/2019	601,410.00	360,846.00	Repair, repainting, and containment of the 500,000-gallon elevated water storage tank located at the water treatment plant on North Madison Street and all related appurtenances.
29	LI175731	Merrionette Park	1,865	6/29/2020	1,121,114.65	1,121,114.65	PRINCIPAL FORGIVENESS - LEAD SERVICE LINE REPLACEMENT PRINCIPAL FORGIVENESS The project includes the replacement of 125 Lead Service Lines within the Village.
30	LI175580	Montgomery	19,489	10/4/2019	1,000,000.00	1,000,000.00	PRINCIPAL FORGIVENESS - LEAD SERVICE LINE REPLACEMENT PRINCIPAL FORGIVENESS The Village of Montgomery intends to replace lead service lines throughout the community. They will replace approximately 105 lead service lines within the Marviway Manor subdivision. This project may help to alleviate some lead exposure in the community.
31	LI172256	Mound Public Water District		4/14/2020	1,287,350.28	772,410.17	Construction of approximately 14,336 linear feet of 4-inch diameter and 2,073 linear feet of 6-inch diameter water mains. This project also includes replacement of the existing softener with a new same size softener, face piping, all plant piping downstream from the high service pumps, a new brine line and all related appurtenances and restoration to make the project complete and operational.
32	LI175503	New Lenox	25,800	2/4/2020	4,425,867.17	0.00	Construction of approximately 6,901 linear feet of 12-inch diameter water main, 463 linear feet of 8-inch diameter water main, 295 linear feet of 6-inch diameter water main, and 70 linear feet of 4-inch diameter water main and all related appurtenances to make project complete and operational.

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33	LI75671	Oregon	3,580	6/11/2020	1,288,539.67	773,123.80	This loan will fund Phase 3 of a system wide water main replacement and looping program. Proceeds from this loan will fund the installation of approximately 3,609 feet of 4-inch, 6-inch, 8-inch, and 12-inch water mains. Site restoration activities in addition to 9 hydrants and 19 gate valves are also included.
34	LI73448	Palmer	222	10/23/2019	828,279.88	496,967.93	Install approximately 276 linear feet of 6-inch diameter and 6 linear feet of 4-inch diameter water main. At the water treatment plant install two 28 gallon per minute horizontal pressure filters with piping and controls. The project will also include installation of a sodium hypochlorite feed system with two chemical feed pumps and a fluoridation system consisting of a chemical feed pump, scales, piping, controls and appurtenances. In addition, the project will include rehabilitation of the elevated water tower which will include safety upgrades for safe access for maintenance purposes and cleaning, prep, and painting the interior and exterior of the water tower to include the logo.
35	LI75140	Pontoon Beach Water District	5,672	6/30/2020	1,223,319.96	733,991.98	Install approximately 56 feet of 6-inch and 14,181 feet of 8-inch diameter water mains.
36	LI75687	Rockford	146,526	6/25/2020	2,000,000.00	2,000,000.00	PRINCIPAL FORGIVENESS - LEAD SERVICE LINE The project consists of the replacement of 480 lead service lines with the community.
37	LI75606	Sheffield	892	6/25/2020	479,551.78	294,930.77	The project consists of replacing water meters throughout the Village and elevated water tower rehabilitation. The tower rehabilitation activities consist of the installation of OSHA compliant railing, a screened flap gate, roof latches, roof vent, interior ladder, mud valve, and recoating of the interior and exterior of the tower.
38	LI75711	Springfield	116,565	5/14/2020	888,255.50	888,255.50	PRINCIPAL FORGIVENESS - LEAD SERVICE LINE REPLACEMENT PRINCIPAL FORGIVENESS With receipt of this loan, the City of Springfield will be replacing approximately 150 lead service lines within the City. This project may help to alleviate some lead exposure in the community. This is phase one of a multi-phased project.
39	LI75604	St. Libory	596	6/30/2020	611,857.00	367,114.20	Proceeds from this loan will fund the rehabilitation of the Village drinking water storage tank and ancillary systems. The elevated water tank is in disrepair and was last repainted in 1997. The center riser pipe is corroded and leaking. The telemetry system is 19 years old and unreliable.

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40	LI174418	Stonington	890	3/27/2020	1,356,782.35	800,000.00	Installation of two pressure filters; an ion exchange unit; a new SCADA system; a hydrofluosilicic acid feed system and approximately 110 linear feet of 8-inch diameter yard piping at the water treatment plant. This project will also include approximately 1,740 linear feet of 6-inch diameter water main along Maple and Main Streets and all related appurtenances and restoration.
41	LI175586	Summit	11,389	6/30/2020	1,183,516.35	710,109.81	The removal and replacement of approximately 2,539 existing residential and commercial drinking water meters throughout the Village of Summit drinking water service area.
42	LI175496	Western Springs	13,369	2/21/2020	1,011,120.67	0.00	The project entails upgrades/improvements to the Village's drinking water system, the installation of pumping equipment for Water Supply Well #5 and the construction of an electrical building for Well #5 with related appurtenances.
43	LI175565	Western Springs	13,369	6/30/2020	460,744.92	0.00	The project consists of the installation of approximately 1,600 linear feet of 8-inch diameter water main from Clausen Avenue - Hillgrove Avenue to 41st Street.
44	LI175590	Wheatling	38,079	6/25/2020	2,000,000.00	1,000,000.00	PRINCIPAL FORGIVENESS - LEAD SERVICE LINE REPLACEMENT PRINCIPAL FORGIVENESS The project consists of the replacement of 105 lead service lines within the Village.
45	LI175447	Wonder Lake	3,929	10/11/2019	5,827,000.00	0.00	The project consists of improvements to the east side water system consisting of a new water treatment plant (WTP), 500,000-gallon ground storage tank, pump station with 3 pumps, chemical feed equipment, standby generator, and approximately 6,100 feet of 12-inch diameter transmission water main and other appurtenances. The new WTP will include iron removal equipment, high service pumps, hydropneumatic tank, piping, controls, electrical, HVAC, treatment building, backwash tank, chemical feed systems, chlorination, emergency generator, fire pump, and other appurtenances.

Principal Forgiveness

Total Amount of (45) Loan Agreements \$ 173,582,476.37 \$ 26,042,685.48

Principal Forgiveness is "Disadvantaged Community Principal Forgiveness" unless noted as Lead Service Line Replacement Principal Forgiveness as noted above.

LI175606 (Sheffield) amended 7/30/2020 to increase loan to \$488,888.88. Loan increase booked in FY2021, final total principal forgiveness of \$294,930.77 applied to 2019 cap grant requirements

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Loan Amendments 7/1/2019 through 6/30/2020

Project Number	Party	Population	Agreement Date	Agreement Amount	Forgiveness Amount	Description
1	Brookfield - North Riverside Water Commission		10/21/2019	-499,964.01	0.00	The project entails the installation of approximately 11,500 feet of 36-inch watermain, 108 feet of 24-inch watermain, 62 feet of 20-inch watermain, 15 feet of 12-inch watermain, and 770 feet of 8-inch watermain, as well as a master vault for two meters and related appurtenances.
2	Buckley	561	1/8/2020	-8,457.25	0.00	This project includes high-pressure power washing and recoating the interior and exterior of the existing 50,000-gallon water tower, repainting the vent, ladders and overflow box; replacing the cathodic protection system and safety upgrades.
3	Butler	175	2/3/2020	-19,937.13	0.00	The project consists of the installation of approximately 1,200 feet of 4-inch diameter water mains, approximately 8,500 feet of 6-inch diameter water mains, 71 water meters and other related appurtenances.
4	Cambridge	2,113	10/8/2019	68,146.06	0.00	Construction of a new building and three pressure filters along with a gas chlorine, blended phosphate, and HMO feed system to reduce radium levels within the Cambridge Public Water Supply System. Addition of a new standby generator and controls for the new Tonka HMO Filtration system.
5	Carlyle	3,224	9/5/2019	229,428.21	0.00	The project consists of the installation of approximately 564 feet of 4-inch diameter water main, approximately 968 feet of 6-inch diameter water main, approximately 7,970 feet of 8-inch diameter water main, and other appurtenances to replace existing water mains and connection services that are failing and/or undersized along Old Route US 50 and Old State Road.
6	Central Lake County Joint Action Water Agency		3/26/2020	-531,655.10	0.00	Installation of approximately 16,000 linear feet of 20-inch diameter water main, 900 linear feet of 12-inch diameter water main and all related appurtenances and restoration.
7	Central Lake County Joint Action Water Agency		5/6/2020	-41,397.32	0.00	Installation of 10,300 linear feet of 24-inch diameter water transmission main to connect Central Lake County JAWA with the Villages of Wauconda and Volo.
8	Central Lake County Joint Action Water Agency		5/6/2020	-318,704.04	0.00	Installation of 15,200 linear feet of 24-inch diameter transmission main to connect Central Lake County Joint Action Water Agency with the Villages of Volo and Wauconda.
9	Central Lake County Joint Action Water Agency		5/6/2020	-66,857.77	0.00	Installation of 60 linear feet of 24-inch diameter transmission main and 10,000 linear feet of 16-inch diameter water transmission main to connect Central Lake County Joint Action Water Agency with the Villages of Volo and Wauconda.

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10	LI175551	Central Lake County Joint Action Water Agency	1/2/2020	-47,063.31	0.00	Construction of three master meter stations for the Villages of Wauconda, Volo, and Round Lake. Each station will consist of a meter, valves, controls and all related appurtenances. This project will also include the installation of approximately 400 linear feet of 16-inch diameter water main to connect Central Lake County Joint Action Water Agency with the Villages of Volo and Wauconda. The master meter station for the Village of Round Lake is being constructed as a redundant meter station.
11	LI174407	Crestwood	6/30/2020	1,512,531.44	0.00	The activities associated with this loan consist of the installation of approximately 9,140 linear feet of 6-inch diameter water main, 7,378 linear feet of 8-inch diameter water main, and 892 linear feet of 10-inch diameter water main. Additionally, approximately 41 fire hydrants will be replaced. This work is the first of three phases of the Village's water main replacement project
12	LI175318	Crete	8/1/2019	0.00	1,500,000.00	The project entails improvements at the Village's five drinking water wells. This work includes the installation of iron removal treatment consisting of reaction basins; pressure filters; piping; controls; and miscellaneous necessary appurtenances.
13	LI175473	DeKalb	9/19/2019	-208,325.45	0.00	The project consists of the installation of approximately 132 linear feet of 6-inch diameter watermain, approximately 3,973 linear feet of 8-inch diameter watermain, and other related appurtenances.
14	LI175466	Dowell	2/3/2020	-4,922.47	0.00	The project involves the installation of approximately 7,100 linear feet of 4-inch water main and 2,400 linear feet of 6-inch water main in 7 different locations to replace existing water mains that are undersized and to loop existing water mains to eliminate dead ends. The Village will also replace approximately 450 water meters to ensure compatibility with the new system.
15	LI175602	Ellis Grove	6/4/2020	-3,642.59	0.00	The project includes the construction of approximately 2,1,000 feet of 4-inch PVC water main, as well as all the necessary appurtenances.
16	LI175272	German Valley	1/13/2020	-203,767.77	0.00	The project consists of the construction of two new potable water wells (Nos. 4 and 5), new well houses and treatment, water distribution system improvements including meter replacement, elevated water storage tank repainting, and distribution control system upgrades.

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17	LI75124	Jacksonville	19,103	1/6/2020	-1,113,544.19	0.00	The project consists of a new 9.0 MGD water treatment plant complete with intake, lake water pumping station, two rapid mix basins, three flocculation basins, three sedimentation basins, a recarbonation basin, eight new filters, a 1,000,000 gallon clearwell, pumps, mechanical feed equipment, lagoons, emergency generator, piping, controls, and all the necessary appurtenances to make the project complete and operational.
18	LI75428	Joliet	147,861	10/4/2019	-731,834.73	0.00	This loan will fund the City of Joliet's 2018 Water Main Improvements project. This project will increase water main capacity, decrease water main breaks, and improve fire flows. The Jefferson Street/Essington Road project includes the rehabilitation of approximately 2,800 lineal feet of water main with cured-in-place pipe liner (CIPP) and the replacement of 260 lineal feet of water main. In the Marycrest neighborhood, approximately 10,100 lineal feet of 6-inch water main will be replaced with 8- to 10-inch water main. In addition, 191 water services will be replaced and 30 new fire hydrants will be installed. In the Raynor Park neighborhood, approximately 6,300 lineal feet of 6-inch water main will be replaced with 8- to 10-inch water main. 117 water services will be replaced and 18 fire hydrants will be installed. The Scriber Avenue project includes the replacement of approximately 1,600 lineal feet of 4- and 6-inch water main with 6- and 8-inch water main. In addition, 38 water services will be replaced and 6 fire hydrants will be installed.
19	LI75486	Lombard	43,797	10/21/2019	-325,330.32	0.00	This loan will fund the installation of approximately 10,800 residential water meters and convert those meter accounts to automated meter infrastructure (AMI) technology. The scope of work includes, but is not limited to, providing and installing new water meters, registers, transmitting modules, receiver base stations, upgraded accounting software, and network transceivers/repeaters. This is the final component of a completely operational fixed network radio frequency automatic meter reading system in the Village of Lombard.
20	LI75513	Morton Grove-Niles Water Commission		1/23/2020	3,000,000.00	0.00	This loan will fund the construction of approximately 48,000 linear feet of new water transmission main (16-30 inch diameter); two pump stations; one 7-million gallon standpipe; and the rehabilitation of approximately 14,000 feet of 20-inch water main. The work will allow the City of Evanston to supply the Villages of Morton Grove and Niles with drinking water.
21	LI75584	Mount Vernon	15,087	6/4/2020	-3,347.00	0.00	Repair and modify existing Opdyke Elevated Tank to include new ladders, hatches, vent, railing, and necessary appurtenances.

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22	L175467	Now Lenox	25,800	9/18/2019	-785,837.91	0.00	Installation of approximately 11,361 linear feet of 12-inch diameter water main, 1,458 linear feet of 8-inch diameter water main, 470 linear feet of 6-inch diameter water main, and approximately 20 linear feet of 4-inch diameter water main to increase reliability of the water mains located along Cedar Road.
23	L175080	Oak Lawn	56,781	6/4/2020	1,107,819.20	0.00	<p>This project is the second of several upgrade and improvement projects to the Oak Lawn Regional Water System. Specifically, this project labeled "Modifications at Reich and Harker Complexes and Points of Delivery" includes the following improvements at the Reich Complex:</p> <p>Construction of a new Southern Pressure Zone Pumping Station with pumps, meters, surge tank, chlorine feed system, piping, controls, and a hydroelectric turbine, standby power generator, surge protection system, repairs to the concrete and joints of reservoirs and wet wells, chlorine gas scrubber, reservoir interconnections and modifications, groundwater dewatering system, roof replacement of the Northern Pressure Zone Pumping Station, security and surveillance systems, fencing, piping, sitework and restoration.</p> <p>The Harker Complex will include improvements to security and surveillance systems.</p> <p>The project will also include system-wide improvements regarding piping and flow control at the points of delivery and a Supervisory Control and Data Acquisition (SCADA) system.</p>
24	L175426	Rochele	9,103	8/23/2019	-75,189.15	0.00	The project consists of the construction of a new 1,300 gallon per minute radium removal water treatment plant for water supply well number 11; raising the top of well number 11's casing by two feet, to be above the 100-year flood level; installation of an emergency electrical generator; and construction site restoration.
25	L175458	Stillman Valley	1,072	1/14/2020	-17,599.24	0.00	The project consists of the installation of approximately 2,033 feet of 8-inch diameter watermain, approximately 159 feet of 6-inch diameter watermain, approximately 41 feet of 4-inch diameter watermain, service connections, surface restoration, and other appurtenances on Grant Street from Stillman Road to the east of Walnut Street.

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26	LI75438	Stoekton	1,792	6/4/2020	79,471.23	0.00	Install approximately 2,655 linear feet of 8-inch diameter water main, 415 linear feet of 6-inch diameter water main, and 140 linear feet of 4-inch diameter water main to improve distribution system. Install back-up generator at Well #4 and Well #6.
27	LI71586	Vergennes	298	11/13/2019	-1,942.38	0.00	The project consists of water distribution improvements which includes: replacing approximately 4,400 linear feet of undersized water main with 4-inch polyvinyl chloride (PVC) water main and approximately 700 linear feet of water service lines; replacing valves, water service connections, 3 fire hydrants, and 10 water meters. This project also consists of providing granular backfill, traffic control, and construction site restoration.
28	LI75455	Willisville	608	9/18/2019	-100,838.00	0.00	The project entails the construction of 5,505 feet of 4-inch water main and 4,295 feet of 6-inch water main along with new valves and fire hydrants to replace existing undersized water mains and inoperable valves and hydrants.

Total Amount of (28) Loan Amendments	\$ 877,239.01
Total Amount of (45) Loan Agreements	\$ 173,582,476.37
Net Amount of Loan Agreements and Loan Amendments	<u>\$ 174,459,715.38</u>
Total Amount of Principal Forgiveness Provided	<u>\$ 26,042,685.48</u>

Attachment B

PWSLP Financial Statements

Pages 5-9 and 15-16 from Independent Accountants' Report

Illinois Environmental Protection Agency
 Schedule of Net Position - Drinking Water
 June 30, 2020

Assets and Deferred Outflows of Resources

Cash & Cash Equivalents	
Cash - State Treasurer - Fund 270	\$ 63,371,424.01
Cash & Equivalents - Trustee	1,098,060.94
Cash & Equivalents - Trustee - Restricted	92,317,207.27
Receivables	
Loans Receivable	1,412,517,354.83
Interest Receivable	4,238,299.29
Loan Support Receivable	2,629,450.22
Other	
Investments - Restricted	88,193,873.87
	<hr/>
Total Assets	1,664,365,670.43
	<hr/>
Deferred Outflows of Resources - Deferred Amount on Bond Refunding	29,161.77
	<hr/>
Total Assets and Deferred Outflows of Resources	\$ 1,664,394,832.20

Liabilities, Deferred Inflows of Resources and Net Position

Bonds Payable	
Bonds Payable - Current	\$ 35,337,962.50
Bonds Payable - Non Current	574,874,740.00
Unamortized Bond Premiums (Discounts) - Current	12,498,615.74
Unamortized Bond Premiums (Discounts) - Non Current	80,637,404.84
Interest Payable on Bonds	14,897,422.01
	<hr/>
Total Liabilities	718,246,145.09
	<hr/>
Deferred Inflows of Resources - Deferred Amount on Bond Refunding	-
	<hr/>
Total Liabilities and Deferred Inflows of Resources	718,246,145.09
	<hr/>
Net Position	
Restricted:	
USEPA Capitalization Grants	636,250,191.08
USEPA Capitalization Grants - ARRA	39,579,569.00
Loan Program Equity from Loan Support	5,700,000.00
State Match	163,963,099.94
Debt Service	88,720,606.18
Unrestricted	11,935,220.91
	<hr/>
Total Net Position	946,148,687.11
	<hr/>
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,664,394,832.20

Illinois Environmental Protection Agency
Income and Expense Schedule - Drinking Water
Period Ended June 30, 2020

	<u>Current Month</u>	<u>Fiscal Year-to-Date</u>
Operating Revenues		
Miscellaneous Revenue - DW	\$ (0.03)	\$ -
Total Interest Earned	1,114,184.09	13,640,679.24
Loan Support Billed	980,349.37	11,149,091.33
Total Operating Revenues	2,094,533.43	24,789,770.57
Operating Expenses		
Administrative Expense - Payroll	102,786.91	1,322,605.13
Administrative Expense - Miscellaneous	62,590.98	312,877.42
Loan Support Expense - Payroll	163,249.53	2,005,198.89
Loan Support Expense - Miscellaneous	31,505.35	784,871.42
System Set-A-Side	-	26,690.62
Tech Assistance for Small Systems	-	106,762.50
Principal Forgiveness	259,210.51	27,613,019.79
Total Operating Expenses	619,343.28	32,172,025.77
Total Operating Income (Loss)	1,475,190.15	(7,382,255.20)
Non-Operating Revenues		
Interest on Cash - State Treasury	58,686.45	844,719.27
Interest on Trustee Funds	165,123.65	3,991,079.01
In-Kind Grant Income	-	11,184.67
Gain(Loss) on Investment Sales	(14,226.28)	520,923.31
Drawdowns - Loans	-	39,730,360.00
Drawdowns - Administrative	165,176.00	1,874,775.00
Drawdowns - Source Water Assessment	-	82,281.00
Drawdowns - Wellhead Protection	-	20,571.00
Total Non-Operating Revenues	374,759.82	47,075,893.26
Non Operating Expenses		
Bond Interest Expense	-	23,206,399.75
Trustee Expense	2,500.00	91,826.58
Investment Fee	-	123,501.07
Arbitrage Expense - DW	-	17,000.00
Bond Issuance Costs	-	50,707.42
Total Non-Operating Expenses	2,500.00	23,489,434.82
Total Non-Operating Income (Loss)	372,259.82	23,586,458.44
Net Income (Loss)	1,847,449.97	16,204,203.24
Transfer Between Loan Programs	-	5,000,000.00
Net Position, Beginning of Period	944,301,237.14	924,944,483.87
Net Position, End of Period	\$ 946,148,687.11	\$ 946,148,687.11

Illinois Environmental Protection Agency
Cash Flow Schedule - Drinking Water
Fiscal Year-to-Date for Period Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Receipts from Interest on Program Loans	\$ 10,937,518.83
Cash Receipts from Loan Support on Program Loans	10,937,402.95
Cash Payments for Miscellaneous Services	(1,220,017.29)
Cash Payments to Employees for Services	(3,327,804.02)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>17,327,100.47</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Administrative Grants (LOC Drawdowns for Admin)	1,977,627.00
Grants Received (LOC Drawdowns)	39,730,360.00
Transfers from WW to DW State Match	5,000,000.00
Bond Principal Payments	(26,125,992.00)
Interest Paid on Bonds	(27,389,132.20)
Other Bond Issuance Costs	(50,707.42)
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	<u>(6,857,844.62)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	(1,660,894,861.57)
Program Loans - Disbursements	(196,026,843.03)
Program Loans - Principal Repaid	80,639,590.60
Proceeds from Sale and Maturities of Investments	1,804,749,546.45
Cash Receipts from Interest on Funds with the State Treasurer	844,719.27
Interest on Investments (Trustee)	3,991,079.01
Trustee Expense	(91,826.58)
Investment Fee	(123,501.07)
Arbitrage Payments	(17,000.00)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>33,070,903.08</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	43,540,158.93
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CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>113,246,533.29</u>
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CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 156,786,692.22</u>
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RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Income(Loss) from Operations	\$ (7,382,255.20)
Adjustments to Reconcile Income from Operations to Net Cash Provided by Operating Activities:	
Principal Forgiveness	27,613,019.79
In Kind Grant Income	11,184.67
(Increase) Decrease in Assets:	
(Increase) Decrease in Loans Receivable	(2,381,346.34)
(Increase) Decrease in Interest Receivable	(533,502.45)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 17,327,100.47</u>

Illinois Environmental Protection Agency
Line of Credit, State Match and Bond Premium Activity - Drinking Water
Period Ended June 30, 2020

Total Federal LOC	\$ 777,494,900.00
Less:	
Drawdowns - Loans	742,118,009.01
Drawdowns - Administrative	29,353,896.56
Drawdowns - SWA & Wellhead Protection	4,043,362.00
Total Remaining LOC	<u>\$ 1,979,632.43</u>
Total Federal LOC - ARRA Loans	\$ 79,538,000.00
Less:	
Drawdowns - Loans - ARRA Loans	79,538,000.00
Total Remaining LOC - ARRA Loans	<u>\$ -</u>
Total State LOC	\$ 155,498,980.00
Less:	
Deposits	111,432,341.16
Transfers from Loan Support to State Match	35,767,558.78
Bond Proceed Deposits	16,763,200.00
Total Remaining State LOC	<u>\$ (8,464,119.94)</u>
Balance placed in State Match Trust account	\$ 20,308,800.00
Less:	
Transfers to Treasury	20,308,800.00
Balance available for transfer to the treasury in the trustee state match account	<u>\$ -</u>
2013 Bond Sale	\$ 50,606,679.50
Plus:	
Premium	6,033,020.58
Total Proceeds	<u>\$ 56,639,700.08</u>
2016 Bond Sale	\$ 202,500,000.00
Plus:	
Premium	37,264,853.30
Total Proceeds	<u>\$ 239,764,853.30</u>
2017 Bond Sale	\$ 211,975,000.00
Plus:	
Premium	39,206,894.15
Total Proceeds	<u>\$ 251,181,894.15</u>
2019 Bond Sale	\$ 234,620,000.00
Plus:	
Premium	44,790,427.85
Total Proceeds	<u>\$ 279,410,427.85</u>

Illinois Environmental Protection Agency
 Status Report - Drinking Water
 June 30, 2020

	Fiscal Year-To-Date	Inception to Date
LOAN AWARDS:		
Total Loans Offered	\$ 141,740,179.20	\$ 2,372,633,094.20
Less: Disbursements (Loans)	195,026,843.03	2,136,288,042.57
Balance of Loans Outstanding	<u>\$ (54,286,663.83)</u>	<u>\$ 236,345,051.63</u>
DWLP STATUS:		
State Match Deposits	\$ -	\$ 111,432,341.00
Transfers of Loan Support to State Match	-	17,908,959.00
Transfers of WW Loan Support to State Match	-	17,858,600.00
Bond Sale	-	929,483,086.00
Letter of Credit Drawdowns - To Replace Fund Equity (Reserve)-2002	-	24,898,271.00
Letter of Credit Drawdowns - To Replace Fund Equity (Reserve)-2004	-	24,863,659.00
Letter of Credit Drawdowns - Loans	39,730,360.00	689,785,511.00
Letter of Credit Drawdowns - Private Loans	-	2,570,566.00
Letter of Credit Drawdowns - Adm. Costs	1,874,775.00	28,630,769.00
Letter of Credit Drawdowns - 15% Set-A-Side	20,571.00	3,920,785.00
Letter of Credit Drawdowns - 2% Set-A-Side	82,261.00	235,342.00
Drawdowns - Stimulus Loans	-	79,538,000.00
Interest on Cash - State-Treasurer (2)	844,719.27	18,678,844.79
Interest on Unpledged Repayments - Trustee	-	94,878.54
Interest on Trustee Funds at Debt Service Pay Dates - 2002 Bond Sale	-	9,012,612.80
Interest on Trustee Funds at Debt Service Pay Dates - 2004 Bond Sale	-	8,941,779.06
Interest on Trustee Funds at Debt Service Pay Dates - 2013 Bond Sale	3,991,079.01	8,852,554.01
Interest on Arbitrage Investments	-	106.00
In-Kind Grant Income	11,184.87	1,118,456.51
AIG Termination Fee	-	1,093,033.00
Miscellaneous Receipts	-	4,397.89
Repayments (Principal)	80,639,590.60	597,763,875.60
Repayments (Interest)	10,937,518.83	97,268,082.83
Repayments (Loan Support)	10,937,402.95	84,004,478.95
Sales of Investments	1,804,749,546.45	5,115,570,589.45
Due to WW	-	285,408.00
Duplicate Loan Repayments Due to Local Governments	-	26,900.64
Transfer of WW Loan Program funds to DW Loan Program	5,000,000.00	61,750,000.00
Gain on Sales of Investments (Return of Income) - 2004	-	673,953.00
Gain on Sales of Investments (Return of Income) - 2002	-	351,301.00
Reserve - Depledge for Series 2004 Bonds	-	25,000,000.00
Reserve - Depledge for Series 2002 Bonds	-	25,000,000.00
TOTAL CASH RECEIPTS	<u>1,958,819,028.78</u>	<u>7,986,617,143.07</u>
Less: Disbursements to Borrowers	196,026,843.03	2,136,288,041.03
Disbursements for Reserve - 2002 - Borrowed from WW	-	20,000,000.00
Disbursements - Reserve-2002	-	5,000,000.00
Disbursements - Reserve-2004	-	25,000,000.00
Disbursements - Adm. Expense	1,635,482.55	28,404,132.55
Disbursements - Source Water Prot. Areas	-	2,914,932.00
Disbursements - Wellhead Protection	-	947,873.00
Disbursements - Loan Support	2,790,070.31	43,416,211.31
Disbursements - Compliance Grants	-	1,898,117.00
System Set-A-Side	26,690.62	67,713.62
Tech Assistance for Small Systems	108,762.50	252,172.50
Transfers of Loan Support to State Match	-	17,908,959.00
Transfer of State Match from Trustee Accounts	-	41,527,141.00
Trustee Annual Fee - 2013 Bond Sale	91,826.58	218,674.58
Trustee Annual Fee - 2002 Bond Sale	-	65,063.00
Trustee Annual Fee - 2004 Bond Sale	-	31,875.00
IFA Management Fee	-	402,500.00
Investment Fee	123,501.07	300,057.07
Arbitrage Expense - 2002/2004 Bond Sale	17,000.00	1,591,002.00
Arbitrage Calculation Cost	-	5,800.00
Mandatory Transfer Out	-	521.00
Debt Service Payments on Bonds - 2002	-	56,036,190.00
Debt Service Payments on Bonds - 2004	-	45,505,833.00
Debt Service Payments on Bonds - 2013	53,515,124.20	159,679,646.20
Payments to Trustee for Future Bond Debt Service Maturities - 2002	-	14,217,573.00
Payments to Trustee for Future Bond Debt Service Maturities - 2004	-	23,485,002.00
Purchases of Investments	1,660,894,861.57	5,203,068,841.57
Bond Issuance Costs	50,707.42	1,496,579.42
TOTAL CASH DISBURSEMENTS	<u>1,915,278,869.85</u>	<u>7,829,830,450.85</u>
NET CHANGE IN CASH BALANCE	<u>\$ 43,540,158.93</u>	<u>\$ 156,786,692.22</u>

Illinois Environmental Protection Agency
 Schedule of Assets and Liabilities - Loan Support
 June 30, 2020

	Drinking Water	Waste Water	Combined
Assets			
Cash & Receivables			
Cash - Loan Support	\$ 15,069,108.80	\$ 29,599,657.23	\$ 44,668,766.03
Loan Support Receivable	2,629,450.22	8,399,651.63	11,029,101.85
Total Assets	<u>\$ 17,698,559.02</u>	<u>\$ 37,999,308.86</u>	<u>\$ 55,697,867.88</u>
Net Position			
Loan Support Net Position	<u>\$ 17,698,559.02</u>	<u>\$ 37,999,308.86</u>	<u>\$ 55,697,867.88</u>
Total Net Position	<u>\$ 17,698,559.02</u>	<u>\$ 37,999,308.86</u>	<u>\$ 55,697,867.88</u>

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Illinois Environmental Protection Agency
 Schedule of Income and Expense - Loan Support
 Period Ended June 30, 2020

	Drinking Water		Waste Water		Combined	
	Fiscal Year-To-Date	Inception to Date	Fiscal Year-To-Date	Inception to Date	Fiscal Year-To-Date	Inception to Date
Operating Revenues						
Loan Support Billed	\$ 11,149,091.33	\$ 86,622,733.33	\$ 26,705,040.08	\$ 342,921,990.08	\$ 37,854,131.41	\$ 429,544,723.41
Total Operating Revenues	11,149,091.33	86,622,733.33	26,705,040.08	342,921,990.08	37,854,131.41	429,544,723.41
Operating Expenses						
Loan Support Expense - Payroll & Miscellaneous	2,790,070.31	43,417,098.31	10,834,042.43	192,098,764.43	13,624,112.74	235,515,862.74
Compliance Grants	-	1,898,117.00	65,570.79	19,773,310.79	65,570.79	21,671,427.79
Transferred Loan Support to State Match	-	17,908,959.00	-	48,288,431.80	-	66,198,360.00
Transferred WW Loan Support to DW State Match	-	-	-	17,856,600.00	-	17,856,600.00
Transfer from Loan Support to Loan Program Funds	-	5,700,000.00	-	15,000,000.00	-	20,700,000.00
Principal Forgiveness	-	-	-	11,902,575.00	-	11,902,575.00
Total Operating Expenses	2,790,070.31	68,924,174.31	10,899,613.22	304,922,681.22	13,689,683.53	373,846,855.53
Total Operating Income (Loss)	8,359,021.02	17,698,559.02	15,805,426.86	37,999,308.86	24,164,447.88	55,697,867.88
Net Position, Beginning of Period	9,339,538.00	-	22,193,882.00	-	31,533,420.00	-
Net Position, End of Period	\$ 17,698,559.02	\$ 17,698,559.02	\$ 37,999,308.86	\$ 37,999,308.86	\$ 55,697,867.88	\$ 55,697,867.88

