

COMMUNITY PROFILE

United Regional Water Cooperative Central Illinois

BY THE NUMBERS

\$12.2M

Total project cost

\$5.2M

USDA-RD grant funding

6 COMMUNITIES

in the United Regional Water Cooperative

\$100K

Bridge funding provided by WFX

1.5%

Interest rate on USDA-RD Loan

140%

Additional capacity at treatment plant for future needs



Small water utilities face unique challenges when they need to update their infrastructure. There are increasing demands for clean water to serve public health, but a small customer base and relatively fewer assets are available to pay for it. For six communities in central Illinois, those challenges led to cooperation, collaboration, and the construction of a new state-of-the-art facility to deliver clean water to more than 5,000 people with the help of Water Finance Exchange (WFX). On the banks of the Sangamon River, the communities of Harristown, Niantic, Illiopolis, Latham, Mt. Auburn, as well as EJ Water Cooperative, collectively constructed a 1.5 million gallon per day (MGD) water treatment plant that will provide long-term affordable drinking water to each community. All communities have a lower median household income compared to the state average, with an average poverty rate of 9%.

The locally-driven project started with the creation of the United Regional Water Cooperative (URWC) made up of the six communities. In 2020, URWC closed on a loan with the U.S. Department of Agriculture Rural Development (USDA-RD) for the \$12.2 million project, including a 45% grant and a 1.5% interest on a fixed rate for 40 years. However, after URWC secured the loan, the project encountered regulatory and financial hurdles.

Although the plant would be a replica of a plant that EJ Water had been operating for more than five years, the Illinois Environmental Protection Agency (IEPA) wanted to ensure proper corrosion controls were in place to protect public health. On the heels of the water crisis in Flint, Michigan and, more recently in University Park, Illinois, IEPA's required appropriate corrosion control requirements to be put in place before the plant was operational.

URWC brought on WFX to work closely with the utility and state regulators to clarify and streamline those corrosion control requirements. Most importantly, WFX provided \$120,000 in pre-development funding to conduct a corrosion control study. This bridge funding allowed URWC to accelerate the project schedule, meet IEPA requirements, reduce costs, and deliver higher quality

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water to its customers. The new treatment plant broke ground in December 2020 and is now fully operational. The \$120,000 loan from WFX has been repaid in full.

The project represents a combined local and regional approach. The URWC collaborative will construct and maintain transmission lines in addition to the treatment plant, but URWC will wholesale water to each community so they can retain local ownership of their distribution systems. The plant has also been designed to be able to scale-up and manage a capacity of 12,000 people if other nearby communities decide to partner with the URWC cooperative in the future.

“We have really enjoyed working with the team at the Water Finance Exchange. Not only were they able to provide us with pre-development funds to support the consolidation of five small utilities, they helped us successfully navigate regulatory challenges associated with project approval.”

- Eric Emmerich, Treasurer United Regional Water Cooperative, Inc.



The URWC Board at the groundbreaking on Dec. 9, 2020.

For more information, contact info@waterfx.org | Visit us online at www.waterfx.org