



Pete Ricketts
Governor

STATE OF NEBRASKA

DEPARTMENT OF ENVIRONMENTAL QUALITY
Jim Macy

Director

Suite 400, The Atrium

1200 'N' Street

P.O. Box 98922

Lincoln, Nebraska 68509-8922

Phone (402) 471-2186

FAX (402) 471-2909

website: <http://deq.ne.gov>

DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM

FINDING OF NO SIGNIFICANT IMPACT

TO: All Interested Citizens, Government Agencies and Public Groups

In accordance with the Nebraska Drinking Water State Revolving Fund environmental review process, which is based on the National Environmental Policy Act, an environmental review has been performed on the proposed agency action below.

This information reviews the environmental impact likely from a project. This project is planned to be federally funded through your tax dollars; therefore, you are entitled to take part in its review. If you have concerns about the environmental impact of this project, please provide them at this time. The Nebraska Department of Environmental Quality encourages public input in this decision-making process.

PROJECT NAME: Distribution System Replacement, Interconnection with City of Gretna
Sarpy County Sanitary Improvement District (SID) No. 29 – Westridge Farms
DWSRF PROJECT NUMBER: D311606
PROPOSED DWSRF LOAN AMOUNT: \$639,394

The SID has applied for funding for the above-referenced project through the Drinking Water State Revolving Fund (DWSRF) program jointly administered by the Nebraska Department of Health and Human Services, Division of Public Health (DHHS) and the Nebraska Department of Environmental Quality (NDEQ). This project has the SID ranked as a low priority and is included on the Funding List in the DWSRF State Fiscal Year 2016 Intended Use Plan, as the project is ready to proceed. Based on supporting documentation on file with the NDEQ, the SID was determined to be eligible for a DWSRF loan.

The SID is located in eastern Nebraska, situated to the south of the City of Gretna. The district's public water system currently supplies 33 residential service connections and has been issued a permit to operate a public water system (PWS) under the provisions of the Nebraska Safe Drinking Water Act and the Regulations Governing Public Water Supply Systems, Title 179. The system last underwent a routine sanitary survey by DHHS in August of 2014, wherein two deficiencies were noted and partially corrected by the system as of October 9, 2014. This project will permanently resolve both deficiencies. That completed survey is the first step of the Technical, Financial, and Managerial (TFM) program policy. The SID will still be required to undergo an Initial, and if necessary, a Final TFM Assessment by the DHHS, to ensure that their capabilities meet the requirements of the Safe Drinking Water Act, and wherein that assessment(s) will be uploaded to the project file. As their project will interconnect their system into the City of Gretna, it will primarily be a financial assessment.

Lastly, their current Environmental Tracking Tool score is 7, below the allowable 11 per issued U.S. Environmental Protection Agency guidance.

In June 2015, a Preliminary Engineering Report was completed by the SID's Engineer. The PWS consisted of two municipal wells, five 120-gallon pressure storage tanks, and an undersized distribution system. One of their wells has failed, and upon searching for a replacement well site it was determined that established setback criteria could not be met. Rather than permanently operate as a one supply well PWS, the SID commendably opted to interconnect the system to the City of Gretna, which will ensure that the residents are provided with a supply of safe drinking water on a continuous basis. The project will replace the SID's distribution system with water mains meeting Gretna's standards, and abandoning the existing wells/system per State requirements.

The proposed project was reviewed by numerous Federal and State agencies for environmental impacts. The majority of the responses were positive in that they indicated that the project would likely have no affect or was not subject to their jurisdiction. The U.S. Fish and Wildlife Service (USFWS) raised a concern that since the proposed project is in the Platte River basin, and any project resulting in a water depletion in the basin would further or continue the deterioration of stressed habitat conditions. However, documentation shows that it is more likely that the SID's water use will decrease as a result of the project. Based on the additional information provided, the USFWS provided correspondence that the project is not subject to further review.

The SID is eligible for a 20-year loan at an interest rate of 2 percent on the estimated project costs. In addition to principal and interest payments, an administrative fee of 1 percent of the loan balance will be assessed each year. The revenues from the district's water utility will be dedicated to repay the loan. The projected annual DWSRF Debt Service (including 10% coverage) is \$49,802. The SID's future water rate for a typical residential connection is \$19.45 per month for the first 2,000 gallons, with a \$3.60 use charge for every 1,000 gallons of water furnished thereafter. That equates to a water bill of \$41.05 per month, based on a household water use of 8,000 gallons. Then based on 33 active service connections, monthly household rates would normally need to be raised \$125.76 to address the new debt service, to approximately \$167 per month. This would be a significant monthly water bill projected to be annually 2.9% of the median household income (MHI) of Sarpy County of \$69,269. Since this is over EPA's upper limit of water rate affordability of 2.5% of MHI, the DWSRF would only be able to make a loan under a general obligation pledge.

A Public Hearing was held July 8, 2015, with 35 days advanced posted notice. A presentation of the proposed project was made by the Engineer, including potential impacts to user rates. One resident inquiry upon the DWSRF loan rate, which was quoted as 3% with a 1% setup fee. It was noted that the available general obligation bonds were at 4% and the special assessment bond were at 7%, all greater than the 2% plus 1% rate noted above. A positive discussion was made upon comparing the available rates.

The proposed project is determined by DHHS to help the public water system maintain compliance with the Safe Drinking Water Act. The infrastructure investment in replacing water mains and replacing the SID's water source is in line with the stated goals of the U.S. Environmental Protection Agency's Drinking Water Infrastructure Sustainability Policy. No significant environmental impacts have been identified that would result from the proposed action. All necessary permits for construction or waste discharges will be obtained from the appropriate agencies (e.g., NDEQ, etc.), if necessary. Consequently, a preliminary decision has been made that an Environmental Impact Statement will not be prepared.

This action is taken on the basis of a careful review of the environmental assessment, the preliminary engineering report and other supporting data that are on file with NDEQ. The latter are available for public review upon request and the environmental assessment is attached. The NDEQ will not take any administrative action on the project for at least 30 calendar days from the date shown below. Persons having a comment on this determination are encouraged to submit directly to Steve McNulty at (402) 471-1006 or email steve.mcnulty@nebraska.gov of DHHS, or John Danforth at (402) 471-3373 or email john.r.danforth@nebraska.gov of the Water Division of NDEQ.

Signed this 3rd day of September, 2015.

Sincerely,



Jim Macy
Director

Attachments: Environmental Assessment
Distribution List
Map