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# STATE OF NEBRASKA

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## 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: New Water Meters and Replace Water Mains  
City of Grant, Nebraska

DWSRF PROJECT NUMBER: D311595  
TOTAL PROJECT AMOUNT: \$2,156,730  
DWSRF LOAN FORGIVENESS AMOUNT: \$431,346  
DWSRF LOAN AMOUNT: \$1,725,384

The City of Grant 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 been ranked by DHHS according to the Priority Ranking System and has been included on the Funding List for the Green Project Reserve (GPR) Water Efficiency Priority Funding List in the proposed DWSRF SFY2016 Intended Use Plan (IUP). Based on supporting documentation on file with the NDEQ and DHHS, this project was determined to be eligible for a DWSRF GPR loan and forgiveness assistance capped at 20% of project costs. The City has a permit issued by DHHS to operate a public water supply system 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 April of 2014, wherein four deficiencies were noted and corrected by the system as of May 6, 2014. That completed survey is the first step of the Technical, Financial, and Managerial (TFM) program policy. The City 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. Lastly, their current Environmental Tracking Tool score is 0, below the allowable 11 per issued U.S. Environmental Protection Agency guidance.

Grant is located in the western part of Nebraska, situated at the intersection of State Highways 23 and 61, south of Interstate Highway 80. The community has a population of 1,165

according to the 2010 census. In August 2014, a Preliminary Engineering Report was completed by the City's Engineer. The system consists of three municipal supply wells, an elevated water storage tower and distribution system.

The project will install water meters on the presently unmetered service connections, and thus is categorically eligible for funding under the Green Project Reserve. The City typically issues orders for conservation during the summer months, with meters now being installed, typically a community will see a ~30% reduction in water consumption. Without the project there would be no reduction in water consumption and Grant would be left without the means to accurately identify revenue which is needed to efficiently manage a public water system. Lastly, the infrastructure investment in replacing water mains along Sherman Avenue is in line with the stated goals of EPA's Drinking Water Infrastructure Sustainability Policy.

In addition to the water system study, the Engineer also prepared an Environmental Report. The proposed project was reviewed by Federal and State agencies for environmental impacts. No concerns were identified with the majority of the responses indicating that the project would have no effect nor subject to the agencies' regulatory authority, or unlikely to have any adverse impacts. The National Park Service raised a concern about potential project impacts to Grant City Park and Fairground's ball field. Upon review of the proposed scope, no section of that park or ball field will be converted away from public outdoor recreation use as a result of the project.

The City is eligible for a 20-year loan at an interest rate of 2 percent on 80% of the estimated project costs (i.e., 20% will be forgiven). 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 Grant's water utility will be dedicated to repay the loan. The projected annual DWSRF Debt Service (including 10% coverage) is \$124,997. Grant's current flat water rate for a residential connection is \$38.23 per month. Based on 728 service connections, monthly household rates may need to be raised \$14.31 for the projected debt repayment. Following construction, the City will make a final assessment of revenues and cost to determine what rate adjustments are necessary. An actual use rate structure will be determined and established by City Ordinance consisting of a base or demand coupled with quantity usage charges. Monthly water bills could then be determined on meter size and actual monthly water use for each service connection, varying accordingly.

A Public Hearing was held on January 27, 2015 by the City Council on the proposed project noted in the Water Preliminary Engineering Report, with 40 days advanced posted notice. The project was discussed by the Council and there were no comments received from City residents in attendance and no other input was received from the public.

The proposed project is determined by DHHS to help the City maintain compliance drinking water standards. The infrastructure investment in replacing mains is in line with the stated goals of the U.S. Environmental Protection Agency's Drinking Water Infrastructure Sustainability Policy. Meters will promote conservation, and Grant will be provided with the means to accurately identify revenue which is needed to efficiently manage a public water system. No significant environmental impacts have been identified that would result from the proposed action. All necessary permits for construction will be obtained from the appropriate agencies (e.g., NDEQ, etc.). 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 Report, the Preliminary Engineering Report, and other supporting data that are on file with the NDEQ. The latter are available for public review upon request and the Environmental Report is attached. The NDEQ will not take any administrative action 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](mailto:steve.mcnulty@nebraska.gov) of DHHS, or John Danforth at (402) 471-3373 or email [john.r.danforth@nebraska.gov](mailto:john.r.danforth@nebraska.gov) of the Water Division of the NDEQ.

Signed this 1<sup>st</sup> day of May, 2015.

Sincerely,



Jim Macy  
Director

Attachments:            Environmental Report  
                                 Distribution List  
                                 Map