

Pete Ricketts
Governor

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: Replacement Well and Water Tower, Transmission Main and Distribution System Improvements
Village of Adams, Nebraska

DWSRF PROJECT NUMBER: D311613

ESTIMATED PROJECT AMOUNT: \$3,832,316

PROPOSED DWSRF LOAN AMOUNT: \$3,066,000

PROPOSED DWSRF LOAN FORGIVENESS AMOUNT: \$766,463

The Village of Adams 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 (DHHS) and the Nebraska Department of Environmental Quality (NDEQ). This project has been ranked as a high priority project and is included on the Planning List in the DWSRF State Fiscal Year 2016 Intended Use Plan (IUP). Based on supporting documentation on file with the NDEQ, the Village was determined to be eligible for a DWSRF loan with corresponding loan forgiveness capped at 20% of project costs.

Adams is located in the eastern part of Nebraska, situated northeast of the City of Beatrice, at the intersection of State Highways 41 and 43. The community has a population of 573 according to the 2010 census, and also is the location of a regional high school. Adams has been issued permit to operate a public water system (PWS) under the provisions of the Safe Drinking Water Act and the Regulations Governing Public Water Supply Systems, Title 179.

In April 2015, the Village's Engineer completed a Water Study that evaluated the siting of a replacement well with transmission main, as well as distribution system improvements and replacing the water storage tower. The PWS consists of two municipal wells, a 50,000 gallon water storage tank and a distribution system, which is fed from blending point that originally

was an ion exchange treatment plant. The ion exchange treatment plant was primarily used to remove Nitrates from the oldest of the Village's wells; however it was built in the early 1990's, and since the most recent Well No. 2006-1 has levels of Nitrates below the drinking water standard, the IX unit of the plant is no longer used. The plant currently feeds caustic soda and fluoride, and provides disinfection for the water system. Due to the age of the plant, the study recommended the Village pursue another better quality supply well, in order for the IX plant to be formally decommissioned, and replaced with a chemical feed building. Further, the capacity of the existing tower is less than the system's average day demand. Therefore, that demand must be met through the IX plant's high service pumps; thus the recommendation for a new water tower. Lastly, there are numerous sections of the water distribution system which are undersized and in need of replacement.

The proposed project was reviewed by numerous Federal and State agencies for environmental impacts. Although two had requested additional information, it was provided by the Village's engineer, as such it can be stated that all responses received indicated that there are no known impacts. In addition, all necessary permits will be obtained prior to project construction, including but not limited to a Section 404 permit through the U.S. Army Corps of Engineers, if impacts to the Waters of the U.S. cannot be avoided during design.

The Village is eligible for a 30-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 Adams' water utility will be dedicated to repay the loan. The projected annual DWSRF Debt Service (including 10% coverage) is \$183,554. Adams' current water rate for a typical residential connection is \$21.10 per month, with an additional \$1.25 use charge for every 1,000 gallons of water furnished thereafter. That equates to a water bill of \$27.35 per month, based on a common household water use of 5,000 gallons. With 250 active service connections, household rates will need to be raised \$61.20 to address the new debt service, to just over \$88.55 per month.

A Public Hearing was held June 13, 2016, with 34 days advanced posted notice. A presentation of the proposed project was made by the Engineer, including the current progress. It was noted that all questions and concerns were addressed.

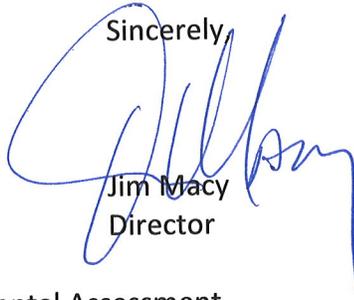
The proposed project is determined by DHHS to help the PWS maintain compliance with the Safe Drinking Water Act. The system last underwent a routine sanitary survey by DHHS in August of 2014, wherein numerous deficiencies were noted and subsequently addressed, being entered into the Safe Drinking Water Information System for the community. That completed survey is the first step of the Technical, Financial, and Managerial (TFM) program policy. The Village 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. Also, their current Environmental Tracking Tool score is 0, below the allowable 11 per issued U.S. Environmental Protection Agency guidance.

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 (i.e., Section 404, NRD, 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 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 24th day of June, 2016.

Sincerely,



Jim Macy
Director

Attachments: Environmental Assessment
Distribution List
Map