



## 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:** Transmission Main Replacement, Improvements to the Water Tower and Chemical Feed System  
City of Fairbury, Nebraska

**DWSRF PROJECT NUMBER:** D311601

**TOTAL PROJECT AMOUNT:** \$3,700,000

**PROPOSED DWSRF LOAN FORGIVENESS AMOUNT:** \$925,000

The City of Fairbury 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 as a high priority project and was included on the Funding List in the DWSRF State Fiscal Year 2019 Intended Use Plan, initially due to nitrate concerns, but subsequently to address a copper advisory. Based on supporting documentation on file with the NDEQ, the City was determined to be eligible for a DWSRF loan with corresponding loan forgiveness capped at 25% of project costs.

Fairbury is located in the southeastern part of Nebraska, at the intersection of State Highways 15 and 136. The community has a population of 3,942 according to the 2010 census, which has slightly declined over the prior decade. Fairbury has been issued a permit to operate a public water system under the provisions of the Nebraska Safe Drinking Water Act and the Regulations Governing Public Water Supply Systems, Title 179. The City's raw water supply originates from two sources. The Crystal Springs wellfield is comprised of six wells, which feed water to a cartridge filtration treatment plant, in combination with an infiltration gallery. The East wellfield has three vertical supply wells that directly feed the City's distribution system.

Over the past decade, levels of nitrates detected from both sources typically ranged from 7 to 9 milligrams/liter (mg/L), consistently below the drinking water standard of 10 mg/L. Beginning in 2013 though, numerous detections from 9 to 10 mg/L were measured through routine monitoring, with one result at 10.2 mg/L. Subsequent testing has shown levels below the standard, but even before the detected increases, Fairbury proactively hired an engineer to complete a Preliminary Engineering Report (PER) of their water system.

In April 2012, the City's engineer completed the PER which focused on the groundwater supply for the Fairbury's water system. The report evaluated centralized treatment of the Crystal Springs wellfield for nitrate removal, including alternatives for blending the treated supply with the East wellfield. Should nitrates rise again towards or above the standard, the City will be well positioned to address that concern. Subsequent though, the City fell out of compliance with the copper drinking water standard, and was directed to complete an Optimal Corrosion Control Treatment evaluation. The City must complete the chemical feed installation to address the copper issue by October of 2021. Lastly the PER recommended, replacement of the significantly aged undersized transmission main and rehabilitation of the City's water tower.

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 have no effect, was cleared of any significant concerns, was not subject to their jurisdiction or they did not find that there would be any significant environmental impacts created. The comments offered by the Corps of Engineers and Department of Natural Resources (DNR) were somewhat related in that Corps indicated that the transmission mains cross Waters of the United States, and the DNR noted the potential for floodplain impacts. Boring of the transmission lines is planned in the areas identified to avoid and/or minimize any impacts to the areas of concern. If necessary, a permit from Corps will be obtained if filling activity in the Waters of the United States will take place and another from the local floodplain administrator if impacts cannot be avoided during final project design. Lastly, the U.S. Fish and Wildlife Service and Nebraska Game and Parks Commission advised that care should be taken during construction for complying with the Migratory Bird Treaty Act, which is a mandatory requirement of all DWSRF funded projects.

The City is eligible for a 20-year loan at an interest rate of 2% on 75% of the estimated project costs (i.e., 25% will be forgiven). In addition to principal and interest payments, an administrative fee of 0.94% of the loan balance will be assessed each year. The revenues from Fairbury's water utility will be dedicated to repay the loan. The projected annual DWSRF Debt Service (including 10% coverage) is \$214,331. Fairbury's current water rate for a typical residential connection is \$15.30 per month, with a \$1.044 use charge for every 100 cubic feet of water furnished. That equates to a water bill just under \$26 per month, based on a common household water use of ~7,500 gallons. Based on 1,961 active service connections, monthly household rates may need to be raised approximately \$10 to address the new debt service and any additional O&M costs.

A Public Hearing was held on January 15, 2019, with 34 days advanced posted notice. A presentation of the project was made by the engineer, including the scope of the project and impact to water rates. It was noted that the project is under design and anticipated to start construction in 2020. No other comments were made by the City residents in attendance and no other input was received from the public.

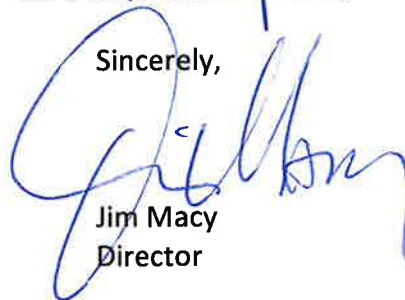
The proposed project is determined by DHHS to help the public water system maintain compliance with the Safe Drinking Water Act. The system last underwent a routine sanitary survey by DHHS in October of 2016, wherein no deficiencies were noted. That completed survey is the first step of the Technical, 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. 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., local floodplain, 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](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 Permits Division of NDEQ.

Signed this 8<sup>th</sup> day of February, 2019.

Sincerely,



Jim Macy  
Director

Attachments: Environmental Assessment  
Distribution List  
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