



DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM

NOTICE OF INTENT TO FUND

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 (NEPA), 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 state 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 Environment and Energy (NDEE) encourages public input in this decision-making process.

PROJECT NAME: Interconnection between the City of Auburn and the City of Peru
APPLICANT: City of Peru, Nebraska
COUNTY: Nemaha
POPULATION: 758 (Est.)
DWSRF PROJECT NUMBER: D311688
TOTAL PROJECT AMOUNT: \$7,693,156

The City of Peru has applied for funding for the above-referenced project through the Drinking Water State Revolving Fund (DWSRF) program. This project has Peru ranked as a high priority and is included on the Funding List in the DWSRF State Fiscal Year 2022 Intended Use Plan (IUP). This project is needed as the existing water treatment plant (WTP) and Well No. 88-1 were inundated with water during a March 2019 federally declared flood disaster, mainly due to a levee failure along the Missouri River. The WTP remains nonoperational with a temporary plant presently treating the supply from Well No. 88-1, which had repairs made for short-term operation.

The City of Peru has a population of approximately 758, according to the 2020 Census. It is in the northeastern area of Nemaha County in southeastern Nebraska. Near the Missouri River, approximately 21 miles southeast of Nebraska City, and is home to Peru State College.

Peru has been issued a permit to operate a public water system under the Nebraska Safe Drinking Water Act and the Regulations Governing Public Water Supply Systems, Title 179. The water system supply is proposed to be modified for interconnection with the City of Auburn. The project would involve the construction of approximately 11.3 miles of new transmission main with a booster station. The current temporary and original WTP will be abandoned.

Auburn has stated that there is adequate capacity to serve the residents of Peru and their existing customers. The 8-inch diameter potable water main from Auburn's water system will carry treated water to a connection point in Peru's distribution system. A small portion of 10-inch line will be installed along with the booster station to provide the necessary pressure for the water system interconnection.

A full NEPA review will be required by the U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA). This Notice of Intent to Fund serves as the NDEE's adoption of that review and any stipulated mitigation protocols. The initial funding provided by the DWSRF will only be for the procurement of water pipes. For both interim and permanent funding, the loan agreement will contain a covenant that construction will not commence until a full FEMA clearance is issued.

The City is eligible for a 40-year loan at interest and administrative fee rates of 0%, with disbursements from state only fund sources. The DWSRF intends to permanently fund 5% of the project costs, \$384,658, with the remaining 95% being grant funds from FEMA or match from the State of Nebraska. Then interim funding up to the entire project cost may be needed to cover construction costs until major project milestones are achieved to release FEMA funds. Peru's water utility revenues will be dedicated to repaying the loan. The projected annual DWSRF Debt Service (including 10% coverage) is \$10,578. From a review of estimated costs, it is projected that monthly water rates may need to be raised by \$3.92. The City's current base residential water rate is \$16.00 per month for the first 1,000 gallons, with an added consumption charge of \$5.00 for every 1,000 gallons of water used. From current rates, monthly residential water bills would increase to just under \$40 per month based on 5,000 gallons of water use.

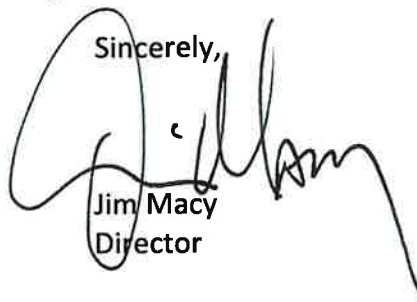
The system last underwent a routine sanitary survey on August 8, 2020, wherein the long-term status of the operation of the temporary WTP and supply wells was noted. That completed survey is the first step of the Technical, Financial, and Managerial (TFM) program policy. The City will still be required to undergo an Initial, and if necessary, a Final TFM Assessment to ensure that its capabilities meet the Safe Drinking Water Act requirements. Also, the current Enforcement Targeting Tool score is 0, well below the allowable 11 per issued U.S. Environmental Protection Agency guidance.

NDEE has determined the proposed project to help the City maintain compliance with the Nebraska Safe Drinking Water Act. No significant environmental impacts have been identified resulting from the proposed action. All necessary permits for construction will be obtained

from the appropriate agencies (i.e., NDEE, NDNR, etc.) if needed. FEMA will require a full NEPA review before project construction can commence.

This action is taken based on a careful review of the FEMA's Record of Environmental Consideration Report and other supporting data that are on file with NDEE. All are available for public review upon request. The NDEE 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 Jillson at (402) 471-6448 or email steve.jillson@nebraska.gov in the Engineering Services Section, or Sarah Frey at (402) 471-4266 or email sarah.frey@nebraska.gov of NDEE's Planning and Aid Division.

Signed this 29th day of December, 2021.

Sincerely,

Jim Macy
Director

Attachments:

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Map

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