



Pete Ricketts
Governor

DEPARTMENT OF ENVIRONMENTAL QUALITY
Jim Macy

DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM

FINDING OF NO SIGNIFICANT IMPACT

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>

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 Well and Transmission Main Improvements
City of Aurora, Nebraska

DWSRF PROJECT NUMBER: D311553

ESTIMATED PROJECT AMOUNT: \$800,000

PROPOSED DWSRF LOAN AMOUNT: \$645,760

PROPOSED DWSRF LOAN FORGIVENESS AMOUNT: \$154,240

The City of Aurora 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 Funding List in the DWSRF State Fiscal Year 2017 Intended Use Plan (IUP). 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 19.28% of project costs.

Aurora is located in eastern part of Nebraska, at the intersection of State Highways 14 and 34, to the north of Interstate 80. The community has a population of 4,479 according to the 2010 census. Aurora has been issued 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.

In March 2016, the City's Engineer completed a design report that evaluated the siting of a new well with transmission main. The PWS consists of five municipal wells, a 300,000 gallon water storage tower and a distribution system. In October 2013, monitoring of Aurora's most recently drilled Well No. 2005-1 detected Nitrates at 10.2 mg/L, and subsequent quarterly monitoring showed results ranging between 9 mg/L and the drinking water standard

of 10 mg/L. A second well has showed similar testing results, while the remaining three wells are all older than the average life of PWS supply well in the State, all of which supports Aurora constructing a new well for a sustainable water supply.

The proposed project was reviewed by several Federal and State agencies for environmental impacts. All but one indicated that the project would either have no affect or iterated their basic programs permit requirements. The Nebraska Department of Aeronautics raised a concern due to the proximity of the project to the Aurora Airport. The City made contact with the Airport Manager, whom indicated that the project posed no issues with the operation of air traffic and control. To the permitting requirements, the new well will be registered with the Nebraska Department of Natural Resources and a new well construction permit will be required from the Upper Big Blue Natural Resources District. A National Pollutant Discharge Elimination System Construction Stormwater permit will be required by NDEQ if more than one acre of land is disturbed.

The City is eligible for a 20-year loan at an interest rate of 2 percent on 81.72% of the estimated project costs (i.e., 19.28% will be forgiven). In addition to principal and interest payments, an administrative fee of 0.69 percent of the loan balance will be assessed each year. The revenues from Aurora's water utility will be dedicated to repay the loan. Aurora has 2,031 active service connections. The projected annual DWSRF Debt Service (including 10% coverage) is \$48,119. Aurora's enacted water rates for 2017 for a residential connection is \$12.25 per month for the first 3,000 gallons of used, with an additional \$1.90 use charge for every 1,000 gallons of water furnished thereafter. That equates to a water bill of \$21.75 per month, based on a common household water use of 8,000 gallons. A monthly capital maintenance charge has been approved for \$1.50 for 2016, \$1.75 for 2017 and \$2.00 for 2018 per user to address the new debt service.

A Public Hearing was held April 12, 2016 to discuss the proposed project and the potential impacts to existing water rates, with 40 days advanced posted notice. A presentation of the proposed project was made by the Engineer, including the project and engineering report. No comments were made by the public.

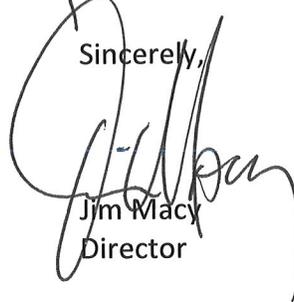
The proposed project is determined by DHHS to help the PWS maintain compliance with the Safe Drinking Water Act. The system last underwent a routine sanitary survey by DHHS in April of 2016, wherein no deficiencies were noted. That completed survey is the first step of the Technical, Financial, and Managerial (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 discharges will be obtained from the appropriate agencies (e.g., 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 8th day of July, 2016.

Sincerely,



Jim Macy
Director

Attachments: Environmental Assessment
Distribution List
Map