



Dave Heineman
Governor

STATE OF NEBRASKA

DEPARTMENT OF ENVIRONMENTAL QUALITY
Patrick W. Rice

Acting 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: Consolidation of Pine Homeowners Association Water System
City of Valley, Nebraska**

DWSRF PROJECT NUMBER: D311593

PROPOSED PROJECT AMOUNT: \$775,000

PROPOSED DWSRF LOAN AMOUNT: \$581,834

PROPOSED DWSRF LOAN FORGIVENESS AMOUNT: \$193,166

The City of Valley 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 added as a high priority project through the emergency bypass procedures noted in the DWSRF State Fiscal Year 2015 Intended Use Plan. As of February of 2013, the Pines Homeowners Association (HOA) public water system (PWS) has been under an Administrative Order to return to compliance with the Trichloroethylene (TCE) Maximum Contaminant Level. However the TCE levels in that system's supply continued to increase further, to levels over 10 µg/L, wherein the inhalation risk (e.g., mist off shower heads, etc.) began to exceed to drinking water risk. As such, DHHS issued an Emergency Order for the system to return into compliance, and this project to connect the Pines system to the City of Valley was developed. Based on supporting documentation on file with the NDEQ, the City was determined to be eligible for a DWSRF loan with corresponding loan forgiveness.

Valley is located in the east-central part of Nebraska, along State Highway 275, west of the City of Omaha. The community has a population of 1,875 according to the 2010 census, which has moderately increased over the prior decade. Valley has been issued a 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 July 2014, the Pines HOA's Engineer completed a Preliminary Engineering Report that evaluated the water system's needs. The PWS consists of an active municipal well, a 3,000 gallon pressure tank, and distribution system. To address the TCE issue, replacement well and treatment alternatives were evaluated, but the report recommended that interconnecting with the City of Valley was the best alternative. The water main will be reasonably sized should future development occur west of the City.

The proposed project was reviewed by numerous Federal and State agencies for environmental impacts, with two notable responses received. The Nebraska Department of Natural Resources indicated the project lies within the Platte River floodplain. Therefore, a permit will be required from the local floodplain administrator. The Corps of Engineers from preliminary information identified waters of the U.S. within the proposed project area. However, a review of the plan design for the interconnection water main and the photographic imagery available from Google street view (©2014 Google, Image Date: August 2011) shows that the planned construction will not result in any placement of fill in waters of the U.S. as the project area is located in grassed road right of ways, thus avoiding the need for a Department of the Army permit.

The City is eligible for a 20-year loan at an interest rate of 2 percent. 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 Valley's water utility will be dedicated to repay the loan. After the forgiveness assistance, the projected annual DWSRF Debt Service (including 10% coverage) is \$45,319. Of more importance will be the water rates for those residents of the Pines HOA, and the portion of the project the HOA will be responsible for repaying. Valley's current water rate for a typical residential connection is \$19.43 per month for the 1st 3,000 gallons, with a \$1.74 use charge for every 1,000 gallons of water furnished thereafter. That equates to a water bill of \$28 per month, based on a common household water use of 8,000 gallons. Based on 73 active service connections at the Pines HOA, in addition to the monthly service rates, an additional \$39 per month will likely be needed to address the new debt service, raising overall monthly water rates to \$67 per month.

A public meeting was held on October 14, 2014, with 42 days advanced posted notice. A presentation of the proposed project was made by the Engineer, including but not limited to the scope, availability of DWSRF financing and the background establishing the need for the project. Two comments were made during the hearing and appeared to have been adequately addressed.

The project is determined by DHHS to consolidate the Pines HOA water system with the City of Valley, eliminating any existing compliance concerns with the Safe Drinking Water Act. 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 (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 of DHHS, or John Danforth at 402 471-3373 or email john.r.danforth@nebraska.gov of the Water Division of NDEQ.

Signed this 28th day of October, 2014.

Sincerely,



Patrick W. Rice
Acting Director

Attachments: Environmental Assessment
Distribution List
Map

ENVIRONMENTAL ASSESSMENT DOCUMENT

A. Project Identification:

Applicant: City of Valley
Project No.: D311593
City: Valley **County:** Douglas **State:** NE
Total Project Amount: \$775,000
DWSRF Loan Amount: \$581,834
DWSRF Loan Forgiveness: \$193,166

B. Community Description:

Location: Valley is located in the east-central part of Nebraska, along State Highway 275, west of the City of Omaha.

Population: The community has a population of 1,875 according to the 2010 census, which has moderately increased over the prior decade.

Current Water System Facilities: Valley's public water system (PWS) consists of two supply wells, a water treatment plant for iron/manganese removal, an elevated 750,000 gallon water storage tower, and a distribution system. There are no compliance concerns with the operation of the City's system.

Adjacent to Valley's water system, the Pines Homeowners Association (HOA) operates a PWS which is comprised of a single supply well, a 3,000 gallon pressure tank, and distribution system. As of February of 2013, the Pines HOA PWS has been under an Administrative Order to return to compliance with the Trichloroethylene (TCE) Maximum Contaminant Level. Further, TCE levels in their supply well continued to increase further, to levels over 10 µg/L, wherein the inhalation risk (e.g., mist off shower heads, etc.) began to exceed to drinking water risk. As such, the Nebraska Department of Health and Human Services (DHHS) issued an Emergency Order for the system to return into compliance.

- C. Project Description:** In July 2014, the Pines HOA's Engineer completed a Preliminary Engineering Report that evaluated the water system's needs. To address the TCE issue, the report recommended that interconnecting with the City of Valley was the best alternative. A 12" water main will be extended approximately 4,000 feet with 500 feet of a 6" tie-in line to consolidate the Pines HOA system into Valley's. The 12" water main is being reasonably sized should future development occur west of the City.

D. Alternatives Considered:

Three alternatives studied were:

1. Replacement Well;
2. Treatment; or
3. Consolidate Pine HOA system with City of Valley.

Evaluation and Selection of the Alternative: As noted, TCE levels in the system's supply are over 10 µg/L, wherein the inhalation risk (e.g., mist off shower heads, etc.) exceeds the drinking water risk. As such, DHHS issued an Emergency Order for the system to return into compliance, and this project to connect the Pines HOA system to the City of Valley was developed.

The preliminary engineering report also evaluated constructing a replacement well and providing centralized water treatment. Both alternatives were ruled out in that a replacement well was not practical due the lack of a known acceptable well site where the TCE contamination was not present and the excessive costs associated with providing treatment to a relatively small sized water system.

E. Environmental Impact Summary:

Primary:

Construction: Temporary impacts caused by construction include noise and dust, a limited potential for soil erosion, and fuel/oil spills. A construction permit has been issued by the Engineering Services Program of the DHHS.

Environmental: The construction contracts will require that the contractors return the area to its original or better condition. All of the land area to be disturbed during construction will be within a road right-of-way and was previously disturbed. Based on a review of the available mapping, all of the project lies within the 100-year flood plain. Therefore, a permit will be required from the local floodplain administrator.

The proposed project was reviewed by numerous Federal and State agencies for environmental impacts. The Corps of Engineers from preliminary information identified waters of the U.S. within the proposed project area. However, a review of the plan design for the interconnection water main and the photographic imagery available from Google street view (©2014 Google, Image Date: August 2011) shows that the planned construction will not result in any placement of fill in waters of the U.S. as the project area is located in grassed road right of ways, thus avoiding the need for a Department of the Army permit.

Financial: An application for a DWSRF loan has been received to fund the system improvements. The City is eligible for a 20-year loan with an interest rate of 2% plus an administrative fee of 1% on the outstanding principal balance

assessed annually. Further, Valley qualifies for loan forgiveness of \$193,166. Therefore, the projected annual DWSRF Debt Service (including 10% coverage) is estimated at \$45,319. The primary impact to water rates will be for those residents of the Pines HOA, and the portion of the project the HOA will be responsible for repaying. Valley's current water rate for a typical residential connection is \$19.43 per month for the 1st 3,000 gallons, with a \$1.74 use charge for every 1,000 gallons of water furnished thereafter. That equates to a water bill of \$28 per month, based on a common household water use of 8,000 gallons. Based on 73 active service connections at the Pines HOA, in addition to the monthly service rates, an additional \$39 per month will likely be needed to address the new debt service, raising overall monthly water rates to \$67 per month.

Secondary:

Population Impacts: The interconnection main is being reasonably sized, should future growth occur to the west of the City of Valley, but the primary need for the project is to provide a safe supply of drinking water to the Pines HOA.

Land Use and Trends: All construction will be within a road right-of-way. The Nebraska State Historical Society noted that the project will have no effect for archeological, architectural, or historic properties.

Environmental: The proposed project will have no effect on the availability of water quantity in the area. The minimal amount of solid waste generated by the project will be disposed in a licensed landfill. No safety, vibration, noise or aesthetic considerations were identified other than the normal noise and disruptions associated with water main construction.

Environmental Justice: The proposed project will not produce any environmental justice concerns. All water mains will be placed in areas previously disturbed, and the services provided by the proposed project will be available to everyone in Pines subdivision area of Valley, equally. No segment of the community's population is impacted disproportionately from related effects.

Mitigation measures necessary to eliminate adverse environmental effect:

Proper construction techniques will be utilized to minimize soil erosion and other potential impacts of construction. Traffic flow may be affected by construction when water main construction is being done along the City road right-of-ways; however, safety control measures (i.e., signs, etc.) will be implemented. An NPDES Construction Stormwater permit for runoff associated with construction activity and a Stormwater Pollution Prevention Plan will be required by NDEQ for this project if more than one acre of land is disturbed. The Community can designate the General Contractor as the authorized representative on the stormwater permit notice of intent submitted to the

NDEQ. Authorization of stormwater runoff from the construction activity must be in place prior to commencing construction.

Irreversible and irretrievable commitment of resources: The resources committed to the project include the equipment, materials and energy used in construction.

F. Measures Taken to Insure Environmental Soundness:

Public Involvement: A public meeting was held on October 14, 2014, with 42 days advanced posted notice. A presentation of the proposed project was made by the Engineer, including but not limited to the scope, availability of DWSRF financing and the background establishing the need for the project.

Public Opposition or Opinions: Two comments were made during the hearing and appeared to have been adequately addressed. No other input was received from the public.

Coordination and Documentation with Other Agencies and Special Interest Groups:

Facility Planning: Preliminary Engineering Report, Water System Improvements for the Pines HOA, Olmsted & Perry Consulting Engineers, Inc., July 2014

Federal: Corps of Engineers, July 31, 2014, letter

State: Nebraska Department of Health & Human Services, October 10, 2013, letter
Nebraska Department of Natural Resources, August 25, 2014, letter
Nebraska State Historical Society, August 14, 2014, letter

Consulting Engineers: Olmsted & Perry Consulting Engineers, Inc., Omaha, NE

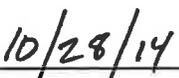
Public Groups: City of Valley Residents (Pines HOA)

G. Positive Effects to be Realized from the Proposed Project: The project will return the Pines HOA PWS into compliance with the Nebraska Safe Drinking Water Act through consolidation with the City of Valley and ensure future water availability. As such, the project is considered reasonable, not contrary to conservation or the public welfare and is a beneficial use of resources by the City of Valley.

H. **Reasons for Concluding there will be no Significant Impacts:** Review of the engineering report and supporting information indicates that the proposed project will result in no significant impact on the environment. State agencies reported no impact will result to historical resources. All necessary permits for construction will be obtained from the appropriate agencies (i.e., Local Floodplain, NDEQ, etc.), if necessary.



Reviewing Engineer



Date

FNSI DISTRIBUTION LIST
VALLEY, NEBRASKA

DEPARTMENT OF ENVIRONMENTAL QUALITY
Office of Public Affairs
P.O. Box 98922
Lincoln, NE 68509-8922

DEPARTMENT OF NATURAL RESOURCES
Mitch Paine
P.O. Box 94676
Lincoln, NE 68509-4676

NEBRASKA GAME & PARKS COMMISSION
Craig Wacker/Carey Grell
P.O. Box 30370
Lincoln, NE 68503-0370

DIRECTOR, NEBRASKA STATE
HISTORICAL SOCIETY
P.O. Box 82554
Lincoln, NE 68508-2554

STATE OFFICE OF POLICY RESEARCH
Policy Advisor
Rm. 1319, State Capitol
P.O. Box 94601
Lincoln, NE 68509-4601

DEPARTMENT OF ECONOMIC DEVELOPMENT
Carol Malcolm/Steve Charleston
P.O. Box 94666
Lincoln, NE 68509

FISH AND WILDLIFE SERVICE
Kirk Schroeder
203 West Second Street
Grand Island, NE 68801

DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH
Steve McNulty
P.O. Box 95026
Lincoln, NE 68509-5026

DEPARTMENT OF THE ARMY
John Moeschen
State Program Manager
US Army corps of Engineers
Nebraska State Office, Suite 1
8901 South 154th Street
Omaha, NE 68138-3621

NATIONAL PARK SERVICE
Nick Chevance
Environmental Coordinator
Midwest Regional Office
601 Riverfront Drive
Omaha, NE 68102-4226

USDA RURAL DEVELOPMENT
Ken Shaw
Room 308, Federal Building
100 Centennial Mall North
Lincoln, NE 68508

ENVIRONMENTAL PROTECTION AGENCY
Christopher Simmons
11201 Renner Blvd
Lenexa, KS 66219

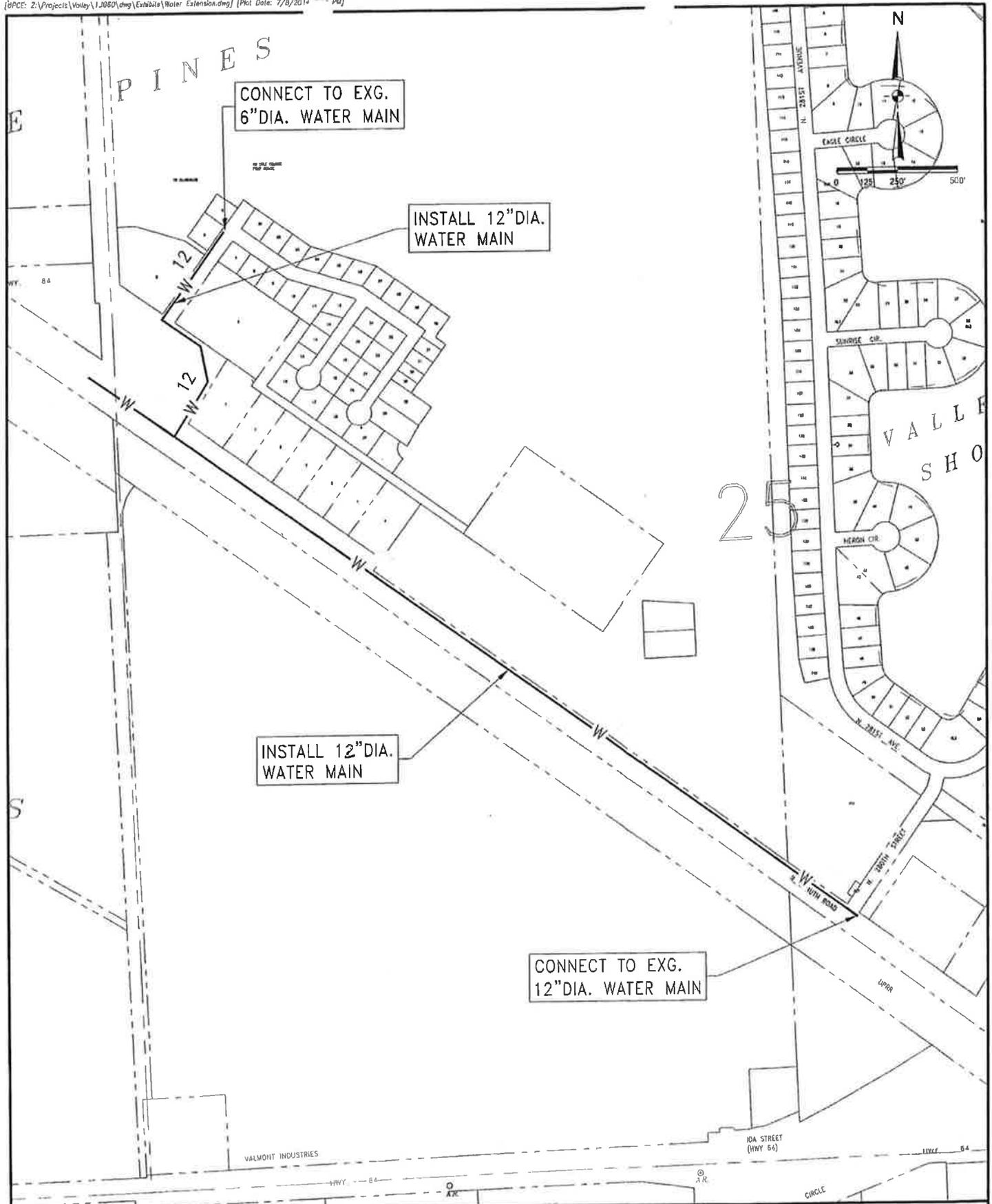
STATE CONSERVATIONIST
Natural Resources Conservation Service
Federal Building, Room 345
100 Centennial Mall North
Lincoln, NE 68508

APPLICANT:
Carroll Smith, Mayor
City of Valley
203 North Spruce Street
Valley, NE 68064

CONSULTING ENGINEERS:
Olmsted & Perry Consulting Engineers, Inc.
James J. Olmsted, P.E.
10730 Pacific Street, Suite 232
Omaha, NE 68114

LOCAL NEWSPAPER
The Douglas County Post-Gazette
PO Box 677
Elkhorn, NE 68022

PAPIO-MISSOURI RIVER NRD
8901 South 154th Street
Omaha, NE 68138-3621



SHEET NO. 1 of 1	PROJECT NO. 13060 DATE JULY 8, 2014	CONCEPT WATER MAIN EXTENSION	THE PINES COUNTRY CLUB WATER SUPPLY IMPROVEMENTS VALLEY, NEBRASKA	OLMSTED & PERRY CONSULTING ENGINEERS INC. 10730 PACIFIC STREET SUITE 232 OMAHA, NEBRASKA
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