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STATE OF NEBRASKA

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CLEAN WATER STATE REVOLVING LOAN FUND PROGRAM (CWSRF)

FINDING OF NO SIGNIFICANT IMPACT (FONSI)

TO: All Interested Citizens, Government Agencies and Public Groups

In accordance with the Nebraska Clean 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: Wastewater Treatment Facilities Improvements

Allen, Nebraska

APPLICANT: Village of Allen

COUNTY: Dixon County

POPULATION: 377

CWSRF PROJECT NUMBER: C317838

TOTAL PROJECT AMOUNT: \$1,146,000

POTENTIAL CWSRF LOAN AMOUNT: \$796,000

POTENTIAL CWSRF PRINCIPAL FORGIVENESS: \$100,000

POTENTIAL NDEQ SMALL TOWN GRANT: \$250,000

The Village of Allen is located in the south-central portion of Dixon County in the extreme northeast portion of the Nebraska and is located approximately three miles south of the intersection of U.S. Highway 20 and State Highway 9. The 2010 census population was 377 and the design population for the year 2035 is 420.

The Allen wastewater collection and treatment system includes two satellite lift stations, gravity sewers and a two-cell lagoon system. The wastewater collection system consists of mostly vitrified clay pipe.

The Allen 2-cell lagoon facility constructed in 1970 was designed as a controlled discharge lagoon system and has a surface area of 2.5 acres. Due to high flows, the lagoon system has occasionally discharged in a continuous mode. The operating depth in the lagoons is only two feet and the lagoons are undersized. The Village's lagoon system is out of compliance with their NPDES permit.

The Village is proposing to use the existing two cells as primary cells; flow from the primary cells will be pumped via a new lift station to a new secondary cell with a surface area of 3.0 acres at normal operating depth of 5 feet. The new secondary cell will be located at the southwest corner of the existing cells and will be at a higher elevation than the existing cells. The new lift station will also be used to pump effluent from the secondary cell to a center pivot irrigation system. The pivot will irrigate approximately 36 acres at about 12 inches per year. The new lagoon and the existing lagoons are located about 700 feet from the Village's back-up drinking water well No. 73-1. This distance is less than the 1000 foot design standard in Title 179 NAC 7-007 of the Nebraska Department of Health's Regulations. The lagoons and the land application site are also located in the Village's mapped Well Head Protection area. Approval information for locating the new lagoon site is provided later in the FONSI.

The project is eligible for financing through the Clean Water State Revolving Fund (CWSRF) and is included in the FY2016 Intended Use Plan. The Village of Allen is eligible for a 20-year loan at an interest rate, which will be between 1.25 percent and 1.50%. The irrigation portion of the project is considered as green infrastructure. These costs can be funded at an interest rate of 1.25%. The costs associated the construction of the new lagoon will be funded at an interest rate of 1.50%. A blended interest rate will be calculated at construction completion. In addition to principal and interest payments, an administrative fee of 1.0 percent of the loan balance will be assessed each year. Allen is also eligible for a small town grant and principal forgiveness.

Sewer use fees will be pledged to repay the loan. Sewer rates for residential customers in Allen are \$19.00 per month. In the past 3 fiscal years, Allen has not collected revenues that have met expenses associated with the sewer utility. Sewer rates will need to be increased to \$45-\$50/month in order to pay for the operation & maintenance of the sewer utility, the existing debt service due to an existing CWSRF loan and the estimated debt service due to the proposed project.

A number of Federal, State and local agencies were asked to review the project. At the request of the Nebraska State Historic Society, a survey was

conducted by a qualified archaeologist. The survey concluded that there are no known historical or archaeological resources at the proposed construction site. The Corps of Engineers (COE) determined that there might be "waters of the U.S. located at the project site which would be subject to Section 404 of the Clean Water Act. The COE indicated that the need for a 404 permit would be determined once design of the proposed system was complete. Temporary impacts that may be caused by construction include noise and dust and a limited potential for soil erosion and fuel and oil spills. No wastewater bypasses are expected during construction. The Nebraska Department of Environmental Quality and the Nebraska Department of Health reviewed a request from Allen's consulting engineer to approve an alternative design, allowing the new lagoon to be constructed within the normal design standard of 1000 feet from Allen's backup well 73-1. Both Agencies approved the consulting engineer's alternative design proposal. Seepage from the existing lagoons and the proposed lagoon may adversely impact area groundwater. There were no other significant concerns or comments received from the agencies.

A public hearing to discuss the project was held on June 22, 2015. There was no opposition expressed at the public hearing. The Village Board decided to phase in the necessary sewer rate increases over the period during which, the proposed project will be constructed.

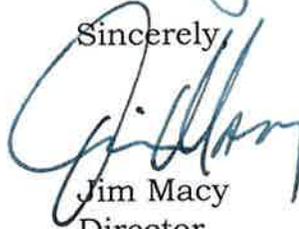
The project will have a positive impact on the environment. With irrigation, the water, and its nutrients will be used beneficially.

The review did not indicate a significant negative environmental impact would result from the proposed action. No threatened or endangered species or recorded historical or archaeological sites will be affected by construction. The construction documents will specify storm water pollution controls and protection of nesting migratory birds. Irrigation of lagoon effluent may impact ground water quality. The project is expected to reduce potential odor problems. No segment of the community's population will be impacted disproportionately by the project.

This action is taken on the basis of a careful review of the facility plan, the environmental information document, the environmental assessment, and other supporting data, which are on file in the office of the NDEQ. These are available for public review upon request. A copy of 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 disagreeing with the above environmental decision may submit comments to the NDEQ during this period.

Signed this 28th day of July, 2015.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Macy".

Jim Macy
Director

JM/gmb

Attachments: Environmental Assessment
 Distribution List
 Map