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DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM CATEGORICAL EXCLUSION

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 federally funded wholly or in part 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:

Main Replacement - Creek Crossings

APPLICANT:

West Knox Rural Water System

COUNTY:

Knox

POPULATION:

500 (Est.)

DWSRF PROJECT NUMBER:

D311635

TOTAL LOAN AMOUNT:

\$370,000

The West Knox Rural Water System (RWS) has applied for funding 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 NDEE, to replace water mains at various creek crossings. This project is needed as two lines were washed out during a March 2019 flood event, and numerous others need to be replaced that were severely eroded resulting in buried depths of less than 3 feet. That is well within the frost zone, thus presenting both a freezing and water main rupturing concern as the winter season approaches. The project includes all related work, land, testing, and engineering fees. It is anticipated that the federal sources of emergency grant assistance will reimburse the system for a majority of project costs, which this loan intends to primarily finance on an interim basis.

According to the State Fiscal Year 2020 Intended Use Plan (IUP), this project is considered a high priority. The project can be funded in accordance with the IUP's listed bypass criteria, as the bypass date of October 1, 2019 has passed. Based on supporting documentation on file with the NDEE, this project was determined to be eligible for a 40-year loan at an interest rate and administrative fee of 0% per the criteria noted in the IUP. The DWSRF will only provide nonfederal State Revolving Fund dollars (e.g., interest payments) for this immediate assistance. The current residential water rate is \$48.10 per month for the first 1,000 gallons of water used, with an added consumption charge of \$3.10 for every 1,000 gallons of water used thereafter. The estimated annual DWSRF debt service from this project (including 10% coverage) is \$9,250, but that will

likely not be the debt impact for this project, as the Federal Emergency Management Agency will possibly provide a grant award for reimbursement of the project to the RWS. Should that not occur, based upon the 218 active service connections, residential water rates may need to be raised \$3.50 per month to address the new debt service. Regardless, a final assessment of any potential rate increase would be made by the RWS after the completion of the project and pending disaster grant awards.

The proposed project was reviewed for eligibility for a categorical exclusion from National Environmental Policy Act review specified in 40 CFR (Code of Federal Regulations) Part 6.204. The project meets all criteria described in the above reference and the Department has determined that this project is eligible for a categorical exclusion. Consequently, a preliminary decision has been made that a Finding of No Significant Impact will not be prepared. The project as proposed is solely the replacement of existing infrastructure. Justification for categorical exclusion includes:

- The proposed action is not known or expected to have potentially significant environmental impacts on the quality of the human environment either individually or cumulatively over time:
- The proposed action is not known or expected to significantly affect federally listed threatened or endangered species or their critical habitat;
- The proposed action is not known or expected to significantly affect national natural landmarks or any property with nationally significant historic, architectural, prehistoric archeological or cultural value, including but not limited to, property listed on or eligible for the National Register of Historic Places;
- The proposed action is not known or expected to significantly affect environmentally important natural resource areas as wetlands, prime farmland, wild and scenic rivers, and significant fish or wildlife habitat;
- Although from a review of the available mapping, the project lies within the 100-year flood
 plain, but a permit from the local flood plain administrator can be obtained if impacts cannot
 be avoided (i.e., directional drilling installation, etc.); and,
- The proposed action is not known or expected to have a significant effect on the pattern and type of land use (industrial, commercial, agricultural, recreational, residential) or growth and distribution of population including altering the character of existing residential areas, or may not be consistent with state or local government, or federally-recognized Indian tribe approved land use plans or federal land management plans.

The RWS has 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 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 August of 2019, wherein two deficiencies were noted that were satisfactorily addressed by the system by October of 2019. That completed survey is the first step of the Technical, Financial, and Managerial (TFM) program policy. The RWS 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 10, just below the allowable 11 per issued U.S. Environmental Protection Agency guidance.

That score is the result of a recent detection of Nitrates in a water supply well. However, through a separate existing loan with the DWSRF, that well through improved operational controls will be blended as a form of treatment to ensure that levels of Nitrates will meet the drinking water standard.

The NDEE shall revoke the categorical exclusion and shall require a full environmental review if, subsequent to the granting of exclusion, the state determines that the proposed project no longer meets the requirements for a categorical exclusion due to changes in the proposed project; or new evidence reveals that serious local or environmental issues exist; or federal, state, local or tribal laws are being violated.

This action is taken on the basis of careful review of the application and other supporting data, which are on file in the office of the NDEE. These are available for public review upon request. Persons having a comment on this categorical exclusion determination are encouraged to submit such comments directly to Steve McNulty, DHHS at 402 471-1006 or email steve.mcnulty@nebraska.gov, or John Danforth, Water Permits Division, NDEE at 402 471-3373 or email john.r.danforth@nebraska.gov.

Signed this _\85 day of October 2019.

Attachments:

Distribution List

Map

CATEGORICAL EXCLUSION DISTRIBUTION LIST WEST KNOX RURAL WATER SYSTEM

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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

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