



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Environmental
Conservation**

DIVISION OF WATER
Facilities Programs

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January 22, 2021

To: All Interested Citizens, Organizations, and Government Agencies

Subject: FINDING OF NO SIGNIFICANT IMPACT
City and Borough of Sitka
Critical Secondary Water Supply Project

The purpose of this notice is to seek public input and comment on a preliminary decision by the Alaska Department of Environmental Conservation (DEC) that an Environmental Impact Statement (EIS) is not required to implement the project discussed in the attached Environmental Assessment (EA) for the critical secondary water supply, including construction of a new water intake and new membrane filter building, submitted by the applicant mentioned above.

HOW WERE ENVIRONMENTAL ISSUES CONSIDERED?

Alaska Administrative Code (AAC), 18 AAC 76.235, requires DEC to evaluate the environmental implications of a proposed water infrastructure project. The DEC has done this by incorporating an analysis of the environmental effects of the proposed alternative in its review and approval process. An environmental information document containing information on environmental impacts was prepared by the City and Borough of Sitka (CBS) and reviewed by the DEC. The DEC has prepared the attached EA and found that the proposed project does not require the preparation of an EIS.

WHY IS AN EIS NOT REQUIRED?

The DEC environmental review concluded that no significant environmental impacts would result from the proposed action. Any potential adverse impacts will be reduced by the implementation of mitigative measures discussed in the attached EA.

HOW DO I GET MORE INFORMATION?

Information about the project, including a project map, is attached to this notice. The attached EA discusses the alternatives considered, impacts of the proposed action, and the basis for the DEC decision. Further information can be obtained by emailing Adele Fetter, Environmental Impact Analyst, at adele.fetter@alaska.gov or calling (315) 226-2369.

HOW DO I SUBMIT COMMENTS?

You may comment electronically via the DEC public notice site at <https://dec.alaska.gov/comment/>

The State of Alaska, DEC complies with Title II of the Americans with Disabilities Act of 1990. If you are a person with a disability who may need a special accommodation in order to participate in this public process, please contact Brian Blessington at (907) 269-6272 or TDD Relay Service 1-800-770-8973/TTY or dial 711 to ensure that any necessary accommodations can be provided.

WHAT HAPPENS NEXT?

In the absence of substantive comments during this period, the preliminary decision will become final. The applicant, CBS, will then be eligible to receive loan assistance from the DEC to construct the proposed project.

Your interest in this process and the environment is appreciated.

Sincerely,

A handwritten signature in blue ink that reads "Carrie Bohan". The signature is fluid and cursive, with the first name "Carrie" and last name "Bohan" clearly distinguishable.

Carrie Bohan
Facilities Programs Manager

STATE REVOLVING FUND (SRF) PROGRAM ENVIRONMENTAL ASSESSMENT

PROJECT IDENTIFICATION

Applicant: City and Borough of Sitka

Project Name: Critical Secondary Water Supply Project

SRF Project #: 783531

Date: January 22, 2021

PROJECT OVERVIEW

The City and Borough of Sitka (CBS) seeks low-interest loan financing through the Alaska State Revolving Fund (SRF) Program to finance construction of the Critical Secondary Water Supply project.

CBS has requested a \$17,620,000 loan for the total project costs.

EXISTING WATER SYSTEM

Currently CBS receives water that flows by gravity from an intake structure in Blue Lake, about 1.6 miles upstream of Sawmill Creek from the Utility Bridge. Water from Blue Lake flows through rock tunnels and a penstock to the Blue Lake Water Treatment Plant (BLWTP) and Ultraviolet (UV) Disinfection Facility within the Gary Paxton Industrial Park (GPIP) area. The penstock also provides the remaining portion of the water to the Blue Lake hydropower plant.

As part of the Blue Lake Hydroelectric project, the rock tunnels and penstock are managed by the CBS Electric Department and regulated by the Federal Energy Regulatory Commission (FERC). FERC requires inspection and maintenance of the regulated structures to ensure that they are operating safely and as intended. The penstock system has to be dewatered every five years to perform inspection and maintenance. When the structures are offline for inspection or maintenance, the raw water supply to CBS is shut down, and no potable water is available after the CBS tanks drain in approximately 8-hours. Preliminary estimates indicate that each shut down results in raw water being unavailable for 3 to 5 days.

In addition to the required penstock outages, the CBS public water system must also meet water quality standards to protect human health. Blue Lake usually provides very good water, requiring only chlorination and UV treatment. However, sometimes water turbidity levels exceed the maximum allowable turbidity levels. Generally these high turbidity events occur during storms, but they can occur from changes in the operation of the hydropower facility as well. If the drinking water turbidity exceeds five nephelometric turbidity units (NTU) more than two times in 12 months or five times in 120 month, the CBS can no longer operate under a filtration avoidance waiver. Four turbidity events have occurred over the past five years. Further, Sawmill Creek near the proposed intake area does not meet the watershed control requirements for filtration avoidance, and requires filtration and disinfection prior to distribution.

PROJECT NEED

The proposed project would provide an alternative water source for the CBS public water system when the existing hydropower penstock is out of service, and filtration for the new source when water turbidity exceeds five NTU.

ALTERNATIVES ANALYSIS

A number of initial alternatives were considered for the proposed project, but were eliminated from further detailed review. CBS considered locating the membrane filter building on another adjacent lot, but it was too small. The proposed membrane filter building location is the most suitable because it is immediately adjacent to the UV facility, the site is CBS-owned, and because it is a previously cleared and filled lot.

Both a diversion system and an infiltration gallery were considered as intake alternatives. A diversion system would negatively impact recreational users by making Sawmill Creek impassable, had the most impacts on fish habitat, and would require considerable maintenance due to sedimentation accumulation. Infiltration galleries are not preferred by the Alaska Department of Fish and Game (ADF&G) because of potential fish impacts, and both options (either a buried or unburied infiltration gallery) posed different challenges.

Four alternative intake locations were considered, including the Falls Pool, the Backwater Pool, locations downstream of the Utility Bridge, and the east side of Sawmill Creek. Additionally, three raw water pump station location alternatives were considered, including a northeast (of Utility Bridge) pump station, a power house afterbay pump station, and an across from Old Power House wet well.

Finally, a raw water pump station service connection alternative was considered, but was also dismissed from further consideration because of potential adverse impacts on Sawmill Creek. The No Action Alternative was included for analysis.

SELECTED ALTERNATIVE

The preferred alternative includes installing a retaining wall, screened water intake, wet well, intake pump control building, and an intake access road and a small bridge over the Heart Lake drainage channel. It would involve a construction access road on the east side of Sawmill Creek to be used during construction as well as a new membrane filter building within GPIIP.

IMPACTS AND BENEFITS

Impacts analyzed include land use (important farmland and formally-classified lands), floodplains, wetlands, water resources (surface water, ground water, and water supply), coastal resources, biological resources (fish, wildlife, and vegetation resources, Endangered Species Act (ESA)-listed threatened and endangered species, migratory bird treaty act, and bald and golden eagle protection act, and invasive species), historical and cultural properties, aesthetics, air quality, socio-economic/environmental justice, miscellaneous issues (noise, transportation), human health and safety (sanitation, electromagnetic fields and interference, and environmental risk management), and cumulative effects. Most impacts analyzed are anticipated to be minimal and temporary from construction activities.

Wetland impacts will be mitigated through Best Management Practices (BMPs) and following all general and regional conditions in Nationwide Permit 12.

A Stormwater Pollution Prevention Plan Notice of Intent will be implemented if ground disturbance exceeds 1 acre.

Biological impacts will be mitigated by following U.S. Fish and Wildlife Service Land Clearing Timing Guidance for Alaska and the terms and stipulations identified in the ADF&G Fish Habitat Permits (FH20-I-0096 and FH20-I-0097) obtained for this project.

If previously unidentified archaeological or historic resources are discovered during construction, work must be interrupted, and the Alaska State Historic Preservation Office will be contacted immediately.

New components will be designed to be as low-profile as possible and painted with low-impact color.

The contractor will follow dust suppression BMPs such as wetting active areas and minimizing or ceasing activities during high winds.

Heavy equipment operation will be limited to not more than 10 daytime hours per day to control noise impacts.

If contaminated soil or groundwater are suspected or encountered during construction activities, the contractor will stop work and contact the project engineer.

PUBLIC PARTICIPATION

A virtual public scoping open house for the project was held on July 23, 2020 via Zoom. The open house provided attendees with an overview of the project and allowed attendees to provide comments or ask questions regarding the project. Eleven people participated in this meeting. No comments were provided during the meeting nor during a 30-day public comment period following the meeting date.

AGENCIES CONSULTED

- United State Army Corps of Engineers
- United States Environmental Protection Agency
- United States Fish and Wildlife Service
- Alaska Department of Natural Resources
- Alaska Department of Environmental Conservation
- Alaska Department of Fish and Game
- City and Borough of Sitka

REASONS FOR CONCLUDING NO SIGNIFICANT IMPACTS

The project will have no adverse direct, indirect, or cumulative effects on socioeconomic, cultural, or environmental features. Minor construction impacts will be localized to the

construction zones and will be temporary. These impacts can be mitigated with sound construction practices and adherence to permit requirements.