June 16, 2022

STATEMENT OF FINDINGS

TO ALL INTERESTED AGENCIES AND PUBLIC GROUPS:

Consistent with the rules of the Texas Water Development Board (TWDB), specifically 31 Texas Administrative Code (TAC) § 371.41, and with the National Environmental Policy Act (NEPA), 42 United States, Code § 4321, et seq., the staff of the TWDB conducted an environmental review of the project specified below. This project is funded through the Drinking Water State Revolving Fund (DWSRF), which is administered by the TWDB. The Board’s Executive Administrator issues this Statement of Findings (SOF) for the following project:

Fort Griffin Special Utility District, Stephens County, Texas
Water Supply Improvements Project
TWDB DWSRF Project Number 62823
Total TWDB Commitment: $1,525,000 (L1000936)

The Fort Griffin Special Utility District (District) is headquartered in Albany, Shackelford County, and provides potable water to customers throughout its service area in Eastland, Shackelford, Stephens, and Throckmorton counties in north-central Texas. The service-area population is 2,460 and is projected to remain essentially stable through 2040. Currently, the District serves approximately 1,276 customers including residents, industries, and wholesale providers, but expects to add an additional 928 over the next twenty years.

At present, the District purchases all of its water from the city of Albany, which obtains and treats raw water from Hubbard Creek Reservoir. Recent drought conditions caused the District to conclude that its existing water system lacks sufficient capacity to meet demand during periods of shortage. In addition, on January 18, 2018, the District was cited by the Texas Commission on Environmental Quality for violation of drinking water standards because of excessive disinfection byproducts within a pipeline segment conveying treated water from Albany's system.

To supplement its water supply and address water quality issues, the District plans to purchase raw water from the Brazos River Authority and treat it at a new facility on the western side of Hubbard Creek Reservoir. The ultimate source of this raw water is Possum Kingdom Reservoir in Palo Pinto County, but the District will obtain its allocation by diversion from an existing pipeline located in Stephens County east of Hubbard Creek...
Reservoir. This pipeline is owned and managed by the West Central Texas Municipal Water District (WCTMWD). To convey the raw water from the WCTMWD’s existing line to the new water treatment plant the District also proposes to construct a new 45,000-feet long, 8-inches diameter pipeline.

The new treatment plant would have enhanced capabilities to reduce the concentration of disinfection byproducts to acceptable levels, and a capacity of 0.3 million gallons per day, which is sufficient to meet current and projected needs while increasing water pressure throughout the system. The United States Department of Agriculture Rural Development (USDA-RD) program provided funds for the treatment plant and pipeline and to assess the potential environmental impact of construction. On August 19, 2016, the USDA-RD issued a Finding of No Significant Impact (FONSI) for the project. As required, the District published the FONSI in a newspaper of general circulation in the project area on August 25, 2016.

Subsequently, the District determined the cost of the project would exceed the funding available from USDA-RD, most of which would be used to construct the new water treatment facility and approximately 8,000 feet of the raw-water pipeline beneath and west of Hubbard Creek Reservoir. Implementation of the District’s plan is dependent on completion of the entire transmission line. Therefore, the District applied to the TWDB for funding from the DWSRF to plan, design, and construct that part of the transmission pipeline east of Hubbard Creek Reservoir and acquire easements as needed. On May 9, 2019, the TWDB committed funds for these activities, in the amount of $1,525,000, and the District closed the loan (L1000936) on October 16, 2019.

In the years following issuance of USDA-RD’s FONSI, the project scope and construction footprint were revised but USDA-RD did not issue an updated environmental finding. For this reason, and because USDA-RD’s FONSI was approaching the five-year limit on its direct viability without further review, the District conducted a new environmental impact assessment pertaining to construction of the pipeline segment to be funded by TWDB. The District used some of the planning funds from its DWSRF loan to prepare an Environmental Information Document (EID). The staff of the TWDB reviewed this document and other information and issued its own FONSI on September 2, 2021. The new FONSI was posted on the TWDB’s website and distributed to regulatory agencies and others. No adverse comments were received during the required 30-day public comment period.

A TWDB-issued FONSI consists of two components: an Environmental Assessment defining the proposed project, project area, potential environmental impact, results of coordination with regulatory agencies, and recommended measures to mitigate impact; and the formal Finding, which summarizes this information and lists mandatory environmental conditions to ensure compliance with applicable federal, state, and local regulations as well as TWDB’s procedures. On October 21, 2021, the TWDB staff noticed an error in this FONSI. The environmental conditions listed in the Environmental Assessment were correct but those in the Finding were for a different project. To correct this error, and in compliance with 31
TAC 371.41(c)(4)(D), the Executive Administrator of the TWDB issued a Statement of Findings (SOF) on November 2, 2021, listing the correct environmental conditions.

As defined in the EID, the TWDB-funded portion of the project extended from a point more than a mile east of the reservoir to the connection with WCTMWD’s existing raw-water pipeline. Soon after issuance of the SOF, the staff of the TWDB learned the proposed project scope and pipeline alignment had been revised again and were no longer consistent with the TWDB-issued FONSI or SOF. The overall project description is essentially the same: construct a new 45,000-feet long, 8-inches diameter pipeline to convey raw water from the WCTMWD’s existing supply line to the new treatment plant. The complete project includes pipeline installations on the western side of Hubbard Creek Reservoir, a segment under the Reservoir, and an extensive pipeline east of the Reservoir but along an alignment different from that in the TWDB’s previous findings. The original request for funding from the TWDB was solely for construction of the pipeline east of the Reservoir. Of this portion, the westernmost part, extending eastward from the Reservoir for more than a mile, is identical to one of the section’s covered in the USDA-RD’s FONSI, whereas the remaining section, extending generally eastward and northeastward to the WCTMWD’s pipeline, is similar to that in the TWDB-issued FONSI and SOF of November 2, 2021.

The staff of the TWDB reviewed the new project description and alignment, the USDA-RD’s FONSI, and other information and determined that TWDB-funded construction of the portion of the pipeline from the eastern shore of Hubbard Creek Reservoir to the WCTMWD’s pipeline interconnection point north of the City of Breckenridge would result in impacts comparable to those resulting from construction along the original alignment as described in the EID. The present Statement of Findings adopts, in part, the USDA-RD’s FONSI and the TWDB-issued FONSI as corrected by the SOF of November 2, 2021. The environmental conditions listed in TWDB’s SOF remain applicable and are reiterated below.

By implementing the following general and special conditions, the TWDB-funded portion of the District’s proposed Water Supply Improvements Project would comply with TAC § 371.41 and the NEPA.

- Consistent with the Flood Insurance Reform Act of 2004, Flood Control Insurance Act, Executive Order 11988, Texas Water Code Section 16.315, and local floodplain development ordinances, the District must obtain a floodplain development permit issued by the Local Floodplain Administrator prior to construction in a Special Flood Hazard Area (100-year floodplain). Construction would occur in the City of Breckenridge and other areas in Stephens County, all of which are participants in the National Flood Insurance Program.

- Consistent with Section 404 of the Clean Water Act, construction of pipelines will comply with Nationwide Permit 58 for Utility Line Activities for Water and Other Substances, including regional conditions, by utilizing directional boring at depths sufficient to avoid adverse effects on streams and wetlands. The District stipulated these construction
practices during coordination with the United States Army Corps of Engineers (USACE) and the USACE determined that by implementing the practices the project would not affect Waters of the United States including wetlands.

• Consistent with the Endangered Species Act of 1973 as amended, the Migratory Bird Treaty Act, and Texas Parks and Wildlife Code Chapter 64, if migratory birds are found nesting on or adjacent to the project area, vegetation clearing must be excluded during the general bird nesting season, March 1 through August 30; or if clearing at these times is unavoidable, the area proposed for disturbance should be surveyed, during the nesting period, to identify occupied nests. If occupied nests are found, the area around each nest should remain undisturbed until the eggs have hatched and the young have fledged. State and federal regulations as currently interpreted do not permit incidental take.

• Consistent with the Texas Parks and Wildlife Code Section 68.015, the District must inform construction workers and other field personnel regarding the potential occurrence of state listed species in the project area. Prior to beginning work each day, open trenches and excavation areas must be checked to ensure no wildlife species have been trapped. If state listed species are encountered, the animals must be allowed to leave the area safely. State listed species may be handled only by persons with authorization obtained through the Texas Parks and Wildlife Department. Disturbed areas must be reseeded with native grasses by hydromulching, hydroseeding, or seed broadcasting techniques. If erosion control blankets or mats are used, the District must avoid the use of plastic mesh matting or netting.

• Standard emergency condition for the discovery of cultural resources.

• Standard emergency condition for the discovery of threatened or endangered species.

Documentation supporting this environmental finding is on file in the office of the Regional Water Project Development Division, TWDB, and is available for public inspection upon request. Comments concerning the finding may be submitted to the Director, Regional Water Project Development, Texas Water Development Board, Post Office Box 13231, Austin, Texas 78711-3231; or to rwpd-environmental@twdb.texas.gov.

Sincerely,

T. Clay Schultz, Ph.D., Director
Regional Water Project Development

Enclosure
Western end of TWDB-funded pipeline: eastern edge of Hubbard Creek Reservoir

Eastern end of TWDB-funded pipeline: connection to existing WCTMWD-owned pipeline