Supplemental study.

(A) Where the director determines the need for a supplemental study to provide a more detailed analysis of environmental impacts of the assistance proposal and the disposal system, or the overall activities, of which the assistance proposal is a part, unless the applicant withdraws the assistance proposal for funding consideration or proposes measures to avoid the environmental impacts that would be the subject of the supplemental study, the director shall:

(1) Identify the basis or need for the supplemental study;

(2) Solicit public input concerning the scope of the supplemental study;

(3) Establish, after consulting with the applicant and considering public input, the scope of the supplemental study investigation, its conduct, the range of alternatives to be investigated, and its relationship to the facilities plan or project plan prepared which includes the assistance proposal; and

(4) Conduct the supplemental study investigation accordingly, and prepare a statement summarizing the investigation, its results, and the director's findings regarding the significance of the potential adverse environmental impacts.

(B) The director shall incorporate the results of the supplemental study in the environmental assessment of the assistance proposal.