



Mike DeWine, Governor  
Jon Husted, Lt. Governor  
Laurie A. Stevenson, Director

May 2, 2022

**Limited Environmental Review and Finding of No Significant Impact**

**City of Hillsboro – Highland County  
N. West Street Water System Improvements  
Loan number: FS390450-0019**

The attached Limited Environmental Review (LER) is for a water distribution project in Hillsboro which the Ohio Environmental Protection Agency intends to finance through its Water Supply Revolving Loan Account (WSRLA) below-market interest rate revolving loan program. The LER describes the project, its costs, and expected environmental benefits. Making available this LER fulfills Ohio EPA's environmental review and public notice requirements for this loan program.

Ohio EPA analyzes environmental effects of proposed projects as part of its WSRLA program review and approval process. We have concluded that the proposed project should not result in significant adverse environmental impacts. This project's relatively narrow scope and lack of environmental impacts qualifies it for the LER rather than a more comprehensive Environmental Assessment. More information can be obtained by calling or writing the person named at the end of the attached LER.

Upon issuance of this Finding of No Significant Impact (FNSI) determination, award of funds may proceed without further environmental review or public comment unless new information shows that environmental conditions of the proposed project have changed significantly.

Sincerely,

*Kathleen Courtright*

Kathleen Courtright, Assistant Chief  
Division of Environmental and Financial Assistance

Attachment

## LIMITED ENVIRONMENTAL REVIEW

### **Project Identification**

Project: N. West Street Water System Improvements

Applicant: City of Hillsboro  
130 N. High Street  
Hillsboro, Ohio 45133

Loan Number: FS390450-0019



**Figure 1. Highland County**

### **Project Summary**

The City of Hillsboro, in Highland County (Figure 1), has requested \$2,544,366 from the Ohio Water Supply Revolving Loan Account (WSRLA) to fund the N. West Street Water System Improvements project. This project will involve replacement of water mains and service lines along N. West Street.

### **History & Existing Conditions**

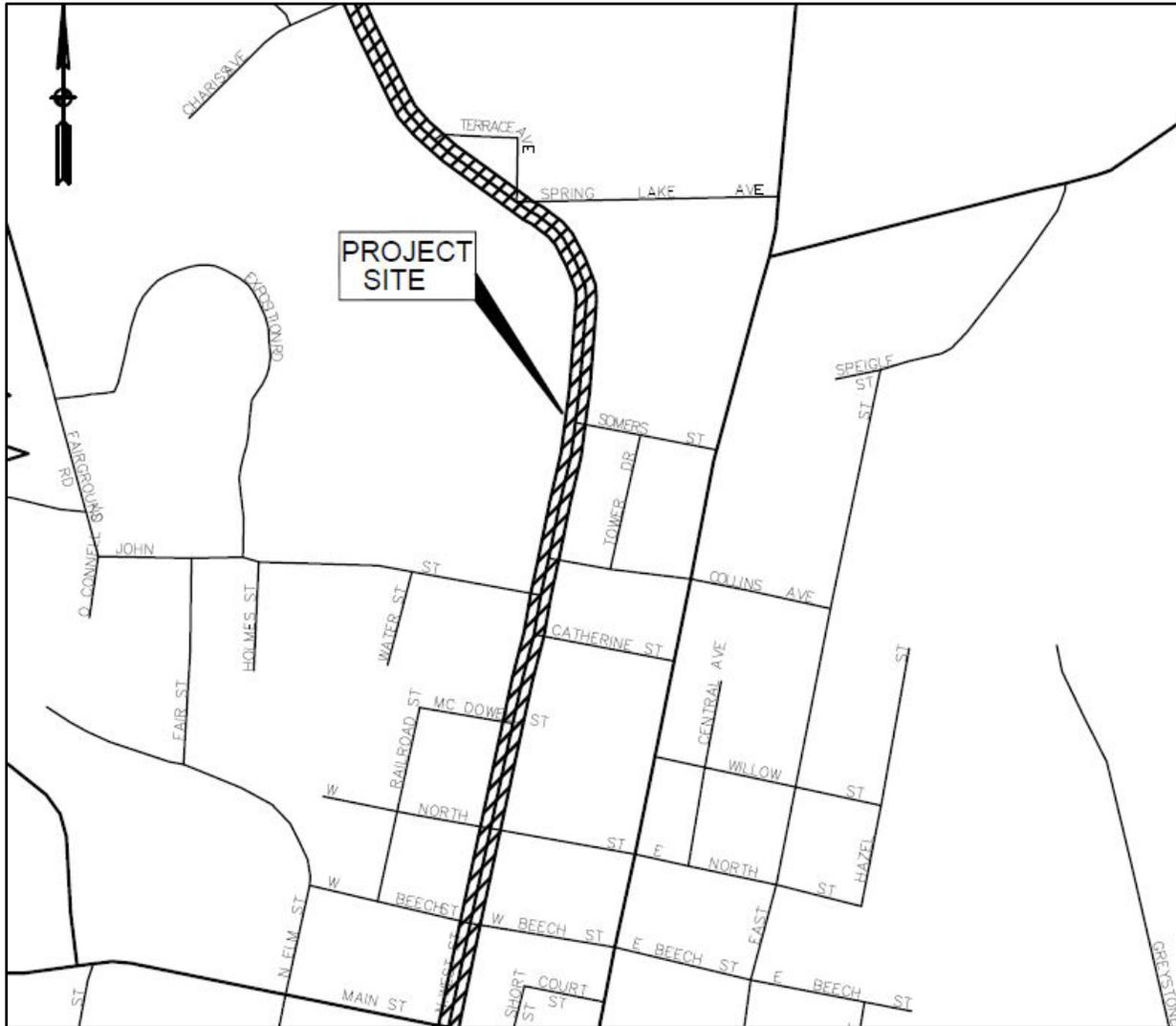
Hillsboro owns and operates their own water treatment, storage, and distribution system and provides roughly 800,000 gallons of water per day to approximately 3,350 users within the city. Hillsboro's water comes entirely from surface water sources, including Clear Creek, the Selph Reservoir, and the Liberty Park Reservoir. Hillsboro's distribution system consists of nearly 255,000 feet of 4-inch through 16-inch water mains that date back as far as the 1920s. Currently, Hillsboro is experiencing water loss due to deterioration and failing of mains, particularly in the older sections of their system.

This project specifically deals with the deteriorated and chronically failing 4-inch and 6-inch water mains and service lines along N. West Street, which were installed over 100 years ago. These mains are joined with lead joints and valves, and the service lines connected to these mains are potentially made of lead. Breaks in these mains costs time and money to conduct repairs and are a health risk and nuisance. Furthermore, these lead components pose potential health risks to residents.

To replace all failing mains in the city at once would be too costly. Hillsboro intends to conduct water main replacements in phases starting with older portions of the system, such as along N. West Street (Figure 2).

### **Project Description**

This project involves replacement of deteriorated and failing water mains along N. West Street with approximately 5,350 feet of 8-inch polyvinyl chloride (PVC) water main, along with valves, joints, hydrants, and associated appurtenances. Service lines will be replaced with new copper lines and transferred to the new PVC water mains.



**Figure 2. Project site, N. West Street**

**Implementation**

Hillsboro proposes to borrow \$2,544,366 from the Ohio WSRLA at the small community rate of 0.78 percent (interest rates are set monthly and may change for the requested June award date) to cover the cost of this construction project. This will also cover \$86,600 in previous engineering services and \$158,700 from the associated design loan. Additionally, Hillsboro is eligible to receive the portion of their loan associated with lead service line replacements, estimated to be \$200,000, as principal forgiveness; principal forgiveness is a loan that does not need repaid. Borrowing WSRLA funds at this rate and receiving the estimated amount in principal forgiveness could save Hillsboro approximately \$1,036,500 over a 30-year loan period compared to the current market rate of 2.58 percent.

The debt associated with this construction project will be recovered from user charges. Hillsboro last increased their base water rate in 2019. Currently in committee and before city council are the

following rate increases: 3 percent in 2022 and 2023, 2 percent in 2024 and 2025, and 1.5 percent in 2026. Upon completion of this project, the average annual water bill for residents served by Hillsboro will be \$552. This is 1.7 percent of the of the median household income for Hillsboro (MHI; \$32,095) and compares favorably to the Ohio average bill of \$697.

Construction is expected to begin following loan award and be completed in March of 2023.

### **Public Participation**

Hillsboro has discussed water system issues at city council meetings and in the local newspaper over the past several years to keep residents informed of the need to continue replacing antiquated system components to provide safe and reliable water service into the future. Hillsboro has implemented a rate increase to help pay for necessary water system improvements. Hillsboro intends to send a letter to affected residents that explains the project and advertises a public meeting that will be held in May to further discuss this project and answer questions.

Residents will be required to sign a waiver to allow Hillsboro and the city's representatives on their property to conduct service line replacements. The contractor will be required to notify residents of interruptions to water service at least 24 hours prior to a shut down.

Ohio EPA is unaware of controversy about or opposition to this project. Ohio EPA will make a copy of this document available to the public on the following webpage and will provide it upon request: <https://epa.ohio.gov/wps/portal/gov/epa/divisions-and-offices/environmental-financial-assistance/announcements>.

### **Conclusion**

The proposed project meets the project type criteria for a Limited Environmental Review (LER); namely, it is an action within an existing water distribution system, which involves the replacement of and improvements to existing water mains and service lines. Furthermore, the project meets the other qualifying criteria for an LER; specifically, the proposed project:

**Will have no significant environmental effect, will have no effect on high-value environmental resources, and will require no specific impact mitigation.** Water main replacements will take place within paved roads and road rights-of-way, and service line replacements will take place within sidewalks, lawn strips, and front lawns. All areas of construction have previously undergone ground disturbances and lack suitable habitat for state and federally listed endangered and threatened species. Construction will not take place within or otherwise impact designated floodplain zones and aquatic habitat. All disturbed areas will be returned to preconstruction conditions. The contractor will be responsible for implementing standard construction best management practices to control noise, dust, and erosion, and to maintain traffic during construction.

The southern end of the proposed water main replacements, at the intersection of N. West Street and N. Main Street, will extend into the Hillsboro Historic Business District. Construction will be restricted to within the paved road and will not impact any of the surrounding buildings. The Ohio State Historic Preservation Office concurred with Ohio EPA's determination that the proposed construction is unlikely to impact important historical and archaeological resources.

**Is cost effective.** Due to the deteriorated condition and history of breaks of the water mains along N. West Street, a "do nothing" alternative is not viable. Replacement of the existing water mains, as

opposed to other repair methods such as internal lining, will improve system reliability while also having the additional benefit of removing entirely the lead components within this portion of the distribution system. Additionally, replacing these water mains will allow Hillsboro to increase the water main sizes to meet current supply standards, further improving system efficiency.

**Is not a controversial action.** The proposed rate increases are not intended to cover the cost of any one specific project, and user rates will still compare favorably to the Ohio average upon completion of this project. By using WSRLA lead service line principal forgiveness funding, Hillsboro has eliminated the cost to residents for service line replacements.

**Does not create a new or relocate an existing discharge to surface or ground waters, does not create a new source of water withdrawals from either surface or ground waters, does not significantly increase the amount of water withdrawn from an existing water source, does not substantially increase the volume of discharge or loading of pollutants from an existing source or from new facilities to receiving waters, and will not provide capacity to serve a population substantially greater than the existing population.** This project merely involves the replacement of water mains and service lines within the existing service area and will not otherwise alter Hillsboro's drinking water system (withdrawal, treatment, storage, distribution, usage, etc.).

To conclude, Hillsboro's proposed project is sufficiently limited in scope and meets all applicable criteria to warrant an LER. The planning review of this project identified no potentially significant short-term or long-term adverse impacts on the quality of the human environment or on sensitive resources (surface waters, coastal zones, floodplains, wetlands, state-designated scenic and recreational rivers, prime and unique agriculture lands, aquifer recharge zones, archaeological and historically significant sites, threatened and endangered species, and state and federal wildlife areas). Rather, completion of this project will alleviate water main breaks and remove lead components in a portion of Hillsboro's distribution system, improving the operational efficiency, reliability, and safety of the system.

### **Contact Information**

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