



P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

April 1, 2024

STATEMENT OF FINDINGS

TO ALL INTERESTED AGENCIES AND PUBLIC GROUPS:

As required by the rules of the Texas Water Development Board (TWDB), 31 Texas Administrative Code (TAC) § 371.41, an environmental review consistent with the National Environmental Policy Act (NEPA), 42 United States Code § 4321, *et seq.*, has been performed on the project below. This project is proposed to be 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:

Sharyland Water Supply Corporation, Hidalgo County, Texas
TWDB DWSRF Project No. 62955
Water System Improvements Project
Total Financing Amount: \$35,910,000
Commitment Nos. L1001720 and LF1001722

The Sharyland Water Supply Corporation (Corporation) is proposing to use \$35,910,000 in construction funding from the DWSRF Program for water treatment plant (WTP) improvements and water line relocations. The Corporation's water system has been experiencing numerous challenges at its WTPs, including deficiencies in the chemical feed, raw water pump capacity, high service pump capacity, and redundancy systems. These issues have led to multiple notices of violation from the Texas Commission on Environmental Quality and the inability to sustain adequate distribution pressure throughout the system. In addition, on June 18, 2022, the Corporation received a Notice of Required Accommodation from the Texas Department of Transportation (TxDOT) requiring the relocation of utility facilities due to road expansion and realignment conflicts.

The proposed WTP component includes improvements at WTPs 1 and 2 in the cities of Alton and McAllen, Texas, respectively, to improve function, provide redundancies, and increase the two plants' total treatment capacity from 14 million gallons per day (MGD) to 19 MGD. Proposed work at the WTPs will include improvements to the yard piping and access road, installation of a new rapid mix structure, a capacity increase to the chemical system, replacement of high service backwash pumps, and improvements to the electrical system.

Our Mission : **Board Members**

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The proposed WTP 1 improvements include the following components:

- High service pump station and backwash improvements – replacing the single backwash pump with two new pumps and installing three new high service pumps
- Rapid mix improvements – demolition of the existing rapid mix basin, inlet, and piping, and construction of a new rapid mix basin
- Chemical feed and storage improvements – upgrades to the existing chemical feed facilities, relocation of chlorine dioxide generators into the chemical building, new chemical storage tanks and containment areas, new chemical metering pumps, chlorine storage extension, and demolition of existing chlorine feed room
- Electrical improvements – higher power service from existing electric lines, pad mounted transformer, and electrical upgrades including a new electrical building

The proposed WTP 2 improvements include the following components:

- High service pump station improvements – replacing three high service pumps
- Electrical improvements – higher power service from existing electric lines, pad mounted transformer, and electrical upgrades including a new electrical building

The proposed water line relocation component will replace/relocate approximately 26.5 miles of water lines within TxDOT road segments 5, 6, 8, 10, 11, and 12. The proposed project will be coordinated with ongoing TxDOT road-widening work in and around the City of Alton, to limit disruptions to residents, and will include removing/abandoning existing water lines of various sizes, upgrading to a more appropriate size, and relocating to either the new right-of-way determined by TxDOT or an acquired easement. Auxiliary items include boring beneath driveways and roadways; relocating and reconnecting water meters; and repairing/replacing existing curbs, driveways, and sidewalks that need to be demolished to remove and install water lines.

The proposed project is part of a larger project that will also be completed with Water Infrastructure Finance and Innovation Act (WIFIA) funding from the Environmental Protection Agency (EPA), a Bureau of Reclamation (BOR) grant, and cash contribution from the Corporation that will partially be refunded by TxDOT. The Corporation will fund the planning and design of the proposed project.

One of the proposed water line relocations (segment 5) and the improvements at both WTPs will overlap with a portion of the scope of a proposed project funded by the EPA-WIFIA and BOR. The proposed WIFIA/BOR project includes four other water line replacement segments that are not part of the proposed TWDB-funded project. Similarly,

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the proposed TWDB project includes five other water line replacement segments that are not part of the proposed WIFIA/BOR project.

The EPA issued a Categorical Exclusion (CE) on September 6, 2023 in accordance with NEPA for the proposed WTP improvements at both WTPs and water line segments 1 through 5. In addition, TxDOT issued environmental determinations for the road-widening projects listed below. The environmental impact assessments conducted by TxDOT included impacts from utility relocations, including water lines.

- CE for TxDOT Project 1 (CSJ No. 1064-01-032) on October 4, 2018
- Finding of No Significant Impact (FNSI) for TxDOT Projects 2 and 3 (CSJ No. 0684-01-068 and CSJ: 0684-01-069) on April 26, 2017
- FNSI for TxDOT Projects 4 and 5 (CSJ Nos. 1064-01-043 and 1064-01-027, respectively) on February 7, 2020
- FNSI for TxDOT Projects 6 and 8 (CSJ Nos. 2094-01-063 and 2094-01-062, respectively) on October 14, 2022
- CE for TxDOT Projects 7, 9, and 10 (CSJ Nos. 0528-01-113, 0528-01-112, and 0528-01-116, respectively) on February 2, 2023
- CE for TxDOT Projects 11 and 12 (CSJ No. 1803-01-094) on December 8, 2021

The proposed road widening projects will be implemented by TxDOT's Pharr District, in cooperation with the Federal Highway Administration (FHWA) and Hidalgo County. The environmental review, consultation, and other actions required by applicable federal environmental laws for the road widening projects were carried out by TxDOT pursuant to 23 U.S.C. 327 and a Memorandum of Understanding dated December 16, 2014, and executed by the FHWA and TxDOT. TxDOT's environmental reviews and determinations for the road widening projects listed above are compliant with NEPA.

To fulfill DWSRF Program requirements for environmental review, the TWDB is issuing this SOF to adopt (1) the EPA's NEPA CE for the WTP 1 and WTP 2 improvements and water line replacement project 5 projects and (2) TxDOT's NEPA determinations for the Corporation's water line projects that will be constructed in the same project alignments as TxDOT road widening projects 6, 8, 10, 11, and 12.

The Corporation has acknowledged the environmental conditions and has the ability and authority to do so. Based upon a detailed review of the EPA's and TxDOT's CEs and FNSIs listed above as well as supporting documentation including environmental impact assessments, agency and tribal coordination, and public involvement, this SOF is

considered environmentally sound with the following special and standard environmental conditions:

Special Environmental Conditions

- The proposed project will comply with Texas Department of Transportation (TxDOT) Environmental Permits, Issues, and Comments (EPIC) sheets, as communicated to the construction contractor by TxDOT. EPICs are any permit, issue, coordination commitment, or mitigation obligation necessary to address, offset, or compensate for social, economic, or environmental impacts of a project, including sole source aquifer coordination (not applicable at this location), wetland permits, stormwater permits, traffic noise abatement, threatened or endangered species coordination, or archeological permits, and any mitigation or other commitment associated with the project.
- Consistent with the Endangered Species Act of 1973, as amended, the Migratory Bird Treaty Act, and Texas Parks and Wildlife Code Chapter 64, vegetation clearing must be excluded during the general bird nesting season, March 15 through September 15, to avoid adverse impacts to breeding birds. If vegetation clearing during this time is unavoidable, the area proposed for disturbance will be surveyed by a qualified biologist during the nesting period to identify occupied nests. If occupied nests are observed during surveys, a vegetation buffer area of no less than 100 feet in diameter will remain around the nest until all young have fledged; however, the size of the buffer zone depends on various factors and can be coordinated with the local or regional United States Fish and Wildlife Service office. Raptor nesting occurs late winter through early spring; the Texas Parks and Wildlife Department recommends construction activities be excluded from a minimum zone of 100 meters (approximately 328 feet) surrounding any raptor nest during the period of February 1 through July 15. State and federal regulations as currently interpreted do not permit incidental take.
- There is the potential for the presence of state-listed species and species of concern in the project area and state law prohibits the taking (incidental or otherwise) of state-listed species. Taking is defined as the collecting, hooking, hunting, netting, shooting, or sharing by any means or devices. If any listed species are observed, cease work in the immediate area, do not disturb species or habitat, and contact the Sharyland Water Supply Corporation immediately. To ensure compliance with Texas Parks and Wildlife Code and applicable federal regulations, the following measures will be implemented to protect the state-listed (threatened) Texas tortoise (*Gopherus berlandieri*), Texas horned lizard (*Phrynosoma cornutum*),

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sheep frog (*Hypopachus variolosus*), black-spotted newt (*Notophthalmus meridionalis*), Mexican burrowing toad (*Rhinophrynus dorsalis*), Mexican tree frog (*Smilisca baudinii*), south Texas siren (large form) (*Siren sp 1*), white-lipped frog (*Leptodactylus fragilis*), and black-striped snake (*Coniophanes imperialis*); Texas Parks and Wildlife Department Species of Greatest Conservation Need southern yellow bat (*Lasiurus ega*), Texas indigo snake (*Drymarchon melanurus erebennus*), and Mexican mud plantain (*Heteranthera Mexicana*); and federally listed (candidate) monarch butterfly (*Danaus Plexippus*).

- Required Terrestrial Reptile Best Management Practices (BMP)
 - Contractors will be advised by TxDOT of potential occurrence in the project area and to avoid harming the species if encountered.
 - Apply hydro mulching and/or hydro seeding in areas for soil stabilization and/or revegetation or disturbed areas where feasible. If hydro mulching and/or hydro seeding are not feasible due to site conditions, use of erosion control blankets or mats that contain no netting or contain loosely woven natural fiber netting is preferred. Plastic netting should be avoided to the extent practicable.
 - For open trenches and excavated pits, install escape ramps at an angle of less than 45 degrees (1:1) in areas left uncovered. Visually inspect excavation areas for trapped wildlife prior to backfilling.
 - If reptiles are found on the project site, allow the species to safely leave the project area.
 - Avoid or minimize disturbing or removing downed trees, rotting stumps, and leaf litter where feasible.
- Texas Tortoise
 - Contractors will be advised by TxDOT of potential occurrence in the project area and to avoid harming the species if encountered.
 - Utility trenches should be covered overnight or visually inspected before filling to avoid burial of the species.
 - Comply with TxDOT terrestrial reptile, terrestrial amphibian, and vegetation BMPs.
- Texas Horned Lizard
 - Avoid harvester ant mounds in the selection of project specific locations where feasible.
 - Comply with TxDOT terrestrial reptile, terrestrial amphibian, and vegetation BMPs

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- Sheep Frog
 - Minimize disturbance to burrows and downed woody debris.
 - Comply with TxDOT water quality, amphibian, and reptile BMPs.
- South Texas Siren (Large Form)
 - Minimize impacts to warm, shallow waters with vegetative cover, such as ponds and ditches.
 - Comply with TxDOT water quality BMPs.
 - Comply with TxDOT amphibian BMPs.
- For projects within existing right-of-way, when work is in water or will permanently impact a water feature and potential habitat exists for species, contractors will do the following:
 - Minimize impact to wetlands, temporary and permanent open water features including depressions, and riverine habitats.
 - Maintain hydrologic regime and connections between wetlands and other aquatic features.
 - Use barrier fencing to direct animal movements away from construction activities and areas of potential wildlife vehicle collisions in construction areas directly adjacent, or that may directly impact, potential habitat for the target species.
 - Apply hydro mulching and/or hydro seeding in areas for soil stabilization and/or revegetation of disturbed areas where feasible. If hydro mulching and/or hydro seeding are not feasible due to site conditions, using erosion control blankets or mats that contain no netting, or only contain loosely woven natural fiber netting is preferred. Plastic netting should be avoided to the extent practicable.
 - Project specific locations proposed within state-owned right-of-way should be located in uplands away from aquatic features.
 - When work is directly adjacent to the water, minimize impacts to shoreline basking sites (e.g., downed trees, sand bars, exposed bedrock) and overwinter sites (e.g., brush and debris piles, crayfish burrows) where feasible.
 - Avoid or minimize disturbing or removing downed trees, rotting stumps, and leaf litter, which may be refugia for terrestrial amphibians, where feasible.
- Required Water Quality BMPs

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- Comply with the Texas Commission on Environmental Quality Storm Water Pollution Prevention Plan and/or Section 401 water quality permit.
 - Minimize the use of equipment in streams and riparian areas during construction. When possible, equipment access should be from banks, bridge decks, or barges.
 - When temporary stream crossings are unavoidable, remove stream crossings once they are no longer needed and stabilize banks and soils around the crossing.
- Comply with TxDOT bat BMPs.

Standard Environmental Conditions

- No activity which may affect properties listed or properties eligible for listing in the National Register of Historic Places or eligible for designation as a State Archeological Landmark is authorized until the Sharyland Water Supply Corporation has complied with the provisions of the National Historic Preservation Act and the Antiquities Code of Texas.

If archeological sites or historic structures which may qualify for designation as a State Archeological Landmark according to the criteria in 13 Texas Administrative Code Chapter 26, or that may be eligible for listing on the National Register of Historic Places in accordance with 36 CFR Part 800, are discovered after construction operations are begun, the Contractor shall immediately cease operations in that particular area and notify the Sharyland Water Supply Corporation, the TWDB, and the Texas Historical Commission, 1511 N. Colorado St., P.O. Box 12276, Capitol Station, Austin, Texas 78711-2276. The Contractor shall take reasonable steps to protect and preserve the discoveries until they have been inspected by the Sharyland Water Supply Corporation's representative and the TWDB. The Sharyland Water Supply Corporation will promptly coordinate with the State Historic Preservation Officer and any other appropriate agencies to obtain any necessary approvals or permits to enable the work to continue. The Contractor shall not resume work in the area of the discovery until authorized to do so by the Sharyland Water Supply Corporation.

- No activity is authorized that is likely to jeopardize the continued existence of a threatened or endangered species as listed or proposed for listing under the Federal Endangered Species Act (ESA), and/or the State of Texas Parks and Wildlife Code on Endangered Species, or to destroy or adversely modify the habitat of such species.

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If a threatened or endangered species is encountered during construction, the Contractor shall immediately cease work in the area of the encounter and notify the Sharyland Water Supply Corporation, who will immediately implement actions in accordance with the ESA and applicable State statutes. These actions shall include reporting the encounter to the TWDB, the U. S. Fish and Wildlife Service, and the Texas Parks and Wildlife Department, obtaining any necessary approvals or permits to enable the work to continue, or implement other mitigation actions. The Contractor shall not resume construction in the area of the encounter until authorized to do so by the Sharyland Water Supply Corporation.

Comments regarding this determination may be submitted to the Director of Regional Water Project Development, Texas Water Development Board, P.O. Box 13231, Austin, Texas 78711-3231.

Sincerely,

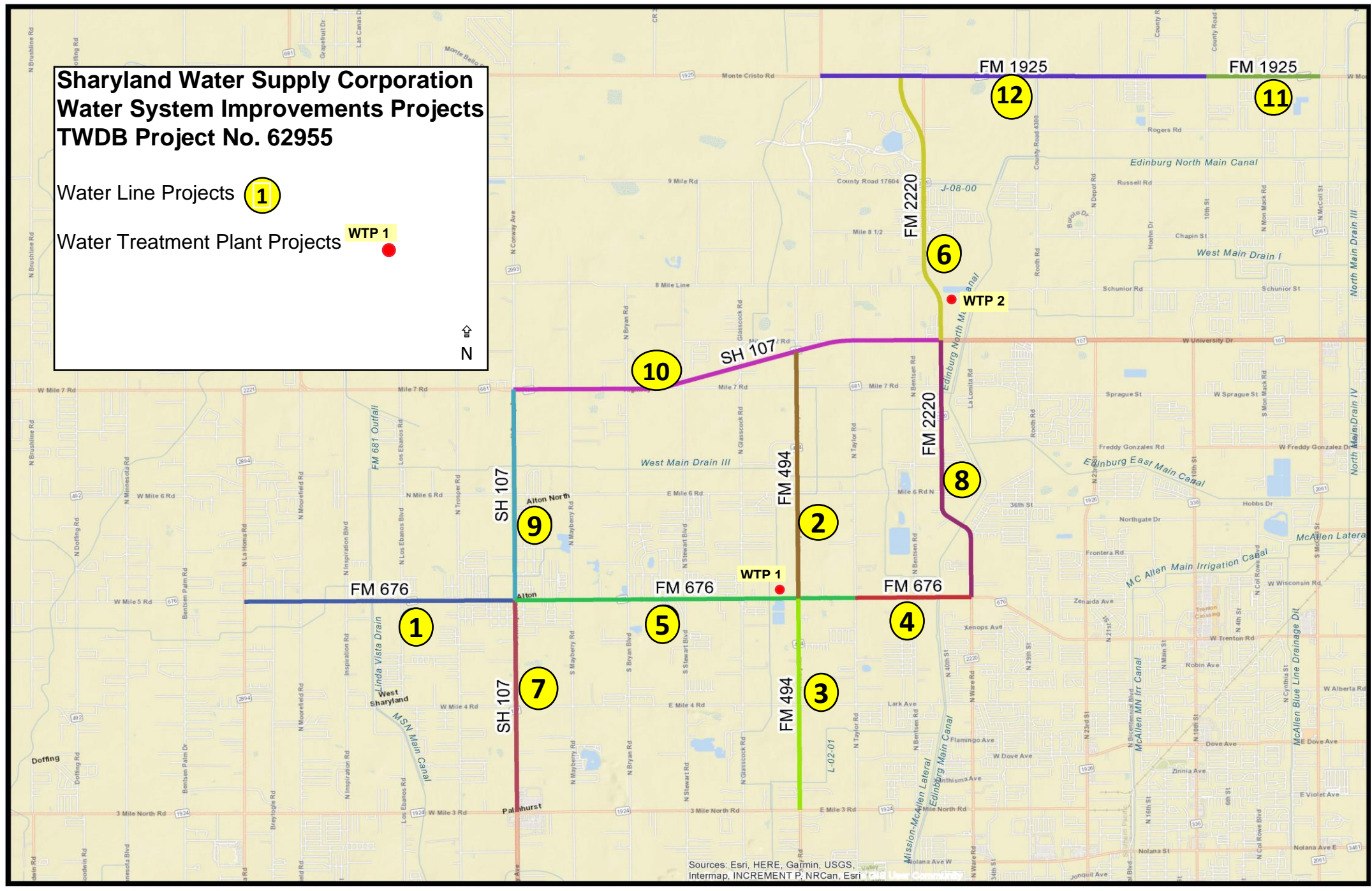
T. Clay Schultz, Ph.D., Director
Regional Water Project Development

Enclosure

Sharyland Water Supply Corporation Water System Improvements Projects TWDB Project No. 62955

Water Line Projects **①**

Water Treatment Plant Projects **WTP 1**



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri