

## **Attachment 2G(1)**

### **Explanatory Note for USDA Rural Development (RD) Report November 2, 2011**

This report reflects the NEPA status of USDA Rural Development projects and activities funded by the American Recovery and Reinvestment Act (ARRA) through the period ending September 30, 2011. Rural Development is comprised of three federal agencies: Rural Housing Service, Rural Business and Cooperative Service, and the Rural Utilities Service. This report covers the status of NEPA compliance for all ARRA-funded projects and activities for these three agencies.

There is no new information in this report and spreadsheet except a slight reduction in obligations from 96.5 percent to 94.0 percent of total appropriated funds since the last reporting period. As of September 30, 2011, Rural Development identified a total of 95,906 ARRA funded proposals, which is less than the 95,945 total amounts reported for the period ending June 30, 2011. For this reporting period the Total ARRA Obligation Amount was reduced by \$22,528,254 (from \$4,085,036,503 in June 2011 to \$4,062,508,249 in September 2011). This is a reduction from 96.5 percent to 94.0 percent of the total appropriated fund amount of \$4,231,518,000. Due to the high volume of individual proposals, Rural Development's reports are grouped by program rather than listing individual actions by line item. Therefore, this decrease is a result of withdrawn proposals due to a myriad of reasons other than NEPA review since the NEPA reviews for these projects have already been completed. The reasons include applicant decisions to cancel proposed projects, applicants not meeting closing conditions, or other such decisions. This type of decrease between financial assistance approved and closed is considered normal for loan and grant programs.

The enclosed report lists the five Rural Development program areas that received funding under the ARRA. Each of these areas has a unique Treasury Appropriation Fund Symbol. In this report we are providing the total obligations that resulted in outlays, and the actual amount appropriated in ARRA for each program (adjusted to reflect up to a three percent reduction for administrative expenses, as allowed by ARRA). This data correlates with the data on [recovery.gov](http://recovery.gov) and is in alignment with ARRA.

For the Rural Housing Program, we grouped all Single Family Housing direct and guaranteed loans and reported them on the same line because these loans are for similar activities that are categorically excluded under NEPA. We listed the NEPA review date as the last date on which any reviews were made for that group.

Likewise, for the Rural Community Facilities Program, Rural Business Program and the Rural Water & Waste Disposal Program, we grouped similar activities which comply with NEPA in the same way. Under each of these programs, we reported two groups: categorical exclusions and environmental assessments. We listed the NEPA review date as the last date on which obligations were made for the respective group. An environmental impact statement was not required in any of these programs receiving ARRA funding.

As reported in the previous reports, please note the following:

1 - There was a change in Budget Authority for Business Programs due to a transfer of funds from the administrative account to the obligating account.

2 - The WEP Obligations include the \$14,280,000 Circuit Rider contract as well as the WEP TAT Grant. This comprised 3 obligations: one for WEP TAT Grant in 2010, and 1 Circuit Rider obligation for each fiscal year.

**Examples of USDA-Rural Development ARRA Financial Assistance:**

1) Rural Water & Waste Disposal Program: Millwood-Bloomington Water System Improvement Project, Williamsburg County Water and Sewer Authority, South Carolina - EA

Rural Development funded this water distribution project that will install approximately 140 miles of pipeline, replacing residences currently served by individual private, unregulated wells. Through implementation of the NEPA process in the planning stages, this project identified mitigation actions to protect the American chaffseed (*Schwalbea Americana*) and red-cockaded woodpecker (*Picoides borealis*), species protected under Section 7 of the Endangered Species Act. In addition, mitigation was included to protect the scenic beauty and visual aesthetics of the Black River, a river segment included in the Nationwide Rivers Inventory.

The NEPA analysis identified suitable habitat within the proposal's area of impact for the American chaffseed, which was known to exist in the area. Therefore, a botanical survey was conducted and the pipeline layout was modified to minimize impacts on American chaffseed's habitat. In order to protect this species, the construction contract was modified to stipulate that no equipment would be placed in the rights-of-way outside of the pavement without notification and concurrence of the United States Fish and Wildlife Service (USFWS).

In addition, implementation of the NEPA process allowed the identification of several clusters of the federally listed red-cockaded woodpecker (RCW) colonies, *Picoides borealis*, present near the road rights-of-way of the proposed project. The project employed mitigation to avoid impact to these species (no pine trees 10 inches-in-diameter, at breast height (DBH), or greater may be removed without concurrence of the USFWS).

In order to protect the scenic beauty of the Black River, mitigation was adopted that stipulated that no construction would occur within one-half mile of the river and that Best Management Practices (BMPs) were included in the contract documents to minimize potential of non-point source pollution.

Finally, in order to provide for protection of wetlands, the contract documents included design specification for all wetland crossings to be accomplished via directional bore.

2) Eastern Shore Rural Health Medical Center in Olney, Virginia – EA

The Rural Development Rural Community Facilities Program included the proposed construction of the Eastern Shore Rural Health Medical Center in Olney, Virginia. This project

involved construction of a new medical building, parking, and infrastructure, which required the installation of on-site groundwater sources and septic system. This site is located within the Columbia and Yorktown-Eastover Multiaquifer System which is a Sole Source Aquifer supplying more than 50 percent of the water needs for the communities within the service area boundaries. As a result of the NEPA process, the EPA reviewed the proposal in the planning stages and suggested modifications to the proposal to address the potential adverse risk to ground water from contamination. Also, due to the concerns of the public and agencies involved in permitting this project, to protect this sole source aquifer, the local Soil and Water Conservation District is using the facility grounds and surrounding area to plant native vegetation for a native and healing planted garden. Planting of native vegetation in this way will help to treat runoff from the proposed facility and contribute to protection of adjacent wetland and waterways, which recharge the aquifer.

3) Rural Communities Facilities Program: Pioneer Home, Fergus Falls, Minnesota – EA

This proposal involved the construction of a new Community Assisted-Living Facility. During the NEPA and Section 106 of the National Historic Preservation Act (NHPA) reviews, it was determined that the existing Community Assisted-Living Facility, eligible for listing on the National Register of Historic Places, was to be abandoned. Due to its architecture significance, Rural Development worked with the State Historic Preservation Office (SHPO) and interested parties to develop a reuse plan to ensure there will be no adverse affect to this historic property. The provisions of the reuse plan were included in the loan conditions. Through consultation with the SHPO and interested parties, Rural Development was able to make a no adverse affect determination for the adaptive reuse plan for the existing building.

4) Reuse of the Milton Public Library in Milton, Pennsylvania – EA

The Rural Development Community Facilities Program also funded the adaptive reuse of the Milton Public Library in Milton, Pennsylvania, an existing structure eligible for listing on the National Register of Historic Places and located within an historic district. The reuse of this significant structure involved the purchase, relocation, and renovation (including construction of an addition) on an existing two-story single family residence, the Rose Hill House, within the Milton Historic District. The dwelling was originally constructed in the late 1800s, was destroyed by fire in the mid-1900s and then subsequently rehabilitated, along with the carriage house also located on the property. Through the NEPA process and consultation with the State Historic Preservation Officer and interested parties, Rural Development was able to make a 'no adverse affect' determination for the adaptive reuse plan for this National Register of Historic Places eligible structure

5) Enhancements to Middle Holstein South Fork Water Treatment Plant, Virginia - EA

Rural Development funded the installation of a 12 million gallon per day water intake and pump station, along with a transmission line to the Middle Holstein South Fork Water Treatment Plant in Washington County, VA. In addition, the Water Treatment Plant will be upgraded to handle the additional flow. Through implementation of the NEPA process in the planning stages, this project identified mitigation actions to protect the archaeological remains of two prehistoric

Native American camps and minimize floodplain impacts. In addition, mitigation was included to protect the scenic beauty and visual aesthetics of the Virginia Creeper Trail, a “rails-to-trails” project in the National Recreation Trail inventory.

6) Student Housing at Bridgewater College, in Bridgewater, Virginia - EA

The Rural Development Community Facilities Program funded a proposal to renovate dorms and construct apartments for student housing at Bridgewater College, in Bridgewater, Virginia. The college is located next to the Town of Bridgewater’s historic district. The college, founded in 1880, has a number of historic buildings on campus, many dating to the late 1800s. Pursuant to Section 106 of the National Historic Preservation Act, the college’s architect, in close consultation with the Virginia Department of Historic Resources, provided a design that would appropriately blend the new construction and renovations with the existing historic character of the area. The new apartment buildings are Victorian in appearance and are consistent with the adjoining historic district. The renovations of the dorms blend in with the existing buildings on the campus. As a result of the application of NEPA and the related Section 106 consultation process, the college was able to provide modern student housing with a historic character that is an asset to the college and the historic flavor of the Town of Bridgewater.

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