



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

1595 Wynkoop Street
Denver, CO 80202-1129
Phone 800-227-8917
www.epa.gov/region08

FEB 4 2016

Ref: 8EPR-N

Ms. Sandra L. Horsman
Director, Black Hills Health Care System
United States Department of Veterans Affairs
113 Comanche Road
Fort Meade, SD 57741-1099

RE: Draft Environmental Impact Statement and National Historic Preservation Act Section 106
Consultation: Reconfiguration of VA Black Hills Health Care System. CEQ# 20150304

Dear Ms. Horsman:

The U.S. Environmental Protection Agency Region 8 has reviewed the Draft Environmental Impact Statement (EIS) and National Historic Preservation Act (NHPA) Section 106 Consultation: Reconfiguration of VA Black Hills Health Care System (VA BHHCS), developed by United States Department of Veterans Affairs. In accordance with our responsibilities under Section 102(2)(C) of the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act, the EPA has reviewed and rated this Draft EIS.

Project Background

The VA BHHCS serves approximately 19,000 Veterans over an area of 100,000 square miles in parts of South Dakota, Wyoming and Nebraska. The Draft EIS analyzes six alternatives which focus on proposed modifications to the locations, use and operations of facilities in Hot Springs and Rapid City, South Dakota. Most notably for three of the five action alternatives, the VA would cease operating the Hot Springs campus, which includes the Battle Mountain Sanitarium (BMS), a National Historic Landmark. The EIS serves to fulfill the consultation and effects analysis components of Section 106 of the National Historic Preservation Act (NHPA).

The EPA has evaluated the Draft EIS and has the following comments:

Environmental Impacts

The EIS notes that the Hot Springs campus has a general permit (SDG860037) for a waste water treatment facility that discharges to waters of the U.S. The Draft EIS identified concerns about the facility should it remain stagnant for too long due to disuse. The EPA suggests that the VA analyze this issue in greater detail and/or explain how the treatment facility will be maintained or closed out in order

to avoid problems with the facility or its discharge in the future should it not transfer to new occupants in a timely manner.

The sections regarding solid and hazardous waste primarily discuss wastes associated with construction activity, operations and some legacy wastes such as asbestos and other materials that would be associated with historical buildings of the age of BMS. The Draft EIS does not discuss if there are any known legacy issues on the campus grounds, such as old landfills, chemical waste disposal areas, vehicle maintenance areas, underground storage tanks, etc. that may need to be disclosed to future tenants and or addressed before it could be turned over to new tenants. Due to the age of the campus and the potential for legacy environmental issues, it would be valuable to have an assessment of any potential environmental hazards and mitigation measures provided for any environmental hazards that are discovered.

Due to the theoretical nature of the proposal, much of the environmental concerns and potential impacts are necessarily speculative, such as the location and potential impacts of future facilities in Rapid City. The Draft EIS does a good job noting the best management practices and guidance that will be used to avoid or mitigate impacts to the environment for building and operational purposes as outlined in the alternatives. That being said, the Draft EIS notes that additional NEPA may be necessary once final plans are developed at a more site-specific level. The EPA recommends that the Final EIS explain in more detail what will trigger additional environmental review(s) that may be necessary under NEPA to address site-specific environmental issues. Additional NHPA Section 106 consultation may also be necessary depending on the specifics of any potential re-use of the Hot Springs campus.

Cost Analysis

Because the VA is proposing to make a difficult decision based on what will provide the best care and service to the most veterans in the service area for the least cost, it is important that the 30-year cost projections adequately reflect the alternatives and the uncertainties associated with them. In particular, it is unclear in the Draft EIS how the cost projections could be affected for those alternatives where the Hot Springs campus is closed and maintained to NHPA standards. For instance, it is not evident whether the calculated 30-year estimates include the cost of maintaining the campus or parts of the campus for the entire thirty years or a shorter period of time. It is also unknown if potential users of the campus would have the capital to acquire, remodel and operate all or some of the buildings and whether that is a factor in the resulting estimate. There also may be costs that have not been calculated in regards to the environmental concerns identified above, such as the cost of appropriately maintaining and/or closing out the waste water treatment system and addressing potential legacy environmental issues.

For these reasons, we recommend the Final EIS provide more clarity related to what factors were included in the cost analysis and the cost associated with addressing known or potential environmental issues for both maintaining the Hot Springs campus, or transferring it to new owners or tenants. The VA may wish to consider providing a cost range estimate to reflect the dynamic situation and best or worst-case scenarios.

Climate Change

We recommend that the VA utilize the Council on Environmental Quality's December 2014 revised draft guidance for Federal agencies' consideration of greenhouse gas (GHG) emissions and climate change impacts in NEPA to help outline the framework for its analysis of these issues. Accordingly, we recommend the Final EIS include an estimate of the GHG emissions associated with the project, qualitatively describe relevant climate change impacts, and analyze reasonable alternatives and/or practicable mitigation measures to reduce project-related GHG emissions. More specifics on those elements are provided below. In addition, we recommend that the NEPA analysis address the appropriateness of considering changes to the design of the proposal to incorporate GHG reduction measures and resilience to foreseeable climate change. We recommend that the Final EIS make clear whether commitments have been made to ensure implementation of design or other measures to reduce GHG emissions or to adapt to climate change impacts. More specifically, we suggest the following:

Environmental Consequences Section:

- Estimate the GHG emissions associated with the proposal and its alternatives. Example tools for estimating and quantifying GHG emissions can be found on CEQ's NEPA.gov website¹. These emissions levels can serve as a basis for comparison of the alternatives with respect to GHG impacts.
- Describe measures to reduce GHG emissions associated with the project, including reasonable alternatives or other practicable mitigation opportunities and disclose the estimated GHG reductions associated with such measures. For example, the Draft EIS mentions that sustainable building practices will be utilized if there is new construction. How will such practices reduce the carbon footprint of the VA BHHCS overall? The alternatives analysis should, as appropriate, consider practicable changes to the proposal to make it more resilient to anticipated climate change. The EPA further recommends that the Record of Decision commits to implementation of reasonable mitigation measures that would reduce or eliminate project-related GHG emissions, where possible.

Effects of Climate Change on Project Impacts:

We recommend that the Final EIS describe potential changes to the Affected Environment that may result from climate change. Including future climate scenarios in the Final EIS would help decision makers and the public consider whether the environmental impacts of the alternatives would be exacerbated by climate change. If impacts may be exacerbated by climate change, additional mitigation measures may be warranted.

Climate Change Adaptation:

We recommend considering climate adaptation measures based on how future climate scenarios may impact the project in the Final EIS. The National Climate Assessment (NCA), released by the U.S.

¹ https://ceq.doe.gov/current_developments/GHG_accounting_methods_7Jan2015.html

Global Change Resource Program^[1], contains scenarios for regions and sectors, including energy and transportation. Using NCA or other peer reviewed climate scenarios to inform alternatives analysis and possible changes to the proposal can improve resilience and preparedness for climate change.

Changing climate conditions can affect a proposed project, as well as the project's ability to meet the purpose and need presented in the Draft EIS. In addition to considering the resilience and preparedness of facilities, in some cases adaptation measures could avoid potentially significant environmental impacts. For example, the Draft EIS discusses potential project locations in relationship to floodplains. It would be critical to consider potential changes in precipitation and whether there may be increased chances of flooding in what was previously considered a minimal-risk area.

Conclusion and Rating

The EPA notes that the VA BHHCS did a considerable amount of work in preparing this Draft EIS and Section 106 consultation. We appreciate the VA's efforts to objectively estimate the impacts of the alternatives, especially the socioeconomic ones, which are sensitive for the Hot Springs community.

Pursuant to the EPA policy and guidance, the EPA rates the environmental impact of an action and the adequacy of the NEPA analysis. The EPA has rated the preferred alternative (A) "EC-2" (Environmental Concerns-Insufficient information). This "EC" rating means that the review has identified environmental impacts that should be avoided in order to fully protect the environment. The "2" rating indicates there was insufficient information for the EPA to fully assess the environmental impacts that should be avoided in order to fully protect the environment. These concerns appear to be resolvable between the Draft and Final EIS. An explanation of the rating criteria is at <http://www.epa.gov/nepa/environmental-impact-statement-rating-system-criteria>.

We appreciate the opportunity to review this project. If you have any questions or would like to discuss our comments, please contact me at (303) 312-6704, or Matt Hubner of my staff at (303) 312-6500.

Sincerely,



Philip S. Strobel, Director
Director, NEPA Program
Office of Ecosystems Protection and Remediation

Enclosure

cc: Luke Epperson, Veterans Affairs, Black Hills Health Care System

[1] <http://nca2014.globalchange.gov/>

