NEBRASKA

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DEPT. OF WATER, ENERGY, AND ENVIRONMENT

Jim Pillen, Governor

DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM
CATEGORICAL EXCLUSION

TO: All Interested Citizens, Government Agencies and Public Groups

In accordance with the Nebraska Drinking Water State Revolving Fund environmental review process, which is based on the National Environmental Policy Act, an environmental review has been performed on the proposed agency action below:

This information reviews the environmental impact likely from a project. This project is planned to be federally funded wholly or in part through your tax dollars; therefore, you are entitled to take part in its review. If you have concerns about the environmental impact of this project, please provide them at this time. The Nebraska Department of Water, Energy, and Environment (DWEE) encourages public input in this decision-making process.

PROJECT NAME:	Grand Island Lead Service Line Replacement Program
APPLICANT:	Grand Island, Nebraska
COUNTY:	Hall
POPULATION:	53,131 (2020 census)
DWSRF PROJECT NUMBER:	D311754
TOTAL PROJECT AMOUNT:	$6,897,000
ESTIMATED LOAN FORGIVENESS (60%):	$4,138,000
ESTIMATED DWSRF LOAN AMOUNT:	$2,759,000

The City of Grand Island has applied for funding through the Drinking Water State Revolving Fund (DWSRF) program administered by the DWEE to replace approximately 3,000 lead service lines and investigate service lines of unknown material to complete their service line inventory.

This categorical exclusion includes the investigation and replacement of lead service lines and galvanized requiring replacement (GRR) service lines. Water service lines are typically replaced by directional boring, and service lines are placed at a bury depth of three to five feet to prevent freezing. In rare cases, trenching methods may be required to replace service lines. In conjunction with the Nebraska State Historic Preservation Office (SHPO), when replacing service lines at registered historic properties, only underground directional boring will be used. Trenching methods will only be used at non-historic properties. If directional boring cannot be achieved at registered historic properties, those activities will not be covered under this categorical exclusion.

This project was listed on the Planning List of projects in the State Fiscal Year 2027 Intended Use Plan (IUP) and ranked with 60 priority points. Based on supporting documentation on file with the DWEE, this project was determined to be eligible for a 40-year loan at an interest rate of 0.0%. In addition, the administrative fee will be assessed at 0.0%. Grand Island is eligible for up to 60% DWSRF loan forgiveness with a 10% mechanical inventory grant for service line investigation. The current residential water rate for a service connection is $7.67 per month with an additional usage charge of $1.15 per 100 cubic feet of water used for the first 800 cubic feet, bringing the monthly household water cost to $15.36 per month for a typical 5,000 gallon per month household water usage (or, 668.4 cubic feet per month). The typical long-term annual DWSRF Debt Service (including 10% coverage) is $75,873. Based on 17,740 total active service connections, residential water rates may need to be raised approximately $0.36 per month to address the new debt service. This results in a new estimated monthly water rate of $15.72, which is below the EPA recommended 2.5% rate for water affordability.

The proposed project was reviewed for eligibility for a categorical exclusion from National Environmental Policy Act review specified in 40 CFR (Code of Federal Regulations) Part 6.204. The project meets all criteria described in the above

reference and the Department has determined that this project is eligible for a categorical exclusion. Consequently, a preliminary decision has been made that a Finding of No Significant Impact will not be prepared. The project as proposed is solely directed toward lead service line replacement. Justification for categorical exclusion includes:

- The proposed action is not known or expected to have potentially significant environmental impacts on the quality of the human environment either individually or cumulatively over time;
- The proposed action is not known or expected to significantly affect federally listed or state listed threatened or endangered species or their critical habitat;
- The proposed action is not known or expected to significantly affect national natural landmarks or any property with nationally significant historic, architectural, prehistoric archeological or cultural value, including but not limited to, properties listed on or eligible for the National Register of Historic Places;
- The proposed action is not known or expected to significantly affect environmentally important natural resource areas as wetlands, prime farmland, wild and scenic rivers, and significant fish or wildlife habitat;
- The proposed action is not known or expected to have a significant effect on the pattern and type of land use (industrial, commercial, agricultural, recreational, residential) or growth and distribution of population including altering the character of existing residential areas, or may not be consistent with state or local government, or federally-recognized Indian tribe approved land use plans or federal land management plans;
- Based on review there are no new/relocated surface or groundwater discharges; the project is not being developed to provide capacity to service a population greater than 30% of that existing for the community; it is not primarily needed for future growth and is supported by a State growthy strategy; and
- The proposed action is not known or expected to cause significant public controversy.

The City of Grand Island has a permit to operate a public water system under the provisions of the Nebraska Safe Drinking Water Act and the Regulations Governing Public Water Supply Systems, Title 179. The proposed project is determined by the DWEE to help the public water system maintain compliance with the Safe Drinking Water Act. The system last underwent a routine sanitary survey by the DWEE in November of 2024, in which no deficiencies were found. This action completed the Technical, Managerial, and Financial, (TMF) program policy. The City of Grand Island will still be required to undergo an Initial, and if necessary, a Final TMF Assessment by the DWEE, to ensure that their capabilities meet the requirements of the Safe Drinking Water Act. Also, their current Environmental Tracking Tool score is 0, which is below the allowable 11 per issued U.S. Environmental Protection Agency guidance.

The DWEE shall revoke the categorical exclusion and shall require a full environmental review if, subsequent to the granting of exclusion, the state determines that the proposed project no longer meets the requirements for a categorical exclusion due to changes in the proposed project, or new evidence reveals that serious local or environmental issues exist, or federal, state, local or tribal laws are being violated.

This action is taken on the basis of careful review of the application and other supporting data, which are on file in the office of the DWEE. These are available for public review upon request. Persons having a comment on this categorical exclusion determination are encouraged to submit such comments directly to the DWEE State Revolving Fund Program at dwee.srf@nebraska.gov, or at 402-471-4200.

Signed this 21st day of October, 2026.

Sincerely,

Sarah Starostka
Planning & Aid Division Administrator

SS/amk/sm/lg
Attachments: Distribution List and Map

CATEGORICAL EXCLUSION DISTRIBUTION LIST

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Maps

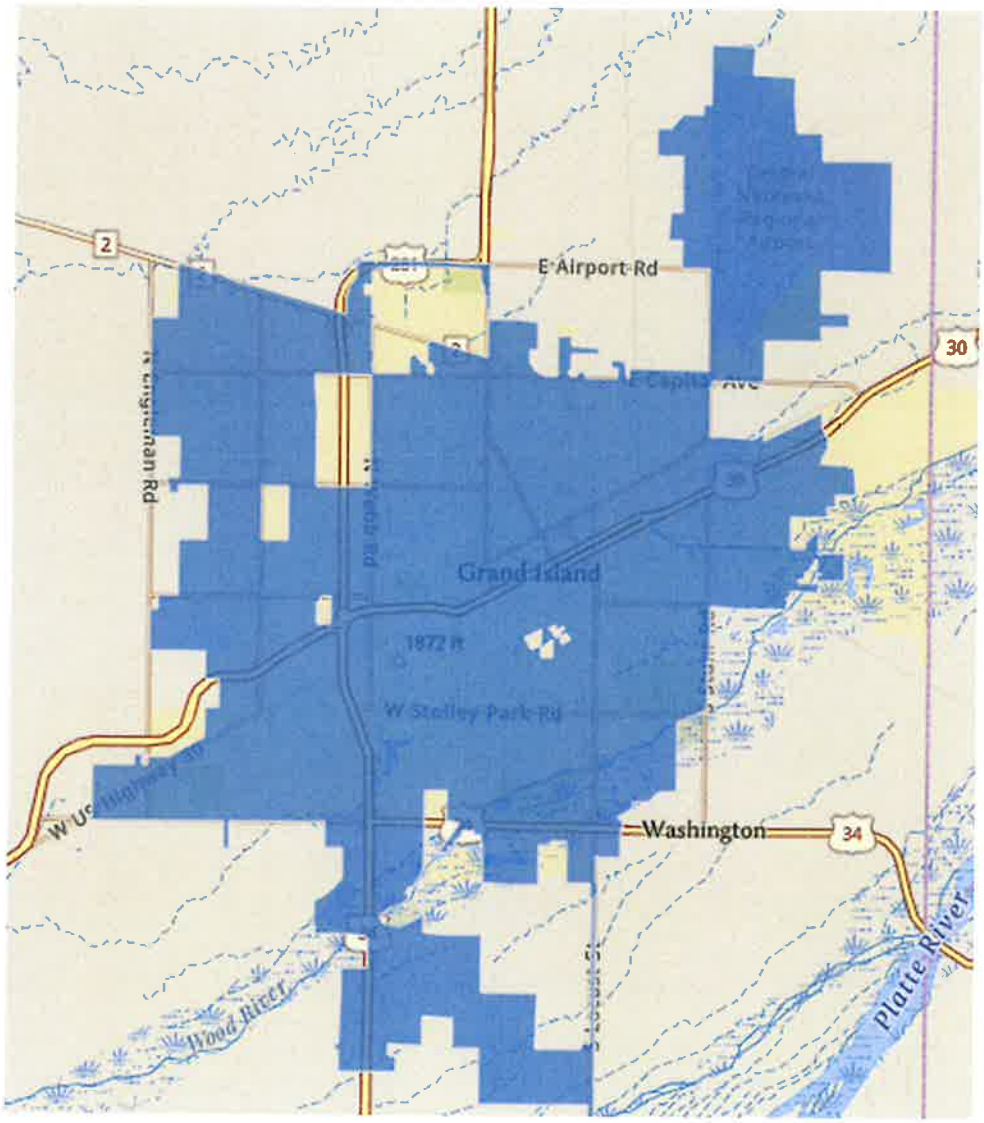


Figure 1: GIS Map of the City of Grand Island