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:	Metropolitan Utilities District Lead Service Line Replacement Program
APPLICANT:	Metropolitan Utilities District
COUNTY:	Cass, Douglas, Sarpy, and Saunders
POPULATION:	600,354 (2027 IUP estimate)
DWSRF PROJECT NUMBER:	D311762
TOTAL PROJECT AMOUNT:	$31,595,000
ESTIMATED LOAN FORGIVENESS (60%):	$18,957,000
MECHANICAL INVENTORY GRANT (10%):	$ 3,159,500
ESTIMATED DWSRF LOAN AMOUNT:	$ 9,478,500

Metropolitan Utilities District (MUD) has applied for funding through the Drinking Water State Revolving Fund (DWSRF) program administered by the DWEE to continue replacement efforts of approximately 12,000 lead service lines, in addition to identifying and categorizing another potential 4,000 service lines of unknown material.

This categorical exclusion includes the investigation and replacement of lead service lines (LSL) 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 600 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%. MUD is eligible for up to 60% DWSRF loan forgiveness with a 10% mechanical inventory grant for service line investigation. The forgiveness rate varies based on the poverty rate in the census tract, with the highest 60% rate in Ralston. Other forgiveness levels are 16.28% in Bellevue, 0% in Bennington, 11.15% in Chalco, 26.10% in Douglas County, 21.75% in La Vista, 41.47% in Omaha, and 0% in Sarpy County. The current residential water rate for a service connection is $19.54 per month for a ¾-inch service connection with an additional usage charge of $2.3086 per 100 cubic feet of water used for the first 900 cubic feet, bringing the monthly household water cost to $34.97 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 $260,659. Based on 230,624 total active service connections, residential water rates may need to be raised approximately $0.09 per month to address the new debt service. This results in a new estimated monthly water rate of $35.07, 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 may affect, but is not likely to adversely 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.

Metropolitan Utilities District 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 June of 2025, wherein one significant deficiency was noted and has since been addressed. This action completed the Technical, Managerial, and Financial, (TMF) program policy. MUD 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 28th day of October, 2026.

Sincerely,

Sarah Starostka

Sarah Starostka
Planning & Aid Division Administrator

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

CATEGORICAL EXCLUSION DISTRIBUTION LIST

METROPOLITAN UTILITIES DISTRICT

DEPARTMENT OF WATER, ENERGY, & ENVIRONMENT
dwee.nepa-review@nebraska.gov
245 Fallbrook Blvd, Suite 100
Lincoln, NE 68521

NEBRASKA GAME & PARKS COMMISSION
Melissa Marinovich, Environmental Review
ngpc.envreview@Nebraska.gov
P.O. Box 30370
Lincoln, NE 68503-0370

NEBRASKA STATE HISTORICAL SOCIETY
hn.hp@nebraska.gov
P.O. Box 82554
Lincoln, NE 68508-2554

STATE OFFICE OF POLICY RESEARCH
Cicely Batie, Policy Advisor
cicely.batie@nebraska.gov
Rm 1319, State Capitol
P.O. Box 94601
Lincoln, NE 68509-4601

DEPARTMENT OF ECONOMIC DEVELOPMENT
Tom Stephens, Financial Packager
tom.stephens@nebraska.gov
245 Fallbrook Blvd, Suite 002
Lincoln, NE 68521

DEPARTMENT OF THE INTERIOR
FISH AND WILDLIFE SERVICE
Janae Johnson
nebraskaES@fws.gov
9325 South Alda Road
Wood River, NE 68883

NATIONAL PARK SERVICE
Christine Gabriel, Environmental Coordinator/Midwest
mwro_compliance@nps.gov
601 Riverfront Drive
Omaha, NE 68102-4226

USDA RURAL DEVELOPMENT
Kelley Messenger
kelley.messenger@usda.gov
Room 308, Federal Building
100 Centennial Mall North
Lincoln, NE 68508

ENVIRONMENTAL PROTECTION AGENCY
Chris Simmons; Angela Puls
simmons.christopher@epa.gov; puls.angela@epa.gov
11201 Renner Blvd
Mail Code: WWPDWIMB
Lenexa, KS 66219

STATE CONSERVATIONIST
Robert Lawson, Natural Resources Conservation Svc.
robert.lawson@usda.gov
Federal Building, Room 152
100 Centennial Mall North
Lincoln, NE 68508-3866

DEPARTMENT OF THE ARMY
US Army Corps of Engineers
NE404Reg@usace.army.mil
Nebraska State Office, Suite 1
8901 South 154th Street
Omaha, NE 68138-3621

METROPOLITAN UTILITIES DISTRICT
Steve Dickas, SVP/CFO
sdickas@mudomaha.com
7350 World Communications Drive
Omaha, NE 68122-4041

LOCAL NEWSPAPER
Omaha World-Herald
legals@enterprisepub.com
1314 Douglas Street
Omaha, NE 68102
(Public Information Only not for Public Notice)

NATURAL RESOURCES DISTRICTS
Papio-Missouri River NRD
papadmin@papionrd.org
8901 South 154th Street
Omaha, NE 68138-3621

Lower Platte North NRD
lpnnrd@lpnnrd.org
511 Commercial Park Road
Wahoo, NE 68066

Lower Platte South NRD
nrd@lpsnrd.org
3125 Portia Street'
P.O. Box 83581
Lincoln, NE 68521

Maps

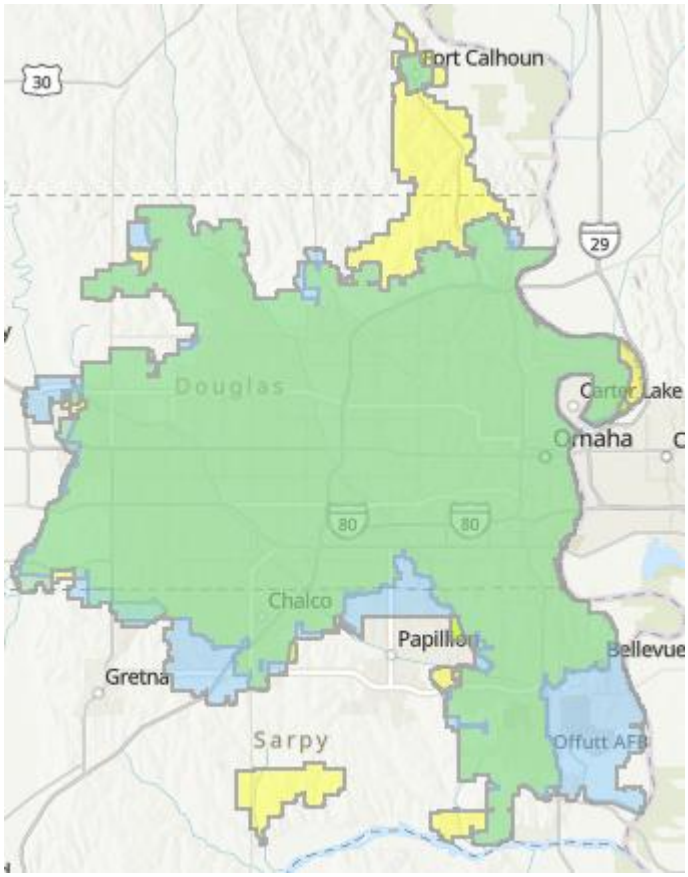

Figure 1: Approximate GIS Map of the MUD Service Area