



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 (NEPA), 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 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 (NDWEE) encourages public input in this decision-making process.

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|--------------------------|---|
| PROJECT NAME: | North 5 th Street Watermain Improvements |
| APPLICANT: | City of Sargent |
| COUNTY: | Custer |
| POPULATION: | 550 |
| DWSRF PPROJECT #: | D311738 |
| SRF LOAN AMOUNT: | \$600,000 |

The City of Sargent has applied for funding, through the Drinking Water State Revolving Fund (DWSRF) program administered by NDWEE, to remove and replace undersized water mains, add valves to permit maintenance, and to relocate a water main that was made inaccessible after a recent school building expansion.

The community is listed on the SRF State Fiscal Year 2026 Intended Use Plan (IUP) and ranked at 70 points. Based on supporting documentation on file with the Department, this project is eligible for a 30-year loan at an interest rate of 0.75% per the criteria listed in the IUP. In addition to principal and interest, an administrative fee of 0.75% of the loan balance will be assessed. The current residential water rate in Sargent is \$28.00 per month plus a consumptive charge of \$1.98 per 1,000 gallons of use. Assuming a usage of 5,000 gallons, a typical residential water bill is \$37.90. The annual estimated debt service to finance the proposed improvements is \$22,074.26, including 10% debt service coverage. Based on the 379 water users served by the utility, water rates may need to be raised by \$4.85, or \$58.20 annually, to cover the loan costs. To cover these costs, the estimated water bill after the project is \$42.75 per month, or approximately 1.03% of median household income in the City of Sargent, which falls within EPA affordability guidelines.

Proposed improvements were reviewed for eligibility for a categorical exclusion from a National Environmental Policy Act (NEPA) 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 the 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 proposed project will

be within the existing footprint of the distribution system, and new construction will take place in areas disturbed by previous development. 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 state and federally 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;
- Based on a review of the available mapping, no portion of the project lies within the 100-year floodplain;
- 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 growth strategy; and
- The proposed action is not known or expected to cause significant public controversy.

The City of Sargent 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 Systems, Title 179 Nebraska Administrative Code. Proposed improvements will help the public water system maintain compliance with the Safe Drinking Water Act. The most recent sanitary survey for the public water system was conducted by NDWEE in April 2023. One significant deficiency was noted and was resolved in August of 2023. A completed sanitary survey is the first step of the Technical, Managerial, and Financial (TMF) program policy. The City of Sargent will still be required to undergo an initial, and if necessary, a final TMF assessment by the NDWEE to ensure that the community can continue to meet regulatory requirements. Based on the Environmental Tracking Tool (ETT), developed by the U.S. Environmental Protection Agency, the City of Sargent has an ETT score of 1, which is below the EPA threshold of 11. Low scores indicate that a system has minimal compliance issues.

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

This action is taken on the basis of careful review of the application and other supporting data on file with the NDWEE. All supporting documents are available for public inspection on request. Persons having comment on this categorical exclusion determination are encouraged to submit them directly to the SRF program at dwee.srf@nebraska.gov, or at 402-471-4200.

Signed this 8th day of April, 2026.

Sincerely,



Sarah Starostka,
Division Administrator
Planning & Aid Division

Attachments: Distribution List
 Map

CATEX DISTRIBUTION LIST
CITY OF SARGENT, NEBRASKA

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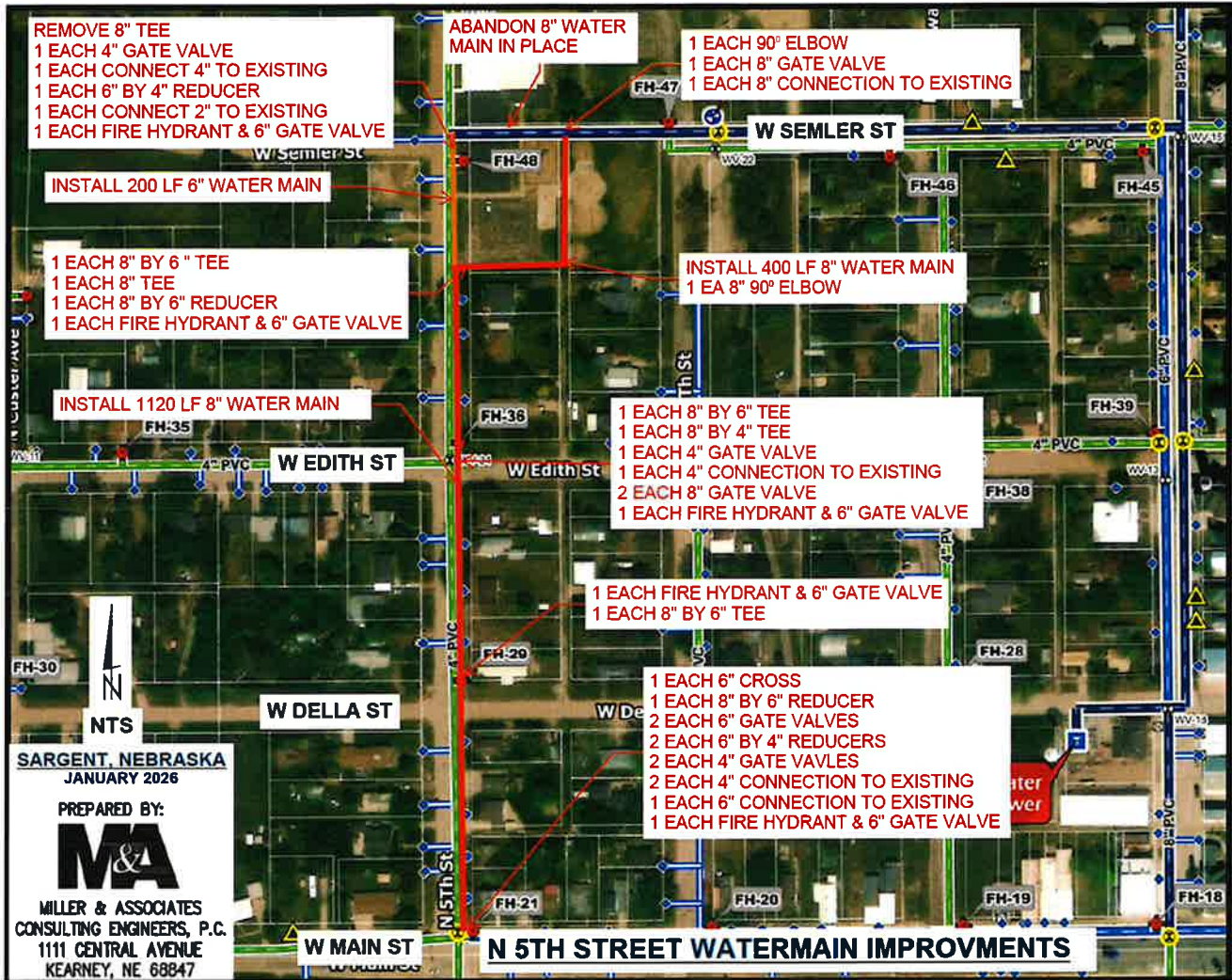


Figure 1 Map of Proposed Project Improvements