



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 (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 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 Environment and Energy (NDEE) encourages public input in this decision-making process.

PROJECT NAME: 2025 Water System Replacement
APPLICANT: Sarpy Co SID 38 - Highland Estates
COUNTY: Sarpy
POPULATION: 250 (Estimate)
DWSRF PROJECT NUMBER: D311726
TOTAL PROJECT AMOUNT: \$2,339,200
PROPOSED DWSRF LOAN AMOUNT: \$2,339,200

Sarpy County Sanitary Improvement District (SID) 38 has applied for funding, through the Drinking Water State Revolving Fund (DWSRF) program administered by the NDEE, to replace its existing water main distribution system as well as its transmission main and install water service meters. The public water system currently does not have water service meters, and the existing distribution system has experienced water main breaks and has shown deterioration.

The community was listed in the proposed Funding List in the State Fiscal Year 2026 Intended Use Plan (IUP) and ranked at 60 priority points. Based on supporting documentation on file with the NDEE, this project was determined to be eligible for a 30-year loan at an interest rate of 1.00%, per the criteria listed in the IUP. In addition to principal and interest, an administrative fee of 1.00% of the loan balance will be assessed. The current residential water rate is \$106 per quarter (\$35.33 per month), with an added rate of \$23 for services with a sprinkler system and \$17 for services with a pool. Due to the lack of water meters, the public water system currently does not have a consumption charge. The typical long-term annual DWSRF Debt Service (including 10% coverage) is \$125,038. Based upon the 89 active service connections, residential water rates may need to be raised a minimum of \$117.08 per month to address the new debt service.

The proposed project was reviewed for eligibility for a categorical exclusion from a 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 proposed project will be within the existing footprint of the current distribution system and transmission main locations. 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 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; and it is supported by a State growth strategy. In addition, there will not be a substantial increase in volume/loading of pollutants to receiving streams; and
- Based on a review of the available mapping, no portion of the project lies within the 100-year floodplain; and
- The proposed action is not known or expected to cause significant public controversy.

The Village 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 NDEE to help the public water system maintain compliance with the Safe Drinking Water Act. The system last underwent a routine sanitary survey by NDEE in October 2023, wherein seven significant deficiencies and no minor deficiencies were noted, and current records show five of them have been addressed and two of them are in the process of being addressed. The completed survey is the first step of the Technical, Managerial, and Financial (TMF) program policy. Sarpy Co SID 38 will still be required to undergo an Initial, and if necessary, a Final TMF Assessment by the NDEE, to ensure that their capabilities meet the requirements of the Safe Drinking Water Act. Also, their current Environmental Tracking Tool score is 0, below the allowable 11 per issued U.S. Environmental Protection Agency guidance.

The NDEE 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 NDEE. 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 NDEE State Revolving Fund Program at ndee.srf@nebraska.gov, or at 402-471-4200.

Signed this 5th day of June, 2025.

Sincerely,



Sarah Starostka,
Division Administrator
Planning & Aid Division

Attachments: Distribution List
 Maps

CATEGORICAL EXCLUSION DISTRIBUTION LIST
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(Public Information Only not for Public Notice)

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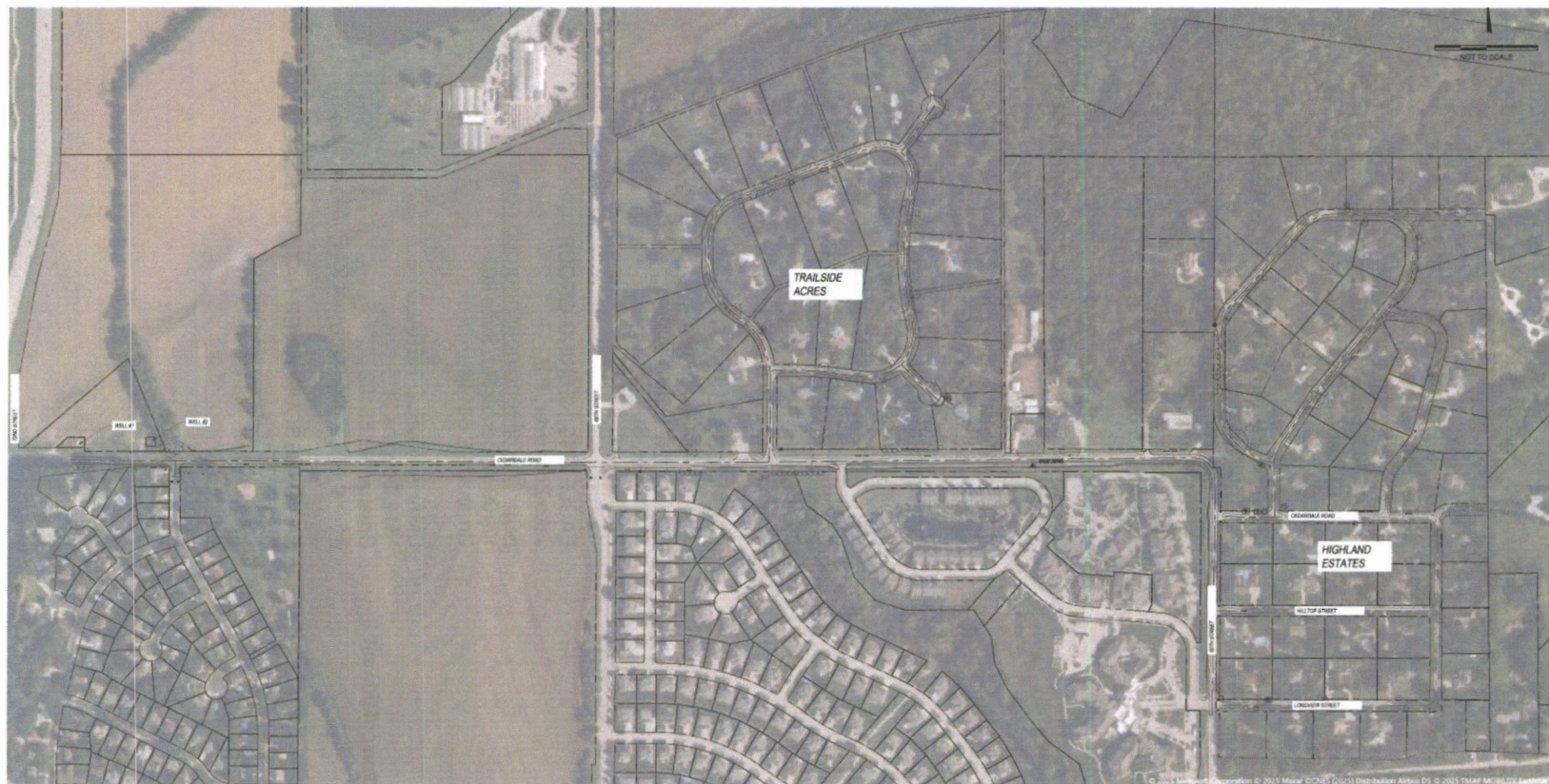


Figure 1: Map of Sarpy Co SID 38 (Trailside Acres Subdivision and Highland Estates Subdivision), including well locations



Figure 2: Map of Sarpy Co SID 38 water distribution system