

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

**CLEMENTS:** Good afternoon. Welcome to the Appropriations Committee. My name is Rob Clements. I'm from Elmwood, and I represent Legislative District 2, which is Cass County and eastern Lancaster. I serve as Chair of this committee. We will start off by having the members do self-introductions, starting with my far right.

**LIPPINCOTT:** Loren Lippincott, District 34.

**VARGAS:** Tony Vargas, District 7.

**WISHART:** Anna Wishart, District 27.

**McDONNELL:** Mike McDonnell, LD 5, south Omaha.

**DORN:** Myron Dorn, District 30.

**ARMENDARIZ:** Christy Armendariz, District 18.

**CLEMENTS:** There may be some senators absent here, and some may have to leave as they go into other committees for presenting bills. Assisting the committee today is Cori Bierbaum, our committee clerk. To my left is our fiscal analyst, Clint Verner. Our pages today are Ella Schmidt from Lincoln, a UNL criminal justice and political science major. Also Shriya Raghuvanshi of Omaha, a UNL political science and history major. If you're planning to testify today, please fill out a green testifier sheet located on the side of the room and hand it to the page when you come up to testify. If you will not be testifying but want to go on record as having a position on a bill being heard today, there are yellow sign-in sheets on the side of the room where you may leave your name and other pertinent information. These sign-in sheets will become exhibits in the permanent record after today's hearing. To better facilitate today's hearing, I ask that you abide by the following procedures. Please silence your cell phones. When hearing bills, the order of testimony will be introducer, proponents, opponents, neutral and closing. When we hear testimony regarding agencies, we will first hear from a representative of the agency. Then we will hear testimony from anyone who wishes to speak on the agency's budget request. When you come to testify, please spell your first and last name for the record before you testify. Be concise. We request that you limit your testimony to 5 minutes or less. Written material may be distributed to the committee members as exhibits only while testimony is being offered. Hand them to the page for distribution when you come up to testify. If you have written testimony but do not have 12 copies, please raise your hand now so the pages can make copies for you. With that, we

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

will begin today's hearing with Agency 18, the Department of Agriculture. I've been informed that the department is not going to send a representative to the committee today, but we would welcome anyone who does wish to speak on the Department of Agriculture's budget. Is there anyone proponent, opponent or neutral regarding Department of Agriculture? Seeing none, that concludes the Agency 18 Department of Agriculture hearing. Pardon me. That doesn't quite conclude it. We do have position comments for the record: 1 proponent, no opponents and none in the neutral. That brings us to LB1179, Senator Wish-- Wishart. Welcome.

**WISHART:** Thank you, Chairman Clements and members of the Appropriations Committee. My name is Anna Wishart, A-n-n-a W-i-s-h-a-r-t, and I represent the 27th Legislative District here in Lincoln and now portions of Lancaster County as well. I am here today to introduce LB1179, a bill that seeks a \$1.2 million appropriation to the Department of Natural Resources Program 319 for the purpose of issuing a grant to natural resource districts in a county containing a city of the primary class in order to fund high-priority flood mitigation projects. This bill was brought to me by the Lower Platte South Natural Resource District. And they are here, their general manager is here today to testify to the specifics of the, the projects that we are needed funding in, in the community of Lincoln and Lancaster County. The, the, the main reason for this project funding is flood mitigation. And I'm sure many of you are aware of the flooding that we experienced in Lincoln and Lancaster County not so long ago. And we anticipate and, and expect that we can see that type of flooding again. It was flooding that specifically impacted District 27 significantly. I represent an, an area that, including the neighborhood around me where people's basements flooded. And, everything we're doing when we're thinking about water, when it's not about our second drinking water source, is thinking about how we manage flooding and public safety in our community. Following redistricting in 2021, my district has actually expanded out into portions of Lancaster County, in southwestern Lancast-- Lancaster County, to be specific. And again, flood mitigation in, in this area of our community is incredibly important. It's one of the number one priorities for residents. In addition, as Lincoln, Lincoln expand in, in particularly in this area, we're seeing increased growth in terms of residential neighborhoods and developments. We want to make sure that we're ensuring the stability of our watershed, which will suppo-- which will support those new neighborhoods and the infrastructure needed to support those new neighborhoods. And they, the NRD, will talk a little bit more about that. I handed out to you

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

today and the general manager will talk more specifically about the projects, that this \$1.2 million would go towards funding. Again, you'll also hear that the city of Lincoln and the NRD have put significant amount of investment in supporting Lincoln and Lancaster County's watershed. And so, you know, this is not an ask for-- this is asked for, for a percentage of the funding that is from the state because the local residents have put a significant amount of funding into to support our watershed needs. And so with that, I will answer any questions you have.

**CLEMENTS:** Any questions from the committee? Senator Vargas.

**VARGAS:** Thank you for being here. Can you tell me, is this meant to be one time or an ongoing?

**WISHART:** One.

**VARGAS:** One time. That probably-- that would be the only thing that I think should be clarified in the language. Otherwise, it'll keep continuing on as, as we all know. And then is there-- this is sort of taking a page out of Senator McDonnell-- is there a-- you talk about the investments that the city and the counties, the NRDs, this specific NRD has put into it. Do you know how much has already put into it or how much they're dedicating for this? Because I know there's--

**WISHART:** I think it's over \$20 million. I think it's 20-plus, \$24 million. And the general manager will talk to that. It's, it's a significant amount. And, you know, it's a combination of projects that we have, over 100 projects. I think it's close to 150 projects, and we prioritize them for the community, and they've been able to complete a good chunk of those. I think it's about 60 of those. And these are some of the priority projects that have not yet been completed that are not only important for flood mitigation, but are also important because of the road infrastructure in these communities. If we don't address them, it, it will challenge those roads as well. And again, the NRD will talk about that.

**VARGAS:** The Department of Roads Cash Funds. I'm just kidding. Sorry, Department of Roads as they're, like, listening to this. And as you know, I know you know this. I just don't know a lot about the program. We have hazard mitigation grant programs and the federal dollars that come to the state, but they're pretty constrained to the kind of, like, hazards that you can-- that you could use those funds for. So I'm saying this not for you to necessarily answer, but for

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

people that come up afterwards. I'm just curious, are there other federal programs that how much we're leveraging for this, how much we're not?

**WISHART:** I mean, just knowing and having worked with the city and the NRDs on, on second drinking water source, and the amount of conversations that they're doing in terms of looking for federal funding as well, I anticipate that we're exhausting all types of funding opportunities to support these infrastructure needs.

**VARGAS:** Great. Thank you.

**CLEMENTS:** Other questions? Seeing none, thank you.

**WISHART:** I will be here to close.

**CLEMENTS:** Very well. Are there proponents regarding LB1179? Please come forward. Good afternoon.

**MIKE SOUSEK:** Hello, Senator.

**CLEMENTS:** Go ahead.

**MIKE SOUSEK:** Good afternoon, Chairman Clements and the members of the Appropriations Committee. My name is Mike Sousek, M-i-k-e S-o-u-s-e-k. I am the general manager of the Lower Platte South NRD. Today I'm presenting testimony in support of LB1179 on behalf of the Lower Platte South NRD, the Nebraska Associ-- Association of Resource Districts and the Nebraska Water Resources Association. Our district office is located in Lincoln, Nebraska, and our district encompasses parts of 6 counties in eastern Nebraska. First, I'd like to thank the approtiate-- Appropriations Committee for allowing me to testify this afternoon on LB1179. I would also like to thank Senator Wishart for introducing LB79 [SIC] to the Legislature. To provide an understanding of the request to the Legislature in LB79, it will be necessary to give you a much broader understanding of the task before the district. The NRD's mission is to maintain a sustainable environment through conservation of land, water, and wildlife. To help us accomplish this goal, we create partnerships with landowners, nonprofit organizations, communities, agencies, and institutions. Starting in 2000, the district, alongside the city of Lincoln, developed watershed plans for the 14 watersheds within the city of Lincoln. In 2020, the district completed a planning exercise with one of our strongest partners, the city of Lincoln, to develop a comprehensive watershed master plan that consolidated all the watershed master plans together and developed a prior-- priorita--

prioritization system for the capital improvement projects. This master plan's goal is to maximize safety, minimize flood damage, conserve natural resources, and ensure quality of life for future generations by identifying projects to reduce flood risk, stabilize stream-- streams, and improve water quality. The plan itself identified 166 projects. Together, the district and the city have partnered to complete 61 projects, leaving a balance of 105 projects remaining. The investment today to complete those 61 projects is in the neighborhood of \$24 million. With inflation, the remaining project costs have soared and current estimates to complete those projects have pinnaled past the \$64 million range. The \$1.2 million identified in LB1179 is to address 2 identified projects in the plan. The district continues to work through the plan and complete projects as we-- as we can, all the while taking a fiscally conservative approach as to not become a problem in the property tax realm. Currently, we have 3 projects in the works, either in design, construction or final touches. The 2 projects identified in LB1179 are not currently in the works, but need to be accelerated and begun sooner than later. As the city of Lincoln continues to grow, development pressure is becoming a factor in these projects. The second consideration is the infrastructure currently in place, a main transportation corridor of Van Dorn Street needing protection and railroad infrastructure belonging to Burlington Northern Santa Fe Railroad needing the same. The first project is located on Middle Creek, east of Southwest 40th Street and north of West A Street. The project will consist of installing 4 to 6 engineering-- engineered grade control structures along 15-- 5,400 feet of the main channel along the main stem to halt the current and future incision along this reach. An additional rock grade control structure at the tributary on the left descending bank will also be installed to provide stabilized construction access and further protection when the project is complete. The goal of this project is to keep the stream-- stream where it is currently at and protect the infrastructure in place. The continued degradation of the stream is also traveling directly into a developed subdivision and will begin affecting new developable sites. The second project is located on Haines Branch, southwest of Van Dorn Street and Folsom Street. Bank erosion along the main stream is threatening West Van Dorn Street, about 1,500 feet southwest of the intersection of West, West Van Dorn and Folsom Street. This project will consist of constructing bank stabila-- stabilization measures, along with-- along the left descending bank with associated grade control structures needed to protect Van Dorn Street. This project will also protect the Heinz-- Haines Branch Prairie Corridor to ensure this naturally preserved

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

area is not disturbed during high water events. These projects are very important to the constituents of the lower Platte South NRD. The district will be working directly with many partners to complete this needed work. Nebraska Department of Transportation, the city of Lincoln, Lancaster County, Burlington Northern Santa Fe, and individual parcel-- parcel owners will all have a part to play. I'm here today to ask that the Nebraska Legislature also partner with us in helping us complete these projects for everyone's benefit by passing LB1179. I'd be happy to answer any questions the committee may have, and thank you once again for this opportunity.

**CLEMENTS:** Are there questions from the committee? Senator Armendariz.

**ARMENDARIZ:** Thank you. Thank you for being here. Just explain some things for me. This is my second session, so I don't know how all the departments interact, but the Department of Natural Resources, what is their responsibility in watersheds across the state and funding those projects?

**MIKE SOUSEK:** Well, the Department of Natural Resources, their main-- their main task is with surface water.

**ARMENDARIZ:** OK.

**MIKE SOUSEK:** But as far as controlling flood, working within the flood realm, they're instrumental in dam safety. They're, they're the dam safety inspectors. They monitor the dams, make sure they're up to code; and then if there's problems, they, they write reports. We have-- we have 190 dams in our district, and they all get inspected by DNR.

**ARMENDARIZ:** OK.

**MIKE SOUSEK:** When those reports come out, then we have to fix the-- fix the problems and, and then they're also involved with permitting. If we were going to build building structures, we, we run it through DNR too.

**ARMENDARIZ:** And then who traditionally-- so I'm from Omaha. We had immense flooding there--

**MIKE SOUSEK:** Yes.

**ARMENDARIZ:** --in '19. Then whose responsibility is that for these inner city type flooding or flash flooding areas--

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

**MIKE SOUSEK:** Well, it's one of the overarching--

**ARMENDARIZ:** --maintaining those?

**MIKE SOUSEK:** --responsibilities of the NRDs, the NRDs throughout the state. So Papio Missouri NRD--

**ARMENDARIZ:** OK.

**MIKE SOUSEK:** --would be partial in Omaha area. The, the local governments, whether it be the county or the cities, also have a part to play in, in planning and preparing for floods.

**ARMENDARIZ:** OK. I appreciate that explanation. Thanks.

**CLEMENTS:** Other questions? I had a question. The, the \$24 million, it was just for these 2 projects. Is that the cost of these 2?

**MIKE SOUSEK:** No. The \$24 million is what we have spent to date--

**CLEMENTS:** On 6--

**MIKE SOUSEK:** --tackling, tackling the 166 projects that are out there.

**CLEMENTS:** You said you finished 61 projects.

**MIKE SOUSEK:** And so that's the \$24 million covered those 60--

**CLEMENTS:** OK.

**MIKE SOUSEK:** --60 projects.

**CLEMENTS:** And--

**MIKE SOUSEK:** We're doing these every year, Senator. And we just-- we can't raise our levy fast enough to pay for everything. The board is very fiscally conservative. The last 5 years, our, our levy has been dropping, but our tax asking has remained the same. It's been a flat line for the last 4 years.

**CLEMENTS:** The previous 61 projects, how much of the General Funds did the state contribute to that?

**MIKE SOUSEK:** As far as I know, none. There were some maybe water sustainability grant funds used. But as far as directly from the state of Nebraska, I don't believe any.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

**CLEMENTS:** Did the Lower Platte South NRD receive any ARPA funds?

**MIKE SOUSEK:** Not to my knowledge, no.

**CLEMENTS:** All right. City of Lincoln, though, and Lancaster County did receive some.

**MIKE SOUSEK:** I believe so but I--

**CLEMENTS:** You don't know whether those were used in these kind of projects?

**MIKE SOUSEK:** No. The, the, the money that the city of Lincoln has been using is from a general obligation bond. And that currently doesn't have any-- there's no funds in that bond right now.

**CLEMENTS:** And then the \$24 million was from previous projects. What is the cost of these 2 projects?

**MIKE SOUSEK:** \$1.2 million.

**CLEMENTS:** And you're--

**MIKE SOUSEK:** And that's from a 2020 estimate.

**CLEMENTS:** All right. Any other questions from the committee? Seeing none, thank you for your testimony.

**MIKE SOUSEK:** Thank you, guys.

**CLEMENTS:** Are there other proponents for LB1179? Seeing none, is anyone in opposition of LB1179? Seeing none, is there anyone here wishing to testify in a nuclar-- neutral capacity? Seeing none, Senator Wishart, you may close.

**WISHART:** Well, thank you again, committee. You know, we, as an Appropriations Committee, is focused a lot on water over the last couple of years because it is a number one priority for our state. And as Mike described, you know, these 2 projects are incredibly important, not only for flood mitigation, but also for dealing with some of the infrastructure in the community. And we've invested a lot of our own dollars in-- into, into these numbers of projects. And so I'm hoping that this committee will consider some amount of investment from the state to support. Thank you.

**CLEMENTS:** Any follow-up questions? Senator Dorn.



Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

**DORN:** I was looking at the fiscal note here and our state NRD is-- they're, they're allocating all these funds. They're not keeping anything for administrative fee. What-- usually we always see a pretty good size administrative fee.

**WISHART:** I know it's--

**DORN:** I commend them for that.

**WISHART:** I do too.

**DORN:** Yeah.

**WISHART:** I-- it's, it's nice when you see a fiscal note where all of the, the dollars are going out to the project.

**CLEMENTS:** Any other questions? Seeing none, thank you, Senator. Do we have comments? We have position comments. We have 6 proponents, no opponents and none in the neutral, neutral position. That concludes the hearing for LB1179. Next we have LB1131 by Senator Raybould.

**KATE WOLFE:** I am not Senator Raybould.

**CLEMENTS:** Welcome. Please introduce yourself.

**KATE WOLFE:** Wonderful. Good afternoon, Chair Clements and members of the Appropriations Committee. My name is Kate Wolfe, K-a-t-e W-o-l-f-e, appearing before you on behalf of Senator Jane Raybould. Senator Raybould regrets that she cannot be here and has asked me to introduce LB1131. Over the interim, Senator Raybould participated in several meetings and listening sessions where water issues were discussed across our state, including on our tribal lands. And I will keep my introduction brief, as the committee will be hearing from testifiers who will be able to go into detail about how the funding in LB1131 will be a step toward solving the water crises facing our citizens. LB1131 would appropriate \$10 million in General Funds to the Department of Environment and Energy Program 513 for the purpose of issuing grants to improve tribal owned community drinking water and sewer systems. As our office was drafting this bill, determining the appropriate amount of funding to request was the biggest question. As I'm sure you're aware, projects to improve these systems come with a high price tag, regardless of where they take place within the borders of our state. Senator Raybould acknowledges that there are water quality concerns on the Winnebago, Omaha, Santee Sioux Reservations. They're all deserving of attention and support, and \$10 million won't go the whole way to fix the problem. It can,

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

however, be a step toward ensuring that they have the funds they can use to leverage other resources and continue making progress in resolving the issue. Imagine living for 4 years without clean drinking water, like our citizens on the Santee Sioux Reservation have. Although their situation is rare, the long-lasting health risks and especially risks to newborn babies makes this a crisis. Senator Raybould implores this committee to support LB1131 to make sure all Nebraskans and people who visit our great state have access to safe and clean drinking water. Thank you.

**CLEMENTS:** Are there any questions? Seeing none--

**KATE WOLFE:** Thank you.

**CLEMENTS:** --thank you for your testimony. We now welcome proponents for LB1131. Please come forward. Good afternoon. You may proceed.

**KAMERON RUNNELS:** Good afternoon. My name is Kameron Runnels, K-a-m-e-r-o-n R-u-n-n-e-l-s. I'm the vice chairman of the Santee Nation Tribal Council. Good afternoon, members of the Appropriations Committee. Two years ago, I testified in front of this committee in support of another tribal infrastructure, water infrastructure bill. For whatever reason, that bill did not pass. I don't want to repeat the same stories I did then. And, you know, today I sit in front of you as not only a member of the Santee Sioux Nation, but a member of the state and a citizen of the state. The situation on our tribal land with water quality has not changed. In 2021, the EPA issued a no, no drink order for the Santee Sioux Nation and the people connected to its water system, which is about 300 homes and nearly 1,000 tribal members. Due to the high levels of manganese, which has been shown 10 times above the health limit, consuming our water for a period of 10 days or longer could cause negative neurological effects, especially in infants and elderly. Consuming our water for a period of years could cause problems to your nervous system and many other health issues. Currently today, we have to order pallets of water, bottled water, 15 to 20 pallets of water every 2 weeks, and the water is distributed to every home. These shipments of water cost \$7,000 that we pay with our own funds. There are solutions to this problem. Tribal leadership is pursuing connecting to an emergency water line from Randall Water District near the Fort Randall Dam area in South Dakota. Connecting to this line is the tribe's goal. It will be a long-term solution that would eliminate the manganese altogether. This project could cost \$50 to \$60 million, and obviously it would take multiple agencies to help fund this project, funding from the Indian Health Service, Environmental Protection Agency,

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

applying for federal grants, using tribal funds, and hopefully funds from the state. We need clean drinking water. And remember, this is not just a problem in Santee. It's a regional issue. It's a tribal issue all across the state, especially in the region of Santee, whose neighboring communities that suffer, suffer from the same issue. For now, our people continue to cook, bathe, clean with our water, which is proven to be unsafe. It also destroys appliances such as your washer, corrodes pipes; and we need-- we need this bill to help get us clean water. Last spring, we, we spoke to our Governor face to face and we told him about this issue. And he explained what water, the importance of water to him. And we say in our language, MNI Wiconi, water is life, yet we cannot drink water from our kitchen sink or even do a simple task as brush your teeth without the fear of, of manganese and what it might do to our bodies. Please remember Santee and the other tribal communities suffering with water quality. And please support this bill. Thank you.

**CLEMENTS:** Thank you. Are there questions from the committee? Senator Lippincott.

**LIPPINCOTT:** I've got a question. I was--

**KAMERON RUNNELS:** Yeah.

**LIPPINCOTT:** --talking to some of your folks earlier today out in the Rotunda. So I obviously have a lot of ignorance in this area. Currently, do you get your water out of the ground? Is that correct?

**KAMERON RUNNELS:** Yes. Yeah. We have wells. Yeah.

**LIPPINCOTT:** Yes. Other people do as well around that area.

**KAMERON RUNNELS:** Yeah, yeah.

**LIPPINCOTT:** The whole region up there has a lot of manganese in the water. Is that correct?

**KAMERON RUNNELS:** Right.

**LIPPINCOTT:** Yeah. So it tests very high in that concentration in the entire region. Is that correct?

**KAMERON RUNNELS:** Yes, especially on our tribal lands. We've drilled everywhere across our tribal lands. We can't find quantity or quality of water and the water that we do find has extremely high levels of manganese.

**LIPPINCOTT:** Goodness.

**CLEMENTS:** Other questions? We, in 2022, had funding for grants from the ARPA program. Did you apply for ARPA funds when we had that money available?

**KAMERON RUNNELS:** Yeah, I mean, with the state, you mean?

**CLEMENTS:** Yes.

**KAMERON RUNNELS:** Yeah. We were a part of the-- of the, the bill. We came and testified that, that year.

**CLEMENTS:** And did you receive funds from the ARPA allocation?

**KAMERON RUNNELS:** We, we received funds from the federal government for ARPA. Yeah.

**CLEMENTS:** Oh, direct from federal?

**KAMERON RUNNELS:** Yeah.

**CLEMENTS:** Not through the state's portion.

**KAMERON RUNNELS:** No.

**CLEMENTS:** Oh. All right. And have those been spent or you still have those available?

**KAMERON RUNNELS:** Well, I guess to not to get too into the weeds about it, but considering our tribe and our needs, you know, we didn't get it-- not nearly enough funding that we would hope for. And I'll tell you, we received \$15 million. But with aging buildings, multiple businesses that needed assistance and help, with, you know, workers and, and multiple other things, those funds were-- had to be issued for other, other reasons.

**CLEMENTS:** OK.

**KAMERON RUNNELS:** A shortage of housing, multiple different things. And we do still have federal-- those-- some of those funds available. But like I said, it's going to take quite a bit of funding to, to solve this issue the long term.

**CLEMENTS:** All right. Thank you. Are there other questions? Seeing none, thank you for your testimony.

**KAMERON RUNNELS:** Thank you.

**CLEMENTS:** Are there other proponents for LB1131? Welcome. You may proceed.

**CLINTON POWELL:** Good afternoon, Chairman, members of the committee. Clinton Powell, C-l-i-n-t-o-n P-o-w-e-l-l. I'm with Pinpoint Corporation. We're an engineering firm. I'm the engineer of record for the Santee Sioux Tribe. I've actually been involved with water associated with the nation since 2006. Early on in my career, I had worked for the federal government, U.S. Department of Interior on large rural water systems across the nation. And so that's the time that I started getting involved with this project. This, this issue that exists at Santee is a long-term issue. The federal government identified water quality problems at Santee as early as 2000. So this project has been studied to death. It's now gone through 3 separate iterations of federal studies to show the need exists for this project. And it's consistently shown that, that the local water source is really hard to meet current water drinking standards, primarily because of manganese. Also because of the-- of the-- some of the rates of what we call radionuclides in the water. There's also a fairly large nitrate plume that exists near Santee's existing wellfield that really has the potential to cause future issues as well when we start looking at how groundwater moves through that area up there. So I've been involved with this project for, for a long time. In the last year, the Santee Sioux Tribe has completed a preliminary engineering report with USDA Rural Development. That's really a step that allows the tribe to access additional federal funds for a project like this. And it's normal for a project of this size to end up with USDA Rural Development. Currently, our, our construction cost estimates look at like about a \$63 million total project to be put in place to provide emergency drinking water supply for the Nation. When you start talking about construction timeline on a project like this, this is super accelerated from a construction timeline standpoint, because the water rights required for this project already are reserved in the state of South Dakota. And the vast majority of the pipeline that would have to be built would be built within existing county and DOT right-of-way. So the environmental concerns and the environmental reports required for this project are minimal compared to some other projects that we might normally see just because it's within a disturbed area. So when we're talking about other funding sources that are involved with this project, the state of South Dakota has actually made a verbal commitment to provide some funding to this project, just because it also helps service some South Dakota residents on its way down to the

Santee Sioux Tribe. Those residents also are currently impacted by manganese. And so it's got a dual benefit as it comes down. There's also a fairly significant nontribal portion of that project as well that really allows us to start interconnecting some of our rural water systems in north central Nebraska so that if we ever ended up in a situation again, similar to when Spencer Dam broke and we managed to dry out basically all of north central Nebraska and not provide any water source, a system like this has the ability to interconnect and then allow us basically to backfeed a water system like that to ensure that those residents continue to have water service. So this project, by and large, is shovel ready. It is ready to go. Putting together the last of the funding is really, really where we're at. It's got significant federal support both through the USDA, which I talked about previously, as well as the entire South Dakota congressional delegation and, and the Nebraska delegation as well. And so this project really is an important project to, to how we look at the future needs of north central Nebraska, not only for our residents right now, but any future economic development that's going to happen in that region is really water based. And this project is, is very key to making sure that that happens. So with that, I think that's most of the technical information that's associated with the Santee's water system. I urge you to, to support LB1131. And I'll stand for questions.

**CLEMENTS:** Senator Wishart.

**WISHART:** Well, thank you for being here today. I know this is a very important issue and had a chance to talk yesterday with a lot of those who are going to testify today. You-- our committee has been also looking at a water quality and quantity issue with the Cedar/Knox County area. And our understanding is they're moving forward with a connection. They're looking at-- the NRD there is looking at a connection to Yankton and their water source there, which is a treatment facility as well. So the water that would be coming down to that community would be safe for drinking water. Has there been any discussions looking at an alternative option of connecting to that Yankton connection?

**CLINTON POWELL:** Yeah. So actually an alternative that was explored through all 3 of the federal studies is actually an interconnection with Cedar/Knox Rural Water.

**WISHART:** OK.

**CLINTON POWELL:** And so that's been heavily studied. That to me is an important connection that gets made when we start talking about interconnection for reliability. And so to me, that's, that's a super important part about how the whole region gets serviced. When you look at the viability of bringing water from Yankton back towards the west, part of what you run into really quickly is that there's just a huge elevation change that happens there. And so that elevation change starts to get really expensive from an operations and maintenance standpoint for the entire pipeline long term. And so the goal really is then to if Cedar/Knox purchases water from Yankton and brings that water back towards the west, then to also bring this pipeline down from Fort Randall and interconnect the 2 near the tribe's casino on the southern border of the-- of the Nation. To allow then that water from Fort Randall to potentially service the west half of Cedar/Knox if we ever had a catastrophic problem, or if we ever had a flood that inundated the city of Yankton's water treatment facility, which to me is a-- is a-- is a risk that exists. The city of Yankton's water treatment facility was put in at an elevation 2 feet higher than the 2011 flood. A lot of people think of the 2011 flood on the Missouri as being the historical flood record. And what I can tell you is the 2011 flood on the Missouri was actually, when you look at the water that was passed through Fort Randall Dam, is at less than 30% of the capacity of the flood that the dams are actually designed to pass. And so the 2011 flood was a small little blip on the radar of what the dams are actually meant to pass. And so there's significant engineering risk in my mind that if you had a major flood event, that the-- that the water treatment plant at Yankton is actually at risk for the future water supply during an event like that. And so it really allows us then to start to think about how does that redundancy exist, to make sure that all of our citizens of north central Nebraska are covered?

**WISHART:** Yeah. So to follow up on that, you know, from the previous testifier, it's clear to me that this is an immediate issue. And so thinking in the most immediate sense, have you looked at the cost of piping through an increased elevation, a connection to Yankton through the Cedar/Knox area to the Santee Reservation for an immediate time to get clean drinking water to that community?

**CLINTON POWELL:** So based off of-- based off of just pipe mile distance, it's actually a shorter route for water to be provided directly from Randall Community Water District--

**WISHART:** OK.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

**CLINTON POWELL:** --to the tribe than it is for that water to be provided from the city of Yankton.

**WISHART:** OK. So connecting to the-- if, if the Cedar/Knox investment is to move forward and there's a connection to Yankton, what I'm hearing from you is that it would be more costly to connect the community, the Santee community, to that water treatment facility.

**CLINTON POWELL:** Yep. The studies at this point have shown an increased cost for the Nation to go that direction--

**WISHART:** OK.

**CLINTON POWELL:** --versus to be provided by Randall Community Water. And at the end of the day, an awful lot of that discussion for me comes back to the fact that, that these 2 projects are not either/or projects. They really need to be considered tandem projects for the betterment of the entire region and for us to-- I think there's an awful lot of folks at this point that have thought, well, if you've got one, you're good and you shouldn't do the other. And the case that the federal studies really clearly show is that there's a huge advantage to doing both projects simultaneously with an interconnection between the 2 and what that does to our reliability.

**WISHART:** OK.

**CLEMENTS:** Are there other questions? Senator Lippincott.

**LIPPINCOTT:** I've got a question on safe, unsafe levels on manganese, nitrogen, all that stuff. But just a personal testimony, I live on the farm where I grew up; and on farms, we have our own water wells. And growing up, you know, my dad, he always was very proud that our water was clean, sand, all that. Well, I've had it tested. It's not clean now-- nitrates. Farmers and other Midwestern people, they have a high degree of Parkinson's. My father passed away from Parkinson's a number of years ago. You know what's causing that? A lot of medical people, they don't know. But we've got nitrates. We've got herbicides, pesticides, all those kinds of different things. So my question for you is, what's the safe, unsafe level for these ingredients we're talking about? Now, personally, what I do, I've got a-- talking about an immediate relief, I've got a little water distiller, \$200 water distiller made here in Lincoln, Nebraska. My water's as pure as it can possibly be. And when I do-- don't do that here in Lincoln, I use ZeroWater. You know, those are Band-Aid fixes,



Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

but they are immediate fixes, so my water's very clean. But do you know what the safe, unsafe level is on manganese and other?.

**CLINTON POWELL:** Manganese, manganese I'll actually have to look into it so that I make sure that I give you the right information. So each state has the ability to regulate, regulate their water as well as federal. And so I'm familiar with what the state of Nebraska's level is. But the Santee Sioux Nation is actually a federally designated tribe on the treatment standards side. And so I'll have to get back with you on that to make sure that I give you the right information. I don't want to give you something that's, that's not true. At this point, from the manganese side, manganese is, is very seasonal. And so the, the water levels of manganese are exceeding, somewhere usually between 1.5 and 2.5 times the total allowable limit for the federal government. And I don't remember that exact number. So I will look into that for you and get you that

**CLEMENTS:** Senator Wishart.

**WISHART:** And then following up from Senator Lippincott's questioning, is there an opportunity in the immediate to put in some type of filtration system, reverse osmosis system? Does that-- would that impact manganese levels?

**CLINTON POWELL:** So it has the ability to impact manganese levels. So federal IHS, in conjunction with federal EPA, conducted a study with Olsson Associates to look at what some of those immediate, immediate solutions might be. When you look at our current kind of bidding environment and the, the size of project required to do that, that is somewhere between, in my opinion, somewhere between a \$13 and a \$25 million project, depending on-- depending on how that gets put together. And in our current construction environment and where that would be with design right now, that is probably a 20-- late 2025 or 2026 construction project. And so it actually, from a timing standpoint, is faster for me to run 30 miles of pipe than it is for us to construct a new treatment facility.

**WISHART:** OK.

**CLEMENTS:** All right. Thank you. Seeing no other questions, thank you for your testimony.

**CLINTON POWELL:** Thank you.

**CLEMENTS:** Do we have any other proponents for LB1131? Good afternoon.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

**VICTORIA KITCHEYAN:** Good afternoon, Chairman and members of the Appropriations Committee. My name is Victoria Kitcheyan, V-i-c-t-o-r-i-a K-i-t-c-h-e-y-a-n, and I'm the Chairwoman of the Winnebago Tribe of Nebraska. I want to thank Senator Raybould for introducing this on behalf of the tribes. And thank you for all your work that you've done for Appropriations. I support LB1131. The Winnebago Reservation is located in Thurston County. The population of the reservation consists of 2,737 residents, 826 households, with 67% of those being Native American and 33% being non-Native. Located within the reservation is the village of Winnebago, a village organized under the laws of the state of Nebraska. The Winnebago water and sewer system is unique because we have a state-chartered village and a federally recognized Indian tribe within the boundaries. The entire water and sewer system is connected and serves all residents of the reservation, regardless of their tribal affiliation. The tribe, village, and state governments each have a responsibility to serve our citizens and ensure proper infrastructure is there to meet the needs of the people. Because the Winnebago Reservation consists of multiple overlapping jurisdictions, we must work cooperatively to pull resources to fulfill these responsibilities. Furthermore, while the tribe is eligible for some federal funding through the Indian Health Service Sanitation Program, this funding is limited and clearly does not cover all the need. The tribe has continued to utilize the IHS sanitation program to its capacity and has made significant contributions over the years to work with the village of Winnebago on repairs and improvements. Despite these efforts, the quality of water in Winnebago continues to be classified as undesirable for household consumption. This is true across the board for both tribal members and nonmembers alike. Sadly, this is not unique to our reservation. The number of times Nebraska tribes have had to issue public notices to our citizens about drinking-- about not drinking water from their homes is unacceptable. Access to safe drinking water is a necessity for us all. When the public health infrastructure was built in the 1950s, Indian country was left out. Thus, it's no surprise that we have a variety of challenges like overcrowded housing, strained healthcare systems, and a lack of acceptable drinking water. We cannot continue to be left out. It's the Winnebago Tribe's request that this Appropriations Committee support LB31 [SIC] and consider the tribes and rural communities on having safe, clean drinking water. Thank you.

**CLEMENTS:** Thank you. Are there questions? Seeing none, thank you for your testimony.

**VICTORIA KITCHEYAN:** Thank you.

**CLEMENTS:** Next proponent.

**JOY JOHNSON:** Good afternoon. My name is-- Mr. Chairman and members of the Appropriations Committee, I want to thank you for holding this hearing today on LB1131. And I'd like to thank Senator Raybould for introducing this bill. My name is Joy Johnson, J-o-y J-o-h-n-s-o-n. I'm the former planning and development director for the Winnebago Tribe of Nebraska. Actually, it's been 2 weeks so we'll throw that in there, but I've worked for the tribe for-- and the people of the Winnebago Tribe for over 35 years, in some capacity or another. And while I'm not Native American, my family has resided on the Winnebago Reservation for over 125 years. A lot of people don't realize that non-Native people live on the reservation, so I just wanted to raise that up today as well. We're citizens of the state as well as citizens within the reservation by doing so. I'm here today to testify in support of LB1131. The points I'd like to share with you today are as follows. The Winnebago Tribe, including its various subsidiaries, is a major employer in northeast Nebraska. In addition to the residents of Winnebago, approximately 2,000 additional people commute to Winnebago to work every day. We have become a regional employer for a number of capacities for people. And according to the U.S. Census, primarily with the American Community Survey, is what we tend to pull down from, the population of the Winnebago Reservation has grown by 9% since 2000, and this growth is expected to continue. And it's a direct opposite of what happens in the rest of the state of Nebraska. In particular in that our population is a young population rather than an aging population, tending to get younger. To help support this growth, the tribe has put substantial resources into housing and the community and infrastructure development over the last several years. And as all of you know, one of the primary needs of any community is definitely safe drinking water and sewer systems that work appropriately. In my previous role as the planning and development director for the tribe, one of my responsibilities was to seek and coordinate funding to support various projects, including infrastructure. And one of those needs that frequently arose, continues to rise, is the need for matching funds when we go to look for federal funds or other sources, whether they be private or whatever. And most of those federal funds we've explored tend to ask us for no less than 10 to 25% in matching funds. And usually those are cash funds. And those are not only-- they're not just there as ready to go. Those are competitive funds. So we're competing for those funds with others across the United States in developing what our needs are. These funds tend to be sporadic, and they're limited in scope. The funds requested here would allow the tribe to be able

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

to combine and leverage resources from those other sources that have been mentioned, and compete in a-- in a fruitful way for those federal funds. As a lifelong Nebraska resident and for these reasons, I ask that you, as a committee, vote in favor and support LB1131. Thank you.

**CLEMENTS:** Senator Wishart.

**WISHART:** And Joy, thank you for being here today. I think the last point that you made about the opportunity for state funding to be leveraged with federal and private funding is, is important. Is there a place and, Clint, maybe we can work on this as well. But, Joy, do you know a place we can go on the federal with-- within the federal government where we could see what some of the competitive federal funding opportunities are for water for tribes?

**JOY JOHNSON:** Certainly. We-- part of my role, one of the things I did on a daily basis, I was a, a subscriber, as most places are. But the primary one that we-- I used on a daily basis was called Grants.gov.

**WISHART:** Yeah.

**JOY JOHNSON:** That they sent me an email every single day of all the opportunities that were coming up. So we looked for things on a regular basis. And then we also keep our ear as to things that would be coming out. So those are things as they become available. Oftentimes when you need to be prepared ahead of that time, so we keep our ear out on just as things that may be coming up. So obviously the bill funds that are out there now, we know that there are some that are likely to come out through EPA. What tends to happen with tribes, though, is we see this over and over again is the federal government will put some things together to address this type of an issue, and they'll send those monies out to the states. And the states will put those programs together and decide how they're going to deliver them. And then a couple of years later, whatever the states haven't used up, they'll put together a new set of rules so that we can mimic what they did with the states. That's how they tend to offer those notice of funding opportunities out to us on a variety of instances, so to speak. So sometimes we're competing with urban areas in the applications that we make. Sometimes we're competing with tribes. So for example, a funding source that we look to on an annual basis is called the Indian Community Development Block Grants, the HUD funds that come each year. We tend to look to apply to those. We're limited on how much we can apply for from that to \$1.2 million, I believe, is the limit right now. But we are competing with 500

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

other tribes for those dollars on an-- every year. So let's just say, we've been very fortunate in being able to receive awards through that funding on a number of occasions. But we don't get them all the time either so-- and we have numerous projects that we look to address, including our housing shortage that was mentioned earlier so.

**WISHART:** Do you think if the state-- I have one more question.

**CLEMENTS:** Yes.

**WISHART:** Do you think if the state were to appropriate some state funding, that that would make these applications for federal funds more competitive?

**JOY JOHNSON:** Absolutely. That is a key thing in the majority of them. If you don't have some monies there to leverage, there's often a required match. And then they sometimes will ask for additional on what they call leverage money. So a match is considered you're committing that money there. Leverage is a little more loose. But they've kind of changed that terminology that it's similar to a firm commitment when you submit that application. So you need to have those funds at hand or to be able to present those at the time of award.

**WISHART:** OK. Thank you.

**CLEMENTS:** Are there other questions? Seeing none, thank you for your testimony.

**JOY JOHNSON:** Thank you.

**CLEMENTS:** Next proponent.

**NANCY WALTMAN:** Yes.

**CLEMENTS:** Are there any other proponents?

**NANCY WALTMAN:** I'm Nancy Waltman. Oh, go ahead, go ahead. You sit.

**AL DAVIS:** Welcome, Senator Clements.

**CLEMENTS:** Welcome.

**AL DAVIS:** I came late and I apologize for that. But I had another bill going on and a couple of others-- going to testify on a couple of other bills here today also. And I can turn my testimony in now

and not come back or I can come back. But Al Davis is my name, A-l D-a-v-i-s. So I'm the registered lobbyist for the 3,000 members of the Nebraska Chapter of the Sierra Club. And I'm speaking here today to support Senator Raybould in her efforts to provide funding for tribal water and sewer projects through LB1131. We want to thank Senator Raybould for bringing the bill. Nebraskans have been blessed with good water, in fact, so much water that we neglected to see the decades of overfertilization of farm fields, filled lagoons, and concentrated animal feeding operations, dumping of toxic chemicals on former military sites, antiquated public sewer systems, and the use of combined sewage and stormwater systems across the state have all contributed to the worsening water quality of the well streams and lakes. Despite the abundance of water in the state, not all portions of the state are blessed with water, which is potable and easily accessible. Nebraska's Native American reservations are all located in portions of the state where water quality has been problematic for decades, and tribal members have appeared before the Legislature several times asking for help to improve their situation. Manganese levels in the Santee Sioux water supply are above toxic levels, and the tribe has been drinking bottled water for several years. The Winnebago Tribe also is dealing with water which is of questionable quality. Kicking the can down the road is not solving the problems which are attacking-- affecting all Nebraskans, but especially our tribal residents. And Senator Raybould's request for funding will help alleviate some, but not all, of the problems. We are strongly in support of this bill, and we encourage the state to do a long-term study on water quality on how to reverse the degradation of our greatest resource. Thank you very much.

**CLEMENTS:** Are there questions from the committee? Seeing none, you're welcome to leave letters for other bills that we can accept for the record. Isn't that right?

**CORI BIERBAUM:** Yeah.

**AL DAVIS:** OK. I will do that then. Thank you.

**CLEMENTS:** Just go ahead and leave those with the page. Get those for him. Thank you.

**AL DAVIS:** Thank you.

**CLEMENTS:** Next proponent, please.

**NANCY WALTMAN:** I'm Nancy Waltman, N-a-n-c-y W-a-l-t-m-a-n. And here's mine. And, you know, I feel like I'm speaking to the choir here because everybody's been saying in detail what I have. I'm going to say the whole picture. I'm a Ph.D., professor emeritus from the University of Nebraska College of Nursing and nurse practitioner. And Judi asked me to talk about the importance of clean water and why we have a responsibility to tribes to provide that clean, clean water. And why don't they have clean water? And so I'm-- actually I'm not going to follow this because you can read it, but, obviously, what we see in the Santee Sioux Reservation is a emergency. You know, as a nurse practitioner, I can tell you the clean water well-- oh, but I forgot to tell you about the book I just wrote that you all get a copy of over there. And I can even distribute it at the end. It's on Dr. Susan La Flesche Picotte. And she was the first Native American physician in the United States. And she served in the Macy Reservation in northeast Nebraska. And her big thing was public health, clean water systems. And so that's why Judi thought that I might be able to address that. So, yes, the Santee Sioux do have an emergency. And when, years ago, it was typhoid fever and cholera, which I have copied-- which I have paragraphs of those in my book. But even today, it's-- they're serious illnesses, dysentery, hepatitis A, diarrhea can be and then chronic long-term conditions such as neurological defects, which is manganese. And the people, whenever you have these clean water problems, the people who hurt the most are the infants and the children. And these problems can be chronic and long term. So I have a whole list of things that can happen with polluted water. And I don't know if you want me to read them because I kind of covered them, but everything from diarrhea, nausea, vomiting, headache, weakness, deficiency in the nervous system, reproductive issues. So my number one point is obviously there's a problem in the Santee Sioux Reservation, and it's really too bad because, as one article said, we're supposed to be the greatest country in the world, yet we have communities right here in Nebraska that can't drink their own water. And my other point is that when treaties were signed with Native Americans and they were sent to reservations, there was the obligation to provide clean and reliable water. And the problem is that these reservations do not have the funding and they don't have the people to build these clean water systems and to maintain them. So we really need to look at that picture, both for the Santee Sioux and the Winnebago. And let's see, what was my final thing? Oh, you know, what the, Sierra Club, too, was saying is that, yes, it hurts human being. And access to clean water is a human rights issue. However, access to clean water also hurts the ecosystem, the plants and animals, the economy of the

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

reservation. We want reservations to survive and progress. And they won't unless they have clean water. So I think my paper explains more of my concern about the Santee Sioux. But that was my big picture, and I hope you take my book. Do you have any questions?

**CLEMENTS:** Are there questions? Seeing none, thank you. We have your written testimony as well. And thank you for your testimony. Is there another proponent for LB1131? Welcome.

**JUDI GAIASHKIBOS:** Welcome, Senators. It's an honor to be here before Appropriations Committee. And I want to say today on Groundhog Day, in honor of my Santee Sioux grandmother, today would be her 134th birthday. And she grew up on the Santee Reservation and my mother grew up on the Ponca Reservation. And my mother went to the Genoa Indian School, where the motto was "kill the Indian and save the man." And my name is Judi gaiashkibos. I am the executive director of the Nebraska Commission on Indian Affairs, and my name is spelled Judi, J-u-d-i gaiashkibos, g-a-i-a-s-h-k-i-b-o-s. And I am honored to serve as the director of the Commission on Indian Affairs. And today I am here to support the bill that Senator Jane Raybould introduced for us. And my prayers are with Senator Raybould today on Groundhog Day. I hope she sees sunshine in her life. LB1131 that she introduced so briefly was introduced 2 years ago, and we had the committee's support, but the Governor then wasn't supportive. So the bill didn't get to go to the floor. Today, I am pleased with the testimony that the Chairwoman Kitcheyan from Winnebago presented to you, as well as the vice chairman, Kameron Runnels, who is the chair of my board. I'm very honored to have such a young, outstanding leader, and I know we're in good hands in the future. The Omaha Tribe aren't able to be here today. But on behalf of the Omaha Tribe, they, too, support this bill. And I would like to thank former Senator Al Davis for his words today, because I think it's really important, as the state of Nebraska looks at how important water is to our state. Water is life. And we know we've had water challenges throughout the past few years that we've been dealing with. So in the bill Senator Wishart introduced earlier concerning the NRD and Lincoln with for \$1.2 million, I live in Lincoln, and I'm very lucky that I can turn on my water faucet and have clean water and take a shower that doesn't smell horrid, and I don't have to rely on bottled water every day. But my relatives, they aren't as blessed and as fortunate. So as our state looks to be a state that is a state to be known for caring about our First Peoples and celebrating the stories that we're learning, Dr. Susan La Flesche's hospital is being restored. Since 2017, we've raised over \$6 million to restore that hospital. That is a point of pride for the Omaha Nation and our state that will



Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

generate ecotourism. The Winnebago Tribe, through the leadership of Chairman Kitcheyan and Ho-Chunk, Inc., they have diversified their community immensely throughout the United States of America. They are a model that other tribes and other communities come to, to see what you could do with infrastructure capacity. And even though they've done all those wonderful things, as you heard in Chairwoman Kitcheyan's testimony, they still don't have clean water. The Santee Sioux have a beautiful golf course. They have a casino, a hotel. They've done a lot of things on their reservation for another place as a destination, you go up the river. I know you're all working on STAR WARS with the Ponca Tribe, my tribe. Ponca Tribe has been asked to bring millions of dollars to the table to partner with the state. And it always seems it's OK when we can help you. But today, when we ask for things for our tribes, it's always, well, what are you getting from the feds? All of us are getting money from the feds, aren't we, for the bridge out west? There's a lot of things. Our former Governor now is a U.S. senator, and he's announcing monies coming to our state for the airport. That's the way life is. So I'm asking you, Appropriations Committee. I've been the director 27 years, and I'd like to see something happen that we can all celebrate and be proud of. It's time for us to come together and collaborate with the tribes. Be proud of this history. Really, this is our homeland. We're never leaving. This is where we live. And many of you, we talk about brain drain. Well, do you want to stay in a place where you have to live off bottled water? So in closing, I would just say it's time to do the right thing and make Nebraska, you know, Nebraska nice for everybody. And if you can't do it for the First Peoples, I think we all need to stop and take a look in the mirror about what we are really doing and who we care for. Water is sacred. But water is something that our treaties did promise us for ceding this land. We celebrate the story of Standing Bear all the time about being human for the first time in the courtroom. But today we're not treating our tribal people with real humanity. So on that, I am proud to say from the arc of my mother at the Indian Boarding School; my daughter, who was a legislative page, is an attorney, went to Columbia Law School and guess what? Her specialty is water law. She got the settlement for the Crow Nation for clean water for the first time in Montana. So today, on-- in memory of my grandmother and in honor of my grandchildren, I urge you, I urge you to move this to the floor. And I am going to personally sit down with the Governor and say, Governor, 7 generations into the future, that will be my grandchildren's children. And I want them to have-- know that when I leave this earth, they will have clean water.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

**CLEMENTS:** All right. Thank you for your testimony. Are there questions? Seeing none, are there other proponents?

**JUDI GAIASHKIBOS:** Thank you.

**CLEMENTS:** Any other proponent for LB1131? Seeing none, is anyone here in opposition? Seeing none, is there anyone in the neutral capacity? Seeing none, would you care to close?

**KATE WOLFE:** Thank you.

**CLEMENTS:** She waives closing. Do we have comments?

**CORI BIERBAUM:** Yes.

**CLEMENTS:** LB1131 we have 3 proponents, no opponents, none in the neutral for position comments. That will conclude the hearing for LB1131. And next we'll open the hearing for LB1234. How lucky. Well, I see Senator Wayne isn't here, but go ahead.

**JAKE SEEMAN:** Yes, sir. Good to go?

**CLEMENTS:** Yes, please.

**JAKE SEEMAN:** Thank you, Chairman Clements and members of the Appropriations Committee. My name is Jake Seeman, J-a-k-e S-e-e-m-a-n, and I'm the legislative aide to Senator Justin Wayne, who represents Legislative District 13, encompassing north Omaha and northeast Douglas County. Senator Wayne wishes he could be here to introduce this, but scheduling conflicts arose. I'm here to introduce LB1234 on Senator Wayne's behalf. LB1234 is an identical bill to the one that was introduced last year before your committee, which was LB237. This bill will appropriate an additional million dollars to the Nebraska Department of Energy for carrying out the Low-Income Housing Weatherization Program. With many older homes in Senator Wayne's district and specifically in Florence, one of the oldest settled parts of the state, many of the homes in Florence are over a century old. This is a program that's been utilized in his district. Senator Wayne feels that this program has been a success and wants to continue-- wants to ensure its contin-- it continues to be financed. Again, yeah, this program assists low-income families with insulating, air sealing, heating, ventilation and other improvements towards weatherizing the home. Poorly insulated homes can be burdensome for low-income families, the cost to, to heat them and cool them. This program has already helped 200 fam-- family households in north Omaha or in Omaha, I should say. So again, he

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

thinks it's a success and he wants it to continue. Senator Wayne appreciates your time and consideration on this bill. And I will, of course, waive closing, Chairman Clements.

**CLEMENTS:** All right. Are there questions? Senator Dorn.

**DORN:** How did he get the number 1234?

**JAKE SEEMAN:** I don't know. I always laugh about that too.

**DORN:** 1, 2, 3, 4 when you said that.

**JAKE SEEMAN:** Yeah.

**CLEMENTS:** I just had a comment about the statement of intent said it would grant \$1 million. I'm looking at the bill, it says \$1 million in fiscal year '24 and another million in '25.

**JAKE SEEMAN:** Per year.

**CLEMENTS:** For a total of \$2 million. \$1 million per year?

**JAKE SEEMAN:** Yes. Yeah.

**CLEMENTS:** All right. Any other questions? Seeing none, we'll ask for proponents for LB1234. Proponent. Good afternoon.

**BRITTON GABEL:** Good afternoon. Good afternoon, Chairman Clements and the members of the committee. My name is Britton Gabel, B-r-i-t-t-o-n G-a-b-e-l. I'm the manager of Advocacy Solutions at Omaha Public Power District. I'm testifying in support of LB1234 on behalf of OPPD, the Metropolitan Utilities District, and the Nebraska Power Association. The NPA-- the NPA is a voluntary association representing all of Nebraska's 165 consumer-owned public power systems, including municipalities, public power districts, public power and irrigation districts, rural power districts, and rural electric cooperatives engaged in generation, transmission, and distribution of electricity within Nebraska. Thank you for the opportunity to submit testimony to the Appropriations Committee on this important legislation. Senator Wishart isn't here, but I want to thank Senator Wayne for sponsoring this worthwhile legislation that will truly help Nebraskans that are struggling with a heavy energy burden. I also want to thank Senator Wishart, who started us down this path with LB449 in 2021 that allocated over \$200,000-- allocated 200-- \$200,000 over 2 years to the Weatherization Assistance Program housed in the Nebraska Department of Environment of Energy. Those

funds were evenly disbursed across the state. I previously worked at the Nebraska Department of Health and Human Services and was responsible for administration of the Low-Income Home Energy Assistance Program and managing the, the LIHEAP weatherization program investment prior to joining OPPD in January of 2019. And most recently, I'm responsible for the Advocacy Solutions department of OPPD. My comments will show the benefit of the weatherization program and identify opportunities for impact that this appropriations bill will address in the state of Nebraska. Low-income households carry a larger burden for energy costs and cannot afford investments in energy efficiency improvements to their homes. LB1234 will help alleviate this high energy burden through cost-effective building shell improvements such as insulation, air sealing, heating, ventilation, air conditioning systems, lighting, and appliance replacement. As federal, state, and local governments, utility companies, and local agencies offer utility assistance programs to help households reduce their energy burden, these programs do not address the long-term issues of living in a more efficient-- energy efficient dwelling. Per a recent national evaluation on weather-- weatherization programs in all 50 states, households served by weatherization programs save an average of \$283 per year. In 2023, OPPD received 28,286 utility assistance payments, totaling \$9,064,304, with an average of \$320 a payment. This was a 41% decrease in funding compared to 2021. As utility assistance resources have decreased, weatherization is a long-term solution to address utility bill affordability. Once a home is weatherized, measures continue to save money and energy year after year so income can go towards other living expenses. Weatherization can reduce low-income energy burdens by about 25% per a recent study completed by the American Council for Energy Efficient Economy. LB1234 will go a long way to reducing these burdens. OPPD is a leader in investing in low-income energy efficiency and weatherization programming. Since 2019, OPPD has funded the audits and weatherization of 292 homes through our Energy Efficiency Assistance Program. These 292 homes have generated a projected annual energy savings of \$187 per home. Our program is administered by Habitat for Humanity of Omaha, Southeast Nebraska Community Action Partnership, Northeast Nebraska Community Action Partnership, and the Community Action Partnership of Lancaster/Saunders County. LB1234 will enable more of these improvements-- these audits and improvements. OPPD, MUD and the-- and the NPA urge this committee and Legislature to pass LB1234. Appropriating state funds for home energy and energy efficiency improvements will help low-income households stay safe, healthy and

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

have a long-term reduction of utility costs. Thank you for your time and I'll answer any questions you have.

**CLEMENTS:** Are there any questions from the committee? Senator Vargas.

**VARGAS:** The Housing Trust Fund, I thought weatherization was an allowable use in that fund through, through NDE-- or through DED, sorry.

**WISHART:** [INAUDIBLE] expanded.

**VARGAS:** Yup. Expanded it, yes. But do you utilize those funds right now? Does like Habitat or ENCAP use those funds right now for this work?

**BRITTON GABEL:** I honestly don't know the answer to that question, but we can look into that and follow up.

**CLEMENTS:** Please do.

**BRITTON GABEL:** All right.

**CLEMENTS:** Are there other questions? Do you have an answer for that?

**CLINT VERNER:** He's right. Yeah, I-- there was a recent amendment that [INAUDIBLE]. I had it confused with another program. We transferred money lead-based payment--

**VARGAS:** That's different.

**CLINT VERNER:** That was-- nevermind.

**CLEMENTS:** All right. So did he answer your question then?

**VARGAS:** It did. There's a fund. Now it's an allowable use. And it's just up to DED to pick the projects that they think are worthy that are weatherization projects.

**BRITTON GABEL:** OK.

**CLEMENTS:** All right. We have run into already.

**BRITTON GABEL:** All right. Sounds good.

**CLEMENTS:** So thank you for your testimony.

**BRITTON GABEL:** Yeah. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

**CLEMENTS:** Additional proponents for LB1234? I like saying that. Why did I not get that? Welcome.

**TINA ROCKENBACH:** Hello. Thank you. Good afternoon. My name is Tina Rockenbach, T-i-n-a R-o-c-k-e-n-b-a-c-h. I'm executive director for Community Action of Nebraska. We're the state association representing all 9 community action agencies. And you'll be receiving some handouts here in a few minutes. I just want to kind of brief you on what some of those are for your own information. There is some written testimony in there from myself with some additional points, but I do have some other things I want to elevate related to how our network on a daily basis has been investing in weatherization. There are a couple of maps there for your information. One is just to remind you, I know you've seen it before, but where our agencies are located and the counties in which they cover. And then there's an additional map there directly from the state weatherization office showing exactly which counties are covered for weatherization for our agencies, which is 7 of our 9, as well as the former area that Habitat-- or the area that formerly Habitat for Humanity in Omaha was covering. They're currently looking for a new provider for that. But you can see that all 93 counties are covered. And I have also included the 2024 federal poverty level guidelines broke out by percentages, as some of that is coming into play. As you know, weatherization is an income eligible program. Weatherization is getting more and more of a high priority for us and a high demand. And what we find, and you may recall from my testimony last year, is that first and foremost, a big bulk of what we get for funding for weatherization starts federally. And then additionally, we can absolutely leverage other funds from the state level that are for those weatherization purposes, and they can apply for those through other grants. The struggle that we find, which is why we're always advocating for additional state funding, is the restrictions federally, if we stick just to our federal weatherization program, which is why we're always looking to think outside the box to expand our ability to not only complete weatherization of more homes, but also get it done in a timely manner. And so what those restrictions are, are a couple of things. It's, it's quite a lengthy process. There's a lengthy application that needs to be done. And then as part of that process, a weatherization certified inspector must go through the home and determine exactly how it falls into the parameters of what can be done and what needs to be done. So that can take some time, especially if you have people on a waiting list because you have a shortage of those certified inspectors. Those inspectors can be part of our weatherization crew. Maybe they're contractors in the

area, but they do have to be certified in that audit process. Once you get through that, then we have to really watch the cost of the project. Federally, there's what we call an average cost per unit. So for lack of a better term, it's average cost per project. Right now that approximately is about \$8,250 on the average per project. But that also includes not just cost of goods, that includes the labor costs, the cost for permits, everything related to that. And as you probably are already aware, the cost of goods is very high right now. Contractor costs are very high right now. And they're also very, very hard to get booked because we're competing against privately funded projects for some of these same contractors. And so then that can delay things as well. One of the things we've been doing for the last several months, we've been working with our Central Nebraska Community Action Partnership in tandem with Congressman Mike Flood's office to really look at how do we do this and work smarter and not harder. And one of the things we are working on is a pilot project in Clarkson, Nebraska, where we are bringing all the players to the table that have any possible funding that could be married with a weatherization project. So you've got Community Action out of Loup City, who is leading the charge for the low- and moderate-income families who qualify for the program. And then we've got other groups in, in the program, state groups of people, OPPD, NPPD, etcetera, that have additional funds from USDA, things like that, that can either cover things that weatherization is not allowed to do, or they can address some of those weatherization needs that maybe people are outside the income eligibility. So we're taking this from a community response aspect. And we're hoping to duplicate this in other communities. The whole point is 2 things: safety and housing longevity. This came out of a visit from Congressman Flood in his-- in one of the communities in Nebraska where he was realizing the cost of energy for a lot of the low-income families was getting so high that they were trying to not run their furnaces, trying to not run things like that. And so they're running 5 and 6 space heaters. So now we're running into fire safety. So we actually are partnering with Clarkson Fire and Rescue as a way to encourage community members, as well as our city leadership, to, to really take this as a whole approach and then hopefully expand the longevity of their housing stock to attract people.

**CLEMENTS:** All right. Thank you.

**TINA ROCKENBACH:** With that, I'd be happy to answer any questions.

**CLEMENTS:** Are there questions? Seeing none, thank you for your testimony.

**TINA ROCKENBACH:** You bet.

**CLEMENTS:** Are there other proponents for LB1234?

**WISHART:** Next year, you got to be--

**CLEMENTS:** [INAUDIBLE] makes me happy. Seeing none, are there any opponents on LB1234? Seeing none, is anyone here in the neutral capacity? Seeing none--

**McDONNELL:** What number is this?

**CLEMENTS:** We have position comments for the record: proponents, 11; opponents, none; neutral, none. That concludes, sadly, the hearing on LB1234. Our next bill up is LB1245, close but no cigar.

**VARGAS:** That one feels wrong actually. That one somehow feels wrong. Yeah.

**McDONNELL:** Thank you, Senator Clements, members of the Appropriations Committee. I wish I had LB1234. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l, represent Legislative District 5, south Omaha. LB1245, a bill designated to optimize Nebraska's use of the substantial federal funding allocated to for lead service line replacements through a separate allocation to the Drinking Water State Revolving Fund, DWSRF. This bill seeks to clarify and expand upon last year's LB814, specifically regarding the \$10 million appropriations that established the Lead Service Line Cash Fund. Lead service lines prevalent in homes built before World War II are a significant health risk, especially in the lower income areas of north and south Omaha. The cognitive and health implications of lead exposure cannot be overstated, particularly among children. These health implications end up coming up over and over again in front of this committee, as they consistently impact other budget considerations. LB1245 is not a plea for additional funds but a strategic proposal to ensure Nebraska's full utilization of what is likely to be over \$150 million in federal dollars to replace lead service lines in Nebraska. This legislation aims to clarify the use of the Lead Service Line Cash Fund in 2 critical areas. Number one, workforce empowerment initiative. LB1245 sets aside a maximum of 20% from the Lead Service Line Cash Fund to launch a targeted labor training initiative focusing on the critical task of the lead service line replacement. We are finalizing an amendment to this bill to explicitly assign the Metro-- Metropolitan Utility District, MUD, the responsibility of selecting a 501(c)(3) organization in conjunction



with a 501(c)(5) labor training program. This strategic move ensures that the selection process is aligned with the local needs and expertise. The funds will be utilized in 2 key areas: establishing the infrastructure required for a specialized training facility and covering the costs associated with delivering labor training and education programs. These efforts aim to equip workers the essential trade skills needed to-- for proficient replacement of lead service lines, thereby building the workforce necessary to address the urgent public health concern within the timeline of this funding availability. This initiative is crucial for building the skilled workforce necessary to tackle the estimated \$157 million projects to replace around 16,000 lead service lines in Omaha. By investing in labor training for excavators, laborers, master plumbers, we not only address the immediate need for infrastructure renewal, but also contribute to the long-term economic development and job creation in Nebraska. Number two, maximizing federal funds. The bill also aims to ensure that Nebraska maximizes the DWSRF's opportunities for partial loan forgiveness and strategic investment. By allowing Metropolitan Utilities District to use the Lead Service Line Cash Fund, DWSRF loan repayments, we can extend the reach of federal dollars and potentially save MUD ratepayers up to \$4.7 million. This approach-- this approach mirrors successful strategies employed by states like Minnesota, emphasizing fiscal responsibility and strategic planning in addressing our infrastructure challenges. Also to effectively address the pervasive issue of lead service lines in our community, Nebraska is encouraged to strategically leverage the set-aside provisions of Lead Service Line Replacement grants, distinct from the regular allocations of the Drinking Water State Revolving Fund. Federal regulation permit Nebraska to earmark up to 26% of the Infrastructure Investment and Jobs Act LSLR grants for the crucial preparatory and support of activities including administrative, technical assistance and capacity development for both small systems and local communities. By maximizing these set-asides, Nebraska can significantly enhance the effectiveness of the LSLR efforts, offering a more favorable balance between loans and principal forgiveness and project funding. This approach not only lays the groundwork for more equitable and efficient lead, lead service line replacements, but also enhances the appeal of awards for these vital projects, making them more accessible and financially viable for the communities grappling with the legacy of lead infrastructure. Moreover, the lead service line replacement projects works with logistics-- logistically and workforce development needs of multiyear plans can amplify the impact of these investments, ensuring quality job creation, sustainable progress in eradication of the lead service lines, in

the-- in line with the objectives and-- set forth by the Infrastructure Investment and Jobs Act. To make it clear, Nebraska has the opportunity to smartly allocate its funds so that 20-- 26% can go to set-asides for workforce development and other capacity needs without the need to repay the-- this money. 49% can be awarded as grants for replacing lead service lines, and the loan provisions can be reduced to 25%, making it easier and fairer for all communities to get clean water. LB1245 represents a forward-thinking approach to not only address the critical public health issue of lead exposure, but also to invest in our workforce and ensure the efficient use of federal funds. It's about laying the groundwork for the healthier, more prosperous Nebraska. I gotta start off by apologizing to this committee. The work I did last year on the bill was not sufficient. You passed the legislation, the money is sitting there. That's why this year has no fiscal impact. But the idea what I told you was that we were going to take that dollar, we were going to-- we were going to leverage that dollar with the idea of those federal monies, we were going to train people that actually still in getting out of high school and get them into the workforce and we've done none of that. And every day we know, based on the studies, how much this is affecting children and the next-- the next generation. And now we're a year behind. That's 100% my fault. So the reason this doesn't have a fiscal impact is because you did what I asked you to last year. My bill wasn't clear enough to make sure that we were putting MUD in a position, and our state to leverage the federal dollars and also make sure that we had 20% of those dollars ready to build brick and mortar and get people trained. That's why it's a cleanup bill.

**CLEMENTS:** Senator Vargas.

**VARGAS:** Thank you. And just for clarity, I don't think-- we don't always have to put this level of detail to utilize federal programs in statute. We just-- we don't. And my question--

**McDONNELL:** And I thought, thought we were OK last year [INAUDIBLE].

**VARGAS:** I had some of these issues in other programs, money has been appropriated and had [INAUDIBLE]. What have your conversations been [INAUDIBLE] in regards to-- you don't need to put in statute [INAUDIBLE] program. [INAUDIBLE] do it last year [INAUDIBLE].

**McDONNELL:** Well, the discussions got to the point of why we're here today. And trying to move things quicker, have those discussions clarified, it didn't work out like I was-- I was hoping. So that's

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

why we have this cleanup language to make sure everybody is on the same page. And right now with this language, I believe everyone is, but I was hoping that I wouldn't have to be bringing this bill to you today. But it didn't work out that way.

**VARGAS:** Do you intend to-- because I didn't-- I didn't see a date in here on when the money should either, you know if there is a review-- a drop dead date on when that workforce program is identified or when that workforce program was identified or when [INAUDIBLE] out. I'm asking because the fiscal year will be coming up soon and the dollar amount will be-- when do the dollars need to be used? They need to be used by the-- by the biennium, end of 2020-- fiscal year 2025, right?

**McDONNELL:** So yeah. We, we looked at doing this over the, the biennium--

**VARGAS:** OK.

**McDONNELL:** --so we all know where we are right now in that 2-year cycle. But I do believe with everyone now working together on this language that it is going to move quickly. That with MUD then playing a larger role in it and actually having everyone agree that we're on the same page now, I believe we will have the dollars out before the end of, of-- at the end of this session. Because the dollars we budgeted, the money is sitting there. So the dollars are there. If we would pass this, clarify this language, there is no reason not to move ahead at this point.

**VARGAS:** My only flag for the committee members is that you and I won't be here, it's possible that it doesn't get utilized, I hope it doesn't, but we've seen that bills over the past couple of years ago, the money gets swept or is identified [INAUDIBLE] because it hasn't been utilized [INAUDIBLE] so. I appreciate you answering the questions.

**CLEMENTS:** Senator Dorn.

**DORN:** Thank you, Senator Clements. Thank you for bringing in this back. I remember distinctively after we had this discussion the past part of this last year then we saw several news articles about this lead pipe issue. I guess mine is more clarification. On the front page in the fiscal note, you're talking about a maximum of 20% from the Lead Service Cash Fund. But yet then on the second page, halfway up there, it talks about federal regulations permit Nebraska to earmark 26%. Later on, you also have 26%. I just want clarification

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

so we don't have an overlap or something's not correct there, I guess. And maybe there are 2 different topics.

**McDONNELL:** So the dollars we passed last year, the intent was to take 20% of those for brick and mortar training. What we're trying to do also, the intent was to take the dollars, leverage it as much as we possibly could with the federal dollars to get as much money on the table to replace as many-- as much as we possibly could. We, we got disconnected. So the 20%, what we're talking about is from the \$10 million that we currently budgeted--

**DORN:** Oh, OK, that part

**McDONNELL:** --from last year that's currently in the current budget.

**DORN:** The 26% is the federal funding of it. So they are two different things.

**McDONNELL:** And then, then that gets into the federal and the idea of how much can we get from the feds and how much would we have to pay back?

**DORN:** OK. But they are definite-- there are 2 different.

**McDONNELL:** Yes.

**DORN:** I just wanted to make sure to clarify those so that we didn't overlook something there. Thank you.

**McDONNELL:** Yes.

**CLEMENTS:** Other questions? Senator Armendariz.

**ARMENDARIZ:** Thank you. So MUD did talk to me about this. They wanted \$20 million at the time. We settled at 10.

**McDONNELL:** No, we actually started out at \$45 million.

**ARMENDARIZ:** I know it was a lot more. And then they were asking for 20--

**McDONNELL:** So that's what the--

**ARMENDARIZ:** --so we settled at 10 and got 10.

**McDONNELL:** No, that's not accurate. So when we started out with the bill, it was \$45 million. You are correct. We ended up at 10.

**ARMENDARIZ:** Yeah.

**McDONNELL:** But the need was at \$45 million. But then all of a sudden in the discussions, it was, how can we make sure we leverage that 10 with the federal dollars to get as much on the table? But we did start it at 45, ended up at \$10 million.

**ARMENDARIZ:** OK. So maybe when they got to me they lowered it to 25 in.

**McDONNELL:** All right.

**ARMENDARIZ:** We got the 10. I believe we need it, but MUD was asking for it. So where would this 20% carve-out money go to, MUD as well?

**McDONNELL:** MUD gets the whole 10.

**ARMENDARIZ:** The whole 10.

**McDONNELL:** Then MUD is responsible for making sure that we have a brick and mortar training facility and we have people being trained.

**ARMENDARIZ:** Why do they need brick and mortar training facility?

**McDONNELL:** No. OK. So the idea, let's say that ends up being when I say that 501(c)(3) 501(c)(5), the idea that we want to make sure is that let's say the-- let's say the facility ends up being Metro Community College. Let's say they use a current facility, but we want to make sure that we are trying to create the new jobs with that dollar, get people into the workforce and have them trained and not going to just a for-profit situation where they just contract out with someone. So MUD would be responsible for the \$10 million. They'd be also responsible for the idea of trying to make sure that we work with them as a partner with the state to leverage for every federal dollar we can get. That was the intent of the bill. That's what we passed last year. Evidently, I didn't make it clear enough.

**CLEMENTS:** Very good. Any other questions? Thank you, Senator.

**McDONNELL:** And I will be here to close.

**CLEMENTS:** All right. We will now welcome-- are there any proponents for LB1245? Good afternoon.

**RICK KUBAT:** Good afternoon, Chair Clements and members of the Appropriations Committee. My name is Rick Kubat, R-i-c-k K-u-b-a-t,

here today on behalf of the Metropolitan Utilities District, known as MUD. MUD serves water and natural gas to the Omaha area and surrounding communities. We serve water to roughly a third of our state's population. I want to thank Senator McDonnell for introducing LB1245, a cleanup bill of the Lead Service Cash Fund this committee created last year and thank this committee for helping us get started on the road to replacing lead service lines. As previously mentioned, MUD has roughly 16,000 property owners with lead service lines. The average cost to replace each one, although it can vary, is \$8,000; and with an inflationary factor included, we estimate that it will cost roughly \$157 million to complete the program. I provided the committee with a handout that provides more detail on the project and illustrate that these lead service lines primarily exist in disadvantaged communities, where customers simply do not have the financial capabilities to cover the cost of replacement. The purpose of this bill is to clarify that MUD can maximize the value of the Lead Service Line Cash Fund by tapping into Nebraska's Drinking Water State Revolving Fund, known as DWSRF. As mentioned by Senator McDonnell, the state of Nebraska is to receive roughly \$147 million into the DWSRF program specifically earmarked for lead service line replacement. The DWSRF program is a loan program, and it provides partial loan forgiveness that can range from roughly 50 cents on the dollar to as high as 62 cents or more, depending on what kind of work is being done and specifically where the work is done. This is where LB1245's cleanup language comes into play. The bill provides clarity that we can use the Lead Service Cash Fund to fully leverage the forgivable money available in the federal DWSRF program. From a fiscal perspective, I would put this in the category of a no-brainer. MUD desires to use a portion of the Lead Service Cash Fund to further stretch the state's precious financial resources. There may be some circumstances where we directly apply the Lead Cash Fund for specific lead service replacements outside of disadvantaged areas to replace one-off lead services and for other factors. However, it is my expectation we will use a substantial portion of the Lead Cash Fund to leverage the significant amount of federal dollars for lead service line replacements. This is exactly what the state of Minnesota did, although they did it with a \$240 million state appropriation, and likely other states are doing the same, albeit they are leveraging significantly more in state dollars to assure they are fully accessing their state's DWSRF program. Our state is making numerous other large investments in various water-related projects. On a comparable level, this Lead Service Line Cash Fund contribution is helpful but relatively small as we begin to stand up a program that seeks to finance a \$157 million health-related problem

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

for a community that has the highest collective water and sewer rates due to the unfunded federal mandate CSO. LB1245 hopes to stand up the program and assures Nebraska that we are stretching limited state resources to the degree possible. LB1245 also provides critical component to ensure that there's an adequate labor force ready to tackle a program that will take at least a decade [INAUDIBLE]. I want to thank you for the work that you have done on this issue and for your consideration of LB1245. Finally, I have been authorized by the Nebraska Water Resources Association to include their support of LB1245 for the record. Thank you.

**CLEMENTS:** Are there any questions from the committee? Senator Armendariz.

**ARMENDARIZ:** What's the--

**RICK KUBAT:** Shouldn't use acronyms.

**ARMENDARIZ:** What's the-- what's the total cost of that sewer separation for the city of Omaha?

**RICK KUBAT:** They would be more well versed to answer that. I know when we started it probably a decade ago, I know at that time the figure of \$2 billion was being thrown out. And that number has ebbed and flowed. I would have to ask the city of Omaha what the-- because I know they're financing it over time-- what the, you know, the final number is. I know that was the number a long time ago.

**CLEMENTS:** Senator Dorn.

**DORN:** Thank you, Senator Clements. Thank you for being here again. [INAUDIBLE] talking last year. Explain to us again about the, I call it, the training aspect of this. Because is MUD going to have to hire more people or some other organization or how is that part going to fit?

**RICK KUBAT:** Right now it has, of the \$10 million that you allocated last year, this would clarify that up to 20% can be used for a qualified training program. We estimate right now we-- we're going to really get started here probably in the first quarter of this year. We've done some out of our own budget. We, we put out a request for proposal in terms of getting plumbers and some folks to assist us. And we work, you know, roughly estimating right now that we probably have roughly a third of the necessary workforce. Given the fact that if we want to get this done over a decade, we're, we're looking at having to get rid of 1,400 to 1,600 per year. And that's the goal for

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

us to get there. So that portion of the bill would make sure that we're standing up a qualified labor organ-- organization so that we can get the appropriate skilled labor in place to assist with the project.

**CLEMENTS:** Other questions? Seeing none--

**RICK KUBAT:** Can--

**CLEMENTS:** You have something else?

**RICK KUBAT:** One, one other matter that I just wanted to briefly address as far as the timing of the bond. And it's, it's the nuance of it being inserted in the biennium budget. And as Senator Vargas pointed out, that end date being June 30, 2025. We are at MUD about ready to finalize a \$40 million DWSRF loan. Those are 0% loans that have to be paid back over a 30-year period of time. There's a mild amount of concern, and I don't know how this can be fixed in Bill Drafting, but if it's possible, we would like to appropriately use those funds to make loan provision or to make our loan payments when they become due. Because the way the DWSRF program works, we replace a lead service line. We submit it to NDE for reimbursement. So it's really just a timing issue in terms of being able to use the funds to leverage the free federal dollars available. And I do have some concern that if the end date is, hey, these dollars have to be spent by the fiscal year of 2025, how does that work for us in terms of making loan payments that are stretched out over a 30-year time frame?

**CLEMENTS:** I'm being told this would be an amendment to our cash fund statutes not affected by the biennial [INAUDIBLE].

**RICK KUBAT:** Thank you for that. I appreciate that.

**CLEMENTS:** Senator.

**VARGAS:** Just for the record, the concern I have, and I actually appreciate you bringing up this issue, is even if it is in the cash fund, somebody can introduce-- the Governor can introduce a bill and it can be in the budget next year and say, these funds haven't been utilized and take them back. So whatever is clarifying that they have to be used by a certain date or they have to get out by a certain date, we've done-- we've done this in the past where we get out a certain percentage of it out up front, which may be more flexible for MUD. It's just something to consider as you [INAUDIBLE].



Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 2, 2024

**CLEMENTS:** Other questions? Seeing none, thank you for your testimony.

**RICK KUBAT:** Thank you for your time.

**CLEMENTS:** Are there other proponents? Anyone in opposition? Anyone in the neutral capacity? Seeing none, you're welcome to close.

**McDONNELL:** I know it's Friday. Everyone wants to get home. So unless you have any questions, I'll waive closing.

**CLEMENTS:** OK. Do we have--

**CORI BIERBAUM:** We have no comments.

**CLEMENTS:** We have no position comments. That closes the hearing for LB1245.