

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 21, 2024

CLEMENTS: Gavel. Good afternoon. Welcome to the Appropriations Committee. My name is Rob Clements. I'm from Elmwood, and represent Legislative District 2. I serve as Chair of this committee. We'll start off by having the members do self-introduction. Starting with my far right.

ERDMAN: Steve Erdman, District 47.

WISHART: Anna Wishart, District 27.

McDONNELL: Mike McDonnell, LD 5, south Omaha.

DORN: Myron Dorn, District 30.

VARGAS: Tony Vargas. District 7.

CLEMENTS: And there may be senators that come and go because they have presentations in other committees. Assisting the committee today is Cori Bierbaum, our committee clerk. To my left is our fiscal analyst, Clint Verner. And our page today is Ella Schmidt from Lincoln, UNL student in criminal justice and political science. If you're planning on testifying 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 you come to testify, spell your first and last name for the record before you testify. Be concise. We request that you limit your testimony to five minutes or less. Written materials 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 page can make copies for you. With that, we'll begin today's hearing by opening the hearing for it LB1080. Senator Holdcroft.

HOLDCROFT: Good afternoon, Chairman Clements and members of the Appropriations Committee. For the record, my name is Senator Rick Holdcroft, spelled R-i-c-k H-o-l-d-c-r-o-f-t, and I represent Legislative District 36, which includes west and south Sarpy County.

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Today I am here to introduce LB1080, which was brought to me by the Sarpy County and Cities Wastewater Agency. LB1080, will provide a one time \$10 million transfer should there be an unexpected and unencumbered ARPA funds to the Department of Natural Resources. This will provide a grant to an entity within a county exceeding 100,000 inhabitants, formed pursuant to the Interlocal Cooperation Act to aid in funding the construction of a wastewater system. Currently, the Sarpy County and Cities Wastewater Agency is constructing the Sarpy County Sewer Expansion Project, which they have provided nearly \$120 million toward. According to a report commissioned by the 100 strategic partners over a-- over a 30 year period, the economic development facilitated by the completion of the Sarpy County sewer expansion would generate \$15.8 billion in state tax revenue from sales, hotel, corporate income, and personal income taxes. Beyond its potential economic impact, LB1080 would support a well planned critical infrastructure project that can expand, can expend unused ARPA funds prior to the December 31st, 2026 federal deadline. Behind me, you will hear from expert testifiers close to the project and its expected benefits, including Dan Hoins, chairman of the Sarpy County and Cities wastewater agency, and Mike Evans, mayor of Gretna. Chairman Clements and members of the Appropriations Committee, thank you for your consideration of LB1080. I'm happy to answer any questions you may have, although I may defer to those testifying after me to better answer your questions. Thank you.

CLEMENTS: Are there questions? Seeing none, thank you, Senator Holdcroft. Will you stay too close?

HOLDCROFT: I will be here for close.

CLEMENTS: Thank you. First proponent, please? Good afternoon.

MIKE EVANS: Good afternoon, Chairman Clements. So my name is Mike Evans. I'm the mayor of the city of Gretna, it's M-i-k-e- E-v-a-n-s.

CLEMENTS: Go ahead.

MIKE EVANS: So thank you again. I appreciate all you senators too, you guys-- not only the work you do for the appropriation committee, but for all the work you do for our state. I truly mean it, you guys all make-- you know, do a lot of work. It's hard, long hours, so I appreciate you guys all, I really do. With that, I also thank Senator Holdcroft for introducing LB1080. He's been a fantastic representative for our community, and also for his entire district. And lastly, you know, thanks last year for the appropriations of that funding for

that-- the revenue. That was used for that kind of the eastern segment of that project. This request is more for the western segment, which is closer to Gretna, hence the reason I'm here. So with that being said, just quickly, it's a little bit of a diversion, but so I grew up my early years in Omaha, but then I would move out to Albion, where I lived a majority of my childhood, and so I would spend a lot of fond trips to Burwell where my mom is from, or-- in summers I worked in Spalding on a ranch or drilling wells in Albion for my dad. But the reason I mention that, I really have a, a great appreciation for this state, and, and how hard your job is to do to allocate money across this huge state with a lot of needs. So I know it's a tough choice. With that being said, I wanted to testify for LB1080 because it addresses an immediate need, and these benefits will ripple across the state. It's not a one time investment. The things that happen in the metropolitan area, in Lincoln and Omaha, that revenue gets collected and it ripples across the state. This request is not founded on kind of hopes and possibilities and what ifs. This is a-- this is a catalyst. Users and developers are literally waiting for this infrastructure to bring new projects to the metropolitan area, including Sarpy County, with millions of dollars of valuation, and thousands of careers to our state, as the Governor likes to say, careers. The Sarpy County wastewater project that you heard Senator Holdcroft mention, the results are stunning over 30 years. There are really some incredible returns. And agency administrator Hoins, he'll explain what's happening. It's pretty phenomenal. That it, it's working. The money you guys spent has been invested, and it's working. But in Gretna, I'm not talking about a 30 year return. We have live, opportunities we're working with every day. I've mentioned to others, kind of an example would be, we're not building a restaurant hoping people will come to the restaurant. There's people waiting at the table. They're hungry and they're ready for dinner. So this money is really getting to put to use in a really good way. The city of Gretna is able to serve some of our area just immediately around us, that is in the agency. We saw this need and we, we hate to tell really good opportunities no. So along with Administrator Hoins, we get together, five mayors and the Sarpy County Commissioner. We all decide that it's good for Gretna to go ahead and invest money into the agency property. And really, if you can get five mayors and a county commissioner together on one idea, it must not be a bad idea. So anyway, the results. We came together this winter, we passed a bill to let Gretna serve, and Gretna provides the agency with the revenue of these fees. So with that, starting probably this spring, the work has begun on delivering \$125 million and 100 acres worth of capital expenditures, to be hundreds of jobs and careers created there, and over \$1 million

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in revenue that we will create will go into the agency. So this agency process is working. And once again, Administrator Hoins will be in more detail. But this is not what is possible. This is what's happening on the ground and street. This is-- this is real. So I understand the commi-- you guys, the communities all across your state have needs and requests. But I believe by supporting this request, it's a very responsible way to spend our money. It delivers taxpayers a strong and lasting return. And also, by supporting it, you can deliver immediate returns and create revenues for the entire state. Now, I'll be glad to answer any questions as long as it's not about NHL or volleyball. So any questions?

CLEMENTS: Are there questions? Senator Erdman.

MIKE EVANS: Yes.

ERDMAN: Thank you, Senator Clements. Thank you for coming. Under one of the bullet points it says over the next 30 years, 10,600 acres-- 10,660 acres will be available for residential, commercial, and industrial. Is that-- is that an additional 10,000 acres?

MIKE EVANS: That is the South Sarpy ridgeline. Everything south of that ridgeline, I think, is in that 10,000 acres. And Administrator Hoins will be more specific. But that is south Sarpy, that's what can't be sewered. So I'd say, I think it's roughly about half the county has not been developed.

ERDMAN: Thank you.

MIKE EVANS: Which-- and if you're from the metropolitan area, you really understand, we get a lot of opportunities in the metropolitan area, and they're looking for site ready projects. And so they'll come to, whether it's the Chamber of Omaha or Sarpy County and ask, hey, we have this great opportunity, do you have a site ready? And we just don't. But we're able to do that with this infrastructure to create some really good opportunities. And these are opportunities that once we lose to Des Moines, to Kansas City, to all across the midwest, we don't lose them necessarily within the state, we lose them outside the state. So I think it's important to lay and invest in this groundwork.

CLEMENTS: Are there are other questions? I had a question. This joint agency, does it have a tax levy authority?

MIKE EVANS: I believe it does, up to-- No? It doesn't The administrator.

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CLEMENTS: It doesn't.

MIKE EVANS: Yeah. I'll defer to the administrator.

CLEMENTS: I was thinking you did. I, I was recalling--

MIKE EVANS: I believe the county is the ultimate backstop.

CLEMENTS: We'll talk to--

MIKE EVANS: And they have-- they have the ability to adjust their levy to support this.

CLEMENTS: I'll discuss that with Mr. Hoins.

MIKE EVANS: Yeah.

CLEMENTS: Any other questions? Seeing none, thank you for your testimony.

MIKE EVANS: Thank you guys. I really do appreciate it. Thank you.

CLEMENTS: Next proponent? Welcome.

DAN HOINS: Good afternoon, Mr. Chairman, members of the Appropriation Committee. My name is Dan Hoins, D-a-n H-o-i-n-s. I've got a 30 year career of public service in Sarpy County, but about 45 days in this new position as the administrator of the Sarpy County and Cities Wastewater Agency. So previous seven years I had spent as the Sarpy County Administrator, where primarily at the direction of the county board, my role was to help put this agency together. I think you should all have the handout. I'm going to refer you to the next to the last page, because a picture is worth a thousand words. You all have the handout?

CLEMENTS: There is, is--

DAN HOINS: I'll-- it should get here. All right, what we'll do is, I-- Senator, if you know-- Mr. Chairman, regarding a taxing authority, that rests with Sarpy County, So-- Sarpy County Board of Commissioners. They are the only ones that have the authority, and they have up to, three and a half cents, there was a-- I believe it was LB253 in 2017, passed by this body, authorized the Sarpy County Board to issue a county wide levy, if needed, to pay for this system. I'm happy to report, I was part of that testimony, we have roughly half of this project in the ground. We have not levied a penny of

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property tax. It's been self-funded through loans and connection fees, to this point. And we don't anticipate ever using property tax dollars, that was simply needed is, as we testified six or seven years ago, as a credit backstop so we could obtain, thank you, a state SRF loan and a Whitfield Loan. That's a--

CLEMENTS: OK, we have the handout now.

DAN HOINS: OK. Thank, thank you. So the, the, the last two pages, Mr. Chairman. So Mayor Evans testified when I think Senator Erdman had asked the question-- here's the map I would like to reference, this one right here. Are we all there?

CLEMENTS: Yes.

DAN HOINS: So if you're not aware, Sarpy County is the smallest geographic county in the entire state of Nebraska. Just take a look at the map. 159,000 acres is the entire county. Smallest county. Of the 159,000 acres, roughly 88,000 acres has not been urbanized development because of lack of a sewer system. That's everything you see primarily in the white on the southern half. Of the 88, Senator Erdman, specific to your question, this, this collaborative effort has identified about 44,000 acres for potential development, or roughly half of what's left. But the missing component has been a, a sanitary sewer infrastructure. What you see, what you're looking at on the red, Mr. Chairman, members of the committee, is a line that is-- will be finished this year, Q4, 2024. That line, that trunk line, which, by the way, I'll express appreciation, Senator Holdcroft, this, this body, did give us \$10 million a year ago to help build this red line. This cost for the red line is about \$120 million. But that \$10 million certainly helped us. The need today is, you see there's nothing-- and that North-South red line? It's roughly highway 50, if you can orient yourself. The city of Gretna, read the paper, you-- a tremendous growth opportunity right now. They are a member of this agency. But we-- they have been a phase two plan. And so we don't have any funding to get this infrastructure to Gretna to help accommodate their growth. And their system is rapidly reaching capacity. So the specific use of this money would be for us to work with Gretna as an agency member to find a solution for them immediately. And we also partner with Omaha to allow some of this development for Gretna. And the last map, the last page here if you turn to that, this was, a map that was in the Omaha World Herald last week on the Gretna Goodlife district. What I had our project engineer do was superimpose those two lines that you see the ridge line to the north and the ridge line to the west, is this geographic area that we need to put sewer in. 97% is that

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Goodlife district, the 2,000 acres, or 1,998, rest within the agency jurisdiction, meaning we need to partner with Gretna to provide them with sewer. We've got several options and plans, but I think time would be best served, my light is yellow, to answer any questions you may have, Mr. Chairman and members of the committee.

CLEMENTS: Are there questions? I, I believe that was in 2017 when the agency was created. I believe that I prioritized that bill.

DAN HOINS: Yes, you did.

CLEMENTS: I represented that area for five years. And do you recall that I was promised that there would never be a tax increase because of that bill?

DAN HOINS: Very loudly, and there hasn't been, Senator, and there won't be. We've collected \$34 million in connection fees and have not, I say, flushed a toilet yet. That's, that's the need. And that's the way we'll be servicing this debt and building this system. So thank you for that, by the way. And hopefully you appreciate that we've been-- honored our word to you.

CLEMENTS: There's occasions that I use a phrase, the Legislature brought you into this world, and we can take you out.

DAN HOINS: I genuinely appreciate that, Senator.

CLEMENTS: Any other questions? Senator Dorn?

DORN: Thank you, Senator Clements. Thank you for being here. I, I mean this additional project, or whatever, you say you've got a really good start on the first part of the project. What, what, what is the kind of a timeline for the whole project, if you were going to look at it today?

DAN HOINS: Initially, Senator Dorn, Gretna was scheduled for phase two, which is 20 years from now.

DORN: 20 years.

DAN HOINS: 20 years from now. But we couldn't predict-- and they have their own system, right now. We're going to merge the two. So they have this ability until they experience this tremendous growth. And, and since it's south of the ridgeline, then that's our responsibility to partner with them to help put in the sewer. Did that, that answer your question?

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DORN: Yep. Yes it does.

CLEMENTS: Other questions? Seeing none. Thank you for your testimony, Mr. Hoins.

DAN HOINS: Thank you.

CLEMENTS: Are there additional proponents? Any opponents? Is there any neutral testimony? Seeing none, Senator Holdcroft, you may close.

HOLDCROFT: Thank you, Senator Clements. First, I wanted to thank Mike Evans and Dan Hoins for coming. I think Mike's been the mayor now for over-- a little over three years coming up. And he really, I mean, if you get out to Gretna, it's, it's really amazing, it's growing. They, they just, you know, a new high school. They, they just opened up a, a nice recreation area at is the YM-- YMCA, and softball parks-- softball park, and a hard ball park, and, and a pond, and, and it's just a-- and they've got a Hy-Vee there that would make your eyes water. I mean, it is huge. And Dan, Dan was, before he was running this project, he was the Sarpy County Administrator. And as we know, Sarpy County is the fastest-growing county in the state. And it's due to his, his leadership. And now we've moved him over to this really important project. I would encourage you to drive down Platte View-- Flat View Road if you ever get a chance, you'll see it. I mean, you'll see these big black tubes of sewer piping laid along the road, and they're digging. I mean, it's-- this is not a shovel-ready project. This is a shoveling project. So, anything you can-- you can send our way-- and again, it's a great return on an investment. And it's certainly better than anything Senator Hughes or Seward County could use. Thanks. All I have to say.

DORN: Where's she at? There she is.

CLEMENTS: Are there any questions? I, I did have a question.

HOLDCROFT: Yes, sir.

CLEMENTS: Is, is any part of this sewer line being used? Is it active right now?

HOLDCROFT: We were hooking up here this fall. This fall?

DAN HOINS: This fall.

HOLDCROFT: This fall.

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DAN HOINS: The answer is no. It'll be totally on line at that the red line by December.

CLEMENTS: It's coming in by December of 2024?

HOLDCROFT: Yes.

ARMENDARIZ: Would you have him repeat that?

CLEMENTS: Yeah, would you repeat that?

HOLDCROFT: Yes. It's, it's coming in, in, in, in the fall. Right? Is it December? December 2024. Now it hooks into the sewer plant just south of Bellevue there, it's actually Omaha's sewer plant but that-- so we're pumping everything really all the way across the Sarpy County and that-- I mean, we did the cost analysis of building another sewer plant down in South Sarpy County, and it was more cost effective, and, and Omaha wanted us to use their more-- their capacity up in their sewer plant south of Bellevue. So that's why we're running all this pipe.

CLEMENTS: Very good. Any other questions? Seeing none, thank you, Senator Holdcroft.

HOLDCROFT: Thank you, Senator Clements.

CLEMENTS: We have position comments for the record. One proponent, no opponents, none neutral. That concludes LB1080. Which brings us to LB1244, Senator McDonnell. Welcome to the Appropriations Committee for the last time.

McDONNELL: Thank you, Chairman Clements, members of the Appropriations Committee. And it is my last time. [CLAPPING] I'll take that as positive. My-- yeah. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l. I represent Legislative District 5, south Omaha. I'm here to introduce LB1244, which was brought to me by the Papio-Missouri River Natural Resource District. LB1244, will provide a one time \$34 million transfer from the unexpended and unencumbered ARPA funds to the Department of Natural Resources, which will provide a grant towards the Natural Resources District containing a city of the metropolitan class for the purposes of vital flood control projects. The 2019 flood impacting the eastern part of the state highlighted the importance of the building and mainten-- maintaining flood control projects to protect against the displacement of Nebraskans and significant economic damages. This requested appropriations includes funding for seven flood control projects, but

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we would accept funding of selected flood control projects in this appropriations request. And importantly, these projects would-- that would be funded by LB1244 are vital infrastructure projects that can be expended-- expend unused, unused ARPA funds prior to December 31st of 2026, the federal deadline. Behind me, you will hear from John Winkler, general manager of the Missouri River Natural Resource District, who could answer detailed questions about LB2-- LB1244. Here to try to answer any of your questions.

CLEMENTS: Questions? Seeing none--

McDONNELL: I will be here to close.

CLEMENTS: Oh, great. Thank you, Senator McDonnell. Proponents, please. Good afternoon.

JOHN WINKLER: Good afternoon, Chairman Clements. How are you?

CLEMENTS: Good.

JOHN WINKLER: Members of the committee, thank you. My name is John Winkler, J-o-h-n W-i-n-k-l-e-r, and I'm the general manager of the Pappio-Missouri River Natural Resources District. I am here testifying on behalf of the Nebraska Association of Resource Districts as well. First of all, I'd like to thank you for giving me the opportunity to testify this afternoon in support of LB1244, and thank Senator McDonnell for introducing the bill for us. Quite simply, LB1244 would appropriate \$34 million of unused federal funds to the Department of Natural Resources program 314 for the purpose of providing state aid to a natural resource district, which contains a city of the metropolitan class. This would be for the construction of vital flood control projects. I have attached a list of flood control projects the funds would be utilized to construct. The two reservoir projects have been decades in the planning, design and engineering phase, and the majority of the land rights have been secured. The balance of the projects are important maintenance issues that include storm culvert and dam rehabilitation, and creek bank stabilization projects. All of the projects on the list can be completed by the federally mandated deadline of December 31st, 2026. The bill does request \$34 million. However, we understand the needs of the state and statewide, and thus any amount that would be appropriated would greatly help us in securing the funds to get these projects completed. I once again thank you for the opportunity to provide testimony on this bill. And I'd be happy to answer questions that you may have.

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CLEMENTS: are there questions? Senator Erdman?

ERDMAN: Thank you, Senator Clements. Thanks for coming. In '19, when the floods happened.

JOHN WINKLER: Yes, sir.

ERDMAN: How much damage-- what significant damage did the Papio NRD sustain?

JOHN WINKLER: Most of the damage was confined to the-- I would say the outlying rivers, like the Elkhorn River, the Platte River, obviously, and then the Missouri. The interior of the metro area, because of all the projects that we've been able to complete over the years, the reservoirs we have been able to build, and the levee systems we have been able to construct, the, the majority of the metro area came out very well from that flood. It was, it was the flood of the other rivers that-- where there was no infrastructure, there's-- where there was very little levees, where there was very little other flood control in the upper part of the basin that suffered the most significant damage. Especially along the Platte River, those communities that had some type of a levee system, like the National Guard camp, did better. For example, we assisted Waterloo in building a levee system, that has been probably 15 years ago. And that community did very well. Any other community or area that didn't have a levee system or didn't have any flood control above it, they were devastated by the flood, but the Omaha metro area did very well because of the systems we had.

ERDMAN: So weren't those levees the responsibility of the Corps of Engineers?

JOHN WINKLER: No, there's levee systems that we are responsible for operating and maintaining. For example, the Missouri River levee that protects Offutt Air Force Base, and the Omaha's wastewater treatment plant, several other major pieces of infrastructure like major rail lines. Those are owned and operated by the Papio NRD. And so after the flood, we had-- they're part of the Corps program, so the Corps assisted us in repairing them, but they didn't assist us in rehabbing them. And we just finished that project at the end of December. We rehabbed that-- the levee system. It was about a \$40 million project. And that was the NRD. The state of Nebraska contributed through the Critical Infrastructure Fund, then also the city of Omaha, Sarpy County and the city of Bellevue each contributed too, to get that

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levee rehabbed and protect the base, protect Omaha treatment plant, things like that, so.

ERDMAN: So you're not building any new dams?

JOHN WINKLER: So we built a two, two new flood control reservoirs, Dam Site 12, which has been in the planning stages and on the books since the '70s. And then, flood control reservoir, WP-1, which is in Gretna. That is currently under construction, so it'd help finish that one. Dam-Site 12 is one of the priority reservoirs of the district, just because of all the development that's occurring in the Elkhorn area. That would be in Elkhorn. And so, that's one of our priority projects that we need to get done before development encompasses the entire reservoir. It used to be, we used to build these reservoirs, there was-- there was no, no building around it, there was no housing around it. Now, when we build them, there's actually subdivisions that sprout up around the whole reservoir before it's even constructed. So which makes it more expensive, makes it more difficult to do. So we're just trying to get out-- get ahead of development.

ERDMAN: So are you selling lots that you develop when you put these dams in?

JOHN WINKLER: We don't own-- we don't sell lots. We only purchase the land that we need for the project. If there's anything outside of the area, for example, if, if a private owner owns a, a lot outside of the project area, they could do what they want with the project. We don't specifically sell lots for development. We only buy land for what the pr-- what we need for the project.

ERDMAN: So I assume, I assume by what you said, a right away and, and construction, so you're probably using eminent domain?

JOHN WINKLER: We have not used eminent domain on either one of those.

ERDMAN: You ever used it?

JOHN WINKLER: It's been used in the past very sparingly. Our board is extremely com-- you know, extremely uncomfortable using it. But if it becomes necessary, it's a tool. But no one likes to do it.

ERDMAN: Good.

CLEMENTS: Other questions? I might ask you, situations like this, sometimes we will ask, what's your highest priority items, and would

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you be willing to send the committee, number all of these one through nine--

JOHN WINKLER: Sure.

CLEMENTS: --in priority order, if we're able to consider some of them, but not all of them?

JOHN WINKLER: Be, be glad to, yeah. The maintenance items are really big because they-- obviously these are-- this old infrastructure, right? It's 20 years or probably more, quite 40, 50 years old. So we're starting to see failures, things like that. So that's-- obviously that is a big concern of ours is we don't want the levees failing, especially during flood events. And it puts-- obviously it puts people at risk, it puts a property at risk, so. We would for sure prioritize it for you, Senator, thank you.

CLEMENTS: Thank you, Mr.Winkler. And no other questions. Thank you for your testimony.

JOHN WINKLER: Thank you, I appreciate it. Thank you for your time.

CLEMENTS: Next proponent? Are there any opponents? Any neutral testimony? Oh. Excuse me. Is this is a proponent?

SHAWN MELOTZ: I'm an opponent.

CLEMENTS: Opponent. All right. Welcome.

SHAWN MELOTZ: Good afternoon. My name is Shawn Melotz, S-h-a-w-n M-e-l-o-t-z. Good afternoon, Chairman Clements, and members of the Appropriation Committee. Our family operates a registered Holstein dairy farm in northern Douglas County. I am a certified public accountant who should be at my office right now, but this is more important to what we have in front of us. I also serve as an officer of the Papio Valley Preservation Association. The PVPA is a grassroots organization with over 500 members, and our mission is protecting the natural resources of the Papio Creek watershed, located in Sarpy, Douglas, and Washington counties. On behalf of the PVPA members and my family, I respectfully come before this committee to testify in opposition to LB1244, because it will provide \$34 million of federal funds to further enhance the Papio NRD's excess cash reserves. In addition, this bill implies far-reaching emergency need for vital flood control projects, and I quote, in Omaha area. The Papio NRD's money and power grab started in 2004, when a leaked World Herald story exposed its secret quest to build dams in Omaha area. After affected

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landowners such as ourselves confronted the Papio NRD on their scheme, instead of listening, it aggressively lobbied this legislative body to grant them bonding authority, and as well as continuing asking for additional sources of funding. Funding authority was granted in 2009, which I will address later. The PVPA has been very vigilant in voicing legitimate opposition to the Papio NRD's use of flooding fear tactics as a need to construct developer base lakes using millions of tax dollars while threatening, and I might add, eminent domain may not have been used, but the threat is used quite often, to condemn multi-generation landowners. NRD should never be in the development business. Another important point for opposition to LB1244 is that the Papio NRD is relying on a flawed June 21, US Corps of Engineers feasibility study titled Papio Creek and Tributary Lakes, Nebraska. This is to justify their need for federal funds. Of course, this study was commissioned and funded using tax dollars by the Papio NRD. However, after its existence, Doctor Steven Schultz, a well-respected professor at the University of Nebraska, authored a January 22 independent review. Doctor Schultz's report debunked the Corps' conclusion. Exhibit E, in the copy of what I handed out are the first six pages of Doctor Schultz's 73-page report, which embodies his executive summary listing specific errors and omissions in the Corps' report. Other testifiers will provide additional information regarding Doctor Schultz's unbiased report. As a practicing CPA, I have over 40 years of experience, which includes auditing government entities, so I closely monitor the financial ongoings out of-- and out of control spending by the Papio NRD. As such, I would like to share with this committee the following information, and as well you can refer to the exhibits I've attached. When comparing the Papio NRD's fiscal year 2010 budget, which is the year post bonding authority with this year's current budget, please note that the current budget details cash reserves of \$56 million. That's a 363% increase versus 2010 reserves of \$12 million, and a property tax requirement of 70-- or \$30.7 million, which almost doubles the tax that was collected in 2010. As stated, this cash accumulation began in 2009, only 15 years ago, when this body granted them the authority to issue bonds with a mere vote of their board. Unique to the Papio NRD, this bonding authority provides an unlimited source of funds, which has led to unnecessary cash reserves and the current debt load of over \$77 million of unused, unpaid bonds. As a result-- I shouldn't say unused, issued and unpaid bonds. As a result, taxpayers of this NRD have systematically experienced increased real estate tax assessment while helplessly watching the Papio NRD grow its cash reserves. We are all aware of the outrage of excess property taxes in this state, primarily a product of out of control government spending. It's my opinion that

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the Papio NRD is a poster child of this type of spending. On behalf of the landowners and citizens throughout Nebraska, I respectfully request this committee not to allow LB1244 to advance. In summary, the rationale for not advancing this bill includes a) lack of proven need for funding based on Doctor Schultz's report, and b) the lack of need for funds based on Papio NRD's excessive cash reserves, their ability to issue bonds with ease, and their \$98 billion property tax base. Instead of lining this NRD with these funds, the senators should consider more scrupulous use of the \$34 million in federal funds. Thank you.

CLEMENTS: Are there questions? Senator Erdman?

ERDMAN: Thank you, Senator Clements. Thank you for coming. So I'd ask you the same question that I asked the director. Was there significant flooding in this Papio NRD in '19 when the floods happened?

SHAWN MELOTZ: No.

ERDMAN: So--

SHAWN MELOTZ: Let me add a slight comment. What we're looking at is a creek that flows through Omaha, not a river similar to the Elkhorn, the Platte and the Missouri. It's a Papio Creek.

ERDMAN: Are you familiar with the dam they built that has no water running into it, that they have to pump the water into it?

SHAWN MELOTZ: Yes, that would be Dam Site 6 by Bennington.

ERDMAN: And then they sold significant priced lots around that dam?

SHAWN MELOTZ: And it's a private lake.

ERDMAN: Yeah. So in the airport area there, the NRD on some land that they're trying to develop into an industrial park. Are you familiar with that?

SHAWN MELOTZ: No I'm not.

ERDMAN: OK. So I think if my memory serves me correctly, several years ago, we tried to remove bonding authority for the NRDs? And that, that didn't go well.

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SHAWN MELOTZ: No. What it-- what we tried to do is stop them for extending their bonding authority. It was-- it was to die in 2019. And they came and asked for an extension on that.

ERDMAN: OK. I do remember talking about that.

SHAWN MELOTZ: Now the, the bonding authority allows them to assess taxes at 1% in their levy. So the \$98 billion asse-- valuation would allow them to make principal and interest payments of \$9.8 million a year on the bonds. Currently, the principal and interest payments are \$6.6 million, so they have more room in their bonding.

ERDMAN: So to do the things that they're asking to do and ask for this money, if, if I'm listening to what you said about their resources they currently have, they could do everything they needed with the money they have. Would you agree?

SHAWN MELOTZ: I believe so. However, what they will probably come to say, and it's probably not the right thing to do, but they will say we've got that committed to other projects and I would ask them, prioritize your projects. Then they would have proper funding.

ERDMAN: I think Senator Clements did that. So, this is not news to me, the way the Papio's managed. It's, it's quite obvious. We did a study on the NRDs a couple of years ago, an interim study, and these things were all revealed then.

SHAWN MELOTZ: Thank you.

ERDMAN: So I, I do appreciate your testimony today.

SHAWN MELOTZ: Thank you.

CLEMENTS: Other questions? Seeing none, thank you for your testimony. Is there any other opponent? Good afternoon.

GRANT MELOTZ: Good afternoon, Chairman Clements, and members of the Appropriations Committee. My name is Grant Melotz. I respectfully come before you to testify in opposition to LB1244 as this bill would adversely affect land that I own in the Papio Creek watershed, a creek that I can walk over. Emergency? What emergency is out there? I've heard numerous testimony over the years that we need to build these projects before these massive flood events happen in Omaha. But they've been saying that since the '70s. I'm the third generation in my family speaking out in opposition to these projects by asking, what emergency? It's been over 50 years with some of the greatest flooding

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events to happen in Omaha, like 2019, with no material effect on the Papio Creek watershed. So I again ask what emergency? The only emergency I can think of is to get these projects done before they are proven to be more costly than the so-called benefits that they are to provide. Yes, that is correct. These projects that the Papio NRD are trying to build are based on a flawed study prepared by the US Army Corps of Engineers. I want to give a little background on one of the reasons for LB20-- LB1244's money grab. Back during Covid time frame, the US Army Corps of Engineers prepared a feasibility report to reevaluate the various flood alternatives along the Papio Creek watershed. This report had minimal public testimony, plus the final testimony was done via zoom with the public being cut off early, I might add. This study concluded that two of the seven dams that have been proposed in the past, along with the floodwall and a slew of nonstructural alternatives, would have a greater benefit if built, than the damages a flood event would cause. The U.S. Army Corps would cost-share on these projects with a local sponsor. This conclusion was flawed. I might add that several of the nonstructural alternatives are voluntary by the homeowner and not required. So should they even be included in this study if the benefit may not be added? Both the Douglas and Washington County boards, in conjunction with the Papio Valley Preservation Association, provided financial and in-kind support for an independent consultant to review the latest plan by the US Army Corps of Engineers. And he found that they did not follow their own rules. As you can see in the report by Steven Schultz, Ph.D., they violated Section 308 of the federal Water Resources Development Act of 1990. Section 308 states that any new or improved structures built within the hundred year flood plain after July 1st, 1991, with first floor elevations lower than the 100 year flood plain, should be excluded from the structures used to calculate the national economic development benefits for a flood damage project. Doctor Schultz found that 45% of expected annual flood damages in the study area was associated with structures built since 2005. Therefore, if the US Army Corps of Engineers would remove these structures from the damages associated with building these projects, it may cost more to build the projects than the benefits that they will provide. The workaround that the US Army Corps of Engineers did as part of the study was, quote, structures built since 1991 in the one percent floodplain are assumed to be in compliance with section 308 due to the studies area's communities' participation and good standing in the National Flood Insurance Program. Assess-- assessor's data was used to determine the age of the structure. You and I both know what assume means, but the U.S. Army Corps of Engineers isn't going to make one out of me. As part of the study, the US Army Corps of Engineers

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proposed a dry dam on some of the property that has been in my family for over five generations. So again, I ask what emergency? The PVPA stopped the building of the dams by the U.S. Army Corps of Engineers back in 1986, and we intend to stop a needless waste of taxpayer money on these dams now. That must be the Papio's NRD emergency, trying to ram as many projects through before they are stopped. In conclusion, I ask this committee to tell the Papio NRD no to more spending, and not to advance LB2-- LB1244 to the floor. Thank you for your time today.

CLEMENTS: Senator Erdman?

ERDMAN: Thank you, Senator Clements. Thank you for coming. Are they trying to take some of your land to do some of these dams?

GRANT MELOTZ: In the latest Army Corps of Engineers report that they have, the project is two-thirds funded by fed, and a third funded by the NRD. It would take one of them, one-- some land that's in our family. They-- what they have-- will tell us is, is that they are not making that bill a priority, but that doesn't stop-- I don't know if that means that, that's today it's not a priority, or five years from now it's not a priority. But I don't ever want to sell ground because my-- I've been farming for my whole life.

ERDMAN: So are they insinuating they're trying to buy your land? have they started--

GRANT MELOTZ: They have not, they have not insinuated, they have tried really hard to stay away from us because they know we will put up a fight.

ERDMAN: I can appreciate that. I've a-- I've had my land trying to be taken by eminent domain. It's not a good thing. So, do you think that little creek that goes through your property is, is dangerous and needs to be dammed up?

GRANT MELOTZ: No, it does not.

ERDMAN: What happened in '19 to that little creek?

GRANT MELOTZ: Not-- it might have got to the top a little bit, but not run that much over. The-- where our creek runs, it'll run right across Nebraska Furniture Mart and kind of where the Baxter Arena is. And that's kind of where it's providing the benefit based on the Corps' study. But those-- some of those buildings should not be included in the damages due to them being built within the floodplain after 1991.

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ERDMAN: How many acres in your property are they talking about taking?

GRANT MELOTZ: I don't know off the top of my head.

ERDMAN: Several?

GRANT MELOTZ: Several? Yeah, I mean, it kind of goes through some of our good bottom ground.

ERDMAN: I appreciate your efforts. Thank you.

GRANT MELOTZ: Thank you.

CLEMENTS: Other questions? Would you turn to page ten in your handout?

GRANT MELOTZ: Yep.

CLEMENTS: And identify on that map where your land is, one of these markers.

GRANT MELOTZ: It would be right around where-- the top, at TC1, up in that area. It's so-- I don't know if you're familiar with north of Omaha. We're right along on Highway 133 going to Blair from Omaha. And then where, where 36 meets, where-- it, it's going to be right on 30, right above Highway 36 is where the one that they're proposing. And right now they're proposing it as a dry dam to try to appease us. But the one thing with a dry dam is, is that you can't get federal crop insurance if it's-- has the ability to flood your ground. So, you know, are you playing Russian roulette with the growing crops if it's going to be flooded one year?

CLEMENTS: Very good. All right. Thank you. That's all I had. Any other questions? Thank you for your testimony. Are there other opponents?

TYLER MOHR: Hello, senators, and thanks for the opportunity to speak today. My name is Tyler Mohr, T-y-l-e-r M-o-h-r, and I apologize in advance if anything I say is repetitive. I'm a Douglas County farmer. Because of our family's dedication to conservation, we have been one of the biggest supporters of the Papio NRD. But some time ago it was rumored that the NRD was planning on building a series of real estate development projects with developers. When I talked to NRD management, I was told the main priority of the NRD was to build dams for developers, and that if I did not take what their development partners offered me for our property, that not only would the NRD condemn us, but we would have all kinds of problems with other government agencies. When I stated that eminent domain cannot be used to take

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property from one person to give to another, I was told that they are the NRD, and they do not have to follow the rules that everyone else does. There was no mention of flood control or public benefit. Shortly after that, they introduced a bill, LB552, that would allow them the ability to issue bonds to finance these real estate development projects. Included in the bill was language stating that they-- if they took a portion of one's property, they would not have to pay, be-- because their development project would raise the value of the remaining property. That bill did not get out of committee, but it further showed the true intent of the NRD. After that, the NRD has repeatedly come down seeking more and more bonding. It was the same projects, the same developers, and their same partners in the NRD. They came down with a nod and a winkler, saying it was for flood control now, or whatever they think you might want to hear. If the NRD is so concerned about flood control, why is the most basic component, protection of the existing floodway, being ignored? It is constantly being filled in and developed. It seems as though that rather than protecting our natural resources, the Papio NRD is partnering with others to exploit them for profit. I hope that people are not purposely being put at risk to further the NRD's attempt to acquire large tracts of real estate further out. The Papio NRD is the second largest taxing entity in Nebraska next to the state itself based on valuations. Yet the NRD are the only government entity that I know of that has no legitimate oversight. Combine that with their arrogant attitude toward the use of government authority is an invitation to corruption. My friends and neighbors have tried to voice their concerns. They have been pigeonholed as the people against dams. Although this is true in this case, they are just as concerned about the abuse of government power, including the misuse of public funds. They have been ignored, discredited and now threatened to be displaced. Many are located on a proposed site that has always been identified as the least feasible of all the projects. The NRD has revised their long form-- long term plans to put it on the top of their list. Although they say that they have no intent in building this dam, they have been in Washington DC trying to obtain funding specifically named for this project. In spite of the NRD's agenda, I believe that we have more honest and decent people in Nebraska than anywhere else. But sometimes we are a little bit too trustworthy, maybe even naive. As I said, we were one of the biggest supporters of the NRD, and still support what they are supposed to do. It tooks-- threats the NRD intend to hurt our family and our business for the financial gain of their development partners, and that the NRD has revised their plans so that good people who raise valid concerns will face the prospect of losing everything they have. I don't think it

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matters to them if these folks, if the NRD takes it from out of greed or out of spite. What I have seen has made me take a closer look at the intentions of the Papio NRD, and I hope that you will too. Thank you.

CLEMENTS: Senator Erdman?

ERDMAN: Thank you, Senator Clements. Thank you for coming. Talk, if you will, a bit about those threats that they used against you, about taking your land.

TYLER MOHR: Well, they told me not to-- the one government agency they did mention specifically, we have a small dairy farm and they mentioned that the DEQ would take us out. And that's problematic, because they have somebody sitting on, I think they call it their advisory board or whatever. So I mean, that makes you wonder, I mean, we've done some things through the years, you know, to-- I mean, we're conservation minded to start with.

ERDMAN: Go ahead.

TYLER MOHR: And it's just-- it's not necessary.

ERDMAN: So it appears that maybe they've lost their way in what they were charged to do, would you agree with that?

TYLER MOHR: They still do conservation work, but I, I really don't think they should be in bed with developers.

ERDMAN: I agree. Anything else you'd like to share?

TYLER MOHR: No. Not really. There probably is, but I better not.

ERDMAN: OK. Thank you.

TYLER MOHR: All right. Thank you.

CLEMENTS: Thank you for your testimony.

TYLER MOHR: OK.

CLEMENTS: Any other opponents? Seeing none, anyone with neutral testimony? Seeing none, Senator MacDonnell, you're welcome to close.

MCDONNELL: The last hearing in front of appropriations. And I will make all of you happy. I waive.

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CLEMENTS: And we have no online public comments. That concludes the hearing for LB1244. And we'll next go to LB1205. Senator Hughes, welcome.

HUGHES: Hello.

ARMENDARIZ: [INAUDIBLE].

HUGHES: I know, right? That's all right, I want to have the last word. Cell block 10's going down after this. That's where Holdcroft lives too, so. You ready?

CLEMENTS: Go ahead.

HUGHES: OK. Chair Clements, members of Appropriations. First time caller. I am Jana Hughes, J-a-n-a H-u-g-h-e-s, and I represent District 24, Seward, Polk, York, and part of Butler County. I am here before you to talk about LB1205. Colleagues, I introduced LB1205 as a measure of last resort. LB1205 would provide \$20 million of unspent funds provided to our state through the American Rescue Plan Act, or ARPA, for a portion of the cost to construct a new wastewater treatment facility in the city of Seward. I mentioned that LB1205 is a measure of last resort, and I want to take-- want to state that, for the record, the city of Seward did not ask me to introduce this bill. They had reached out to me asking for ideas on where they could find more funding to cover the massive cost increase they faced due to Covid and inflation. I asked them questions about their process, and learned that the city of Seward has been planning and working on this since 2009. They undertook construction design in 2019, and were going to break ground in 2021, and we all know what happened in 2022-- or 2020. Since then, the city has looked under every rock, behind every door, and nook and cranny for funds, and they don't qualify for anything due to a number of factors. In a prior lifetime, I worked as an industrial engineer, and after visiting with the city, I came to understand that the current wastewater system cannot be duct taped together, and to accommodate the re-- the residential and commercial growth that the city has experienced and will continue to experience. I came to the realization that the city of Seward is left with two difficult choices without any additional funds, and those are to continue with the existing wastewater infrastructure, which would limit domestic and commercial growth, while risk-- while risking falling out of compliance with regulators, or to go forward without any additional funding, and ending up with the highest sewer rates in the state. Recognizing this, I drafted LB1205, and introduced it. I contacted the city to inform them that they now had one alternative

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option other than the two choices I just mentioned. I picked \$20 million as that was the difference between the money the city of Seward had budgeted for the project and its actual costs as of January 2024. I picked unspent ARPA funds as they were intended for local water and sewer infrastructure. Colleagues, I've shared with you a handout from the U.S. Department of Treasury final rule on coronavirus state and local fiscal recovery funds. Illustrating this point. The city of Seward is a thriving community in rural Nebraska, with more than 7,600 residents, with a growing commercial sector and a strong manufacturing industry, including a growing number of agricultural manufacturers and processors. For decades, the city has invested heavily in itself. It has revitalized its downtown area to support a thriving business community. It's built a rail campus along the BNSF main line that also serves Lincoln and Lancaster County. It has worked tirelessly to proactively improve its infrastructure in support of the growing number of residents, and a growing manufacturing sector, along with establishing a significant agricultural processing presence. These all contribute to Nebraska's ongoing economic growth. LB1205 is critical to supporting the economic growth of the city, the region, and our state. The unspent ARPA funds have to be obligated by the end of 2024, and spent by the end of 2026. The city of Seward stands ready to meet these federal requirements. As I understand, there are quite a few existing projects that may not meet these requirements. And if Nebraska doesn't use these funds, which I understand could be as much as several hundred million dollars, they are returned to the federal government to be spent elsewhere. Chair Clements and the rest of appropriations, I thank you in advance for your time and careful consideration of LB1205. I'm happy to answer any questions. I do have several proponents of the bill seated behind me that can answer more specific questions along-- about the project, its need, and the importance to the Seward community and the state of Nebraska. Thank you.

CLEMENTS: Are there questions? Seeing none, first proponent, please.

HUGHES: All right.

CLEMENTS: Welcome.

JOSH EICKMEIER: Thank you. Good afternoon, Chairman Clements and committee members. My name is Josh Eickmeier, J-o-s-h E-i-c-k-m-e-i-e-r, and while I wear many hats, I'm here today as the mayor of Seward. I want to thank Senator Hughes for her willingness to help us with this dire issue that we are facing as a direct result of the Covid 19 pandemic. Back in 2009, the City of Seward Strategic Plan

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identified the future need for a new wastewater treatment facility to be designed in 2019. Seward has grown consistently, on average about 1% a year, which is why we were able to project our future infrastructure needs and proactively plan to address them. In 2019, we began the design work on the new wastewater treatment facility, with construction to begin within the next couple of years. Then Covid happened, and everything stopped. When everything started up again, we were met with supply chain issues and inflation. Our \$12 million project became a \$32 million project. We're a proud community, and I assure you a little piece of me is dying on the inside being here today, asking for help. But we're not asking for a free wastewater facility. What we're asking for is the \$20 million that would help offset the costs. That would be the difference from the results of Covid. This increase was beyond our control, and now we're faced with burdening our tax payers-- or ratepayers, I should say, with what would likely be one of the highest wastewater rates in Nebraska. This impacts everyone. It's families, small businesses, industries, nonprofits, schools, hospitals and anyone else living in Seward. I know there is a lot of talk about shovel-ready projects that that aren't actually shovel-ready. I assure you, we have the shovels. We're ready. I would have brought some, but I was told no props. So to date the city has spent \$1.3 million to design this wastewater treatment facility. I have with me, these are the numerous studies and required documents that we are prepared to submit to NDEE in order to be issued the necessary permits. If we were to receive the requested ARPA dollars, then once we receive-- and then received the necessary NDEE permits, we would be ready to break ground yet this year. It's a-- it'd be a two year project to, to build it. That's how large this project is. So you can't really get much more shovel-ready than that. This ARPA funding would ensure that we would be able to meet our community's current and future needs, which is important as we continue to see residential, commercial and industrial growth. Following me will be Jonathan Jank. He is our president and CEO of the Seward County Chamber and Development Partnership. He can speak more directly to the facility's impact on economic development in and around the Seward community. Be happy to answer any questions.

CLEMENTS: Questions? Seeing none, thank you for your testimony.

JOSH EICKMEIER: Thank you for your time.

CLEMENTS: Next proponent. Welcome.

JONATHAN JANK: Thank you, Chairperson Clements and members of the Appropriations Committee. My name is Jonathan Jank. J-o-n-a-t-h-a-n

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J-a-n-k, and I serve as the president and CEO for the Seward County Chamber and Development Partnership. Our organization is the sole combined chamber of commerce and economic development organization in Seward County, with a standing membership of approximately 300 members, public and private sector business partners, which include the City of Seward. I'm an active member of the Nebraska Chamber of Commerce, the Nebraska Economic Developers Association, and the past president of the Nebraska Chambers Association. I would like to go on record and enter this verbal and written testimony on behalf of our organization considering LB1205. I'm also here testifying on behalf of the Nebraska Chamber of Commerce. In economic development, the question every existing and new business considering expanding in your community asks is how ready are you for growth? Specifically, do you have the assets we need to grow our company locally, such as available workforce, housing, childcare, and adequate utilities capacities? I have had the privilege of serving as Seward County's dedicated economic developer for almost 12 years. Over that time, we have become the ninth fastest growing county in Nebraska. This has created some growing pains. In particular, the city of Seward now needs to expand nearly all of their utilities because of steady industrial, commercial, and residential development. The city of Seward has invested millions of dollars in one of the state's premier industrial sites, which is called the Seward/Lincoln Regional Rail Campus. You may have seen last week, that Petsource by Scoular announced that they recently completed a \$75 million expansion on the site, which triples their production ability. Petsource provides freeze dried protein for the pet food industry, which positively impacts our statewide agricultural producers. Their initial investment of more than \$50,000,000 in 2020 was a competitive site selection process, where they considered six states and 59 sites. Petsource chose not to go out for a second site selection search during their expansion, because Seward offered everything they needed to grow locally, including a skilled workforce and adequate utility capacities at the time of their decision. Food and ag processing companies like Petsource tend to be large electric, natural gas, water, and wastewater users. Finding available utilities capacities directly impacts where expanding companies choose to grow in the future. LB1205 will support the city of Seward in expanding their wastewater capacity. This will help us win future economic development projects on behalf of the entire state of Nebraska. In approximately the last year, we responded to five larger economic development project proposals for the Seward Rail Campus in partnership with the Nebraska Department of Economic Development. However, we were forced to pass on seven larger projects because we could not meet their utilities demands, and/or their

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workforce needs were too high. All these projects considered multiple states for where they will make their investment. We anticipate announcing large-- a large win from one of these proposals soon that will need the city of Seward to expand their wastewater treatment capacity in order to proceed. Our main target industries for growth in Seward County are tied to agriculture and manufacturing. Our sweet spot is food and ag processing. Our ability to win these future projects will depend on the City of Seward's wastewater capacity. Therefore, we ask for your consideration of support for LB1205. Winning these projects will expand our local and statewide tax base, which is one of the major goals of economic development. Please let me know if I can answer any questions related to my verbal or written testimony.

CLEMENTS: Question. Senator Armendariz.

ARMENDARIZ: Thank you, Chair. Thank you for being here. I just have one question. When you're negotiating these big contracts with these large companies, do you negotiate in price for these infrastructures, that they must participate at a certain percentage for building substations or wastewater facilities, sewers, things like that?

JONATHAN JANK: Yeah, there are negotiations that happen. And depending on the project, there, there are some discussions about how much they're contributing to, to that. Typically there's an expectations from companies that essentially the site is shovel-ready, which means utility capacities are in place. And if you don't have it as a community, they likely will look elsewhere.

ARMENDARIZ: So you haven't been successful at getting them to put some skin in the game?

JONATHAN JANK: Contribute to that?

ARMENDARIZ: Correct.

JONATHAN JANK: So, they're-- for the rail campus for one example, they contribute to purchasing the land. But ultimately, you know, that can go kind of towards the city in general. Specifically, we, we paid for land through the electric fund. And so that money has to go back into the electric fund to, to replenish that for the city of Seward.

ARMENDARIZ: OK. Thank you.

JONATHAN JANK: Yes.

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

JONATHAN JANK: Thank you.

CLEMENTS: Next proponent, please? Good afternoon.

KRIS BOUSQUET: Good afternoon, Chairman Clements, members of the Appropriations Committee. My name is Kris Boesquet, spelled K-r-i-s, B as in boy, o-u-s-q-u-e-t. I serve as the executive director of the Nebraska State Dairy Association, and I'm here to testify in support of LB1205 on behalf of the Ag Leaders Working Group, which consists of elected leaders of the Nebraska State Dairy Association, Nebraska Cattlemen, Nebraska Corn Growers Association, Nebraska Farm Bureau, Nebraska Pork Producers Association, Nebraska Sorghum Producers Association, Nebraska Soybean Association, Nebraska Wheat Growers Association, and and Renewable Fuels Nebraska. The Ag Leaders Working Group has strategically prioritized revitalizing Nebraska through agriculture economic development. Right now, food companies are looking for future long term homes for their businesses due to growing product demand. The dairy industry alone has \$7 billion worth of new growth and development due to a consistent 2% year over year increase in consumption, resulting in over a 655 pound per pupil consumption rate in the United States. The most of all animal based proteins. With the significant growth in dairy consumption, potential processors are evaluating many Nebraska communities to, to build greenfield facilities. I have-- I currently serve on the Grow Nebraska Dairy team, which consists of individuals from the Department of Agriculture, Nebraska Public Power District, among others, where we work with these companies to, to find locations within Nebraska to build future dairy processing facilities. And the number one factor that eliminates a majority of our communities would be the availability of wastewater capacity and being able to, to work with those businesses on that, on that issue. They could meet all the boxes, they could check them all. But when it comes down to where the rubber meets the road, wastewater is the number one factor that they-- that they deal with and, and struggle with. LB1205 does a great job of supporting a community with sig-- with a significant need through the reallocation of ARPA dollars that were originally dedicated to water based projects. This shift in funding is an excellent idea, which will have a significant impact on the citizens of Seward and existing or new area businesses. I think the most important piece of the discussion is that Seward was already planning on doing this infrastructure improvement, and prior to Covid 19. And, and with the inflationary economic environment that they, that we've all experienced, it's obviously become more challenging for them and, and

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their taxpayers to do that. And so I would appreciate, I thank Senator Hughes for bringing the bill. And I also ask in you guys' support in, in moving this bill forward. And with that, I'll take your questions.

CLEMENTS: Are there questions? Senator Erdman?

ERDMAN: Thank you, Senator Clements. Thank you for coming.

JONATHAN JANK: Yes, sir.

ERDMAN: So is there some dairy expansion sited for Seward?

JONATHAN JANK: There is-- I believe there's projects that is looking at it right now. Nothing has been formally announced.

ERDMAN: OK. This is kind of off the subject, but what happened to the dairy thing in Bayard?

JONATHAN JANK: Bayard? Oh, the, the dairy farm?

ERDMAN: Yeah.

JONATHAN JANK: Couple of different things.

ERDMAN: Maybe we can talk later.

JONATHAN JANK: So, economics, honestly. Inflationary environment, cost of construction.

ERDMAN: Water infrastructure wasn't the problem?

JONATHAN JANK: That was a dairy farm, so they have different needs.

ERDMAN: Yeah.

BALLARD: But, yeah, I would-- economics and cost of construction. Yeah.

ERDMAN: Thank you.

JONATHAN JANK: Yes, sir.

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

JONATHAN JANK: Thank you sir.

CLEMENTS: Next proponent? Any opponents? Seeing none. Is there a neutral testimony? Senator Hughes, you may close.

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HUGHES: All right. So, Chair Clements, members of the Appropriations Committee, thank you for your time today, and hearing about the need for a new wastewater system for the city of Seward. I have no doubt about your dedication serving our great state after witnessing you sitting here and discussing brown water bills. It's very exciting stuff. I'm going to say, for the record, I do not live in the city of Seward, so I myself will not benefit from any of this happening directly, for the record. I'm not going to belabor the points of the previous testifiers in supportive of LB1205. There are numerous factors that can limit economic growth, and with LB1205, you have the ability to unlock a lot of potential growth for our state, not to mention the city of Seward, Seward County, and District 24. It's not very flashy, edgy, or doesn't even smell that great, but wastewater capacity is, is limiting-- the fact-- is a limiting factor in the city of Seward. I'm also want to mention that, you know, if you decide to give Senator Holdcroft this money for Sarpy County, then maybe we could just truck ours up to Sarpy County and deliver to him. Thank you for your time and consideration, and I'd be happy to answer any questions. We can just truck it up to cell block 10.

CLEMENTS: Are there questions?

HUGHES: Put it in his office.

CLEMENTS: Are there questions? We could provide you Senator Holdcroft's address.

HUGHES: Perfect. I could have that many visitings, like Christmas story. Like you pull up with the hose going down the, yeah, er, it's full. There you go. That's what I'm going to do.

CLEMENTS: Thank you, Senator.

HUGHES: OK.

CLEMENTS: Do we have-- we have comments for the record. Proponents, three. Opponents, none. Neutral, none.

HUGHES: All right.

CLEMENTS: That concludes--

HUGHES: Thank you, guys.

CLEMENTS: --LB1205. Next we-- let's see. Let's let the room clear here.

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Speaker 4: What's that? Yeah.

Speaker 2: That's just, you know, getting suitable.

Speaker 4: To smoke.

Speaker 7: I was hoping you.

Speaker 4: You're the one that made the \$7 million.

Speaker 2: Yeah. You know that.

Speaker 4: Time of.

Speaker 2: The year.

Speaker 7: You just did say yes.

Speaker 2: You just say yes.

Speaker 7: Just say yes.

Speaker 2: You can't say yes to this one.

CLEMENTS: We'll open the hearing for LB1287. Welcome, Senator Ballard.

BALLARD: Thank you, Chairman Clements and members of the Appropriations Committee. It's good to see everyone in this fine committee again today. My name is Beau Ballard. For the record, that is B-e-a-u B-a-l-l-a-r-d. And I'm here today to introduce LB1287, a bill to provide \$750,000 grants from ARPA funding, funding to villages and cities of the second class to improve their water structure. As you know, many communities are struggling with water, access to water. In a recent poll done by the University of Nebraska, 67% of rural Nebraskans said they were concerned with the quality and access to water in their communities. This problem became more prevalent to me as I was going door to door talking to constituents and neighbors in Waverly this past summer. After property taxes, they said access to quality water was their number one issue. So that got me thinking, what can we do as a state to help with this problem? And that's why I'm here today to introduce LB1287. As many of you know-- I was joking with Senator Erdman about-- \$750,000 is not going to fix the problem for a lot of these communities. It's not going to be the silver bullet. We know the financial situation of our state, and-- but this is-- this could be a start. This could be a partnership with these local communities that said, we are willing to partner with you and

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help you improve your water, water access and water structure. I, I believe this issue is, is not going away anytime soon, access to quality water, and we are going to have to deal with, with it, in the next decade or, or two decades. So this is just a start. I'd be happy to work with the committee on any access to funding that you would have. But I look forward to the conversation and would be happy to answer any questions.

CLEMENTS: Questions? Seeing none.

BALLARD: Thank you.

CLEMENTS: First proponent, please? Good afternoon.

ABBEY PASCOE: Good afternoon, Chairman Clements and members of the Appropriations Committee. My name is Abbey Pascoe, A-b-b-e-y P-a-s-c-o-e. I serve as the council president for the city of Waverly. I'm here to testify on behalf of Waverly in support of LB1287 to appropriate federal funds to the Department of Environment and Energy to improve drinking water infrastructure in cities of the second class, which includes Waverly. As many of you know, much of Nebraska has been in a drought over the last several years. Waverly itself has seen the drought intensity, intensity classified as exceptional for the most of the past 12 months. In June of 2023, our mayor enacted a water emergency. Since then, we have been in constant stages of research, education, collaboration, and planning. Only yesterday was that emergency lifted. I understand that Waverly is just one of many second class cities in the state. However, however, I am confident that we are all facing the same challenges when planning to build out our-- out our water infrastructure to accommodate our growth and offset these years of drought. Over the last six months, Waverly has completed a water distribution study and a well field hydro-geologic analysis. We are rehabbing seven of our eight current wells, and rebuilding another one to bring it back into service. On top of these projects, we are working with an engineering firm to do a well siting study to give us the best geological options for new well sites. It is imperative to understand that our current wells and infrastructure are able to keep up with the demand we have seen from our annual 2% growth. The issue remains with the water level in the Dakota Aquifer. Besides looking for new wells sites and identifying safe, clean water sources, we are researching long term solutions that include partnerships with other districts and water systems. All of these projects and studies take a great deal of money, money that was not budgeted in our five and ten year plans due to the unforeseen circumstances of the drought and lack of recharge to the Dakota

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Aquifer. Please support LB1287 for Waverly and all cities of the second class. Thank you for your time and your public service. I'd be happy to answer any questions.

CLEMENTS: Are there questions? I had one.

ABBEY PASCOE: Oh. Yes.

CLEMENTS: Have you considered connecting to Lincoln?

ABBEY PASCOE: That is one of the projects that we are researching and planning. Yes. But it takes a great deal of time and planning to accommodate that. But yes, we are having those conversations.

CLEMENTS: That's, that's a possibility, then.

ABBEY PASCOE: It is. Yes.

CLEMENTS: Senator Lippincott?

LIPPINCOTT: Can you tell me a little bit about the growth that you've experienced in the town, the area, and how water has directly affected that growth?

ABBEY PASCOE: Well, I don't think water has directly affected that growth. It is inhibiting that growth. Over the last-- you know, this drought has-- wasn't started 12 months ago, but we are seeing significant drawdowns from our wells when we are pumping, especially in the summer months, because obviously it's high demand at that time. However, we are averaging about 2% annual growth. And we expect that to increase. So we do have to find additional sources, not capacity sources, we need more-- you know, it's the quantity. It's not the wells and the lack of-- the-- our infrastructure is holding that, but we need diversification. And that takes a great deal of infrastructure that we don't have today.

CLEMENTS: Other questions. Seeing none. Thank you for your testimony.

ABBEY PASCOE: Thank you.

CLEMENTS: Next proponent? LB-- let's see here. LB1287. Any opponents on LB1287? Anyone in neutral testimony? Senator Ballard.

BALLARD: I'd like to thank the committee. I tried to make this as painless as possible for, for you. I know you have a lot of-- a lot of heavy lift in the coming weeks. As Abbey said, this is-- this is a

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huge deal for, for Waverly. The EX-- the ability to connect to Lincoln's second water source could be part of this equation. It was studies and, and engineering studies as well. I, I believe that Waverly is a shining example of a Nebraska community. I've been very impressed with the, the small town atmosphere between Lincoln and Omaha. And I am honored to represent them. And this is just a small part of my, my effort to, to help them out a little bit. So I appreciate the committee's time, and be happy to answer any following questions.

CLEMENTS: Questions? I had one, I see the word villages in the bill. Would that include a village like the village of Elmwood?

BALLARD: It would include it, the village. I-- it's by, it's by happenstance I threw that in there.

CLEMENTS: Thank you. And thank you, Senator McDonnell. McDonnell? Ballard.

McDONNELL: Close enough.

CLEMENTS: Position comments for the record, LB1287, we have one proponent, no opponents, none neutral. That concludes LB1287. And we'll go on Senator-- to LB1401. Senator Ballard, welcome.

BALLARD: Thank you, Chairman Clements and members of the Appropriations Committee. My name is Beau Ballard. For the record, that is B-e-a-u B-a-l-l-a-r-d, and I represent District 21 in northwest Lincoln and northern Lancaster County. I'm here today to introduce LB1401. LB1401 appropriates \$15 million in the biennium from federal funds to the Department of Transportation for the purpose of advancing the East Beltway project. It also requires a 20% match of funding from Lincoln and Lancaster County. In addition to improving the quality of life for the citizens, efficient transportation infrastructure is vital to keeping our state's economy competitive. The completed beltway system will be an integral component to supply chain and support to continue local, regional, statewide growth. Since the completion of South Beltway, the East Beltway remains a final, uncompleted portion of the expressway system around the city of Lincoln. In anticipation of the project, the city and the county have invested millions of dollars in corridor acquisition, development, and fulfillment of administrative requirements. Now, state investment is critical to realize completion of the expressway system. Funding from the state can aid in finalizing the environmental impact statements, design specifications, and right-of-way acquisitions. The current

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momentum behind infrastructure development at the federal level represents a most favorable opportunity to complete the project that most of us want to see in our lifetimes. This appropriation is necessary to keep the beltway project competitive and available for federal grant funding. Taking this step is essential to deliver for the people of Nebraska and, and support a growing community. I'll be followed in testimony by individual-- individuals from Lancaster County that will further elaborate on the benefits of this project, as well as the necessary state funding, and I'd be happy to answer any questions that you may have on LB1401.

CLEMENTS: Questions? Seeing none, thank you.

BALLARD: Thank you.

CLEMENTS: We welcome the first proponent on LB1401.

MATTHEW SCHULTE: Good afternoon, committee. My name is Matt Shulte. I'm a Lancaster County Commissioner for Lancaster County. I represent the majority of rural Lancaster County and I'm here to, to testify in support of this.

CLEMENTS: Spell your name, will you please?

MATTHEW SCHULTE: Oh, Schulte. Matthew Schulte, M-a-t-t-h-e-w S-c-h-u-l-t-e.

CLEMENTS: Thank you.

MATTHEW SCHULTE: I want to start off by asking you a question. Where were you in 1996? In 1996, I was a junior in high school and the "Macarena" was taking the world by storm, I was slow dancing to "Always Be My Baby" by Mariah Carey, and the city of Lincoln and Lancaster County started a study to explore what it would look like to have an East Beltway. And even 28 years ago, it was determined that, that there was a benefit-- a cost benefit analysis was completed and it was determined even 28 years ago that it was beneficial and worth the money to put in an East Beltway. The East Beltway, as the previous senator said, the East Beltway remains the uncompleted portion of the expressway around the city of Lincoln. And in support of this project, Lancaster County and the city of Lincoln have invested millions of dollars in securing much of the right-of-way through this corridor. Part of the reason we've invested so much-- part of the reason I believe in this project so much is that 148th Street is, and for a long time has been, the most deadly road in Lancaster County. The East Beltway will redirect truck and passenger traffic around Lincoln on

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the east side. Current estimates by our Lancaster County engineer state that in the year 2030, 148th Street will fail all traffic and road standards, which is a, a significant issue. Like the South Beltway-- additionally, like the South Beltway, the East Beltway requires the state of Nebraska leadership and an infusion of federal, state, and local funding. LB1401 provides \$15 million of ARPA funds in this fiscal year and \$15 million in the next for the East Beltway. Lancaster County and the city will match that with 20%. Currently, our county engineer is working-- let me-- sorry, I skipped a moment there. East Beltway-- we also believe that your state investment will bring the, the East Beltway to the forefront of federal funding discussions, including supporting an application for a mega grant and this is an opportunity that cannot be missed. In the county's continued effort to bring the project to the forefront of federal project funding, county engineer Pam Dingman is regrettably absent. She's participating in a meeting right now out of state, representing us as only one of two county engineers with the Federal Highway Administration for rural road standards today. She did ask me to communicate to you her support of this project and her encouragement to fund the beltway. I want to end by clearly communicating these last few things. Please advance LB1401 to provide the funding for the East Beltway. Lincoln and Lancaster County have been working to attain the right-of-way, and we're excited to see this project move forward. And to use the terms of the aforementioned top songs in 1996 when it comes to LB1401, please join me in singing with Tim McGraw: I like it, I love it, and I want some more of it. I'd be glad to take any questions, although I will not be doing karaoke.

CLEMENTS: Are there questions? Senator Dorn.

DORN: Thank you, Senator Clements. Thank you for being here. I guess, I-- mine, mine generally goes around-- and maybe Senator Ballard or somebody else can answer it, too-- these ARPA funds, if they are appropriated-- you've talked several times here about getting more federal grants. Is that what they're gonna be used for? Because I don't-- I, I guess I question-- the project is not going to start-- we're not going to start building it to use the \$15 million for that.

MATTHEW SCHULTE: Correct. My, my understanding-- and I would gladly defer to someone else in the future as well, but my understanding is that this would be mostly planning dollars and preparation dollars and not the actual construction. We would need the federal funding to come in to actually-- I mean, it's a \$550 million project. I mean, it's not a cheap one-- total.

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CLEMENTS: Other questions? Senator Erdman.

ERDMAN: Thank you, Senator Clements. Thank you for being here. This may not be an appropriate question for you, but down here at the bottom of your map where the two connect right there,--

MATTHEW SCHULTE: Yeah.

ERDMAN: --do you think it's possible to make it more confusing than it currently is?

MATTHEW SCHULTE: It does look like a plate of spaghetti there, doesn't it? But--

ERDMAN: Have you ever driven that road?

MATTHEW SCHULTE: I have driven-- I've driven-- are you talking about the Highway 2 or by the-- down by Highway 2?

ERDMAN: Yeah, the first time I did it--

MATTHEW SCHULTE: Yes.

ERDMAN: --I went up on a dirt road. I didn't realize what I was doing and I thought, oh, this isn't Nebraska City. I've never seen a road designed as poorly as that trying to figure out where you're going to go next. So whatever you do there, you need to make some advantage to how you find your way because that's not a good design.

MATTHEW SCHULTE: Simplify it. I've-- you're, you're, you're right in saying. I did not have a part of that design and there probably are people that are smarter than me, but I agree, it, it does look like a plate of spaghetti down there.

ERDMAN: I wouldn't say smarter than you, it doesn't take anybody that smart, you know?

CLEMENTS: Other questions? I might just add, if you look at where Waverly is, connecting into an interstate, it looks very simple.

MATTHEW SCHULTE: Yeah. It's-- that's a kind of a unique intersection that ends-- sorry, that wasn't a question.

CLEMENTS: No, go ahead. Please comment on it.

MATTHEW SCHULTE: It-- that is-- both the ends of these are very unique because of the way-- and up there, it's so close to the Waverly exit.

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It-- that's one of the most expensive parts of this project is those first few miles because of having to integrate with the current exit that exists up there.

CLEMENTS: All right. Thank you. Thank you, Commissioner. I'll request next proponent.

MATTHEW SCHULTE: OK.

CLEMENTS: Good afternoon.

DAVID CARY: Good afternoon, Senator Clements and members of the Appropriations Committee. My name is David Cary, D-a-v-i-d C-a-r-y. I am the director of the Lincoln/Lancaster County Planning Department, and I'm here on behalf of the city of Lincoln and Lancaster County to provide testimony in support of LB1401. I want to thank the members of the committee for your time today on this matter. And I also want to thank Senator Ballard for bringing this legislation forward. LB1401 appropriates federal funds to the Department of Transportation for transportation infrastructure with the intent to help construct the planned East Beltway in Lancaster County. The alignment for this important transportation facility runs north and south along the eastern edge of Lincoln in Lancaster County. The East Beltway will connect with Interstate 80 on the north near Waverly to Highway 2 on the south at the interchange of the now constructed South Beltway. The city of Lincoln and Lancaster County have, for decades, included the East Beltway in its planning documents for the purpose of completing a freeway loop to serve all areas of the developing community of Lincoln. The segments of the loop include Interstate 80 on the north, State Highway 77 on the west, the new South Beltway on the south, and this now future East Beltway on the east. A complete loop to serve the city and county will enhance future economic development and meet the transportation needs of our growing community well into the future. The East Beltway alignment does have formal corridor protection status and the city of Lincoln and Lancaster County have now been coordinating for years with protecting key segments of this alignment to ensure construction of this transportation facility in the future. This additional funding will result-- that will result from this legislation better ensures that important facility can be built. I want to thank you again for this opportunity to discuss this today. I'd be happy to answer any questions that you may have.

CLEMENTS: Are there questions? Senator Dorn.

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DORN: Thank you, Senator Clements. Thank you for being here. I guess, you're from the city of Lincoln so how-- what, what-- in the funding puzzle and a little bit you'd probably know about it now and I think Shulte, Matt talked \$550 million.

DAVID CARY: Right.

DORN: Everybody's coming together to do this or what-- is the city looking at so much or what-- or is the county or-- yeah, have any thoughts on that?

DAVID CARY: Sure. Thank you. I think it's really important to make it clear that both the, the county and the city are together on this, that we have-- we have one, one like mind on trying to get this accomplished, at least, at some point in the future. It's a very large project. It's going to take a lot of funding from a lot of different sources. And I know Commissioner Schulte mentioned it, and I'll reiterate it, that it is going to take significant funding, most likely from the federal government, to get this type of project done. But the amount of \$30 million is very helpful to really get this going and get the plans really set in place so that we can be competitive to get those additional funds. And the county and the city are committed to provide the match that's noted in this legislation.

DORN: Thank you.

CLEMENTS: Other questions? I had one. I believe Lancaster County and the city of Lincoln received substantial ARPA funds yourselves of maybe \$60 million. Did you use any of those for planning on the East Beltway?

DAVID CARY: So-- yeah, so there, there clearly are a lot of needs and every, every community has a lot of needs. We-- the testimony in the other bills so far today pointed that out very clearly. So the city of Lincoln and Lancaster County are not any different, we have various different needs. So transportation is a big one. You know, looking at our future water needs is another big one. So we absolutely can use every dollar that's out there. And so that is why we're here today to be supportive of, of these types of ideas and efforts, so.

CLEMENTS: Oh, excuse me. The question was, how much of your own ARPA funds did you use for the East Beltway project?

DAVID CARY: For the East Beltway itself? I don't believe we put ARPA funds towards the East Beltway at this time. I think the, the, the level of effort so far has been in, quote, our protection, where we

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have been putting aside our local dollars, both the county and the city to annually have enough money to buy land in that corridor. That's what's happened so far for the East Beltway.

CLEMENTS: You have purchased some of this--

DAVID CARY: Yes.

CLEMENTS: --right-of-way?

DAVID CARY: Yes.

CLEMENTS: OK. Other questions? Senator McDonnell.

McDONNELL: Thank you for being here. How much have you purchased?

DAVID CARY: I do not have that exact number with me today. We certainly can provide that to the committee. It's-- there's been several properties that have come forward with proposals for development that we've been able to-- because we've been putting aside local dollars that's been available to make sure that we retain the corridor.

McDONNELL: Yeah, please get that for us. Thank you.

DAVID CARY: OK. I'll do that.

CLEMENTS: Other questions? Thank you for your testimony.

DAVID CARY: Thank you very much.

CLEMENTS: Next proponent.

ABBAY PASCOE: Good afternoon again, Chairman Clements and members of the Appropriations Committee. My name is Abbey Pascoe. That's A-b-b-e-y P-a-s-c-o-e. I serve as the city council president for the city of Waverly. I am here to testify on behalf of Waverly in support of LB1401 and the allocation of money to begin the necessary studies and purchases for the East Beltway. This beltway project is vital to Waverly for numerous reasons. First and foremost is safety. 148th Street is currently the pseudo east beltway for south Lincoln residents to get to Omaha, and Omaha residents to get to south Lincoln. School District 145 encompasses 268 square miles of land in 2 different counties. 148th Street is how many of our young, inexperienced driving students get to school in Waverly. It is also how our buses bus our students, and how the many parents who travel to

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numerous activities travel with their families. Many farmers around Waverly are trying to find a safe route to drive their equipment and move their ag products to market. With the increasing amount of traffic on this stretch of shoulder-less county road, it is an important safety issue for people in and around our community. This issue will only get more significant as the traffic counts continue to climb along 148th Street. In addition to safety, this proposed beltway is vital to economic development for Waverly to improve the city's competitiveness. The city of Waverly is growing around 2% annually and according to our new comprehensive planning study, will increase in the coming years. This East Beltway project will promote business growth, create job opportunities, and stimulate the type of development we are looking for in Waverly. This corridor will become an attractive location for businesses seeking strategic connectivity to the country. We have been actively working on enhancements along our Highway 6 corridor. By allocating the necessary funds to begin this project, the city of Waverly and the owners of this available land will be able to market these parcels for further growth to add great value to the life of our citizens. In essence, this type of upgraded infrastructure will prove indispensable in unlocking and maximizing economic potential and will contribute to Waverly's financial vitality for decades to come. Please support LB1401 for Waverly and travelers across the country. Thank you for your time, your public service, and I will take any questions you may have.

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

ABBIE PASCOE: Thank you.

CLEMENTS: Next proponent, please.

BRUCE BOHRER: Good afternoon, Chairman Clements and members of the Appropriations Committee. Bruce Bohrer. For the record, spelled B-r-u-c-e B-o-h-r-e-r. I'm the registered lobbyist for the Lincoln Chamber of Commerce, and I'm speaking here in support of LB1401 on behalf of the Lincoln Chamber and also the Nebraska Chamber of Commerce and Industry. Thank you, Senator Ballard, first, for introducing this legislation and for his priority efforts around this issue. I'm not going to go all the way back to 1996 like the Commissioner did, but I started working for the chamber of commerce in 2020. I was handed a box that included this and also the East Beltway and said this is your problem now. And so I, I dug through that and, I mean, we did get the South Beltway done very recently. But just some of the information that I had in that packet of, of information in the

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box were some old studies that showed that at one time we were going to build the South Beltway in Lincoln at Old Cheney. That was the proposal. And so I think part of the reason why you have us here in front of you today and, I think, the senator alluded to this, too, is just we want to make sure it doesn't take us another 40 years to get some of this transportation infrastructure in. This has been an issue that has been a high-priority issue for the chamber of commerce, high-priority issue for a recent strategic planning session that we did, had over almost 5,000 respondents to a survey. This is identified as something that's very important. Obviously, transportation, any type of infrastructure, you heard about other infrastructure earlier, but certainly transportation infrastructure is vitally important to economic growth. You've heard from the previous testifiers already. I'm not going to go through all of that again. But economic development, farm to market, safety is a big issue. South Beltway probably got done before East Beltway because the growth of Lincoln was pushing south so much, and we had Highway 2 and another beltway that we could negotiate with the state of Nebraska on. And so we had so much heavy truck traffic on, on Highway 2 coming into the city. It was such a big safety concern. I saw so many reports. I remember probably about 5 or 10 years ago, truck traffic and mixing with local residential traffic and just was not a good situation for a lot of people. We had a number of deaths on that road. So, obviously, I'm here before you to support this. I, I would say we, we started a, a East Beltway working group to support this. We know it's going to mean partnerships. It's going to mean partnerships with the state and federal government, federal government under the Infrastructure Investment and Jobs Act maybe has some opportunities for us for a, a mega grant for planning. I know you're going to hear it from the director later. We've talked to Vicki quite a bit about these issues and how, you know, we're, we're committed to doing the work at the federal level too. We're going to be out in D.C. in about 2 weeks with a small group of business leaders from Lincoln seeing what we can find out there as well. And I think a lot of other states are doing that. I know you've heard from the Governor about where our place is in the federal, you know, pecking order of how much federal funds we get. I think we're number 49. We'd like to change that because we, we are a donor state. And that's very unusual for a, a, a state of the size of Nebraska to actually donate more federal dollars than we get back. I'd be happy to answer any questions you might have.

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

BRUCE BOHRER: Thank you very much.

CLEMENTS: Additional proponents?

STEPHANIE FISHER: Good afternoon, Chairman Clements and members of the Appropriations Committee. My name is Stephanie Fisher. That's S-t-e-p-h-a-n-i-e F-i-s-h-e-r. I serve as the city administrator for the city of Waverly and I'm here to testify on behalf of Waverly in support of LB1401. The East Beltway project is a crucial piece of infrastructure that will provide much-needed safety and connectivity on the east side of Lincoln and Lancaster County. Frequently, Waverly residents and residents of School District 145 use North 148th Street in their daily commutes to school and work. It is also used by local ag producers as they navigate to and from their fields to haul their produce to market. This 2-lane road has no shoulders, steep ditches, and more importantly, heavy traffic. It is intersected by busy crossroads that connect to Lincoln. There are black marks on the road from drivers' panic braking to avoid an accident. All of this creates dangerous driving conditions for all who travel along North 148th Street. The East Beltway would provide a safe traffic corridor for the routine commuting traffic between Omaha and Lincoln and eastern Lancaster County. By alleviating the heavy traffic on North 148th Street, it would become a safe corridor for the local travelers, travelers and agriculture traffic. The Lincoln Metropolitan Planning Organization has managed these development projects in the past. As the city administrator for Waverly, I am a voting member of the MPO Technical Committee and fully support the East Beltway project. Improving the safety of those traveling and residing in eastern Lancaster County is critical to this thriving and continuously growing area. Another benefit to Waverly is that the north terminus of the beltway would connect at Waverly. What an awesome opportunity for our community. This will create a host of developments for fuel, convenience stores, and possibly even hotels. It would incentivize additional businesses and residential development in the community, as there would be a safe and easily access route to the interstate. LB1401 provides much-needed funding to begin the necessary work for the East Beltway. Communities in eastern Lancaster County are growing. The city of Lincoln continues to expand eastward. Traffic counts will only rise. The residents of Lincoln, Lancaster County, and commuters from I-80 have been waiting for many years and are ready to see the exciting improvements in safety and connectivity that this infrastructure will bring to Nebraska. Please support LB1401 and thank you, again, for your time and I'm happy to answer any questions if you have any.

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

STEPHANIE FISHER: Thank you.

CLEMENTS: Next proponent.

CARTER THIELE: Thank you very much, Chairman Clements, members of the Appropriations Committee. My name is Carter Thiele. That's C-a-r-t-e-r T-h-i-e-l-e. I am the policy and research coordinator for the Lincoln Independent Business Association, and we support the passage of LB1401. So I'm just going to skip ahead here because a lot of this stuff would be repetitive. But without the East Beltway with 148th Street, there was a revised study that was also done in 2018, which projected that without the East Beltway, 148th Street would have around an average daily traffic volume of 15,000 vehicles by 2040. OK? And so the cost of improving the road so that it could maintain that would be around \$40 million. And the pay off period was only for 13 years. So it was very clear then and all the way back in 1996 that long-term planning is necessary under these conditions. So-- and, of course, along with the improved traffic conditions you do have the expedited eastward expansion of Lincoln, because once this new road is built it generates more traffic that will spur the creation of homes, businesses, and jobs. The investment in infrastructure is followed shortly by a multitude of investments in commercial and residential capital. So we urge this committee to support this bill and invest in the future of our transportation infrastructure. The time to act is now. Thank you very much and I would be happy to answer any questions.

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

CARTER THIELE: Thank you.

CLEMENTS: Next proponent. Is there an opponent? Any neutral testimony?

VICKI KRAMER: Good afternoon. Good afternoon, Chairman Clements. My name is Vicki Kramer, V-i-c-k-i K-r-a-m-e-r, and I'm the director of the Nebraska Department of Transportation. And I am here to testify in the neutral capacity on LB1401. I would agree with much of what has been said today. I want to focus on the bill at hand and the use of ARPA funds. So the majority of the NDOT's concern is on the eligibility of ARPA funds. So we do not believe that the department is able to use the full ARPA allocation proposed in this bill for the Lincoln East Beltway alone. There are some very specific rules about how ARPA funds for surface transportation can be used, and how soon the work must be under contract, and how quickly it must be spent. These funds must be essentially contracted by December of 2024 and

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fully expended by September of 2026. So NDOT has been working with the Federal Highway Administration and U.S. Treasury to obtain confirmation that the Lincoln East Beltway activities could meet deadlines as described, such as the design and environmental clearances that we've discussed, and that these funds are indeed eligible for the approved activities. We anticipate the full amount that could be expended for these activities would be around \$1-\$2 million. If eligibility is confirmed, NDOT anticipates the expenses would be much lower than that \$30 million as discussed. If ARPA funds are not deemed eligible for the Lincoln East Beltway or if the expenses are not as high as the appropriated, the ARPA funds would go in use in Nebraska. In an effort to prevent the potential fund loss, NDOT would ask for an amendment that would give NDOT the flexibility to use appropriated ARPA funds to preserve the existing interstate and State Highway System, in addition to using-- or in addition to progressing through on the Lincoln East Beltway development if the East Beltway project is not able to fully utilize these allocated funds. Appreciate your time and happy to answer any questions.

CLEMENTS: Are there questions? Would you repeat what amount you think would be eligible--

VICKI KRAMER: So we would have--

CLEMENTS: --for this project?

VICKI KRAMER: Yeah, \$1-\$2 million is what we anticipate.

CLEMENTS: And, again, the reason why the additional would not be.

VICKI KRAMER: So as we discussed and went, went on through here is you have essentially have to have those dollars under contract. So we are at the point where we would have to go through a NEPA reauthorization and reevaluation. That's going to take at least 2 years. So, though, IIJA provided more of a, a time lapse for projects, there's no way we would be able to expend the amount of money that is being appropriated on the East Beltway. It's not that far along in development.

CLEMENTS: And what portion of the-- of the state-- this is state highway. Does it-- would it be a state highway?

VICKI KRAMER: It would, and we would have to move that way. So as of right now, as, as was said previously, it's a protected corridor, but it's not-- there's no existing highway. So we would have to have an action that would essentially adopt a state highway as well.

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CLEMENTS: Is the state interested in partnering with that?

VICKI KRAMER: It is. As is-- as was discussed, you know, I agree with a lot of what was said. There is an importance to the project, but there's a lot of need. For those of you that were present in our, our needs hearing, our total needs for the state system is \$16.7 billion. And so we've got to balance those needs statewide. I know a lot of you have projects in your district that are also important. So we have to make sure that we are, are planning and separating the money, which makes sense for the districts and makes sense for our transportation system. So as of right now, that project is cash flowing out in the 2040's time frame.

CLEMENTS: I heard you say billion, but I didn't catch the number.

VICKI KRAMER: \$16.7 billion.

CLEMENTS: \$16.7 billion of--

VICKI KRAMER: In our 20-year needs--

CLEMENTS: --projects--

VICKI KRAMER: --for the transportation system.

CLEMENTS: --over what period?

VICKI KRAMER: The 20-year needs.

CLEMENTS: 20 years. All right.

VICKI KRAMER: So we update our annual needs every year and so that's in 2025 dollars.

CLEMENTS: Any other questions? Senator Erdman.

ERDMAN: Thank you, Senator Clements. You may not know the answer to this, but I've noticed more trucks on Highway 2 than 6, 7 months ago.

VICKI KRAMER: Yeah.

ERDMAN: You have a truck count on that? Is there something-- is there a reason why those trucks are taking that and then going to the bypass?

VICKI KRAMER: I don't know, Senator, but I'll look into that because that is concerning. I'll look into it.

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ERDMAN: Yeah, I've seen quite a few lately.

VICKI KRAMER: No, I appreciate that. We, we do a freight study, so we do look at that every, every couple of years. But if they're not using essentially the route we prepared for them, we need to know that. So I'll take a look into it.

CLEMENTS: Yeah, I noticed a pick up in the last 3 or 4 months.

VICKI KRAMER: Yep.

CLEMENTS: Other questions? Seeing none, thank you, Director Kramer.

VICKI KRAMER: Thank you.

CLEMENTS: Next neutral testimony. Seeing none, Senator Ballard.

BALLARD: Thank you, Appropriations Committee, for your time this afternoon. First, I'd like to thank Director Kramer for coming in. Very excited to work with her and the department to, to make this project happen and keep it moving along-- keep it moving along the road. I think Bruce from the chamber said it best that we can't wait another 30 or 40 years for this project to happen. I was-- I understand that this money is not going to be able to construct the project, and that's not my intention. It is continuing to move this project along and help with not only the economic development of our county, but also the safety of our residents. So I look forward to working with this committee on that issue. But I think the most glaring impact of this hearing was the buy-in, not only from the city, but the county, but also private businesses, LIBA, the chamber, federal partners on that. This is a project that is needed not only for this county and this city, but the state in southeast Nebraska as well. So I look forward to continuing to work on this. Be happy to answer any questions.

CLEMENTS: Questions? I have a question.

BALLARD: Yes.

CLEMENTS: Senator Erdman, would you let him see this map?

ERDMAN: Say that again.

CLEMENTS: Would you give him a copy of the map?

ERDMAN: No, I want mine. [LAUGHTER]

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CLEMENTS: OK. I see that there are interchanges about every 2 miles, but then there are crossing roads over road Havelock, Holdrege, A Street, Van Dorn that are all in my district, and I'm wondering if those would be bridges or underpasses or just blocked so you can't go through there?

BALLARD: I don't know the answer to that question. I will get that for you on the, the design. I don't believe this has been fully designed yet and fleshed out yet, but I will-- I'll get you a preli-- kind of a preliminary.

CLEMENTS: I see that they put pink areas on either side of the road there and just would appreciate knowing what the engineer is thinking about.

BALLARD: I'd be happy to get that. Yes.

CLEMENTS: I think it would be very inconvenient if we close roads leading into Lincoln to get one that leads up and down.

BALLARD: I, I understand and I will-- I would love to work with you on that and getting that information to you.

CLEMENTS: Thank you, Senator. Any other questions?

ERDMAN: I think that's where they're going to build the "C" stores.

CLEMENTS: It would be easier to get to the prison this way.

BALLARD: Oh, I'm not touching that one.

CLEMENTS: Oh, dear. Seeing no other questions, thank you, Senator. Do we have a-- we have position comments for the record: proponents, 3; opponents, none; neutral none. That concludes LB1401 and I will yield to Vice Chair Wishart for the next one.

WISHART: Thank you, Chairman Clements. OK, we're now going to open the hearing for LB1411.

CLEMENTS: Now I'm in the hot seat.

ERDMAN: We'll be nice to you.

CLEMENTS: Good afternoon. Thank you, Vice Chair Wishart and members of the Appropriations Committee. I am Senator Rob Clements, R-o-b C-l-e-m-e-n-t-s. I represent Legislative District 2. I am here to

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introduce LB1411, which was the last bill number of this year before the budget bills from the Governor.

WISHART: Congratulations.

CLEMENTS: LB1411 would redirect \$5,100,000 of potential unobligated federal ARPA funds for fiscal year '24-25 to the Department of Transportation for Program 569, which would award a grant to a county with a population of more than 20,000 inhabitants and less than 30,000 inhabitants for bridge construction projects. Currently, there's a large backlog of Nebraska county bridges needing to be replaced or repaired. LB1411 seeks to mitigate this problem by appropriating potential unobligated federal, federal funds toward this purpose. One of the counties that would be eligible under this definition would be Cass County and my county commissioners did ask me to bring this bill in, in case there were extra ARPA dollars that, that could be used in other counties, I suppose. But the main purpose was for the number of bridge projects. We have several creeks and we're along the Platte River in Missouri River so we have a lot of tributaries and need a lot of bridges. So thank you for consideration of LB411. I'll try to answer any questions at this time.

WISHART: Thank you, Chairman. Any questions? Senator Dover.

DOVER: I know that Senator Bostelman had talked about the, the bridge matching money and something about the Department of Transportation. Is this that bill or is there another bill out there like that?

CLEMENTS: No. Senator Bostelman has a separate bill to put money to a bridge matching program from the Department of Transportation, and this would be just ARPA dollars. That one is a different funding source.

DOVER: All right. Thank you.

WISHART: Senator Erdman.

ERDMAN: Thank you, Senator Wishart. Would this be funds that could be used to build a bridge for the MoPac Trail?

CLEMENTS: The MoPac Trail is not involved in this that I know of. No.

ERDMAN: All right. Thank you.

WISHART: Senator.

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ARMENDARIZ: Thank you. How many counties would qualify in this description?

CLEMENTS: I know of one, but I, I haven't researched any others. My research analyst-- we-- my research analyst says 3, maybe 4 counties are that size.

DORN: How many?

CLEMENTS: 3 or 4 counties are--

ERDMAN: All right.

CLEMENTS: --are over 20,000, but less than 30,000. Cass County is 26,000.

WISHART: Thank you. Any additional questions? Senator Vargas.

VARGAS: Do you anticipate from the Cass County commissioners that these funds can be expended by the end of 2026?

CLEMENTS: Yes, they-- I didn't bring in the list, but they have provided me with a list of shovel-ready. They're, they're ready to sign contracts. If they would get this, they assured me they have projects ready and contracts they could sign.

VARGAS: Have they named them the Clements Bridge? [LAUGHTER] Just wondering.

WISHART: Any additional-- any additional questions?

CLEMENTS: I have not requested naming rights.

WISHART: Seeing none, Chair, I'm assuming you're going to state to, to, to close.

CLEMENTS: Yes.

WISHART: All right. Now we'll open the hearing to proponents. Any proponents? Seeing none, any opponents? Seeing none, anyone in the neutral?

VICKI KRAMER: I'm back again. Good afternoon, Vice Chair Wishart, members of the Appropriations Committee. My name is Vicki Kramer, V-i-c-k-i K-r-a-m-e-r, and I'm the director of the Nebraska Department of Transportation. And I'm here to testify in the neutral capacity for LB1411. The bill would appropriate \$5.1 million of federal funds from

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the American Rescue Plan to the Department of Transportation in FY '24, for the purpose of awarding a grant to a county between 20 and 30 [SIC] residents for bridge construction. Right now, we, we recognize that there are 6 counties that are eligible. While NDOT is not necessarily opposed the idea of allocating Nebraska federal formula funds toward such a grant, we are concerned about the use of ARPA dollars for this purpose, given the very strict and comprehensive rules about where and when they can be used relating to transportation. The most relevant limitation would be the deadlines we have been given to obligate these funds. ARPA funds, again, must be allocated by the end of December of 2024, and fully expended before September of 2026. So this quick timeline would essentially mean the project would need to be fully designed and permitted at this time to utilize ARPA funds. ARPA funds also require that those projects are not in a STIP. As far as we are aware, there's not a specific county bridge project identified within the 6 counties that meet the population readiness criteria. This, this means we may be unable to meet the contracting and expenditure deadline and risk losing the ARPA funds appropriated for Nebraska. In an effort to prevent ARPA fund loss, NDOT would ask for an amendment that gives NDOT the flexibility to use appropriated ARPA funds to preserve the existing interstate and State Highway System if there's not an eligible project as specified under the bill ready to make use of the appropriated amount before the application deadline. Happy to answer any questions.

WISHART: Thank you. Questions?

DOVER: Yeah. So are you asking for this because it has to be appropriated by the end of 2020-- of 2024, so that you could of not use-- once you get past 2024, if you can't use and you can't reappropriate them or can you?

VICKI KRAMER: You can't. So essentially they have to be obligated by the end of 2024. And so the timeline is, is coming up very, very soon. And there are only 3 pathways identified in which you can use ARPA for surface transportation projects as identified in the SLFRF. And so it's, it's very, very strict. So the NDOT, when the Governor opened up the ability to use ARPA funds and surface transportation, did an extensive analysis on where we can use those funds. We are still working with Treasury-- and, Senator Vargas, I know I owe you that list-- we are still working with Treasury to, to confirm where we can use the money. We have included the list of projects in LB1401 and LB1411 in our ask to Treasury to understand if we can actually use the funds. It's-- it seems pretty unlikely that we can use the funds on county bridge matches because they would-- county bridge branch

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projects because they would have to essentially be ready right now and also not in a STIP. There's not many projects that meet that pathway. And so we just are asking for an amendment that if we cannot use the funds in the intent of the Legislature that we'd be allowed to use them on surface transportation projects that we've identified that are eligible for ARPA funds. When we did the full analysis, we went past the \$87.1 million that the Governor had authorized and gave a list of additional projects that could potentially be funded. So we do have projects that are on the other end of that which we could appropriate. So to answer your question, our intent is to make sure that whatever the Legislature appropriates to us in either of these bills, as well as the budget bill, we can fully expend to that amount.

DOVER: All right. Thank you.

VICKI KRAMER: Um-hum.

WISHART: Senator Erdman.

ERDMAN: Thank you, Senator Wishart. Thank you for being here, Director. So I believe Senator Clements testified that his county said that they had projects that could qualify. So there's a disconnect, one was to his right, and one isn't. The other issue is, and you may not understand this, but I seldom give people a pass for being neutral. And so I'm going to conclude both your testimonies were negative in the fact that you needed to make adjustments to the bill. And so just for the sake of conversation, that's where I'm putting your testimony, not in neutral.

VICKI KRAMER: Absolutely, Senator. I just wanted to as the DOT, since it's the Legislature's decision, provide our concerns and how the money could be spent and ask for the amendment. And we will work with Senator Clements on the counties and, and try to identify those projects.

ERDMAN: I understand that completely. I'm just telling you that--

VICKI KRAMER: Yeah, absolutely.

ERDMAN: --the position you took is not neutral.

VICKI KRAMER: Understood.

WISHART: Any additional questions? Seeing none, thank you.

VICKI KRAMER: Thank you.

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WISHART: Additional testifiers in neutral? Seeing none, Chairman Clements, you're welcome to close.

CLEMENTS: Thank you, Vice Chair Wishart. The-- I'll inquire from the county as to what their position is on how they qualify for the ARPA funds. If-- I am-- I would consider an amendment that the depart-- the director is requesting, a friendly amendment, that I do not want ARPA funds to be unused and so that would be acceptable to me. I was hoping the county commissioner who asked me for this, his name is John Winkler, the Papio NRD manager, who was here earlier but evidently he wasn't able to stay. So I'll take any other questions.

WISHART: Any other questions? Seeing none, thank you, Chairman. We also have 2 position comments: 2 proponents, zero opponents, and zero neutral. And that closes our hearing for LB1411 and that closes our hearings for the day and for the session.