

NEBRASKA NATURAL RESOURCES COMMISSION

Water Sustainability Fund

Application for Funding

Section A.

ADMINISTRATIVE

PROJECT NAME: Omaha CSO Program

PRIMARY CONTACT INFORMATION

Entity Name: City of Omaha

Contact Name: Marty Grate

Address: 1819 Farnam Suite 601 Omaha NE 68183

Phone: 402-444-5220

Email: martin.grate@cityofomaha.org

Partners / Co-sponsors, if any: [Click here to enter text.](#)

1. Dollar amounts requested: (Grant, Loan, or Combination)

Grant amount requested. 10 % of year one funding (\$ 2,900,000)

Loan amount requested. \$ 0

0

If Loan, how many years repayment period?

If Loan, supply a complete year-by-year repayment schedule.

2. Permits Needed - Attach copy for each obtained (N/A = not applicable)

Nebraska Game & Parks Commission
(G&P) consultation on Threatened and
Endangered Species and their Habitat

N/A Obtained: YES NO

Surface Water Right

N/A Obtained: YES NO

USACE (e.g., 404 Permit) N/A Obtained: YES NO

Cultural Resources Evaluation N/A Obtained: YES NO

Other (provide explanation below) N/A Obtained: YES NO
Click here to enter text.

3. Are you applying for funding for a combined sewer over-flow project?

YES NO

If yes, do you have a Long Term Control Plan that is currently approved by the Nebraska Department of Environmental Quality?

YES NO

If yes attach a copy to your application. **Executive Summary and letter of approval from NDEQ attached. Full application may be downloaded at: <http://www.omahacso.com/resources/ltcpdocs/>**

If yes what is the population served by your project? 600,000

If yes provide a demonstration of need. The cost of Omaha's federally mandated Combined Sewer Overflow (CSO) program will exceed \$2,000,000,000. The burden of this expense will be shared among the residents and businesses in the Omaha metropolitan area. Monthly sewer fees for a typical residential user of the Omaha system have risen from \$10 in 2006 to over \$40 in 2015. By 2018 the charges are scheduled to increase to over \$50 per month. Attached is a financial capability assessment that was completed in 2013 which concludes that low income residents are experiencing a high burden and increases sewer fees will likely yield widespread financial hardship in future years.

If yes and you were approved for funding in the most recent funding cycle, then resubmit the above information updated annually but you need not complete the remainder of the application.

4. If you are or are representing an NRD, do you have an Integrated Management Plan in place, or have you initiated one?

N/A YES NO

5. Has this application previously been submitted for funding assistance from the Water Sustainability Fund and not been funded?

YES NO

If yes, have any changes been made to the application in comparison to the previously submitted application? [Click here to enter text.](#)

If yes, describe the changes that have been made since the last application. [Click here to enter text.](#)

No, I certify the application is a true and exact copy of the previously submitted and scored application. (Signature required) [Click here to enter text.](#)

6. Complete the following if your project has or will commence prior to next July 1st.

As of the date of submittal of this application, what is the Total Net Local Share of Expenses incurred for which you are asking cost share assistance from this fund? \$ As of December 31, 2015 Omaha has expended \$ 254,926,266. With this application, we are requesting \$2.9M per the intent of the Water Sustainability Fund legislation of 2015.

Attach all substantiating documentation such as invoices, cancelled checks etc. along with an itemized statement for these expenses. See attached excerpt from the City of Omaha 2016 budget. The information presented includes details on expenditures to date and future expenditures. The information on expenditures to date is from the City's Oracle financial system. All invoices and expenses are entered into this system, which is audited annually. Any additional details may be provided upon request.

Estimate the Total Net Local Share of Expenses and a description of each you will incur between the date of submittal of this application and next July 1st for which you are asking cost share assistance from this fund. Future projected expenses are shown in the attached 2016 budget sheet referenced above. The estimated net local share of projected expenses is 100%.
\$

Section B.

DNR DIRECTOR'S FINDINGS

Does your project include physical construction (defined as moving dirt, directing water, physically constructing something, or installing equipment)?

YES NO **SEE: <http://www.omahacso.com/resources/ltcpdocs/>**

1(a). If yes (structural), submit a feasibility report (to comply with Title 261, CH 2) including engineering and technical data and the following information:

A discussion of the plan of development (004.01 A);

The City of Omaha, in compliance with the federal mandate to reduce overflows from its combined sewer system has entered into a consent order with the NDEQ to implement a long term control plan (LTCP). Attachments and the link above provide detail on Omaha's \$2 billion commitment to infrastructure improvements. See attached 2009 CSO LTCP and the 2014 LTCP update.

A description of all field investigations made to substantiate the feasibility report (004.01 B); Omaha's LTCP is comprised of approximately 100 project components. Each project is evaluated for feasibility through site specific field evaluation and study. These efforts are described in the LTCP, which has been approved by the NDEQ. Also refer to attached 2014 LTCP update.

Maps, drawings, charts, tables, etc., used as a basis for the feasibility report (004.01 C); The LTCP document can be downloaded from the internet site: <http://www.omahacso.com/resources/ltcpdocs/> This document includes maps, drawings, charts, tables that detail the City's plans. Also refer to 2014 LTCP Update.

A description of any necessary water and land rights and pertinent water supply and water quality information, if appropriate (004.01 D); Omaha believes that there are no land or water rights or water supply issues associated with this program. The program is a water quality mandate driven primarily by concerns over bacteria criteria.

A discussion of each component of the final plan including, when applicable (004.01 E); The LTCP provides a detail discussion of the the components of the plan. Also refer to the 2014 LTCP update.

Required geologic investigation (004.01 E 1); Geologic investigations will be conducted on a number of the LTCP projects. Notable is the anticipated \$400M deep rock tunnel that parallels the Missouri River

Required hydrologic data (004.01 E 2); Omaha has invested in a dynamic Infoworks™ hydraulic model of its sewer system that has helped guide us to the most cost effective control plan for overflows.

Design criteria for final design including, but not limited to, soil mechanics, hydraulic, hydrologic, structural, embankments and foundation criteria (004.01 E 3). Each of Omaha's program elements undergoes study for soil mechanics, hydraulic, hydrologic, structural, embankments and foundation criteria. The near term project design criteria can be reviewed through documents available at our website: www.omahacso.org

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- 1(b). If no (non-structural), submit data necessary to establish technical feasibility including, but not limited to the following (004.02):N/A

A discussion of the plan of development (004.02 A); See attached 2009 LTCP along with the 2014 LTCP update.

A description of field or research investigations utilized to substantiate the project conception (004.02 B); Field investigations were ongoing during the development of the 2009 LTCP. This included both investigations of existing assets along with the collection of water quality data, including a study completed by the USGS for the City of Omaha in 2006/2007 to understand the impacts of the CSO's on the Missouri River and the Papillion Creek..

A description of the necessary water and/or land rights, if applicable (004.02 C); There are no anticipated water or land rights for the CSO Program. The CSO Program is a water quality Program that will reduce the impacts of Omaha's combined sewer system to the Missouri River and the Papillion Creek.

A discussion of the anticipated effects, if any, of the project upon the development and/or operation of existing or envisioned structural measures including a brief description of any such measure (004.02 D). Refer to the 2009 LTCP and the 2014 LTCP Update.

2. Provide evidence that there are no known means of accomplishing the same purpose or purposes more economically, by describing the next best alternative. The development of the 2009 LTCP included the evaluation of over 300 alternatives. Alternatives were evaluated based on cost, risk, and benefit. The second alternative contained a series of remote high rate treatment facilities along the Missouri River in lieu of a deep tunnel. This

alternative was deemed to be operationally more difficult, and carried a higher risk for regulatory compliance.

3. Document all sources and report all costs and benefit data using current data, (commodity prices, recreation benefit prices, and wildlife prices as prescribed by the Director) using both dollar values and other units of measurement when appropriate (environmental, social, cultural, data improvement, etc.). The period of analysis for economic feasibility studies shall be fifty (50) years or with prior approval of the Director, up to one hundred (100) years [T261 CH 2 (005)].
 - Describe any relevant cost information including, but not limited to the engineering and inspection costs, capital construction costs, annual operation and maintenance costs, and replacement costs. Cost information shall also include the estimated construction period as well as the estimated project life (005.01). Refer to the 2009 LTCP and the 2014 LTCP update. All projects included in the LTCP were developed and updated at a conceptual level in the original LTCP and updated in 2014. All projects were evaluated for both capital and long term O&M costs. The City updates individual project cost estimates as a project progresses from the study phase, throughout the design, and during construction.
 - Only primary tangible benefits may be counted in providing the monetary benefit information and shall be displayed by year for the project life. In a multi-purpose project, estimate benefits for each purpose, by year, for the life of the project. Describe any intangible or secondary benefits separately. In a case where there is no generally accepted method for calculation of primary tangible benefits describe how the project will increase water sustainability, such that the economic feasibility of the project can be approved by the Director and the Commission (005.02). During the development of the 2009 LTCP update, individual projects and the overall Plan were evaluated on both costs and non-monetary benefits. Refer to the 2009 LTCP for detailed description.
 - All benefit and cost data shall be presented in a table form to indicate the annual cash flow for the life of the proposal, not to exceed 100 years (005.03). The 2009 LTCP contains the cost/benefit information used for this evaluation. Please reference that document for this information, as it was used to compile the original plan.. Updates to these original cash flow projections are made on a periodic basis.
 - In the case of projects for which there is no generally accepted method for calculation of primary tangible benefits and if the project will increase water sustainability, the economic feasibility of such proposal shall be demonstrated by such method as the Director and the Commission deem appropriate (005.04). ???

4. Provide evidence that sufficient funds are available to complete the proposal. The City has a rate ordinance in place through 2018. The City will be gathering data including an affordability analysis update the rates necessary to funds the program that will be required to fund the program beyond the current rate ordinance.

5. Provide evidence that sufficient annual revenue is available to repay the reimbursable costs and to cover OM&R (operate, maintain, and replace). The City maintains a detailed financial rate model that was used to develop the rate ordinance that is currently in place until 2018. The attached excerpt from the City of Omaha's published budget document shows the funds that have been allocated through the City's budget process to pay for the program.

6. If a loan is involved, provide sufficient documentation to prove that the loan can be repaid during the repayment life of the proposal. The City has an SRF loan with the NDEQ. The City also utilizes revenue bonding as a financing mechanism. Both of these are repaid from rate revenues that are detailed by the City's rate ordinance.

7. Describe how the plan of development minimizes impacts on the natural environment. The CSO Program is a water quality program that will improve the environment. Each project, when constructed, follows all environmental rules and regulations to ensure environmental compliance is achieved.

8. Explain how you are qualified, responsible and legally capable of carrying out the project for which you are seeking funds. The City of Omaha has been a regional wastewater provider for decades, serving a population of over 600,000. The City has provided cost effective and responsible service for Omaha and the surrounding communities, with a staff of professionals and contracted consultants that ensure that responsible and capable personnel are in place to carry out the program. The City is the authorized NPDES permittee for wastewater collection and treatment for the region.

9. Explain how your project considers plans and programs of the state and resources development plans of the political subdivisions of the state. The CSO Program compiles with the City of Omaha's Consent Order with the State of Nebraska. The 2009 LTCP and the 2014 LTCP update documents were developed to meet the requirements of this State Order.
10. Are land rights necessary to complete your project?

YES NO

If yes, provide a complete listing of all lands involved in the project.

[Click here to enter text.](#)

If yes, attach proof of ownership for each easements, rights-of-way and fee title currently held.

[Click here to enter text.](#)

If yes, provide assurance that you can hold or can acquire title to all lands not currently held.

[Click here to enter text.](#)

11. Identify how you possess all necessary authority to undertake or participate in the project. The CSO Program operates under an NPDES permit. I am the authorized representative for Mayor Stothert for that permit.
12. Identify the probable environmental and ecological consequences that may result as the result of the project. The CSO program will reduce the impacts of CSO's and help improve the water quality of the Missouri River and the Papillion Creek.

Section C.

NRC SCORING

NOT APPLICABLE

In the NRC's scoring process, points will be given to each project in ranking the projects, with the total number of points determining the final project ranking list.

The following 15 criteria constitute the items for which points will be assigned. Point assignments will be 0, 2, 4, or 6 for items 1 through 8; and 0, 1, 2, or 3 for items 9 through 15. Two additional points will be awarded to projects which address issues determined by the NRC to be the result of a federal mandate.

Notes:

- The responses to one criterion will not be considered in the scoring of other criteria. Repeat references as needed to support documentation in each criterion as appropriate. The 15 categories are specified by statute and will be used to create scoring matrixes which will ultimately determine which projects receive funding.
- There is a total of 69 possible points, plus two bonus points. The potential number of points awarded for each criteria are noted in parenthesis. Once points are assigned, they will be added to determine a final score. The scores will determine ranking.
- The Commission recommends providing the requested information and the requests are not intended to limit the information an applicant may provide. An applicant should include additional information that is believed will assist the Commission in understanding a proposal so that it can be awarded the points to which it is entitled.

Complete any of the following (15) criteria which apply to your project. Your response will be reviewed and scored by the NRC. Place an N/A (not applicable) in any that do not apply, an N/A will automatically be placed in any response fields left blank.

1. Remediates or mitigates threats to drinking water;
 - Describe the specific threats to drinking water the project will address.
 - Identify whose drinking water, how many people are affected, how will project remediate or mitigate.
 - Provide a history of issues and tried solutions.
 - Provide detail regarding long range impacts if issues are not resolved.

[Click here to enter text.](#)

2. Meets the goals and objectives of an approved integrated management plan or ground water management plan;
 - Identify the specific plan that is being referenced including date, who issued it and whether it is an IMP or GW management plan.
 - Provide the history of work completed to achieve the goals of this plan.
 - List which goals and objectives of the management plan the project provides benefits for and how the project provides those benefits.

Click here to enter text.

3. Contributes to water sustainability goals by increasing aquifer recharge, reducing aquifer depletion, or increasing streamflow;

List the following information that is applicable:

- The location, area and amount of recharge;
- The location, area and amount that aquifer depletion will be reduced;
- The reach, amount and timing of increased streamflow. Describe how the project will meet these objectives and what the source of the water is;
- Provide a detailed listing of cross basin benefits, if any.

Click here to enter text.

4. Contributes to multiple water supply goals, including, but not limited to, flood control, agricultural use, municipal and industrial uses, recreational benefits, wildlife habitat, conservation of water resources, and preservation of water resources;

- List the goals the project provides benefits.
- Describe how the project will provide these benefits
- Provide a long range forecast of the expected benefits this project could have versus continuing on current path.

Click here to enter text.

5. Maximizes the beneficial use of Nebraska's water resources for the benefit of the state's residents;

- Describe how the project will maximize the increased beneficial use of Nebraska's water resources.
- Describe the beneficial uses that will be reduced, if any.
- Describe how the project provides a beneficial impact to the state's residents.

Click here to enter text.

6. Is cost-effective;

- List the estimated construction costs, O/M costs, land and water acquisition costs, alternative options, value of benefits gained.
- Compare these costs to other methods of achieving the same benefits.
- List the costs of the project.
- Describe how it is a cost effective project or alternative.

[Click here to enter text.](#)

7. Helps the state meet its obligations under interstate compacts, decrees, or other state contracts or agreements or federal law;

- Identify the interstate compact, decree, state contract or agreement or federal law.
- Describe how the project will help the state meet its obligations under compacts, decrees, state contracts or agreements or federal law.
- Describe current deficiencies and document how the project will reduce deficiencies.

[Click here to enter text.](#)

8. Reduces threats to property damage or protects critical infrastructure that consists of the physical assets, systems, and networks vital to the state or the United States such that their incapacitation would have a debilitating effect on public security or public health and safety;

- Identify the property that the project is intended to reduce threats to.
- Describe and quantify reductions in threats to critical infrastructure provided by the project and how the infrastructure is vital to Nebraska or the United States.
- Identify the potential value of cost savings resulting from completion of the project.
- Describe the benefits for public security, public health and safety.

[Click here to enter text.](#)

9. Improves water quality;

- Describe what quality issue(s) is/are to be improved.
- Describe and quantify how the project improves water quality, what is the target area, what is the population or acreage receiving benefits, what is the usage of the water: residential, industrial, agriculture or recreational.
- Describe other possible solutions to remedy this issue.
- Describe the history of the water quality issue including previous attempts to remedy the problem and the results obtained.

[Click here to enter text.](#)

10. Has utilized all available funding resources of the local jurisdiction to support the program, project, or activity;

- Identify the local jurisdiction that supports the project.
- List current property tax levy, valuations, or other sources of revenue for the sponsoring entity.
- List other funding sources for the project.

[Click here to enter text.](#)

11. Has a local jurisdiction with plans in place that support sustainable water use;

- List the local jurisdiction and identify specific plans being referenced that are in place to support sustainable water use.
- Provide the history of work completed to achieve the goals of these plans.
- List which goals and objectives this project will provide benefits for and how this project supports or contributes to those plans.
- Describe and quantify how the project supports sustainable water use, what is the target area, what is the population or acreage receiving benefits, what is the usage of the water: residential, industrial, agriculture or recreational.
- List all stakeholders involved in project.
- Identify who benefits from this project.

[Click here to enter text.](#)

12. Addresses a statewide problem or issue;

- List the issues or problems addressed by the project and why they should be considered statewide.
- Describe how the project will address each issue and/or problem.
- Describe the total number of people and/or total number of acres that would receive benefits.
- Identify the benefit, to the state, this project would provide.

[Click here to enter text.](#)

13. Contributes to the state's ability to leverage state dollars with local or federal government partners or other partners to maximize the use of its resources;

- List other funding sources or other partners, and the amount each will contribute, in a funding matrix.
- Describe how each source of funding is made available if the project is funded.

- Provide a copy or evidence of each commitment, for each separate source, of match dollars and funding partners.
- Describe how you will proceed if other funding sources do not come through.

[Click here to enter text.](#)

14. Contributes to watershed health and function;

- Describe how the project will contribute to watershed health and function in detail and list all of the watersheds affected.

[Click here to enter text.](#)

15. Uses objectives described in the annual report and plan of work for the state water planning and review process issued by the department.

- Identify the date of the Annual Report utilized.
- List any and all objectives of the Annual Report intended to be met by the project
- Explain how the project meets each objective.

[Click here to enter text.](#)

16. Federal Mandate Bonus. If you believe that your project is designed to meet the requirements of a federal mandate which furthers the goals of the WSF, then:

- Describe the federal mandate.
- Provide documentary evidence of the federal mandate.
- Describe how the project meets the requirements of the federal mandate.
- Describe the relationship between the federal mandate and how the project furthers the goals of water sustainability.

[Click here to enter text.](#)

Section D.

PROJECT DESCRIPTION

1. Overview

In 1,000 characters or less, provide a brief description of your project including the nature and purpose of the project and objectives of the project.

The Omaha CSO program is an unfunded federal mandate that requires a reduction in the overflow of raw sewage from Omaha's regional wastewater system.

2. Project Tasks and Timeline

Identify what activities will be conducted by the project. For multiyear projects please list what activities are to be completed each year.

The City's updated long term control plan includes 91 projects that are to be completed by 2027. **SEE: <http://www.omahacso.com/resources/ltcpdocs/>**

3. Partnerships

Identify the roles and responsibilities of agencies and groups involved in the proposed project regardless of whether each is an additional funding source. List any other sources of funding that have been approached for project support and that have officially turned you down. Attach the rejection letter.

The City partners with the NDEQ working together to ensure regulatory compliance, and has utilized SRF loans from the NDEQ to fund portions of the program.. The NET has provided 2.1 million dollars in grants to Omaha for the CSO program. The City works in partnership with the Papio-Missouri River NRD to improve water quality throughout the urbanized areas of the Papillion Creek watershed.

4. Other Sources of Funding

Identify the costs of the entire project, what costs each other source of funding will be applied to, and whether each of these other sources of funding is confirmed. If not, please identify those entities and list the date when confirmation is expected. Explain how you will implement the project if these sources are not obtained.

The present cost estimate (in 2015 dollars) is over \$2,000,000,000 to be financed through bonds and loans and funded through sewer fees. The City will continue to seek grants from the NET, will utilize SRF funding when available, however at this time, the program is funded nearly 100% from local revenues, and no additional funding sources

have been identified. In addition, the City continues to look for more cost effective solutions to those currently contained in the CSO LTCP.

5. Support/Opposition

Discuss both support and opposition to the project, including the group or interest each represents. The City has utilized a Public Participation coordinator since the development of the LTCP. The City attempts to allow for all stakeholders, including residents, businesses, and industrial customers. Most notable opposition is generally at the project level and is related to disruption of construction related activities that impact the local residents and businesses. A coalition of industrial ratepayers voiced opposition to the rising sewer rates, but not to the program in general. In response, a compromise was made to adjust the industrial rates of the City's largest water users by spreading costs out over a larger industrial/commercial ratepayer base. In general, the citizens are in favor of the program as it relates to the accomplishments that will be made with the water quality of the receiving streams.

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