

LR 314 Technical Working Group #6

DNR and NRDs: Coordinator -- Kent Miller (Manager, Twin Platte NRD)

Dennis Strauch, General Manager, Pathfinder Irrigation District
Lyndon Vogt, Manager, Upper Niobrara-White NRD
Glenn Johnson, Manager, Lower Platte South NRD
Curt Friesen, farmer/Nebraska Corn Board
Larry Moore, farmer/Upper Big Blue NRD Board of Directors
Steve Gaul, Nebraska Department of Natural Resources

Staffer: Lisa Johns (Sen. Smith)

Group 6 was given a list of 8 questions. The questions and responses are provided below in items a-h as follows:

- a. What is each NRDs budget, funding mechanisms, levy authority, levy use, and project costs? (pages 1-5)**
- b. Are the same tools/practices used in rural and urban NRDs? What is the difference in costs? (page 5)**
- c. When do the DNR and NRDs conduct research/data gathering/do analysis on the same topics for the same purposes? (page 5)**
- d. What are the differences in the methods/science used and costs? (page 5)**
- e. In what areas do the DNR and NRDs partner their resources? (page 6)**
- f. In what areas do they not partner resources? (page 6)**
- g. What is the role of irrigation districts in this dynamic? (pages 6-7)**
- h. What are the costs associated with changes in basin appropriation status? (pages 7-8)**

The responses were gathered by survey and included in Exhibits A-F as follows:

- Exhibit A** – NRD Budget Information
- Exhibit B** – NRD Projects
- Exhibit C** – Nebraska Water Use by NRD
- Exhibit D** – Nebraska Water Studies by NRD
- Exhibit E** – Nebraska State Irrigation Districts Association Member Survey
- Exhibit F** – NRD Cost for Basin Status Changes

- a. What is each NRDs budget, funding mechanisms, levy authority, levy use, and project costs?**

For FY 2011-12, Table 1 provides a summary of the NRD budget information. A detailed list is in Exhibit A to this report.

LR 314 Technical Working Group #6

DNR and NRDs: Coordinator -- Kent Miller (Manager, Twin Platte NRD)

Dennis Strauch, General Manager, Pathfinder Irrigation District Lyndon Vogt, Manager, Upper Niobrara-White NRD Glenn Johnson, Manager, Lower Platte South NRD Curt Friesen, farmer/Nebraska Corn Board Larry Moore, farmer/Upper Big Blue NRD Board of Directors Steve Gaul, Nebraska Department of Natural Resources

Staffer: Lisa Johns (Sen. Smith)

Group 6 was given a list of 8 questions. The questions and responses are provided below in items a-h as follows:

- a. What is each NRDs budget, funding mechanisms, levy authority, levy use, and project costs? (pages 1-5) b. Are the same tools/practices used in rural and urban NRDs? What is the difference in costs? (page 5) c. When do the DNR and NRDs conduct research/data gathering/do analysis on the same topics for the same purposes? (page 5) d. What are the differences in the methods/science used and costs? (page 5) e. In what areas do the DNR and NRDs partner their resources? (page 6) f. In what areas do they not partner resources? (page 6) g. What is the role of irrigation districts in this dynamic? (pages 6-7) h. What are the costs associated with changes in basin appropriation status? (pages 7-8)**

The responses were gathered by survey and included in Exhibits A-F as follows:

Exhibit A – NRD Budget Information Exhibit B - NRD Projects Exhibit C – Nebraska Water Use by NRD Exhibit D – Nebraska Water Studies by NRD Exhibit E – Nebraska State Irrigation Districts Association Member Survey Exhibit F – NRD Cost for Basin Status Changes

- a. What is each NRDs budget, funding mechanisms, levy authority, levy use, and project costs?**

For FY 2011-12, Table 1 provides a summary of the NRD budget information. A detailed list is in Exhibit A to this report.

LR 314 Group 6 - December 22, 2011

Table 1 – NRD Budget Summary. NOTE. Occupation tax is not included in Total Amount Requested. Numbers will not add to 100% due to rounding.

Total Disbursements Total Valuation

and Transfers

2

Total Requested Amount

% of Average

Total Levy

Request TOTAL \$160,609,254,247 \$249,298,211 \$60,056,496 3.7393 100.00%

General Levy \$160,609,254,247 n/a \$48,837,846 3.0408 81.32% Groundwater

**Levy \$115,885,240,298 n/a \$ 4,071,957 0.3514 6.78% Groundwater Levy - Fully
Appropriated \$22,834,947,274 n/a \$5,995,155 2.6254 9.98%**

Bonding Indebtedness \$ 51,937,829,003 n/a \$ 1,110,895 0.2139 1.84%

Occupation Tax \$ 1,105,354 Acres \$10,603,544 \$ 9.50

Per Acre Average

Valuation Range -- \$1,225,961,720 (Middle Niobrara NRD) to \$51,937,829,003 (Papio- Missouri River NRD)

Property Tax Range -- \$382,749 (Lower Niobrara NRD) to \$17,011,250 (Papio-Missouri River NRD)

Total Levy Range – 2.02 cents (Upper Niobrara White NRD) to 6.9 cents (Twin Platte NRD)

NRDs budgeted total disbursements \$249 Million. Income for total disbursements is derived from all sources of revenue including, but not limited to, federal funds, state funds, private grants, interlocal agreements, income for services, and property taxes.

Total Property Tax - \$60,065,496 -- (Average Levy 3.7393). This levy is the total levy from all levy authorities listed below.

General 4.5 cent levy – NRDs are authorized to levy 4.5 cents/\$100 valuation for all general operations and duties. Some districts include water programs in this levy.

Total collections - \$48,837,846 Average levy = 3.0408

Groundwater 1.0 Cent levy - NRDs are authorized to levy an additional 1.0 cent/\$100 valuation for groundwater programs. Not all districts separate groundwater programs under this authority. Some use the general levy or a mix of general levy and the groundwater levy authority. These decisions are made by the local NRD board.

Total Collections - \$4,071,957 Average Levy = 0.3514 17 NRDs use the Groundwater Levy

LR 314 Group 6 - December 22, 2011

Fully/ Over Appropriated 3.0 Cent levy – NRDs that have been determined to be fully or over-appropriated are authorized to levy an additional 3.0 cents/\$100 valuation for Integrated Water Management. This levy is scheduled to sunset after the 2017-18 fiscal year.

Total Collections - \$5,995,155 Average levy = 2.6254 5 NRDs use this authority

Bonded Indebtedness (1.0 Cent max) – Only the Papio-Missouri River NRD is authorized to bond for stormwater management and flood control. The levy authority for bonding is 1.0 cent maximum and is included in the 4.5 cent maximum levy.

Total Collections - \$1,110,895 Bonding Levy = 0.2139

Occupation Tax \$10.6 Million – NRDs that have been determined to be fully or over-appropriated are authorized to levy an occupation tax on irrigated acres within their district boundary of up to \$10/irrigated acre for water management. Prior to authorization to use the occupation tax, NRDs must have the tax identified in their approved Integrated Management Plan (IMP) and include what the funds will be used for. At this time, three NRDs have included this in their IMP (Upper, Middle and Lower Republican NRDs). The occupation tax is separate from property tax and not included in the property tax total. It is included in total disbursements and transfers.

Total Collections - \$10,603,544 Average Rate - \$9.50/certified irrigated acre 3 NRDs use this authority

NRD Projects The NRDs were asked to provide a list of water projects and sources of revenue. These include water banking, water purchase, leases, water conservation programs, cost-share programs, some development fund projects, water studies and other related programs. We would urge caution to adding these numbers to other study or project cost for other group assignments as it may result in double-counting projects. A detailed list is included in Exhibit B. These are placed into the following classifications and sources of revenue.

Existing Projects – over the next five years (FY 11-12 to FY 15-16)

- Total -- \$470,749,695
- State-- \$64,703,670
- NRD -- \$283,865,260
- Other - \$122,180,765

New Projects – over the next five years (FY 11-12 to FY 15-16)

- Total -- \$196,394,040
- State-- \$52,626,331
- NRD -- \$70,512,197
- Other - \$73,255,513

LR 314 Group 6 - December 22, 2011

TOTAL Existing and New Projects over the next 5 years (FY 11-12 to FY 15- 16)

- Total -- \$667,143,735
- State-- \$117,330,001
- NRD -- \$354,377,457
- Other - \$195,436,278

Existing Projects – over the following five year period (FY 16-17 to FY 20- 21)

- State-- \$14,017,300
- NRD -- \$91,473,608
- Total -- \$105,490,908

New Projects – over the following five year period (FY 16-17 to FY 20-21)

- State-- \$38,069,972
- NRD -- \$35,181,413
- Total -- \$73,251,385

TOTAL Existing and New Projects over the following five year period (FY 16-17 to FY 20-21)

- State-- \$52,087,272
- NRD -- \$126,655,021
- Total -- \$178,742,293

SPECIAL Projects over the next 5 years (FY 11-12 to FY 15-16). -- Urban, Rural, Agricultural, Industrial, Municipal, Public Power, Recreation, or other Conservation projects

- Total -- \$63,118,300
- State-- \$2,666,000
- NRD -- \$16,178,000
- Other - \$44,274,300

SPECIAL Projects over the following five year period (FY 16-17 to FY 20- 21)

- State-- \$2,560,000
- NRD -- \$17,230,000
- Total -- \$19,790,000

NOTE: There was over \$67,980,000 in projects rejected over the past couple of years. This could be for a variety of reasons, including but not limited to, lack of funding, did not meet cost-benefit and/or lack of support. Also note this is not a

complete list as not every request for funding was listed as the smaller, individual requests for additional cost share or funding are not reported.

b. Are the same tools/practices used in rural and urban NRDs? What is the difference in costs?

No. There are significant differences in tax base, resource management, program needs, etc. For example, flood control and recreation projects are demanded more in eastern Nebraska where there is more rainfall and which are also near population centers. There is less demand for irrigation.

By contrast, in central and western Nebraska there are higher demands for irrigation and less demand for flood control and recreation.

For tax base comparison:

- A 1 cent levy in the Papio Missouri River NRD will raise about \$5.2 million.
- A 1 cent levy in the entire Republican River Basin (3 NRDs) will raise \$625,000.
- A \$1/acre tax on irrigated land in the Republican River Basin (3 NRDs) will raise \$1.1 million
- A \$1/acre tax on irrigated land in the Papio Missouri River NRD will raise about \$59,500.

NOTE: See Exhibit C to this report for Nebraska Water Use by NRD to get irrigated acres

c. When do the DNR and NRDs conduct research/data gathering/do analysis on the same topics for the same purposes?

All twenty-three NRDs have active research/data gathering. Twenty one of the twenty three NRDs currently have active research or modeling projects in partnership with DNR. The two districts that do not currently have projects with DNR did have in the past 3 years. If analysis is being done on the same topics for the same purpose it is generally done as a partnership. Data gathered by the NRDs is public information and is available under the Freedom of Information Act.

NOTE: See Exhibit D for a list of water research studies by NRD

d. What are the differences in the methods/science used and costs?

Cost of studies has become a major factor in seeking multiple partners. A number of the current studies would not be financially possible without DNRs involvement. The difference in methods used if DNR was a partner was only mentioned once in the reported studies that are currently under way and the disagreement mentioned was between DNR and USGS, not the NRD.

e. In what areas do the DNR and NRDs partner their resources?

If the study is beneficial to both entities it appears resources are partnered even if the assistance is only in-kind. Ground water modeling and Integrated Management studies are beneficial to both the DNR and NRDs.

f. In what areas do they not partner resources?

If the study does not directly relate to the responsibilities of both entities such as water quality or the NRD has its own Engineer which can complete a project in house and save costs.

g. What is the role of irrigation districts in this dynamic?

Working Group #6 answered this question by gathering information about the role of irrigation districts in the Integrated Management Planning process and thought that the experiences of irrigation districts in that process would be helpful information for the Legislature.

To gather information from the various irrigation districts, public power & irrigation districts and canal companies a questionnaire (See Exhibit E) was prepared and circulated to 27 irrigation districts, public power and irrigation districts and canal companies through the email list of the Nebraska State Irrigation Association. While the 27 entities polled do not represent all of the irrigation entities in the state, the group is a sampling from almost all of the river basins.

Of the 27 questionnaires sent, 13 responded (about 50%). Of the 13 that replied, 10 responded that the Integrated Management Planning process was either underway or completed for their service area. Of the 10 involved in the IMP process, 3 reported that their input was heard, 1 response was neutral and 5 responded that their concerns and input were not heard nor addressed in the IMPs, and 1 had no response.

When asked if DNR performed up to the irrigation districts' expectation in the IMP process, of the 13 that responded, 5 expressed frustration with DNR's leadership in the process. The districts that responded were also equally split as to whether their role and opinion were valued in the IMP process.

Though Group #6 limited the focus of the questionnaire to the role of irrigation districts in the Integrated Management Planning process, it should be noted irrigation districts are regular partners in the various studies conducted by NDRs, providing financial contributions or in-kind services. In the past year, several irrigation districts and canal companies participated with DNR and the NRDs in a ground water recharge project using excess flows of the North Platte and Platte River System.

A tabular report of the responses received to the questionnaire is found in Exhibit E.

Conclusion: From the responses received, it appears that in areas of very little conflict between surface water users and groundwater users, the IMP process and final plan were accepted by the surface water districts. In areas of conflict such as the Republican River and the Platte River Basins, acceptance of the IMP process, the role DNR played and the final plan were not adequate to many of the surface water districts.

h. What are the costs associated with changes in basin appropriation status?

The NRDs were asked to estimate the cost of basin appropriation status changes and what cost were associated with the changes. A detailed report is included in Exhibit F.

- Eighteen of the 23 NRDs have either developed an IMP or have a limited growth plan (LB 483) developed or under development.
- There are 5 NRDs that have Fully & Over Appropriated IMPs.
 - The three Republican Basin NRDs are fully appropriated for the entire district and are on their 3rd IMP revision.
 - Two NRDs have a portion of their district declared fully appropriated and have developed IMPs.
- Eight NRDs have developed limited growth plans under LB 483 passed in 2009.
 - Three NRDS are working on limited growth plans under LB 483 since the Nebraska Supreme Court ruled in 2011 that the Niobrara River is not fully appropriated.
 - Four NRDs are currently developing a voluntary IMP authorized under LB 764 passed in 2010.
 - Five NRDs have discussed or are considering voluntary IMPs authorized under LB 764.

The districts have spent over \$41.5 million dollars to develop, adopt and implement IMPs or limited growth programs under LB 483. This does not include all costs for all the districts involved as some of the districts did not include all costs related to water use reduction programs. Also, it does not include all cost to develop a voluntary IMP.

LB 483 NOTE: The limited growth programs are authorized under LB 483 passed in 2009. The bill changed the planning process for NRDs when a determination is made that the district was preliminarily determined to be fully appropriated, but later determined not be fully appropriated. The districts developed rules and regulations to allow limited growth that would not reach a point to cause a fully appropriated determination. Also, DNR cannot grant more than 834 acres of new surface water

LR 314 Group 6 - December 22, 2011

appropriations for irrigation and cannot issue a new appropriation that would result in a fully appropriated status.

Fully and Over-appropriated IMPs- Five Districts

- Central Platte
- South Platte
- North Platte
- Tri-Basin
- Twin Platte

Fully Appropriated IMPs- Three Districts

- Lower Republican (3rd Version)
- Middle Republican (3rd Version)
- Upper Republican (3rd Version)

District partially Fully Appropriated IMP- Two Districts

- Upper Big Blue
- Upper Niobrara White

LB 483 – Limited Growth Restrictions- Eight Districts

- Upper Elkhorn
- Lower Elkhorn
- Upper Loup
- Lower Loup
- Papio Missouri River
- Lower Platte South
- Lower Platte North
- Upper Big Blue

LB 483 – Limited Growth Restrictions- – Niobrara

- Lower Niobrara
- Middle Niobrara
- Upper Niobrara-White

Voluntary IMP being developed- Four Districts

- Lower Niobrara
- Lower Platte North
- Lower Platte South

- Papio-Missouri River

Voluntary IMP discussed or considered- Five Districts

- Upper Elkhorn
- Lower Elkhorn
- Upper Loup
- Lower Loup
- Lewis & Clark